

# Payroll

Product Summary

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# Payroll

Welcome to the Payroll Administrator Guide, where you can learn how to configure and use Workday Payroll.

The majority of the guide covers the core, or global, parts of Payroll. The core topics in the table of contents are arranged to lead you through actions to take before using payroll, when you run payroll, and finally any post payroll processing actions.

Where topics don't apply to all countries, the topic title includes the relevant country ISO codes. The guide also includes dedicated areas for these payroll products and countries:

- [Payroll for the U.S.](#) on page 1008
- [Payroll for Canada](#) on page 1372
- [Payroll for the UK](#) on page 1514
- [Payroll for France](#) on page 1627
- [Payroll for Australia](#) on page 1815
- [Payroll for Ireland](#) on page 1861

To learn more about how to use our documentation, [click here](#).

## Payroll Considerations

### Setup Considerations: Payroll

You can use this topic to make decisions when planning your configuration and use of Workday Payroll. 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

Workday Payroll provides a comprehensive platform that enables you to manage your entire payroll process, including:

- Gathering and entering required payroll inputs. Examples: Benefits, earnings, and deductions from third-party systems.
- Integrating with third-party providers.
- Calculating gross pay, taxes, and deductions.
- Conducting audits before and after payroll processing.
- Generating accounting entries for payroll transactions.
- Paying employees.
- Providing payslips both online or on mobile devices.
- Providing reports and tools to assist you in your reporting requirements.

You can use Workday to manage payroll for:

- Australia
- Canada
- France
- Ireland
- United Kingdom
- United States

### **Business Benefits**

Workday Payroll provides several business processes and configurable dashboards that enable you to coordinate payroll tasks between multiple role-based users, which:

- Reduce time-consuming manual processes.
- Ensure accountability among different payroll and HR partners.

When you use other Workday products like Absence Management, Time Tracking, and Finance on the same platform as Payroll, you can exchange and report on real-time data. This enables you to manage your workforce based on accurate labor cost data.

Workday also provides:

- Tax and compliance updates, enabling you to easily follow and adapt to regulatory changes.
- Configurable audits that ensure accurate payroll results.
- Employee self-service functionality to enable employees to view their data and take action. Example: Modify payment elections.

You can use configurable security policies to limit who views specific payroll data.

### **Use Cases**

You can use Workday Payroll for:

- Regular, on-cycle, payroll.
- Off-cycle payments and adjustments outside of the standard payroll.
- Court orders.
- Garnishments.
- Gross-up earnings.
- International assignments.
- Mergers and acquisitions.
- Payments for terminated workers and workers on leave of absence.
- Retroactive payroll.
- Single legal entity company relationships.
- Taxation for a mobile workforce.
- Workers with multiple positions.
- r

### **Questions to Consider**

Review additional detailed setup considerations for each specific configuration area.

Question	Considerations
Who do you need to pay and when?	<p>You can configure:</p> <ul style="list-style-type: none"> <li>• Pay groups to identify a group of workers to process in a payroll run.</li> <li>• Period schedules to determine the payment frequency. Multiple pay groups can use the same period schedule as long as they have the same payment frequency.</li> </ul>

Question	Considerations
	<ul style="list-style-type: none"> <li>Run categories to identify what to pay for each worker and payment type.</li> </ul> <p>To manage a larger group of workers, you can create a pay run group. This enables you to process and report on multiple pay groups and run categories together.</p>
What kind of payments do you want to process?	<p>You can use on-cycle payroll processing to make regular payments for predefined periods.</p> <p>You can use different types of off-cycle payments to process payments to workers outside of their regular payroll schedule. Examples:</p> <ul style="list-style-type: none"> <li>On-demand payments to adjust or replace a worker's standard on-cycle pay.</li> <li>Manual payments to record a payment made outside of Workday.</li> <li>Reversals to record a negative version of a completed payment that you haven't reconciled with a bank statement.</li> </ul> <p>Note: Workday Payrolls for France and Ireland don't support reversals.</p>
What do you need to calculate for your workers' pay?	<p>You can configure pay components to:</p> <ul style="list-style-type: none"> <li>Use calculations specific to the needs of your company.</li> <li>Retrieve values from other parts of Workday, such as compensation or benefits.</li> <li>Automatically calculate appropriate taxes.</li> </ul>
Who completes different payroll processing tasks, and in what order?	<p>You can configure the <i>Pay Cycle Event</i> business process to:</p> <ul style="list-style-type: none"> <li>Specify the sequence of payroll processing tasks in your organization.</li> <li>The roles responsible for their completion.</li> </ul>
Which historical payroll data do you need from external systems?	<p>To ensure accurate payroll calculations, you can load historical payroll data from external systems. This enables you to:</p> <ul style="list-style-type: none"> <li>Include payroll history in quarter-to-date and year-to-date calculations.</li> <li>Apply limits and self-correcting logic to correct amounts when you start using Workday Payroll.</li> </ul> <p>You can add or correct payroll history at any time. However adding or changing historical results for a worker can impact calculations and results that use historical balances.</p>
How do you want to allocate employee earnings and employer-paid expenses?	<p>You can configure Workday Payroll to assign costs to cost centers, locations, or other</p>

Question	Considerations
	organization types to help you monitor and manage costs.
How do you pay employees?	<p>You can define a payment type for each method of payment, such as:</p> <ul style="list-style-type: none"> <li>• Cash.</li> <li>• Check.</li> <li>• Direct deposit.</li> </ul> <p>You can use payment election rules to define the payment methods for different:</p> <ul style="list-style-type: none"> <li>• Types of workers.</li> <li>• Types of payments, such as bonuses or regular payroll</li> </ul> <p>When workers enter their bank account information, they can select their preferred payment method from the options you define.</p> <p>For Payroll for the U.S., you can configure a tenanted pay card payment type and map it to an existing payment type. Examples: You can map a pay card payment type to:</p> <ul style="list-style-type: none"> <li>• Direct deposit for on-cycle payments.</li> <li>• Manual for off-cycle payments that occur one time only.</li> </ul>
Which bank accounts are you using for payroll?	<p>You can designate which accounts to use for payroll payments when configuring the:</p> <ul style="list-style-type: none"> <li>• Bank account.</li> <li>• Bank routing rules.</li> </ul> <p>Example: You can configure Workday to use a specific bank account for all bonus payments.</p>
How do you want to provide payslips?	<p>You can provide employees with payslips through:</p> <ul style="list-style-type: none"> <li>• Employee self-service (ESS): Employees can view payslips online or on mobile devices, as well as print their payslips.</li> <li>• Check and advice printing: You can provide paper versions of payslips.</li> </ul>
Do you have employees who work in multiple locations?	<p>Workday maintains tax data for all tax authorities, so you can rely on compliance being up to date.</p> <p>You can use the Payroll Compliance Updates dashboard to identify whether a compliance update potentially impacts your employees and take appropriate action.</p> <p>For Payroll for the U.S., Workday also offers multijurisdiction tax allocations, which give you the ability to configure taxes for a mobile workforce and reduce manual entries of tax jurisdictions.</p>

Question	Considerations
Do you have employees who travel internationally for work?	<p>When a worker from another country is on international assignment in the U.S. or Canada, you can pay them in their host country for either:</p> <ul style="list-style-type: none"> <li>• Their entire pay.</li> <li>• Only selected expenses, such as housing allowance. You continue to pay their base pay in their home country using third-party payroll.</li> </ul>
How do you manage tax elections?	<p>Workday provides both administrator and employee self-service tasks for adding and updating tax elections.</p> <p>You can also enable pre-employees to complete tax elections before starting work.</p> <p>You can configure Workday to route the tax election business process for approval.</p>
How do you manage withholding orders and involuntary deductions for the U.S.?	<p>Workday provides rules for calculating and processing income withholding orders that are in compliance with the relevant tax authorities. When configured, Workday calculates fee and payment amounts when processing payroll. You can override the tax authority rules for certain types of withholding orders.</p>
How do you manage withholding orders for Australia?	<p>Workday provides rules for calculating and processing income withholding orders that are in compliance with the relevant authorities. When configured, Workday calculates payment amounts when processing payroll.</p>
How do you manage withholding orders for France?	<p>Workday provides rules for calculating and processing income withholding orders that are in compliance with the relevant tax authorities. When configured, Workday calculates fee and payment amounts when processing payroll.</p>
How do you manage garnishments for Canada?	<p>Workday provides rules for calculating and processing garnishments that are in compliance with the relevant tax authorities. When configured, Workday calculates fee and payment amounts when processing payroll.</p>
How do you manage court orders for the UK?	<p>Workday provides rules for calculating and processing court orders that are in compliance with the relevant tax authorities. When configured, Workday calculates fee and payment amounts when processing payroll.</p>
What information do you need to provide from external sources?	<p>You can add payroll input to adjust or provide information from external sources. Examples:</p> <ul style="list-style-type: none"> <li>• Bonus or incentive amounts.</li> <li>• Deductions from third-party providers.</li> <li>• Loan repayment information.</li> <li>• Third-party time reporting systems.</li> </ul>

Question	Considerations
	<ul style="list-style-type: none"> <li>• Time or absence information.</li> <li>• Pay rates.</li> </ul>
How do you want to manage retroactive payroll changes?	<p>Depending on the country, you can configure and use retroactive payroll processing to manage these types of supported events:</p> <ul style="list-style-type: none"> <li>• Benefit changes, including changes to rates and deductions.</li> <li>• Compensation changes.</li> <li>• Hires.</li> <li>• Leaves of absence.</li> <li>• Other data changes.</li> <li>• Payroll input.</li> <li>• Terminations.</li> <li>• Time entry.</li> <li>• Time off.</li> </ul> <p>Workday doesn't support all retroactive changes for all countries. You can view the supported changes by country on the All Supported Payroll Retro Transaction Types report.</p> <p>When you process a retroactive change, Workday recalculates the payroll results for the specified prior periods and transfers any differences to the current payroll period.</p>
What regulatory payroll reporting requirements do you have?	<p>You can configure Workday to help you manage:</p> <ul style="list-style-type: none"> <li>• Quarterly and year-end tax reporting for Payroll for the U.S.</li> <li>• Year-end tax and Record of Employment (ROE) reporting for Payroll for Canada.</li> <li>• Real Time Information (RTI) and P60 reporting for Payroll for the UK.</li> <li>• Déclaration Sociale Nominative (DSN) reporting for Payroll for France.</li> <li>• Single Touch Payroll (STP) reporting for Payroll for Australia.</li> </ul>
How do you want to analyze payroll results?	<p>Workday calculates a payroll result for a worker for a given period and run category.</p> <p>To define additional dimensions, you can use custom or standard worktags that help you analyze and calculate payroll results.</p> <p>You can define worktags to:</p> <ul style="list-style-type: none"> <li>• Track transactions. Example: Track loan repayments.</li> <li>• Filter pay accumulations or balances for a specific dimension. Example: View an accumulation for one specific type of loan.</li> </ul>
For which time periods do you want to view aggregated results?	<p>You can configure payroll balances to calculate aggregated values for a combination of pay</p>

Question	Considerations
	components, pay component groups, and pay accumulations for a given period of time. For each payroll balance, you can specify the period of time over which to aggregate the results.
What do you want to audit payroll results for?	<p>You can configure payroll audits before closing your pay period to:</p> <ul style="list-style-type: none"> <li>Identify possible issues.</li> <li>Reconcile payroll.</li> </ul> <p>You can configure audits that:</p> <ul style="list-style-type: none"> <li>Analyze payroll results for workers within a single period.</li> <li>Compare payroll results for workers between multiple periods.</li> </ul> <p>You can also limit the worker population to audit only specific workers. Example: Workers in a specific cost center or region.</p>
Do you need to comply with the U.S. Fair Labor Standards Act (FLSA)?	<p>You can configure Workday to help you comply with the Fair Labor Standards Act (FLSA) to pay employees at the required rate for overtime hours. Workday supports overtime calculation for these work period durations:</p> <ul style="list-style-type: none"> <li>7-day, for a standard workweek.</li> <li>14-day, for healthcare workers on a 14-day workweek.</li> <li>7- to 28-day, for public safety workers whose workweeks can vary from 7 to 28 days.</li> </ul> <p>Workday FLSA payroll processing enables:</p> <ul style="list-style-type: none"> <li>FLSA work periods that cross pay periods.</li> <li>Look-back processing of FLSA eligible bonuses.</li> <li>Manual and on-demand payroll results to accumulate by FLSA work period.</li> </ul>
Do you want to validate a minimum net pay amount?	<p>You can define a static minimum net pay amount for each run category. By default the value is zero. You can configure Workday to track arrears when a worker doesn't have enough pay to both:</p> <ul style="list-style-type: none"> <li>Cover all deductions.</li> <li>Meet the minimum net pay.</li> </ul> <p>You can then define different priorities and rules determining how and when to recoup arrears.</p>

## Recommendations

For optimal performance, when configuring what to process in payroll, use eligibility criteria to process only what is necessary. Examples: Configure eligibility criteria to have Workday only process the pay components that apply to workers in the run.

Consider performance impacts when creating pay components and pay component related calculations. A larger number of pay components and related calculations result in longer payroll calculations.

Use the Tenant Analyzer report to verify your tenant configuration against Workday recommendations.

## Requirements

Configure company and worker data in HCM.

For certain payroll calculations, you must provide data from within Workday or external integrations for these areas:

- Absence
- Benefits
- Compensation
- Time Tracking

Regardless of whether you use Financial Management in Workday, you must create and regularly maintain accounting configurations related to payroll transactions, including:

- Account sets and account posting rules.
- Fiscal schedules, posting intervals, and years.
- Journal source mapping.
- Types, account types, periods, and years for ledgers.

## Limitations

- Workday doesn't report tax information directly to government organizations for Payroll for the U.S. or Payroll for Canada.
- While you can use Workday to help you meet payroll compliance, you must verify that your payroll is compliant with requirements for the regions in which you operate.

## Tenant Setup

You can use the Edit Tenant Setup - Payroll task to enable different countries for Workday Payroll, as well as configure tenant-wide options for:

- Configuration and electronic signature text for year-end tax documents.
- Costing allocations.
- Disabling the payroll result profile.
- Displaying national IDs on withholding elections.
- Electronic signature text for year-end tax documents.
- Enabling continuous payroll calculations.
- ID sequence generators and partial fees for U.S. withholding orders.
- Payroll accounting.
- Payroll commitments.
- Payslip viewing, printing, and self-service layout (for report design layouts).
- Retroactive processing.
- W-2/W-2C form alignments for the U.S.

You can use the Edit Tenant Setup - Global task to enable self service payment elections for specific countries.

You can use the Edit Tenant Setup - HCM task to enable multiple jobs.

## Security

You can use:

- Constrained, role-based security groups to provide payroll partners access only to the specific pay groups to which they're assigned.
- User-based security groups to provide payroll administrators with access to all pay groups across organizations. Consider also using user-based security groups for calculation and settlement administrators to provide them with a system-wide access without enabling them to see employee-level payroll data.
- Segment-based security groups to provide payroll administrators access to calculations only within their area and institution. You can also use segment-based security groups to restrict access to specific country options on certain tasks.

To view the different security domains for payroll, access the Domain Security Policies for Functional Area report and select a Payroll functional area. Workday recommends that you identify and grant the minimum level of security that a worker needs.

Functional Areas	Considerations
Core Payroll	<p>Security domains in this functional area enable users to configure and use basic Payroll features that are common to all countries, such as:</p> <ul style="list-style-type: none"> <li>• Accumulations.</li> <li>• Balances.</li> <li>• Deductions.</li> <li>• Earnings.</li> <li>• Payment elections.</li> <li>• Payroll input.</li> <li>• Payroll processes.</li> <li>• Settlement.</li> </ul>
AUS Payroll	<p>Security domains in this functional area enable users to configure and use features specific to Australian Payroll, such as:</p> <ul style="list-style-type: none"> <li>• Single Touch Payroll (STP) reporting.</li> <li>• SuperStream.</li> <li>• Leave payments.</li> <li>• Termination payments.</li> <li>• Company tax data.</li> <li>• Withholding orders.</li> <li>• Worker tax and superannuation data.</li> </ul>
CAN Payroll	<p>Security domains in this functional area enable users to configure and use features specific to Canadian Payroll, such as:</p> <ul style="list-style-type: none"> <li>• Record of employment (ROE) reporting.</li> <li>• Tax authorities.</li> <li>• Withholding orders.</li> <li>• Worker tax data.</li> <li>• Year-end forms.</li> </ul>
FRA Payroll	<p>Security domains in this functional area enable users to configure and use features specific to French Payroll, such as:</p> <ul style="list-style-type: none"> <li>• Advances.</li> <li>• Company tax data.</li> <li>• Declaration Sociale Nominative reporting.</li> </ul>

Functional Areas	Considerations
	<ul style="list-style-type: none"> <li>• Employee and Employer deduction data.</li> <li>• Loans.</li> <li>• Withholding orders.</li> <li>• Worker tax data.</li> </ul>
IRL Payroll	<p>Security domains in this functional area enable users to configure and use features specific to Irish Payroll, such as:</p> <ul style="list-style-type: none"> <li>• Company tax data.</li> <li>• Employer tax reporting.</li> <li>• Pension auto-enrolment.</li> <li>• Worker tax data (LPT, PAYE, USC).</li> </ul>
UK Payroll	<p>Security domains in this functional area enable users to configure and use features specific to UK Payroll, such as:</p> <ul style="list-style-type: none"> <li>• Company holiday pay.</li> <li>• Company tax data.</li> <li>• Court order deductions.</li> <li>• Employer tax reporting (RTI, P45, P60)</li> <li>• National insurance.</li> <li>• Pension auto-enrolment.</li> <li>• Postgraduate loans.</li> <li>• Statutory payments associated with birth, adoption, bereavement, or sickness.</li> <li>• Student loans.</li> <li>• Worker tax data.</li> </ul>
USA Payroll	<p>Security domains in this functional area enable users to configure and use features like these:</p> <ul style="list-style-type: none"> <li>• Company tax data.</li> <li>• Withholding orders.</li> <li>• Worker tax data.</li> <li>• W-2, W-2R, W-2GU, and W-2VI boxes and employee forms.</li> <li>• Payroll commitments.</li> </ul> <p>And are specific to Payroll for:</p> <ul style="list-style-type: none"> <li>• The U.S.</li> <li>• Puerto Rico</li> <li>• Guam</li> <li>• Virgin Islands</li> </ul>

To enable nonpayroll administrators to report on payroll data, you can create pay component security segments that control the visibility of earning and deduction results in custom reports. You can add the nonpayroll administrators to segment-based security groups that have access to the defined segments.

## Business Processes

Area	Business Processes	Considerations
Onboarding	<ul style="list-style-type: none"> <li><i>Assign Pay Group</i></li> <li><i>Complete Federal Withholding Elections</i></li> <li><i>Complete State and Local Withholding Elections</i></li> <li><i>Hire</i></li> <li><i>Payment Election Enrollment Event</i></li> </ul>	<p>You can add <i>Assign Pay Group</i> as a subprocess of the <i>Hire</i> business process, which ensures that you assign a pay group to all new hires.</p> <p>You can configure the <i>Payment Election Enrollment Event</i> business process to enable new hires to enter bank account details and select payment preferences.</p>
Payroll accounting	<ul style="list-style-type: none"> <li><i>Assign a Costing Allocation</i></li> <li><i>Create Payroll Accounting Adjustments</i></li> </ul>	<p>These business processes enable you to:</p> <ul style="list-style-type: none"> <li>Make adjustments to payroll accounting entries.</li> <li>Assign default costing allocations for workers.</li> </ul>
Payroll processing	<i>Pay Cycle Event</i>	<p>Configure this business process to specify:</p> <ul style="list-style-type: none"> <li>The sequence of payroll processing tasks in your organization.</li> <li>The roles responsible for their completion.</li> </ul>
Termination	<ul style="list-style-type: none"> <li><i>End Payroll Inputs</i></li> <li><i>On Demand Event</i></li> <li><i>Termination</i></li> </ul>	<p>You can add several steps or reminders to the <i>Termination</i> business process to ensure that a terminated worker is no longer processed. Example: Deactivate worker payment elections.</p> <p>You can also use the <i>End Payroll Inputs</i> business process to enable other Workday users to end workers' ongoing payroll inputs as part of a termination.</p> <p>For Payroll for the U.S., you can use the <i>On Demand Event</i> business process to enable HR administrators to pay workers on the day of termination.</p>
Settlement	<ul style="list-style-type: none"> <li><i>Payment Printing Event</i></li> <li><i>Payment Release Event/Outsource Payment Release Event</i></li> <li><i>Print Checks Task</i></li> <li><i>Settlement Run Event</i></li> </ul>	<p>Configure these business processes to:</p> <ul style="list-style-type: none"> <li>Generate positive pay files corresponding to printed checks.</li> </ul>

Area	Business Processes	Considerations
		<ul style="list-style-type: none"> <li>Trigger the payment for electronic payment methods.</li> <li>Print hard-copy payslips and checks.</li> <li>Settle payroll payments.</li> </ul>
<b>Year-end reporting</b>	<ul style="list-style-type: none"> <li><i>RL-1 Year End Process</i> (Payroll for Canada)</li> <li><i>T4 Year End Process</i> (Payroll for Canada)</li> <li><i>W-2 Year End Process</i> (Payroll for the U.S.)</li> </ul>	<p>You can configure these business processes to help you complete the series of steps required for year-end reporting. You can specify the sequence and types of year-end tasks, as well as the roles responsible for their completion.</p>
<b>Withholding elections</b>	<p>For Payroll for Canada:</p> <ul style="list-style-type: none"> <li><i>Complete Federal Withholding Elections</i></li> <li><i>Complete Province Withholding Elections</i></li> <li><i>Complete Federal Commissions and Expenses Withholding Elections</i></li> <li><i>Complete Quebec Commissions and Expenses Withholding Elections</i></li> </ul> <p>For Payroll for the U.S.:</p> <ul style="list-style-type: none"> <li><i>Complete Federal Withholding Elections</i></li> <li><i>Complete State and Local Withholding Elections for a Worker</i></li> <li><i>Copy Tax Elections for Worker</i></li> <li><i>Copy Tax Elections for Workers</i></li> </ul>	<p>For Payroll for Canada, you can configure these business processes to:</p> <ul style="list-style-type: none"> <li>Enter a worker's federal, provincial, or Commissions and Expenses withholding elections after a job change or during onboarding.</li> </ul> <p>For Payroll for the U.S., you can configure these business processes to:</p> <ul style="list-style-type: none"> <li>Enter a worker's federal, state, or local withholding elections after a job change or during onboarding.</li> <li>Copy worker tax elections for workers transferring between companies.</li> </ul>
<b>Withholding orders</b>	<ul style="list-style-type: none"> <li><i>Copy Withholding Orders for Worker</i></li> <li><i>Copy Withholding Orders for Workers</i></li> </ul>	<p>For Payroll for the U.S., you can configure these business processes to enable you to copy withholding orders for an employee when:</p> <ul style="list-style-type: none"> <li>The employee transfers between companies.</li> <li>You create new company relationships.</li> </ul>

## Reporting

To view the available reports for Workday Payroll, access the Workday Standard Reports report, and select one of these report categories:

Report Categories	Considerations
Payroll Processing/Results	Use reports in this category to report on payroll results for individuals or groups of workers.
Payroll Worker Data	Use reports in this category to audit and report on individual worker data such as payment elections or tax elections.
Set Up Payroll	Use reports in this category to verify and see a summarized view of your payroll configuration.

You can also use the Pay Cycle Command Center dashboard to help you review and manage payroll data for a single or multiple pay periods at a time.

## Integrations

Workday provides multiple web services and integrations for common payroll inputs and configurations. Consider these fundamental web services and integrations when configuring Workday Payroll.

Web Service	Considerations
<i>Assign Costing Allocation</i>	Use to assign costing allocations to workers by batch.
<i>Change No Retro Processing Prior To</i>	Use to change the no retro processing prior to (NRPPT) date for multiple workers.
<i>Import Payroll Input</i>	Use to load payroll input by batch.
<i>Import Payroll Off-Cycle Payment</i>	Use to load off-cycle payments by batch. Workday loads these payments as unprocessed. Run the Run Off-cycle Pay Calculation task to process batches of off-cycle payments after loading the payments.
<i>Put Payroll History Payment</i>	Use to load historical payroll payments by batch.
<i>Put Period Schedule</i>	Use to load periods for a period schedule by batch.

You can also use each of these web services to create an Enterprise Interface Builder (EIB).

Integration	Considerations
<i>ADP Check Print (Enhanced Performance)</i>	For Payroll for the U.S., you can use this integration to outsource to ADP: <ul style="list-style-type: none"> <li>• Full Service Direct Deposits (FSDD).</li> <li>• Printing of payroll checks, advice slips, and mail label files.</li> </ul>
<i>Annual Tax Filing - CRA (T4)</i> <i>Annual Tax Filing - CRA (T4A)</i> <i>Annual Tax Filing - RQA (RL -1)</i> <i>Annual Tax Filing - RQA (RL -2)</i>	For Payroll for Canada, use to generate year-end tax forms for Canadian workers.
<i>BLS Electronic Data Reporting - MWR</i>	For Payroll for the U.S.

Integration	Considerations
	Use to generate a Multiple Worksite Report for submission to the United States Department of Labor, Bureau of Labor Statistics (BLS).
<i>Core Connector: Payroll Check Printing (Enhanced Performance)</i>	Use to send checking data to banks that don't support existing checking integrations.
<i>DSN Deposit (Machine to Machine)</i> <i>DSN Polling (Machine to Machine)</i>	For Payroll for France, use to submit and retrieve information around Déclaration Sociale Nominative submissions from net-entreprises.fr.
<i>Electronic Income Withholding Order Inbound</i> <i>Electronic Income Withholding Order Outbound</i>	For Payroll for the U.S, use to exchange data with the Federal Office of Child Support Enforcement (OCSE) web portal.
<i>HMRC Incoming Notifications</i> <i>HMRC Real Time Information - Employer Payment Summary</i> <i>HMRC Real Time Information</i>	For Payroll for the UK, use to exchange data with the HM Revenue & Customs (HMRC), including: <ul style="list-style-type: none"> <li>Retrieving tax code, student loan, and postgraduate loan notices from the Data Provisioning Service (DPS).</li> <li>Sending Employer Payment Summary (EPS) files using the Real Time Information (RTI) online service.</li> <li>Sending Full Payment Submission (FPS) files using the RTI online service.</li> </ul>
<i>Service Canada ROE Outbound</i> <i>Service Canada ROE Inbound</i>	For Payroll for Canada, use to generate and retrieve Record or Employment (ROE) files from a computer accessible to the integration system. This integration doesn't support direct connection to Service Canada.
<i>Single Touch Payroll (Australia)</i>	For Payroll for Australia, use to send Single Touch Payroll (STP) reports to the Australian Taxation Office (ATO).
<i>SuperStream (Australia)</i>	For Payroll for Australia, use to send superannuation funds and data to workers' superannuation funds.
<i>Worker Payroll Input Async</i>	Use to import files with worker payroll data from an external server into Workday. Example: Time off values.
<i>Worker Time Off Inbound</i>	Use to import time card data for your workers into Workday.
<i>WPN - Ceridian Check Printing</i>	Use to outsource printing of payroll checks, advice slips, or banking services to Ceridian.

Workday also supports integrations with several electronic payment service providers and protocols, including:

- Automated Clearing House (ACH).
- Bankers' Automated Clearing Services (BACS).
- Australian Banking Association (ABA).

## Connections and Touchpoints

Touchpoint	Consideration
Absence	<p>When you configure time off plans to track balances in Absence Management, you can retrieve the units for approved time off as part of earning and deduction calculations. Use absence component-related calculations (ACRCs) to associate absence plans to earnings and deductions. Ensure that you map all absence plans with an impact on payroll to an earning or deduction.</p> <p>When you configure leaves of absence, you can select whether to pay workers their normal salary while on leave. For workers on a leave type that impacts payroll, Workday only pays a worker:</p> <ul style="list-style-type: none"> <li>The earnings and deductions that you specify for workers on leave on the run category.</li> <li>One-time payroll inputs.</li> </ul>
Banking	<p>To make accurate payroll payments, you need to configure:</p> <ul style="list-style-type: none"> <li>Bank accounts with specific payroll usage types.</li> <li>Bank routing rules.</li> </ul> <p>You can also configure check print layouts to manage paychecks and advices.</p>
Benefit Plans	<p>You can associate benefit plans to earnings and deductions, enabling Workday to process contributions and payments through payroll.</p>
Compensation	<p>You can map compensation elements to earnings, to retrieve details from compensation packages, and use them in payroll calculations.</p> <p>Ensure that you consider the frequency of your payroll payments when configuring frequencies in Compensation. If you have part-time workers, consider configuring the Use Weekly Hours option.</p>
Financial Management	<p>Regardless of whether you use Financial Management, you must configure and regularly maintain accounting configurations related to payroll transactions.</p> <p>When you use Financial Management in addition to Workday Payroll, you can also track start and end dates through Grant Management.</p>
HCM	<p>Provide employee and job-related data for payroll processing, such as:</p> <ul style="list-style-type: none"> <li>Employee status.</li> </ul>

Touchpoint	Consideration
	<ul style="list-style-type: none"> <li>Personal information.</li> </ul>
Mobile	When you enable employee self-service, workers can view payslips on mobile devices.
Time Tracking	<p>You can associate time calculation tags with earnings or deductions, enabling you to use approved time blocks as inputs when paying workers.</p> <p>You can also retrieve worktags such as projects and override rates directly from the calculated time blocks for costing purposes.</p> <p>When you use payroll in combination with Time Tracking, Workday recommends that you run payroll during the period schedule lock dates.</p>
Working Time	For Payroll for France, to ensure payroll calculations are applicable to all French workers, you must configure absence values, work schedule calendars, and holiday calendars.

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

[Setup Considerations: Payroll Input](#) on page 603

[Setup Considerations: On-Cycle Payroll Processing](#) on page 639

[Setup Considerations: Payslips](#) on page 480

[Setup Considerations: Payroll Accounting](#) on page 423

[Setup Considerations: Retroactive Pay Processing](#) on page 862

[A Day in the Life: Payroll Admin](#)

[Workday Community: UK Payroll User Group](#)

## Setup Considerations: Payroll and Benefits

You can use this topic to help make decisions when planning your configuration and use of Workday Payroll and Workday Benefits. 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 They Are

When used together, Workday Payroll and Workday Benefits enable you to integrate worker benefits with their associated costs, including:

- Defining benefit plans.
- Configuring payroll earnings and deductions for benefits.

- Integrating with third-party benefit providers to handle contribution amounts.

Note: This topic only discusses how Workday Payroll interacts with Workday Benefits. It doesn't address how Cloud Connect for Third-Party Payroll (CCTPP) interacts with Workday Benefits.

## Business Benefits

Reduce the risk of errors from manual entries by using Workday to pull the latest values automatically into Payroll from Benefits.

Configure security policies to prevent unauthorized users from viewing confidential benefit and payroll data.

## Use Cases

- Process 401 (k), Health Savings, and Spending Account contributions through payroll.
- Process any benefit plan credits and surcharges through payroll.
- Deduct benefit plan costs for health care and insurance through Payroll.
- Configure biweekly pay schedule for 26 paychecks in a year, with HSA and spending account deductions twice a month.
- Coordinate benefits changes for leave of absence transitions from short-term disability to long-term disability.
- Process benefit changes that result from salary changes.
- Automatically enroll workers into a benefit plan based on eligibility rules.

## Questions to Consider

Questions	Considerations
Do you need to apply deduction limits to benefit amounts?	If you need to apply a deduction limit to benefit amounts, configure this limit in Payroll. Example: Federal limits on retirement plans or health savings accounts.  If you don't use Workday Payroll, work with your payroll provider to set limits.
Do you need to create a new deduction or earning? Or, can you reuse an existing one?	When your benefits plans change, you can reuse earnings and deductions.  Note: Don't remove the mapping between an old benefit plan and the associated earning or deduction.  When you remove the mapping for a worker with a supported retro event, Workday tries to rescind all deductions ever calculated for the worker in the retro recalculation.  Workday recommends that you leave the old plan mapped to the deductions. You can remove the benefit plan from the benefit plan year.  If you create a new plan, map it to the deductions as the active plan.
Does your weekly or biweekly payroll overlap payroll years at the end of the year?	Workday automatically processes a deduction if the pay period end date is on or after the deduction begin date.  To prevent Workday from using benefit deduction rates from the wrong year, you might need to

Questions	Considerations
	<p>modify how Workday applies the deduction begin date.</p> <p>When you create or edit deductions in Payroll, you can select the coverage or cost as of the payment date. Workday processes the deduction if the payment date is on or after the deduction begin date. Workday doesn't consider in which pay period the deduction starts.</p>
<p>Do you want Workday to adjust the final paycheck to meet the worker's annual deduction goal for HSA and spending accounts?</p>	<p>You can configure a benefit group so that Workday Payroll adjusts deductions in the final pay period to meet annual goals.</p> <p>To adjust the final paycheck, you must configure the deduction to occur in the final pay period of that year.</p> <p>To enable this deduction adjustment option:</p> <ul style="list-style-type: none"> <li>• The worker must be enrolled in an HSA or spending account plan in the final pay period of the year.</li> <li>• The HSA or spending account must be in a benefit plan year using this calendar year (with end date of December 31).</li> <li>• The deduction must be an HSA or spending account plan.</li> <li>• You must calculate remaining deductions based on the payment date as opposed to the period end date.</li> </ul>
<p>Do you need to manage Déclaration Sociale Nominative (DSN) reporting for France?</p>	<p>You can use Workday Payroll for France to declare benefits information in DSN reporting. To do so, you must:</p> <ul style="list-style-type: none"> <li>• Map benefit contributions to DSN blocks.</li> <li>• Enter additional benefit data, such as coverage targets, when setting up the French company tax configuration.</li> </ul> <p>To ensure correct DSN reporting, when setting up health care plans, don't map the same deduction to more than 1 health care benefit plan reported as prevoyance in a DSN. Use the plan that you report as mandatory health and disability coverage in a DSN.</p>
<p>Do you have Irish or UK-based workers?</p>	<p>Irish and UK legislation means that you must provide a pension plan for workers who match specific criteria.</p> <p>You can combine eligibility assessments in Payroll with a pension plan in Benefits. Based on the assessment results, you can enroll eligible workers into the plan.</p>
<p>Do you match U.S. worker 401(k) contributions?</p>	<p>You can configure set contributions on the benefit plan. If you calculate employer matches based on</p>

Questions	Considerations
	the worker's contributions, set up the calculation on the payroll deduction.
Do you enable your workers to give some of their pay regularly to an outside benefit plan or charity?	<p>Occasionally it's impractical to provide a benefit plan, such as when it would only apply to a few workers. In that case, Workday provides alternative functionality that enables workers to request that you take voluntary deductions or flexible payments from their pay.</p> <p>Example: A worker wants to donate to a specific charity, or to pay back a relocation expenses loan provided by the business.</p>
When do you want to begin and end payroll deductions for a benefit plan?	<p>You can set up enrollment event rules to specify when to begin or end payroll deductions. You can specify when to deduct from a worker's pay by configuring:</p> <ul style="list-style-type: none"> <li>The coverage begin date, which determines when coverage by the benefit plan starts for a worker.</li> <li>The deduction begin date, which Workday uses to determine the pay period to start withholding deductions from a worker's pay.</li> </ul> <p>Workday only withhold deductions for workers covered by a plan. It uses the combination of the coverage begin date and the deduction begin date to determine when the first deduction occurs.</p> <p>Similarly, you can configure when to stop payroll deductions based on a:</p> <ul style="list-style-type: none"> <li>Coverage end date.</li> <li>Deduction end date.</li> </ul>

## Recommendations

### Performance

Workday recommends creating the minimum number of earnings and deductions to optimize performance.

To maximize performance, set up earnings and deductions using precise criteria to streamline payroll processing. Use specific eligibility criteria so that Workday runs calculations only for applicable workers and pay and benefit groups.

### Selection Criteria

To prevent possible calculation mismatches, Workday recommends that you use the same selection criteria when you create rules that:

- Enroll workers into a plan in Workday Benefits.
- Calculate worker contributions in Workday Payroll.

## Global Payroll and Benefits

Workday recommends that you use Workday Benefits to integrate with Workday Payroll.

Workday Payroll for the UK customers who don't have a license to use Workday Benefits can use limited benefits features to support the set up of UK pension auto-enrolment.

If calculating payroll with Workday Payroll for France, Workday recommends using advanced lookup tables to store benefit rates to meet plan requirements.

## Health Savings Accounts and Spending Accounts

To simplify the enrollment experience and deduction configurations for catch-up HSA plans, Workday recommends that employers create a separate plan for each of these age groups:

- Workers under 55.
- Workers 55 and older.

Workday strongly recommends that you avoid using a plan for all workers with an add-on plan for workers 55 and older.

If you use a deduction schedule different from the pay frequency, use both override and custom scheduling in Payroll to ensure correct deductions. Example: You use a biweekly pay schedule for 26 paychecks in a year, but take HSA and spending account deductions twice a month.

## Benefit Earnings and Deductions

Workday recommends that you avoid removing a benefit plan from earnings and deductions. These changes can result in the over- or under-payment of prior deductions, or a lump sum deduction. Instead, remove the benefit plan from the plan year.

Example: You remove an old benefit plan from the deduction and add the new plan. When you run retro calculations, Workday recalculates and attempts to rescind all prior deductions for the worker, resulting in incorrect calculation values.

Consider leaving out HSA and spending plans from retro calculations. Unwanted retro calculations might occur after plan changes or when a worker meets their annual goal.

Avoid using benefit plans labeled with Do Not Use. Benefit administrators can mark benefit plans with this label to hide obsolete benefit plans based on an effective date. The Benefit Plan prompt displays on the Non-Effective Dated tab for these tasks:

- Create Deduction.
- Create Credit.

Workday appends the effective date of future-dated benefit plans to the Do Not Use label.

## Requirements

Set up your benefit plans before creating the associated earnings and deductions.

If managing DSN reporting, provide the group policy number on the benefit plan and the provider ID.

## Limitations

- Workday Payroll doesn't support effective dating of deductions and earnings. Instead, Workday Benefits enables you to record an effective date between benefit plans and deductions and earnings.
- To avoid processing a retroactive payroll calculation, you can make plans unavailable to workers after a certain date using:
  - Benefits eligibility rules.
  - Plan year definitions.
- Workday Payroll for the UK doesn't support pension auto-enrolment in prior pay periods. If you run payroll in arrears, you can either turn off the pension auto-enrolment feature or ensure you monitor the process and make the necessary adjustments.
- Workday Payroll for Australia doesn't support superannuation configured with Workday Benefits.

## Tenant Setup

To determine allowable YTD payroll contributions, you can select an additional HSA coverage target option on the Edit Tenant Setup - HCM task. This option also enables you to configure family or individual IRS limits in Workday Payroll for the additional coverage target.

## Security

Domains	Considerations
<i>Manage: Benefits for Organizations</i> in the Benefits functional area.	Enables you to create benefit groups.
<i>Set Up: Benefits</i> in the Benefits functional area.	Enables you to create benefit plans and set up enrollment.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	Enables you to create and modify earnings and deductions.
<i>Set Up: Tenant Setup - HCM</i> in the Systems functional area.	Enables you to enable the Benefits mobile app and configure tenant options.

You can enable the benefits administrator and the benefits partner to view benefit plan deductions for workers. You can apply segmented security to custom reports based on these segmented data sources:

- Earning/Deduction Payroll Balances for Organization
- Earning/Deduction Payroll Balances for Worker
- Earning/Deduction Payroll Results for Organization (As of Sub Period End Date)
- Earning/Deduction Payroll Results for Organization, Worker, Period and Date Range (As of Sub Period End Date)
- Earning/Deduction Payroll Results for Worker (As of Sub Period End Date)

## Business Processes

Business Processes	Considerations
<i>Change Benefits</i>	Add as step to other business processes, such as <i>Change Job</i> or <i>Termination</i> . Launches the <i>Change Benefits for Life Events</i> business process, which

Business Processes	Considerations
	uses the <i>If there is an effect on employee benefits?</i> condition rule to determine whether to create a benefit event.
<i>Change Benefits for Life Event</i>	Enables users to change benefits for life events, including births, divorce, and promotion.
<i>Change Benefits for Open Enrollment</i>	Enables you to open enrollment for benefits. You can add step-related worklets with the Business Process > Maintain Step Related Worklets related action on the Change Benefits for Open Enrollment task.
<i>Change Job</i>	Enables you to change to a worker's position, such as promotion or a transfer, which can affect their benefits. You can add a step to launch the <i>Change Benefits for Life Events</i> business process to initiate a benefit event.

## Reporting

Reports	Considerations
All Deductions All Earnings	Use these reports to verify any pay component configurations, such as which benefit plan the pay component references.
Benefits Eligibility by Benefit Group	Use this report to view future-dated benefits groups.
DSN Benefits Contributions by Establishment	Use this report to compare benefit amounts aggregated by benefit plan and population with the aggregated payroll amounts. (For French Payroll Déclaration Sociale Nominative (DSN) reporting only.)
View Benefit Eligibility Rule Results	Use this report to determine why someone is or isn't meeting an eligibility rule. It can be useful when troubleshooting issues with deductions and credits.
View Workers in Multiple Benefit Groups Audit	Use this task with an effective date to ensure that employees are only eligible for 1 benefit group. It can be useful when troubleshooting issues with deductions and credits.

## Integrations

Integration	Considerations
<i>Cloud Connect for Benefits</i>	Workday offers integration templates for benefit providers through Cloud Connect for Benefits (CCB).
<i>Change Benefits</i>	This web service loads workers' benefit elections and retirement savings plans.

Integration	Considerations
<i>Enroll in Retirement Savings Plans</i>	This web service loads workers' retirement savings plan elections. It enrolls workers, updates existing elections, and carries forward prior elections unless they are explicitly changed.

## Connections and Touchpoints

Touchpoint	Consideration
Absence	When you configure time off plans to track balances in Absence Management, you can retrieve the units for approved time off as part of earning and deduction calculations. Use absence component-related calculations (ACRCs) to associate absence plans to earnings and deductions. Ensure that you map all absence plans that can impact payroll or benefits earnings or deductions.
HCM Staffing and Compensation	Provide worker and job-related data for payroll and benefit processing, such as: <ul style="list-style-type: none"> <li>• Worker status.</li> <li>• Personal information.</li> </ul> Provide salary changes that can trigger benefit enrollment events.

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

#### Concepts

[Setup Considerations: DSN Reporting \(FRA\)](#) on page 1712

[Setup Considerations: Pensions Auto-Enrolment \(UK\)](#) on page 1612

[Concept: Voluntary Deductions](#) on page 349

#### Tasks

[Steps: Set Up Benefits](#)

[Map Pay Components to Benefit Plans](#) on page 261

#### Examples

[Example: Create Advanced Lookup Tables for Benefit Rates \(FRA\)](#) on page 263

[Example: Control Visibility of Earning and Deduction Results](#) on page 805

## Setup Considerations: Payroll Security

You can use this topic to help make decisions when planning your configuration and use of payroll security. 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

Configurable payroll security:

- Offers a simple and customizable method to protect payroll data from unauthorized access or manipulation.
- Enables you to control access to payroll data, based on user roles and responsibilities, like:
  - View payslips and payment dates.
  - Set up company taxes.

Payroll security policies enable you to secure access to:

- Integrations with third-party organizations for wage garnishments.
- Pay calculation results reports and reporting items.
- Pay cycle worklets.
- Payslip configuration tasks.
- Report data sources (RDS) for payslips.
- Run pay calculation background processes.
- Termination business processes.

## Business Benefits

Configure payroll security permissions to:

- Automate permission assignments for payroll data by grouping users based on similar attributes, saving you the effort of setting up permissions individually.
- Manage access to payroll integrations, reports, and data using a single security model. This model makes it easier to maintain access at scale.
- Meet company standards for auditing permissions in Workday using built-in audit trails.
- Limit access for nonpayroll users to only the payroll data they need to perform their jobs.

## Use Cases

- Automatically add new users to a defined security group based on their position, such as:
  - A user-based group for payroll administrators.
  - Managers who need to review overtime or costing information.
  - HR administrators who need to access aggregated payroll results and other nonsensitive portions of data.
- Provide different levels of access for different types of users in the same tenant. Example: Workers can only view their own payslips, but managers can view payslips for all their direct reports.

## Questions to Consider

Question	Considerations
How do you want to determine who can view items and perform actions in Workday Payroll?	Workday provides different types of security groups to enable you to address your payroll requirements. Workday groups similar items and actions into different security policies. While you can't change the items and actions secured to security policies, you can change the security groups associated with the security policies.

Question	Considerations
	<p>You can use these types of security groups to control who has access and what they have access to:</p> <ul style="list-style-type: none"> <li>• Role-based.</li> </ul> <p>Example: Payroll partner. Has access to selected payroll tasks and to view selected data for the pay groups they support.</p> <ul style="list-style-type: none"> <li>• Segment-based.</li> </ul> <p>Example: Administrator for payroll business processes. Has access to create and maintain payroll business processes. This security is a decentralized version of Business Process Administrator.</p> <ul style="list-style-type: none"> <li>• User-based.</li> </ul> <p>Example: Payroll administrator. Has access to view payroll data and perform payroll tasks for all workers in all pay groups.</p> <p>Members in security groups with the unconstrained context type can access all secured data instances.</p>
What level of permission do you want to provide to payroll tasks and reports?	<p>Workday groups similar tasks and reports into security domains. To provide access to the tasks and reports, set View or Modify permission on the security policies that secure them.</p> <p>Workday typically designates reports and reporting items with View access. Users with Modify permissions can access all tasks and reports secured to the domain.</p>
What level of permission do you want to provide to payroll business processes?	<p>You can set different permissions on both the security policies and steps for payroll business processes. Example: Provide employees access to the <i>Initiate</i> action on a business process.</p>
Do third-party resources need access to your Workday tenant?	<p>You can use Service Centers to grant third-party contracted organizations access to your Workday tenant while protecting sensitive data. Representatives from those organizations:</p> <ul style="list-style-type: none"> <li>• Have limited access to your Workday tenant.</li> <li>• Can support a subset of workers in your organization.</li> <li>• Aren't workers, but can perform tasks in Workday within a predefined scope.</li> </ul>

## Recommendations

When possible, use Workday-delivered payroll security groups instead of creating your own. Doing so helps to ensure that the security group has access to the payroll-specific data and tasks needed to perform their role. Workday-delivered payroll security groups also enable you to:

- Benefit from banking setup questions and feedback about terminee security groups captured on Workday Community.
- Use Workday-verified security configurations for accounting and tax setup.

Grant access only to information and resources users require to accomplish their job functions.

Use Workday-delivered reports to:

- Ensure that you provide users with correct permissions.
- Create and submit year-end tax data to government agencies.

Grant unconstrained access to business process administrators on the Business Process Definitions report data source (RDS). Configure access to these domains as appropriate to ensure that all business process administrators can build custom reports using this RDS:

- *Administration*
- *Definition View*
- *Manage: Business Process Definitions*

Review all requirements for security groups and security policies before setting up security.

## Requirements

To set permissions for domains and business processes, enable the Workday Payroll functional area and its security policies. Enabling a functional area doesn't automatically enable all the security policies in that area.

## Limitations

You can't:

- Change the actions available on security policies for business processes.
- Change the items within domains.
- Delete security policies.
- Move domains or business processes from 1 functional area to another.

## Tenant Setup

No impact.

## Security

Functional Areas	Considerations
Banking and Settlement	<p>Security domains in this functional area enable you to:</p> <ul style="list-style-type: none"> <li>• Manage bank account transfers, ad hoc transactions, positive pay files, and payment returns.</li> <li>• Print checks, payslips, and pay advices.</li> <li>• Review bank statements and manage reconciliations.</li> <li>• Settle payments electronically and by credit card.</li> <li>• Set up financial institutions and bank accounts.</li> <li>• Set up and manage prenoting and escheatment.</li> </ul>

Functional Areas	Considerations
	<ul style="list-style-type: none"> <li>• Set up and process outsourced banking and print services.</li> <li>• View account, check, and direct deposit registers.</li> </ul>
Common Financial Management	<p>Security domains in this functional area enable you to:</p> <ul style="list-style-type: none"> <li>• Establish and maintain currency and tax rates.</li> <li>• Manage period and year-end processing.</li> <li>• Perform period-end processing and view-related reporting.</li> <li>• Set up company-related accounting details and view-related reporting.</li> <li>• Set up worktags and custom validations.</li> </ul>
Core Payroll	<p>Security domains in this functional area enable you to configure and use these basic Payroll features that are common to all Payroll countries:</p> <ul style="list-style-type: none"> <li>• Accumulations.</li> <li>• Balances.</li> <li>• Deductions.</li> <li>• Earnings.</li> <li>• Income withholding orders.</li> <li>• Payment elections.</li> <li>• Payroll history.</li> <li>• Payroll input.</li> <li>• Payroll processes.</li> <li>• Settlement.</li> </ul> <p>The domains also secure access to the:</p> <ul style="list-style-type: none"> <li>• Employee Self Service Pay dashboard, which helps employees understand their pay by viewing payslips, comparing periods, and reviewing pay trends.</li> <li>• Pay Cycle Command Center dashboard, which payroll administrators and partners can configure to gain operational insight into a specific pay cycle.</li> <li>• Pay On-Demand self-service request for Payroll for the U.S., which employees can access to receive accumulated but not yet paid wages.</li> <li>• Process Monitor report, which payroll administrators in unconstrained user-based security groups on the <i>Process: Run Batch Calculations (Pay Calculation)</i> domain security policy can access to view all types of background processes that are running or ran in the past.</li> </ul>
Expenses	<p>Security domains in this functional area enable you to:</p>

Functional Areas	Considerations
	<ul style="list-style-type: none"> <li>Administer expense report tasks for workers and pre-hires.</li> <li>Process prenotes.</li> <li>Record cash advance repayments.</li> <li>Set up self-service payment elections and expense reporting for employees and contingent workers.</li> </ul>
Integration	<p>Security domains in this functional area enable you to:</p> <ul style="list-style-type: none"> <li>Create and configure integrations such as Cloud Connect for Third-Party Payroll and Enterprise Interface Builders (EIBs).</li> <li>Launch integrations immediately or schedule them to run once or multiple times in the future.</li> <li>Set up the integration systems to submit tax data to ADP, Ceridian, and MasterTax.</li> <li>View integration reports using the Process Monitor or Integration Events report.</li> </ul>
Organizations and Roles	<p>Security domains in this functional area enable you to:</p> <ul style="list-style-type: none"> <li>Define membership rules and view organization audits and reports.</li> <li>Set up and administer pay groups.</li> <li>Set up and manage all company structures.</li> </ul>
Payroll Interface	<p>Security domains in this functional area enable you to:</p> <ul style="list-style-type: none"> <li>Assign and view reconciliation items.</li> <li>Configure an import of external payroll results or payslips.</li> <li>Configure Cloud Connect for Third-Party Payroll integrations that send data from Workday and receive data from third-party payroll system into Workday.</li> <li>Configure event-driven integrations to a third-party system.</li> <li>Configure integrations for local payroll data.</li> <li>Employee self-service transactions for employees paid through payroll interface, including federal tax withholding elections and payment elections.</li> <li>Manage errors from external payroll systems.</li> <li>Send worker, compensation, benefit deductions, and time-off data on an incremental or one-time basis.</li> <li>Set up earnings, deductions, pay accumulations, pay balances, and pay groups.</li> </ul>

Functional Areas	Considerations
	<ul style="list-style-type: none"> <li>• Set up global payroll reconciliation.</li> <li>• View uploaded payroll results from third-party systems.</li> </ul>
System	<p>Security domains in this functional area enable you to:</p> <ul style="list-style-type: none"> <li>• Access tenant setup for payroll.</li> <li>• Configure security for functional areas, security groups, domain security policies, and security policies for business processes.</li> <li>• Manage business process definitions.</li> <li>• Segregate management of different business process definitions by different users.</li> <li>• Set up, maintain, and report on business processes.</li> <li>• View reports to analyze security configuration.</li> </ul>
USA Payroll	<p>Security domains in this functional area enable you to configure and use features specific to Payroll for the U.S., Puerto Rico, Guam, and the U.S. Virgin Islands, such as:</p> <ul style="list-style-type: none"> <li>• Company tax data.</li> <li>• Payroll commitments.</li> <li>• Withholding orders.</li> <li>• Worker tax data.</li> <li>• Year-end reporting form W-2, W-2R, W-2GU, and W-2VI boxes and employee forms.</li> </ul>
Worktags	<p>Security domains in this functional area enable you to manage Workday-delivered and custom worktags. You can:</p> <ul style="list-style-type: none"> <li>• Configure primary, additional, and required worktag types for taggable transaction types.</li> <li>• Enable worktag types for related worktag taggable types.</li> <li>• Retrieve and load default and allowed values using web services for any related worktag taggable type.</li> </ul>

You're responsible for testing and validating that security domain settings meet your business needs.

### Business Processes

Workday doesn't secure business processes to domains, but each business process definition has its own business process security policy.

You associate each step within a business process definition with a security group.

Workday enables you to configure segment-based security groups with access to view and manage specific business process definitions. Business process segmentation applies only to business process definitions.

Segment-based security groups can include any type of security group, including role-based security groups. When you use a role-based security group, the member can only maintain business processes affiliated with the organizations they have an assigned role for. Example: A payroll partner's role in:

- Absence Requests
- Benefit Enrollments
- Compensation Changes
- Job Changes
- One Time Payments
- Terminations
- Time Entry and submission

Secure the segment-based security group to the *Manage: Business Process Definitions* security domain. This domain only includes tasks related to defining business processes.

Workday doesn't enable segmented security on these business process components:

- Calculated dates
- Checklists
- Rules
- To Dos

## Reporting

Dashboard or Report	Considerations
Action Summary for Security Group report	View the security policies associated with a specified security group.
Business Process Security Policies for Functional Area report	View all security policies for business processes within a functional area.
Business Process Types and Initiating Security Groups report	View all business processes and the security groups that have permission to initiate them.
Compare Permissions of Two Security Groups report	Compare the security policy permissions for 2 security groups.
Domain Security Policies for Functional Area report	View all domain security policies for Payroll in a functional area.
Employee Self Service Pay dashboard	View insights so employees understand their pay by viewing payslips, comparing periods, and reviewing any pay trends.
Functional Areas report	View all functional areas, and the domains and business processes in them.
Pay Cycle Command Center dashboard	View operational insights into specific pay cycles.
Process Monitor report	View all types of background processes that are running or ran in the past.
Security Analysis for Security Groups report	View the secured items associated with security groups.
Security Exception Audit report	View errors and warnings involving your security configuration.

Dashboard or Report	Considerations
View Security for Securable Item report	View how Workday secures delivered items.
View Security Group report	View security groups and the associated security policies and configuration details.
View Security Groups for User report	View the security groups that a person is a member of.
View Web Service Operations Security Groups report	Identify the security groups that you need to be a member of to run a specified web service.
Web Service Security Audit report	View the security groups that can run web service tasks.

## Integrations

Workday provides several security domains that secure access to integration templates and integration systems. These domains separate the permissions to configure an integration from the permissions to run an integration and view integration output. You can also segment integration templates and integrations, then grant access separately for each segment.

All integrations access Workday data using web service operations and Reports-as-a-Service. Workday secures these items to various security domains:

- Custom reports.
- RDSs.
- Report fields.
- Web service operations.

Integrations and applications that access Workday must have Get and Put access to the domains that include the web service operations. Also, they must have the View access to the domains that include the RDSs and report fields. In addition, outbound EIBs require access to the custom report that they use as an RDS. These accounts can control permissions:

- Associated Integration System User (ISU) account (for Connectors, Studio integrations, and external applications).
- The role of the person who runs an EIB integration. Example: Payroll administrator.

## Connections and Touchpoints

Touchpoint	Consideration
Absence	Enable Payroll security in this functional area to configure: <ul style="list-style-type: none"> <li>• Leaves of absence.</li> <li>• Time off plans to track balances in Absence Management.</li> <li>• Pay for workers on leaves of absence.</li> </ul>
Banking and Settlement	Enable Payroll security in this functional area to: <ul style="list-style-type: none"> <li>• Manage bank account transfers, ad hoc transactions, positive pay files, and payment returns.</li> <li>• Print checks, payslips, and pay advices.</li> </ul>
Benefit Plans	Enable Payroll security in this functional area to:

Touchpoint	Consideration
	<ul style="list-style-type: none"> <li>Associate a benefit plan to earnings and deductions.</li> <li>Enable Workday to process contributions and payments to the plan through payroll.</li> </ul>
Compensation	<p>Enable Payroll security in this functional area to:</p> <ul style="list-style-type: none"> <li>Calculate payroll.</li> <li>Create compensation schedules.</li> <li>Map compensation elements to earnings.</li> </ul>
Core Payroll	<p>Payroll security in this functional area enables you to configure and use these basic Payroll features that are common to all Payroll countries:</p> <ul style="list-style-type: none"> <li>Accumulations.</li> <li>Balances.</li> <li>Deductions.</li> <li>Earnings.</li> <li>Income withholding orders.</li> <li>Payment elections.</li> <li>Payroll history.</li> <li>Payroll input.</li> <li>Payroll processes.</li> <li>Settlement.</li> </ul>
HCM	<p>Provide employee and job-related data for payroll processing, such as:</p> <ul style="list-style-type: none"> <li>Employee status.</li> <li>Personal information.</li> </ul>
Payroll Interface	<ul style="list-style-type: none"> <li>Assign and view reconciliation items.</li> <li>Configure an import of external payroll results or payslips.</li> </ul>

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

##### **Concepts**

[Concept: Business Process Segmented Security](#)

[Concept: Intersection Security Groups](#)

[Concept: Report Security](#)

[Concept: Role-Based Security Groups \(Constrained\)](#)

##### **Reference**

[Setup Considerations: Configurable Security](#)

[The Next Level: Security Series](#)

[The Next Level: Payroll Security](#)

## Setup Considerations: Time Off Calculations for Payroll

You can use this topic to help make decisions when planning your configuration and use of time off calculations in Absence Management with Workday Payroll. 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 They Are

Time off calculations provide paid and unpaid time off totals for workers for a given period of time. You can use these calculations in earnings for Workday Payroll processing so that you can pay workers for the time off.

## Business Benefits

Workday Payroll seamlessly integrates with Absence Management to enable you to pay workers for time off or record unpaid time off.

Absence Management automatically creates calculations for time off that you can use as inputs to payroll calculations, helping ensure you have up-to-date information in your payroll calculations. You don't have to use integrations to load absence data.

## Use Cases

You can create earnings in Workday Payroll to:

- Pay a worker for a single paid time off.
- Pay a worker for position-based time offs, which can include multiple jobs, each with different rates of pay.
- Reduce a worker's base pay for time off, to avoid double payment of time off. Example: Base an earning calculation on the total time off for a type of absence.
- Track hours worked for reporting purposes.

## Questions to Consider

Questions	Consideration
What time off inputs do you use in your payroll calculations?	<p>When you create time offs, Workday automatically creates Absence Component Related Calculations (ACRCs) that you can use as inputs to payroll calculations to configure time off earnings. ACRCs retrieve the amount of approved time off units (days or hours) in the current payroll period for a worker, where <i>xxx</i> is the time off name:</p> <ul style="list-style-type: none"> <li>• <i>xxx - Time Off Paid</i></li> <li>• <i>xxx - Time Off Unpaid</i></li> <li>• <i>xxx - Time Off Total</i></li> </ul> <p>Example: When defining an earning for paid vacation, you can select:</p> <ul style="list-style-type: none"> <li>• <i>Time Off Paid (Units) * Rate</i> as the calculation rule.</li> <li>• <i>Time Off Paid (Units)</i> as a related calculation.</li> <li>• <i>Vacation - Time Off Paid</i>, the automatically generated ACRC, for the override value.</li> </ul>

Questions	Consideration
	<p>The <i>Time Off Paid</i> and <i>Time Off Unpaid</i> ACRC values depend on what is above and below the lower limit on the time off plan. These calculations aren't necessarily what's paid and unpaid in payroll. That depends on how you create your earnings and set up your Pay Component Related Calculations (PCRCs) on the Payroll side.</p>
<p>What calculations do you use to pay workers during their time off?</p>	<p>Workday Payroll considers workers on time off to be active and continues to apply their standard earnings and deductions during their time off. Use ACRCs to configure specific earnings and deductions for workers based on the amount of time off taken. Examples: You can create:</p> <ul style="list-style-type: none"> <li>• Deductions to reduce a worker's salary based on the amount of time off taken.</li> <li>• Earnings to pay a worker for the amount of time off taken.</li> </ul> <p>To discontinue a worker's pay during their time off, consider creating a leave type with payroll effect enabled. Alternatively, you can create deductions to deduct pay.</p>
<p>How do you want to handle time off that has occurred in the past?</p>	<p>When you enter time off for a worker after you complete payroll, you can run a retroactive payroll calculation. When you enter retroactive time off, the retro pay calculation recalculates:</p> <ul style="list-style-type: none"> <li>• Paid or unpaid time off earnings directly affected by the change.</li> <li>• Earnings indirectly affected by the change. Example: A time off that reduces base pay earnings.</li> </ul> <p>Workday then:</p> <ul style="list-style-type: none"> <li>• Reports the differences between the original and recalculated payroll results.</li> <li>• Transfers any differences to the current period.</li> </ul> <p>Retro gets the latest value for the period from Absence based on the latest configuration. If you change your time off plan, effective dated changes use the configuration validations in effect at the time of the time off request. While effective dated changes don't trigger retro, Workday detects these changes when you process retro payroll.</p> <p>Absence events that trigger retro to run for a completed period include:</p> <ul style="list-style-type: none"> <li>• Absence Input Change</li> <li>• Absence Limit Override Change</li> <li>• Calculated Balance Override</li> <li>• Correct Time Off</li> </ul>

Questions	Consideration
	<ul style="list-style-type: none"> <li>• Enter Time</li> <li>• Request Time Off</li> </ul>
What earnings and deduction-related time offs do you need to set up?	<p>When creating earnings or deductions-related time offs, ensure that you configure them to recalculate in any retroactive calculations.</p>
How do you handle time off corrections?	<p>You can correct approved time off for workers on their behalf in Absence Management.</p> <p>Add payroll input to adjust payroll calculations, but Workday recommends that you first modify the information in Absence.</p> <p>When you correct a time off that you've already processed in payroll, run a retroactive calculation to account for the correction in a completed payroll period. When the period is still in progress, you can just run pay calculation.</p> <p>When you correct a time off that changes worker pay during a calculation run that hasn't completed, Workday identifies the pay result as requiring recalculation. When payroll runs again, Workday recalculates the result.</p> <p>On the Run Pay Calculation task, you can limit calculations to workers with payroll-impacting events by selecting:</p> <ul style="list-style-type: none"> <li>• Smart Calculation: Workday automatically detects the change.</li> <li>• Smart Calculation Based on Events: You need to select a time off event type.</li> </ul>
What waiting periods do you want to implement to prevent new employees taking paid time off until they pass a probationary period?	<p>You can define eligibility rules on time off plans. Eligibility determines who can take time off and when.</p> <p>Example: You want workers to be eligible for a plan but not able to take paid time off until they reach 90 days of employment. Eligibility rules drive the time off visibility for your workers.</p> <p>You can create an absence table with a tier for each plan, each with a different rate of pay. Configure your payroll to apply the appropriate rate of pay to each time off tier. When a worker is eligible for some but not all tiers, Workday deducts time off from tiers they're eligible for. In this case, you can add a tier that pays employees zero percent of their salary when they've less than 90 days continuous service.</p>
How do you want to limit the amount of paid time off that employees can take?	<p>You can define:</p> <ul style="list-style-type: none"> <li>• Lower limits on time off plans. Workday processes the time off up to and including the lower limit as paid time off. Any hours that exceed the limit are unpaid.</li> </ul>

Questions	Consideration
	<ul style="list-style-type: none"> <li>Time off validations for workers when they request time off.</li> </ul> <p>Example: You only want to pay your employees for what they accrue in their Absence balance and nothing more. The <i>Maximum Unpaid Time Off Units Allowed</i> validation enables you to:</p> <ul style="list-style-type: none"> <li>Place a limit on the amount of unpaid time off that a worker can request.</li> <li>Prevent employees requesting unpaid time off by selecting 0 (zero).</li> </ul>
How do you want to pay workers who change jobs within the company?	<p>Configure these accrual options that dictate whether to prorate accruals when eligibility changes occur midperiod:</p> <ul style="list-style-type: none"> <li>Front-loaded: As transfers, promotions, and other staffing changes occur in your organization, workers might lose eligibility for an accrual that they've already received. You can automate the proration of a worker's front-loaded accrual when the worker loses accrual eligibility due to a job change.</li> <li>Based on as-of-date: You can automate the proration of a worker's accrual based on the date of transfer.</li> <li>None.</li> </ul>
How do you want to handle time off for workers with multiple positions?	<p>Configure your tenant for multiple jobs and create position-based earnings to calculate paid or unpaid time for position-based time off plans. When you run pay calculation, Workday Payroll retrieves time off units for the:</p> <ul style="list-style-type: none"> <li>Relevant position, when the earning and time off plan are position-based.</li> <li>When the earning is worker-based but the time off plan is position-based, the worker's: <ul style="list-style-type: none"> <li>Processing position (CAN, USA).</li> <li>Primary position (FRA, UK).</li> </ul> </li> <li>Worker, when the earning is position-based but the time off plan is worker-based. The position-based earning resolves separately for each of the worker's positions, and it uses the time off units for the worker in each calculation.</li> </ul> <p>Example: When a worker requests 8 hours off, Workday uses 8 hours in the earning calculation for each position.</p> <p>Use calculations to support the proration of time off units across positions to prevent Payroll paying employees twice for the same time off. Example: Prorate units</p>

Questions	Consideration
	based on full-time equivalent (FTE) and scheduled weekly hours.
How do you want to handle termination payouts when employees leave your company?	<p>You can configure time off plans with:</p> <ul style="list-style-type: none"> <li>Time offs that pay out the time off balance to the employee when employees terminate midway through the calendar year.</li> <li>Accruals that recoup time taken that's over the earned amount at time of termination.</li> </ul> <p>Example: You can create nested arithmetic calculations for Absence that calculate the accrual amounts.</p>

## Recommendations

Define negative earnings rather than deductions to calculate the value of unpaid time off and reduce gross pay.

When creating and editing earnings or deductions, add comments to clarify their usage. Example: Explain that workers earn different rates of pay for each position, and the corresponding hourly rate or base pay for salaried workers.

## Requirements

Use ACRCs in earnings and deductions but for accurate calculations, don't reference other earnings or deductions that refer to ACRCs indirectly.

## Limitations

You can only use time off plans that track balances with Workday Payroll.

## Tenant Setup

To enable you to create position-based time off plans and earnings, configure your Workday tenant to support multiple jobs on the Edit Tenant Setup - HCM task.

## Security

Domain	Considerations
<i>Reports: Pay Calculation Results for Pay Group (Results)</i> in the Core Payroll functional area.	<p>Users secured to this domain can view:</p> <ul style="list-style-type: none"> <li>Pay calculations results for pay groups.</li> <li>Hours worked on payroll registers by period schedule or balance period.</li> </ul>
<i>Reports: Pay Calculation Results for Worker</i> in the Core Payroll functional area.	Users secured to this domain can view pay calculation results for workers.
<i>Set Up: Payroll - Pay Group Specific</i> in the Core Payroll functional area.	Users secured to this domain can access reports and tasks associated with pay groups.
<i>Set Up: Calculations - Generic</i> in the Core Payroll functional area.	Users secured to these domains can:
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	<ul style="list-style-type: none"> <li>Create, view, and edit calculations for Workday Payroll and Absence Management.</li> </ul>

Domain	Considerations
<p><i>Set Up: Time Off (Calculations - Absence Specific)</i> domain in the Time Off and Leave functional area.</p> <p><i>Set Up: Time Off (Calculations - Generic)</i> domain in the Time Off and Leave functional area.</p>	<ul style="list-style-type: none"> <li>Create and edit earnings.</li> </ul>
<p>These domains in the Time Off and Leave functional area.</p> <ul style="list-style-type: none"> <li><i>Worker Data: Time Off (Time Off Balances)</i></li> <li><i>Worker Data: Time Off (Time Off Balances Manager View)</i></li> </ul>	<p>Users secured to these domains can view time off reporting data for workers.</p>

You are responsible for testing and validating that security domain settings meet your business needs.

## Business Processes

You can configure the *Pay Cycle Event* business process to specify the sequence of payroll processing tasks in your organization and the roles responsible. Example: Add a *To Do* step to verify time off results before processing payroll.

## Reporting

Reports	Considerations
All Calculations	Displays all calculations in your tenant. You can search by Absence category and then filter by the Absence Component Related Calculation type.
Payroll Register by Period	Displays payroll totals for a pay period, pay group, or pay run group, including earnings.
My Time Off Results by Period Time Off Results by Period Time Off Results by Period for Workers	<p>Displays:</p> <ul style="list-style-type: none"> <li>Accruals, paid, and unpaid time off for each period.</li> <li>Time offs to pay out when a worker is terminated.</li> </ul>
View Payroll Results	Displays calculated payroll results on the worker profile. To verify that complex or new configurations are displaying expected results, including earnings, view worker results on this report before completing a payroll.
View Period Schedule	Enables you to identify the: <ul style="list-style-type: none"> <li>Time off plans in Absence that use the period schedule.</li> <li>Pay group usage in Payroll.</li> </ul>
View Time Off Balance	Displays paid time off year to date.

## Integrations

Web Services	Considerations
<i>Get Payroll Results</i>	Enables you to view pay results for specific workers and companies, and pay calculations for specific date ranges.
<i>Put Period Schedule</i>	Enables you to specify a period schedule for a time off plan. The period schedule must exist in Workday.

## Connections and Touchpoints

Touchpoint	Consideration
Calculations	<p>You can share calculations between the Absence and Payroll functional areas. These high-level categories of calculations reference the same calculation engine:</p> <ul style="list-style-type: none"> <li>• Absence</li> <li>• Payroll</li> <li>• Generic</li> </ul> <p>You can create simple calculations, or nest calculations by selecting an existing calculation as an operand of another.</p>
Earnings and deductions	A payroll calculation can reference a time off plan through an ACRC and tie calculated hours to an earning. Example: A USA vacation earning is a payroll calculation that includes a worker eligibility rule. The rule limits the population to workers with ACRCs not equal to zero for the subperiod it's calculating.
Holiday calendar and work schedules	These components influence how Workday counts units of time so that a worker's time off doesn't overlap on nonworkdays or company holidays.
Time off requests	<p>Time off transactions are directly related to how Workday records a worker's absence. Time off plans that track balances pass time off to Workday Payroll for use in payroll calculations when:</p> <ul style="list-style-type: none"> <li>• Workers request or correct time off.</li> <li>• You enter time off requests on behalf of a worker or correct their time off.</li> </ul>
Period schedules	<p>Absence Management and Workday Payroll can share period schedules that dictate:</p> <ul style="list-style-type: none"> <li>• How often you enable your workers to accrue time off in a time off plan.</li> <li>• The start and end dates of the periods that retrieve and process time off.</li> <li>• The time period for tracking, reporting, and monitoring time for existing balances or liability.</li> </ul>

Touchpoint	Consideration
	<ul style="list-style-type: none"> <li>• Whether to calculate eligibility reporting weekly or monthly.</li> </ul> <p>Period schedules and accrual frequencies can impact how time off is available during a pay period for payroll.</p> <p>Period schedules are useful when defining employee eligibility rules for a time off plan. Example: You want employees to be full-time as of the start date to be eligible for the time off period.</p>

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

##### Concepts

[Concept: Time Off Earnings](#) on page 307

[Concept: Absence Calculations](#)

[Setup Considerations: Payroll for Multiple Jobs](#) on page 583

##### Tasks

[Set Up the Pay Cycle Event Business Process](#) on page 185

[Create Absence Balances](#)

[Enter Pay Component Calculations Based on Absence Management Totals](#) on page 259

[View Payroll Results](#) on page 785

##### Reference

[The Next Level: PATT Touchpoints Webinar](#)

[The Next Level: The Calculation Engine Behind Absence Management](#)

[The Next Level: PATT Touchpoints and Reporting](#)

##### Examples

[Example: Create an Earning for a Single Time Off](#) on page 391

[Example: Create an Earning for Multiple Time Offs](#) on page 392

[Example: Calculate Hours Not Worked](#) on page 393

[Example: Reduce Salary for Time Off and Holidays](#) on page 395

[Example: Create Related Calculations to Track Worked Hours](#) on page 396

## Setup Considerations: Payroll Global Deployment

You can use this topic to help make decisions when planning your configuration and use of payroll global deployment. 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

Workday provides payroll software for Australia, Canada, France, the UK, and the U.S.. For workers in other countries, you can use Workday third-party payroll connectors. These connectors provide templates for bidirectional integrations that bring third-party payroll data into and out of Workday for global reporting. You can use Workday to:

- Help manage a current global deployment.
- Prepare for future global growth.

## Business Benefits

A global payroll deployment in Workday provides:

- Flexibility to connect to different third-party payroll providers using integrations.
- A unified global experience for both employees and administrators.
- Localized experiences for workers, enabling them to use Workday in their local language. Workday delivers translations in over 30 languages.
- Integrations that support complex payroll use cases, and detect and report changes to worker data that are relevant to payroll.
- A hire-to-pay solution for employees that enables employees to see their HR and pay information, such as payslips and tax documents, in Workday.
- An integration template that helps you reconcile worker data used in payroll processing between Workday and your third-party provider to ensure accurate payments for your workers.
- A global view of external payroll results within Workday. Provides powerful insights, such as analytics on global labor costs. Helps you with your business decisions.

## Use Cases

- Use integration templates to integrate to global third-party payroll providers with Workday.
- Your workers can view their payroll information, such as third-party payslips and year-end tax documents, directly in Workday. Help support a mobile workforce.
- Gain a full view of your global workforce, such as employee salaries, benefits, and employer contributions. You can combine both Workday Payroll data and third-party payroll data in dashboards and reports.

## Questions to Consider

Questions	Considerations
What countries do you need to support payroll for?	<p>You can use Workday to manage payroll for:</p> <ul style="list-style-type: none"> <li>• Australia</li> <li>• Canada</li> <li>• France</li> <li>• Ireland</li> <li>• United Kingdom</li> <li>• United States</li> </ul> <p>You can use a Workday certified partner to provide a global payroll solution for <a href="#">certified countries</a>.</p>
What countries might you need to support payroll for in the future?	Your Workday account executive can help you consider your options and preparation steps. Example: If you anticipate needing to support payroll for France, you'll need to set up establishments.

Questions	Considerations
Where do you store your absence data?	<p>Workday handles the absence and payroll relationship differently for different countries.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• For Payroll for Australia: <ul style="list-style-type: none"> <li>• Use Absence Related Component Calculations (ACRCs) to configure time-off earnings.</li> <li>• Use the delivered Pay Component Group (PCG) to group together all hours that are paid or unpaid Leaves of Absence (LOA) and time offs. The PCG takes into account sub-periods caused by proration.</li> <li>• Configure time-off plans for each of the leave types except parental leave.</li> </ul> </li> <li>• Payroll for Canada uses Leave of Absence (LOA) in the Record of Employment (ROE) configuration setup.</li> <li>• For Déclaration Sociale Nominative (DSN) in Payroll for France, you must configure absences to report in: <ul style="list-style-type: none"> <li>• DSN block S21.G00.60 as time off or therapeutic part-time leave.</li> <li>• DSN block S21.G00.65 as other leaves of absence.</li> </ul> </li> </ul> <p>For part-time therapeutic leave, configure:</p> <ul style="list-style-type: none"> <li>• Leaves of absence to represent the entire leave.</li> <li>• Time offs to represent when the worker isn't at work.</li> </ul> <p>• Payroll for the UK needs special consideration in terms of selecting time off versus LOA. Example: Workday recommends using a time off rather than a LOA for Statutory Sick Pay (SSP), because there are implications with cascading leaves.</p> <p>For UK statutory holiday pay, you must configure distinct absence occurrences as any changes made to these can impact payroll.</p> <p>For annual leave, if using Payroll for the UK, configure a time off with an absence</p>

Questions	Considerations
	<p>occurrence. If using a third-party payroll, configure a time off.</p> <p>Configure LOAs for these UK absence types:</p> <ul style="list-style-type: none"> <li>• Statutory Adoption Pay</li> <li>• Statutory Maternity Pay</li> <li>• Statutory Parental Bereavement Pay</li> <li>• Statutory Paternity Pay</li> <li>• Statutory Shared Parental Pay</li> <li>• Unpaid Parental Leave</li> </ul> <p>Configure time offs for these UK absence types:</p> <ul style="list-style-type: none"> <li>• Compassionate Leave</li> <li>• Jury Duty</li> <li>• Statutory Sick Pay</li> <li>• Unpaid Time Off</li> </ul> <p>• Payroll for the U.S. uses Absence Calculation Related Calculations (ACRCs). Those calculations help pull in absence hours when calculating payroll earnings.</p>
What is the currency elected for the worker or the company?	The default country selection determines the currency. When a worker is in a pay group with a currency that isn't equivalent to the worker's company currency, Workday converts the currency using the default exchange rate for display purposes. You can set the default exchange rate as of the period end date.
What third-party products do you need to integrate with?	Plan to work with vendors to set up and maintain those integrations, if required.
Which historical payroll data do you need from external systems?	<p>To improve your payroll calculations, you can load historical payroll data from external systems. This data enables you to:</p> <ul style="list-style-type: none"> <li>• Include payroll history in quarter-to-date and year-to-date calculations.</li> </ul> <p>For Payroll for the UK, the tax year is from April 6th to April 5th of the next year.</p> <p>To calculate superannuation contributions, PAYG, and calculations that use the average normal gross, you may need to have data from the beginning of the tax year.</p> <ul style="list-style-type: none"> <li>• Apply limits and self-correcting logic to correct amounts when you start using Workday Payroll.</li> </ul> <p>You can add or correct payroll history at any time. However adding or changing historical results for</p>

Questions	Considerations
	<p>a worker can impact calculations and results that use historical balances.</p> <p>For the UK:</p> <ul style="list-style-type: none"> <li>Identify and load the worker's legacy payroll ID. After Workday generates their new Workday payroll ID, you can't go back and load the legacy ID. Without the legacy ID, HMRC might not be able to match the worker's details under the legacy ID with their new Workday payroll ID.</li> <li>Consider what data that you want to load for features such as SSP and statutory holiday pay.</li> </ul> <p>For more information, see <a href="#">Concept: What Payroll History to Load</a> on page 196.</p>
Do you have employees who work in multiple countries at the same time?	<p>The amount of coverage Workday provides depends on the countries and roles involved in the type of international assignment.</p> <p>Payroll for Canada and the U.S. support international assignment pay.</p> <ul style="list-style-type: none"> <li>When a worker from another country is on international assignment in Canada, the UK, or the U.S., you can set up Workday Payroll to pay them in their host country. You can pay them either their entire pay or only selected expenses.</li> <li>Payroll for Canada doesn't support Record of Employment (ROE) for international assignment pay. You'll need to issue ROEs for these workers directly through the Service Canada website.</li> </ul> <p>Payroll for Australia and Payroll for France don't support multiple jobs and the Workday international assignment functionality. Payroll for France does support tax calculations and DSN reporting for nonresident workers and workers with an international assignment status.</p> <p>When a worker from Canada, the UK, or the U.S. is on international assignment elsewhere, Workday provides support for international assignment and multiple jobs with third-party payroll connectors, such as:</p> <ul style="list-style-type: none"> <li><i>Payroll Interface</i></li> <li><i>Payroll Effective Change Interface</i></li> <li><i>Worker Effective Change Interface</i></li> </ul> <p>Consider whether the third-party payroll system that you're integrating with also supports international assignment and multiple jobs.</p>

Questions	Considerations
Do you have employees who travel internationally for work?	<p>When a worker from another country is on international assignment in Canada, the UK, or the U.S., you can pay them in their host country using Payroll for either:</p> <ul style="list-style-type: none"> <li>• Their entire pay.</li> <li>• Only selected expenses, such as housing allowance. You continue to pay their base pay in their home country using third-party payroll.</li> </ul>
What data do you want to collect?	<p>Your data requirements might vary depending on the countries you need to support payroll for. Plan to create custom reports if required.</p> <p>For Payroll for France, your Workday setup must contain the required data to avoid errors and missing data in DSN declarations.</p> <p>See: <a href="#">Reference: DSN Data Requirements (FRA) on page 1721</a>.</p> <p>For Payroll for the UK, your Workday setup must contain the required data to avoid errors and missing data, such as partner and dependent information for shared parental pay.</p>
What do you need to customize for your employees at the country level?	<p>You can configure Workday to create a global experience for your employees, by localizing the:</p> <ul style="list-style-type: none"> <li>• Language of the product at the country level.</li> <li>• Currency.</li> </ul>
Are you implementing Payroll for France and another country?	<p>Payroll for France recommends that you disable payslip viewing in self-service for all workers. As payslip self-service is a tenant-level setting, Workday recommends that you create an intersection security group for French employees.</p>
What global analytics do you want to report on?	<p>You can report on items such as the:</p> <ul style="list-style-type: none"> <li>• Number of employees paid.</li> <li>• Variants by pay group and employee.</li> <li>• Average cost per employer by pay group.</li> </ul>
What payroll accounting categories do you need to set up?	<p>When using Payroll for multiple countries, you can set up multiple charts of accounts, such as a primary and secondary. You might need to set up multiple charts of accounts because the standards for charts of accounts can differ by country, such as U.S. and France.</p>
When do you need to audit your payroll?	<p>You can review the payroll run results and the audit log. You can schedule the payroll audits and they're:</p> <ul style="list-style-type: none"> <li>• Date and time stamped.</li> <li>• Configurable.</li> </ul>

Questions	Considerations
How do you want to group your workers for payroll processing?	<p>Set up a separate pay group for each country. Workday uses the country that you configure to determine the currency to use when processing the employee's payroll results. A pay run group can't include pay groups for multiple countries.</p> <p>After you process payroll for a pay group, you can't change the country on the pay group. To change the country, you must create a new pay group.</p>

## Recommendations

When implementing across multiple countries, Workday recommends:

- Naming objects with a standard naming convention based on country as well as using the country field when possible. This convention helps you easily identify and maintain different objects during implementation and production.
- Use different period schedules for each country, when applicable. This configuration helps you avoid issues, such as when pay dates for different holidays don't align across countries.
- Creating a separate run category for each country that you're implementing to help you process each item. Most countries have country-specific pay accumulations and pay component groups.

## Requirements

Configure company and worker data in Workday Human Capital Management (HCM) for each country.

For certain payroll calculations, you must provide data from within Workday or external integrations for these areas:

- Absence.

Payroll for the UK customers must use Workday Absence for UK statutory holiday pay, Statutory Sick Pay, and Statutory Parental Pay. Statutory Parental Pay includes:

- Statutory Adoption Pay
- Statutory Maternity Pay
- Statutory Neonatal Care Pay
- Statutory Parental Bereavement Pay
- Statutory Paternity Pay
- Statutory Shared Parental Pay

Payroll for France customers must use Workday Absence for Déclaration Sociale Nominative (DSN) reporting.

Payroll for Australia customers must use Workday Absence for Leave payments.

- Benefits

Payroll for the UK customers must use Workday Benefits for pension auto-enrolment.

Payroll for France customers must use Workday Benefits to report health insurance and contingency fund contributions.

- Compensation

Payroll for Australia customers must use Compensation for Superannuation.

- Time Tracking

Regardless of whether you use Financial Management in Workday, you must create and regularly maintain accounting configurations related to payroll transactions, including:

- Account sets and account posting rules.
- Fiscal schedules, posting intervals, and years.
- Journal source mapping.
- Types, account types, periods, and years for ledgers.

For the UK, use the same pay frequency when there are multiple run categories to avoid incorrect taxation due to conflicting period schedules.

For Canada, you might need to configure period schedules at least 53 weeks into the past. This configuration accommodates historical data loaded for Record of Employment (ROE) periods.

For France, you must set up a work schedule calendar for workers for DSN reporting.

## Limitations

- Workday doesn't report tax information directly to government organizations for:
  - Payroll for Canada.
  - Payroll for the U.S.
  - Countries supported through third-party payroll providers.

Workday provides the necessary reports for you to do so manually.

- While you can use Workday to help you meet payroll compliance, you must verify that your payroll is compliant with requirements for the regions in which you operate.
- After you process payroll for a pay group, you can't change the country on the pay group. To change the country, you must create a new pay group.

## Tenant Setup

On the Edit Tenant Setup - Global task you can:

- Set countries where you allow worker payment elections in Workday-supported and other countries. Payment election types include payroll and expense reimbursement pay types.
- Create translations in Workday-supported and other languages. If you're deploying Workday in multiple languages, you must create and maintain translations specific to your configuration and business data.
- Manage personal data for workers, based on country.

On the Edit Tenant Setup - HCM task, select *Multiple Jobs* in the Position Setup Options field if you plan to use multiple jobs for Canada and the U.S.

On the Edit Tenant Setup - Payroll task, enable all Workday Payroll countries for which you've bought Workday Payroll.

On the Edit Tenant Setup - System task, you can configure:

- Local time zones at the tenant, location, and user levels.
- The currencies available for selection, and maintain currency conversion rates.
- Country-specific settings, locales, and languages to enable localization for countries to help you comply with local regulatory requirements.

## Security

You can use:

- Constrained, role-based security groups to provide payroll partners access only to the specific pay groups to which you assign them. Example: Payroll partners only see country information, such as a U.S. payroll partner not being able to view France pay group results.
- User-based security groups to provide payroll administrators with access to all pay groups across organizations. Consider also using user-based security groups for calculation and settlement

administrators to provide them with a system-wide access without enabling them to see employee-level payroll data. Example: Payroll administrators can see global information.

To view the different security domains for payroll, access the Domain Security Policies for Functional Area report and select a payroll functional area. Workday recommends that you identify and grant the minimum level of security that a worker needs.

Functional Areas	Considerations
Core Payroll	<p>Security domains in this functional area enable users to configure and use basic payroll features that are common to all countries, such as:</p> <ul style="list-style-type: none"> <li>• Accumulations.</li> <li>• Balances.</li> <li>• Deductions.</li> <li>• Earnings.</li> <li>• Payment elections.</li> <li>• Payroll input.</li> <li>• Payroll processes.</li> <li>• Settlement.</li> </ul>
AUS Payroll	<p>Security domains in this functional area enable users to configure and use features specific to Australian Payroll, such as:</p> <ul style="list-style-type: none"> <li>• Mapping leave types to leave pay.</li> <li>• Mapping termination reasons to Australian Taxation Office (ATO) cessation types.</li> <li>• Superannuation configuration.</li> <li>• SuperStream.</li> <li>• Company tax configuration.</li> <li>• Processing Single Touch Payroll (STP) reports.</li> <li>• Worker tax data.</li> <li>• Withholding orders.</li> </ul>
CAN Payroll	<p>Security domains in this functional area enable users to configure and use features specific to Canadian Payroll, such as:</p> <ul style="list-style-type: none"> <li>• Record of employment (ROE) reporting.</li> <li>• Tax authorities.</li> <li>• Withholding orders.</li> <li>• Worker tax data.</li> <li>• Year-end forms.</li> </ul>
FRA Payroll	<p>Security domains in this functional area enable users to configure and use features specific to French Payroll, such as:</p> <ul style="list-style-type: none"> <li>• Advances.</li> <li>• Company and establishment tax data.</li> <li>• Declaration Sociale Nominative (DSN) reporting.</li> <li>• Employee and Employer deduction data.</li> <li>• Loans.</li> </ul>

Functional Areas	Considerations
	<ul style="list-style-type: none"> <li>• Obligation d'Emploi des Travailleurs Handicapés (OETH) reporting.</li> <li>• Withholding orders.</li> <li>• Worker tax data.</li> <li>• Bordereau de Paiement pour le versement des Indemnités Journalières (BPIJ).</li> </ul>
IRL Payroll	<p>Security domains in this functional area enable users to configure and use features specific to Irish Payroll, such as:</p> <ul style="list-style-type: none"> <li>• Company tax data.</li> <li>• Employer tax reporting.</li> <li>• Pension auto-enrolment.</li> <li>• Worker tax data (LPT, PAYE, USC).</li> </ul>
UK Payroll	<p>Security domains in this functional area enable users to configure and use features specific to Payroll for the UK, such as:</p> <ul style="list-style-type: none"> <li>• Company car.</li> <li>• Company tax data.</li> <li>• Court order deductions.</li> <li>• Employer tax reporting (RTI).</li> <li>• Holiday pay.</li> <li>• IR35.</li> <li>• National insurance.</li> <li>• Pension auto-enrolment.</li> <li>• Postgraduate loans.</li> <li>• Statutory payments associated with birth, adoption, or sickness.</li> <li>• Student loans.</li> <li>• Worker tax data (P45, P60).</li> </ul>
U.S. Payroll	<p>Security domains in this functional area enable users to configure and use features specific to Payroll for the U.S., Puerto Rico, Guam, and Virgin Islands. Example:</p> <ul style="list-style-type: none"> <li>• Company tax data.</li> <li>• Payroll commitments.</li> <li>• Withholding orders.</li> <li>• Worker tax data.</li> <li>• W-2, W-2R, W-2GU, and W-2VI boxes and employee forms.</li> </ul>
Third-Party Payroll Integration	<p>These security domains in the Integration functional area enable you to create and launch third-party payroll integrations:</p> <ul style="list-style-type: none"> <li>• <i>Integration Build</i></li> <li>• <i>Integration Configure</i></li> <li>• <i>Integration Debug</i></li> </ul>

## Business Processes

You can use the *Event-Driven Integration for Third-Party Payroll* integration service with the *Payroll Effective Change Interface* integration (PECI).

## Reporting

Reports or Dashboards	Considerations
Global Labor Cost Analysis	Enables you to review year-to-date labor cost analysis on third-party payroll results.
View Global Payroll Results Global Payroll Results Number of Employees by Pay Group Global Payroll Results Average Cost for Pay Component Global Payroll Results Variant by Pay Component Global Payroll Results Variant by Worker	Workday provides reports that give you different views of your global payroll results. Once you set them up, you can: <ul style="list-style-type: none"> <li>Review payroll results from both Workday and your third-party payroll vendors.</li> <li>Analyze comprehensive payroll data to help you understand your global payroll costs.</li> </ul> Set up global payroll reporting groups to use the reports.           You can add these reports as worklets to the Pay Cycle Command Center dashboard.
View Global Payroll Reconciliation Results All Global Payroll Reconciliation Items My Assigned Global Payroll Reconciliation Items	You can use these reports to reconcile payroll results in Workday and in your third-party payroll system.
Workers Sent to Third Party Payroll Worker Changes Sent to Third Party Payroll Third-Party Payroll Errors by Severity	You can use these reports to review global payroll integration processing. You can add these reports as worklets on a new tab on the Pay Cycle Command Center dashboard.
Pay Cycle Command Center Dashboard	You can review and manage payroll data for a single or multiple pay periods at a time.
Payroll Compliance Updates Dashboard	Gives you quick visual insight into the compliance-related updates that are most important to you. You can quickly identify whether a compliance-related update potentially impacts your employees and take appropriate action. Example: Alerting employees, spot-checking payroll results, or being ready to answer questions.
Global Library	Displays sample configurations and common compliance requirements. You can use this report when adding on another Workday product area or expanding into new countries or regions. The report is a preconfigured profile of 2 types of configurations: <ul style="list-style-type: none"> <li>Workday delivered and maintained statutory guidance configurations. Example: State minimum wages, tax calculations, withholding and court order data, address and name formats.</li> </ul>

Reports or Dashboards	Considerations
	<ul style="list-style-type: none"> <li>Sample configurations. On the sample configuration tabs, you'll see a description of how to implement them.</li> </ul> <p>You can also add this report as a menu item to the Pay Cycle Command Center and Payroll Compliance Updates dashboards.</p>
Tenant Analyzer Dashboard	<p>Enables you to verify your tenant configuration against Workday recommendations, for Workday:</p> <ul style="list-style-type: none"> <li>Absence</li> <li>Financials</li> <li>HCM</li> <li>Payroll</li> <li>Time Tracking</li> </ul>
All Supported Payroll Retro Transaction Types	<p>Workday doesn't support all retroactive changes for Australia, Canada, France, the UK, or the U.S.</p> <p>You can use the report to view the supported retroactive changes by country.</p>

## Integrations

Integrations	Considerations
<i>Payroll Effective Change Interface (PECI)</i>	<p>Full-stack integration, which transmits payroll changes for workers and includes the effective date and data entry date for each change.</p> <p>Enables you to load third-party payroll data into and out of Workday. You can configure the integration to suit your needs.</p> <p>Within PECI, you can use the:</p> <ul style="list-style-type: none"> <li><i>Event-Driven Integration for Third-Party Payroll integration service.</i></li> <li><i>Payroll Interface Integration Command Center.</i></li> </ul>
<i>Worker Effective Change Interface (WECH)</i>	<p>Enables you to load worker data, including time off and LOA. You can configure the integration to suit your needs.</p>
<i>Payroll Interface</i>	<p>Enables you to load third-party payroll data into and out of Workday, such as payroll organizations that have different:</p> <ul style="list-style-type: none"> <li>Pay frequencies.</li> <li>Earnings and deductions.</li> <li>External processing requirements.</li> </ul> <p>You can configure the integration to suit your needs.</p> <p>For Payroll for Australia, enables you to use:</p> <ul style="list-style-type: none"> <li>Single Touch Payroll (STP).</li> <li>SuperStream.</li> </ul>

Integrations	Considerations
<i>Global Payroll Reconciliation</i>	Requires the <i>Payroll Effective Change Interface (PECI)</i> integration. Enables you to compare payroll data in Workday with data in your third-party payroll system and provides options for reconciliation.
<i>External Payroll Results Inbound</i>	The integration imports payroll data from an external payroll system into Workday.
<i>External Payroll Documents</i>	<p>Enables you to upload externally generated payroll documents into Workday, such as:</p> <ul style="list-style-type: none"> <li>• Externally generated payslips.</li> <li>• External tax documents. Example: To import Canadian tax documents into Workday, create a T4 external payroll document type.</li> <li>• Other payroll documents. Example: A garnishment letter that you received for an employee.</li> </ul>
<i>Import External Payslips</i>	Enables you to retrieve external payslip files for pay groups and import the files into Workday.
<i>Government Integrations</i>	<p>Australia: Australian Taxation Office - STP</p> <p>Canada:</p> <ul style="list-style-type: none"> <li>• <i>Annual Tax Filing - CRA (T4)</i></li> <li>• <i>Annual Tax Filing - CRA (T4A)</i></li> <li>• <i>Annual Tax Filing - CRA (NR4)</i></li> <li>• <i>Annual Tax Filing - RQA (RL -1)</i></li> <li>• <i>Annual Tax Filing - RQA (RL -2)</i></li> <li>• <i>Service Canada ROE Outbound</i></li> <li>• <i>Service Canada ROE Inbound</i></li> </ul> <p>France:</p> <ul style="list-style-type: none"> <li>• <i>DSN Deposit (Machine to Machine)</i></li> <li>• <i>DSN Polling (Machine to Machine)</i></li> <li>• <i>BPIJ Integration (Machine to Machine)</i></li> </ul> <p>Ireland:</p> <ul style="list-style-type: none"> <li>• <i>IRL Incoming Notifications</i></li> <li>• <i>IRL Payroll Submission</i></li> </ul> <p>United Kingdom:</p> <ul style="list-style-type: none"> <li>• <i>HMRC Incoming Notifications</i></li> <li>• <i>HMRC Real Time Information - Earlier Year Update</i></li> <li>• <i>HMRC Real Time Information - Employer Payment Summary</i></li> <li>• <i>HMRC Real Time Information</i></li> </ul> <p>United States:</p>

Integrations	Considerations
	<ul style="list-style-type: none"> <li>• <i>Electronic Income Withholding Order Inbound</i></li> <li>• <i>Electronic Income Withholding Order Outbound</i></li> </ul>

## Connections and Touchpoints

Touchpoint	Considerations
Pay Run Groups	<p>When you calculate payroll or run reports, you can select the pay run group instead of the individual pay groups.</p> <p>A pay run group can't include pay groups for multiple countries.</p> <p>Payroll administrators have access to all pay run groups. However, payroll partners can only process and report on a pay run group if you assign them to all of its pay groups.</p>
Payslips	<p>For each country, you need to maintain payroll payslip configuration. You can include up to 7 configurable sections on employee payslips. Workday automatically includes sections for:</p> <ul style="list-style-type: none"> <li>• Employee information.</li> <li>• Pay period dates.</li> </ul> <p>If you have a license to use Workday Payroll in more than 1 country, define a separate payslip configuration for each country. Make sure that payslips meet the consolidated requirements of all regions.</p> <p>For Payroll for France, Workday provides a standard layout that you can use.</p> <p>For Payroll for Australia, Workday provides a standard layout that you can use which includes superannuation information by default.</p>
Gross-Up Earnings	<p>When you have Workday Payroll enabled for multiple countries, you can only select a single country for a gross-up earning. Create an earning per country.</p> <p>Payroll for Australia doesn't support gross-ups.</p>
Workday Human Capital Management (HCM)	<p>Period schedules for all countries.</p> <p>Multiple employment or multiple jobs. Workday recommends you configure your tenant for additional jobs if you need support for multiple jobs now or in the future.</p> <p>There's some worker data collection in France that the government prohibits, such as ethnicity. You might need to set that data up for global deployment.</p>

Touchpoint	Considerations
	For France, you must set up establishments as a sub category of a company.
Workday Financial Management	Set up travel profiles, define payment election options, maintain payment elections, set up company tax IDs, set up expenses, and create project billing rate sheets.

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.

### Other Impacts

No impact.

### Related Information

#### Concepts

[Setup Considerations: Payroll Effective Change Interface](#)

[Setup Considerations: Worker Effective Change Interface](#)

[Setup Considerations: External Payroll Documents](#)

[Setup Considerations: Payroll Interfaces](#)

#### Tasks

[Steps: Set Up Global Payroll Reconciliation](#)

[Steps: Set Up Global Payroll Results](#)

[Steps: Set Up Import External Payslips Integration](#)

#### Reference

[Reference: Third-Party Payroll Reporting](#)

[Reference: Global Payroll Results Reports](#)

# Set Up Payroll Processing

## Setup Considerations: Payroll Dashboards

You can use this topic to help make decisions when planning your configuration and use of payroll dashboards. 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 They Are

Payroll dashboards consolidate payroll data and actionable items in 1 place. Workday delivers these preconfigured dashboards:

- Pay Cycle Command Center: To review and manage payroll data for 1 or multiple pay periods.
- Payroll Compliance Updates: To review compliance updates.

- Pay: To enable workers to access their payroll data.
- For Payroll for France, DSN Command Center: To manage and track your generated DSNs, verify reported payroll data, and access DSN tasks.
- For Payroll for Canada and the U.S., Payroll Year End: To access common year-end tasks, review past-year statistics and year-end forms, and run year-end business processes.

You can also create an unlimited number of custom dashboards.

## Business Benefits

Payroll dashboards help to increase operational efficiency and save time by enabling you to:

- Review strategic payroll trends and metrics and identify issues that require action.
- Run tasks and reports most relevant to you from 1 location.
- Quickly assess the payroll status of your company with a payroll process overview.
- Review delivered and future compliance updates in 1 location.
- Enable workers to engage with their payroll and find answers without having to ask pay partners using employee self-service (ESS).

## Use Cases

Use payroll dashboards to:

- Compare pay periods to confirm that payroll results are consistent.
- Track trends, drill down on pay components, and investigate anomalies.
- Plan for compliance updates that impact pay to notify workers in advance or address their questions.
- Reconcile pay results with the number of workers.
- Track amounts that go into suspense accounts.

Enable workers to run the Pay dashboard to understand:

- Why their gross-to-net is the same but their holiday pay is different.
- How much they contribute for taxes or voluntary deductions.
- Confirm a compensation change.

## Questions to Consider

Questions	Considerations
Which countries do pay partners process payroll for?	<p>You can preconfigure fields to display by country and relevance to pay partners on each dashboard. Example: You can display certain run categories and pay periods.</p> <p>You can also provide pay partners access to configure their own dashboards.</p>
What information do you want to display on the Workday Home page?	<p>You can configure the Home page to increase operational efficiency by:</p> <ul style="list-style-type: none"> <li>• Selecting which worklets to display and in which order by role. Example: If 1 person manages payroll and time tracking, you can include Payroll and Time Tracking worklets on their Home page.</li> <li>• Renaming existing worklets using the Configure Home Page Content task.</li> <li>• Grouping dashboards by usage frequency.</li> </ul>

Questions	Considerations
What data do you want to verify when running payroll?	<p>The Pay Cycle Command Center dashboard contains preconfigured worklets that provide an overview of payroll data relevant to each processing phase. You can:</p> <ul style="list-style-type: none"> <li>• Compare trends between pay periods and identify anomalies.</li> <li>• Verify the status of payroll results and drill down on them.</li> <li>• Review retro differences in earnings and deductions.</li> <li>• Review debit and credit amounts for each ledger account.</li> <li>• Reconcile payroll results with payments.</li> </ul> <p>You can also configure custom worklets that display data from custom reports. Example: You can copy the Payroll Input Not Processed report and configure it to display on the Pay Cycle Command Center dashboard.</p>
How do you keep track of payroll processing tasks?	<p>The Pay Cycle Command Center dashboard contains preconfigured worklets that provide access to tasks and reports grouped by payroll processing phases. Examples:</p> <ul style="list-style-type: none"> <li>• Preparation, such as running retro pay calculations and mass importing payroll inputs.</li> <li>• Processing, such as running and completing payroll and running reports to audit payroll results.</li> <li>• Post complete, such as running accounting and creating settlement runs.</li> <li>• Manage worker data, such as assigning pay groups and adding tax elections by country.</li> </ul> <p>You can edit the Pay Cycle Command Center dashboard or create a custom one to meet your organizational needs. Example: You can:</p> <ul style="list-style-type: none"> <li>• Reorder or group tasks and reports based on usage.</li> <li>• Add or remove worklets.</li> <li>• Configure standard and custom reports as worklets.</li> <li>• Add external links such as regulatory documents.</li> <li>• Add announcements and menus for specific groups based on condition rules.</li> </ul>
How do you learn about payroll compliance updates?	<p>The Payroll Compliance Updates dashboard provides compliance information for each supported payroll country, listing:</p> <ul style="list-style-type: none"> <li>• Delivered updates related to taxes and court orders or withholding orders, to help</li> </ul>

Questions	Considerations
	<p>you assess whether you need to change the configured pay component. Example: Unchanged payroll results can suggest you need to create new taxable deductions.</p> <ul style="list-style-type: none"> <li>Upcoming updates related to taxes and court orders or withholding orders, to help you plan communications to impacted workers based on the affected population size.</li> <li>Updates related to lookup tables and minimum wages.</li> </ul> <p>You can drill down on each update to review the impacted workers, pay components, or the effective date.</p> <p>When you process payroll for multiple countries, consider configuring a different preset effective date for each country to account for differences in tax year dates.</p>
What are your regulatory reporting requirements? (CAN, FRA, USA)	<p>For Payroll for France, you can configure the DSN Command Center dashboard to:</p> <ul style="list-style-type: none"> <li>Manage and track your generated DSNs.</li> <li>Verify reported payroll data.</li> <li>Quickly access related DSN tasks in Workday.</li> </ul> <p>For Payroll for Canada and the U.S., you can configure the Payroll Year End dashboard for easy access to:</p> <ul style="list-style-type: none"> <li>Routine year-end tasks.</li> <li>Current estimates for year-end forms.</li> <li>Past year-end form statistics.</li> <li>Year-end business processes.</li> <li>Statuses of business processes and year-end forms, and the name of the person responsible for the next step.</li> </ul>
What information do you want to make available to workers?	<p>The Pay dashboard contains preconfigured worklets that workers access through ESS to view:</p> <ul style="list-style-type: none"> <li>Payslips and payment dates.</li> <li>Comparisons of earnings and deductions between 2 pay periods to identify trends and review pay distribution.</li> <li>Pay history over the last 3 months as configured on worker payslips.</li> <li>Earning and deduction history over the last 3 months.</li> </ul> <p>The dashboard displays only pay component or pay history results for workers who have payroll results for the previous 3 months.</p>

Questions	Considerations
	<p>You can add routine tasks to the Pay dashboard based on business needs. Example: You can enable workers to:</p> <ul style="list-style-type: none"> <li>• Elect voluntary deductions.</li> <li>• Request time off.</li> <li>• Update payment elections.</li> <li>• Request pay on-demand (USA).</li> </ul> <p>When processing payroll externally, you can configure an intersection security group to restrict access to the dashboard to Workday employees.</p> <p>You can configure the dashboard to enable workers to select:</p> <ul style="list-style-type: none"> <li>• The country to display. Workday displays the primary job country by default for workers in multiple countries.</li> <li>• Which earnings and deductions to display. Example: Base pay plus bonus or hourly and overtime pay.</li> </ul> <p>Use the Pay dashboard rather than the Pay worklet, which only includes some of the dashboard content. Example: Workers can't elect voluntary deductions on the worklet.</p>

## Recommendations

To ensure that the dashboards display the most up-to-date data, before accessing payroll admin dashboards:

- Configure continuous payroll calculations and enable an automatic stop to save the step of pausing the calculations.
- To ensure that pay calculations include all updates, verify integrations and run a full payroll recalculation.

Access the Payroll Compliance Updates dashboard at least once per week and before processing regular pay to plan for compliance changes.

For best ESS experience, when you configure the Pay dashboard:

- Set the worklet size to 1X for Recent Payslips and Compare Periods.
- Set the worklet size to 2X for Earnings/Deductions History and Pay History, especially for workers on weekly or biweekly pay periods who have more pay results.
- Sign in to Workday using proxy access to verify the layout and data displayed.

## Requirements

No impact.

## Limitations

You can't access cross-functional reports, such as Time Tracking dashboards, on the Pay dashboard.

## Tenant Setup

Configure the Edit Tenant Setup - Payroll task to set:

- Selectable default countries on the dashboards.
- Payslip options for ESS using the Pay dashboard.

## Security

Domains	Considerations
<i>Business Process Administration and Manage: Business Process Definitions in the System functional area. (CAN, US)</i>	Enable users to run year-end business processes from the Payroll Year End dashboard.
<i>Management Dashboard: Pay Cycle Command Center in the Core Payroll functional area.</i>	Enables users to access the Pay Cycle Command Center dashboard.
<i>Management Dashboard: Payroll Year End in the USA Payroll functional area.</i>	Enables users to access the Payroll Year End dashboard.
<i>Management Dashboard: Payroll Year End in the CAN Payroll functional area.</i>	Enables users to access the Payroll Year End dashboard.
<i>Manage: All Custom Reports in the System functional area.</i>	Enables users to access custom reports regardless of the owner using the dashboards.
<i>Process: DSN (Run) - FRA in the FRA Payroll functional area.</i>	Enables users to access the DSN Command Center dashboard.
<i>Security Configuration in the System functional area.</i>	Enables users to manage proxy access policies to verify the Pay dashboard layout.
<i>Self-Service: My Pay Dashboard in the Core Payroll functional area.</i>	Enables users to access the Pay dashboard through ESS. Each self-service task requires appropriate security access. Example: To view and print payslips, configure the <i>Self-Service: Payroll (My Payslips)</i> domain in the Core Payroll functional area.
<i>Set Up: Tenant Setup: Worklets in the System functional area.</i>	Enables users to configure dashboards.
<i>Set Up: Payroll (Taxes View) in the Core Payroll functional area.</i>	Enables users to access the Payroll Compliance Updates dashboard and other data related to taxes.

## Business Processes

You can add tasks to the dashboards to initiate business processes. Example: You can add a task for the *Request Time Off* business process to the Pay dashboard.

For Payroll for the U.S., you can only run the *W-2 Year End Process* business process from the Payroll Year End dashboard.

For Payroll for Canada, you can only run these year-end business processes from the Payroll Year End dashboard:

- *RL-1 Year End Process*
- *T4 Year End Process*

## Reporting

Reports or Dashboards	Considerations
Custom Report Exceptions by Owner report	Identify and troubleshoot exceptions for reports that you enable as worklets but that are unavailable on dashboards.
Global Library report	Add this report to the Pay Cycle Command Center and Payroll Compliance Updates dashboards to view sample configurations and common compliance requirements. Workday delivers the report with 2 types of configurations: <ul style="list-style-type: none"> <li>Statutory guidance configurations that Workday delivers and maintains. Example: State minimum wages, tax calculations, withholding and court order data, address and name formats.</li> <li>Sample configurations.</li> </ul>
Maintain Dashboards report	Create custom dashboards, and add to and edit preconfigured dashboards.
Payroll Compliance Update Documentation report	Add this report to the Payroll Compliance Updates dashboard to review compliance updates in Workday by country. The report includes links to external regulatory sites.
Settlement dashboard	Review settlement activities in your organization such as the unsettled payroll payments by amount.

## Integrations

When workers belong to external pay groups, you can display their external pay data on the Pay dashboard by:

- Enabling the corresponding domains for third-party payroll.
- Using the *External Payroll Documents* integration and the *External Payroll Results Inbound* integration.

Examples: External pay results, payslips, or tax documents.

## Connections and Touchpoints

Features	Considerations
Retro pay calculations	When you run retro for terminations or hires in prior periods where workers have no payroll activity, Workday generates pay results of zero for those periods. The ESS Pay dashboard hides payslips associated with these retro events.
Tasks and reports	On Workday-delivered or custom dashboards, you can add: <ul style="list-style-type: none"> <li>Reports as optional or required worklets.</li> <li>Tasks as menu items for quick access.</li> </ul> Example: You can configure the Payroll Audit Exception Summary report as a worklet on the

Features	Considerations
	Pay Cycle Command Center dashboard. You can then drill down on the status and severity values and view individual audit exception details.

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

##### Concepts

[Concept: Dashboards](#)

[Concept: Custom Worklets](#)

##### Tasks

[Steps: Set Up Custom Dashboards](#)

[Configure Continuous Payroll Calculation](#) on page 85

[Define Payslips](#) on page 487

##### Reference

[Reference: Pay Cycle Command Center Dashboard](#) on page 96

[Reference: Pay Dashboard for Employee Self-Service](#) on page 95

[Reference: Payroll Compliance Updates Dashboard](#) on page 533

[Reference: Payroll Year-End Dashboard](#) on page 955

[Reference: Global Library](#) on page 539

[The Next Level: A Day in the Life: Payroll Admin](#)

[Reference: Benefits and Pay Hub](#)

##### Examples

[Example: Set Up the DSN Command Center Dashboard \(FRA\)](#) on page 1736

## Steps: Set Up Payroll Processing

### Prerequisites

Create earnings and deductions.

### Context

Before loading your company payroll history into Workday, create a structure for holding the information and calculating payroll. The setup defines rules for who to pay, what to pay, and when to pay employees.

### Steps

- Access the Edit Tenant Setup - Payroll task and select the countries where you're licensed and plan to use Workday Payroll.
  - [Set Up Payroll and Time Tracking Period Schedules](#) on page 153.
- Period schedules group pay periods for a pay frequency, such as weekly, biweekly, or monthly. They identify the start date, end date, and payment date for each pay period.
- Specify the criteria employees must meet for a run type, such as a regular or bonus run, and identify the earning and deductions to process.
- See [Steps: Set Up Pay Run Categories](#) on page 101.
- [Set Up Pay Groups](#) on page 174 and assign workers to them.
- Pay groups aggregate workers for payroll processing and reporting. They identify the run categories and corresponding period schedules for a pay group.

5. For Payroll for France, map types of workers to preconfigured payroll calculations.  
See [Map Staffing Information to Payroll Calculations \(FRA\)](#) on page 1627.
6. (Optional) Set up pay run groups.  
Pay run groups enable you to perform tasks, such as pay calculation, for multiple pay groups as a single action.  
See [Concept: Pay Groups and Pay Run Groups](#) on page 180.
7. (Optional) Set up Payroll dashboards, such as:
  - Payroll Compliance Updates: Gives you quick visual insight into compliance updates.
  - Pay Cycle Command Center: Enables you to quickly access the information you need for each phase of a pay cycle, from preparation, to processing, to post-complete processing.
  - Pay: Enables your employees to understand their pay and access common payroll information including their recent payslips, depending on your payslip employee self-service configuration.
  - Use of the Recent Payslips worklet in the Pay dashboard isn't recommended for Payroll for France.

Search on *Pay* in the Maintain Dashboards task to see a complete list of available dashboards for payroll and to configure them.

See [Steps: Set Up Dashboards and Landing Pages](#).
8. Access the Tenant Analyzer task to verify your payroll configurations in terms of Workday recommendations.

#### Related Information

##### **Tasks**

[Steps: Set Up Employee Self-Service](#)

[Steps: Set Up Pay Run Categories](#) on page 101

##### **Reference**

[Reference: Edit Tenant Setup - Payroll](#)

[Reference: Compare Pay Components, Groups, Accumulations, and Balances](#) on page 270

[Reference: Pay Cycle Command Center Dashboard](#) on page 96

[Reference: Pay Dashboard for Employee Self-Service](#) on page 95

[Reference: Payroll Compliance Updates Dashboard](#) on page 533

[Reference: Benefits and Pay Hub](#)

## Setup Considerations: Continuous Payroll Calculation

You can use this topic to help make decisions when planning your configuration and use of continuous payroll calculation. 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**

You can automate the calculation of on-cycle payroll for regular run categories. The calculation runs every 5 minutes, updating workers' pay results as pay-impacting events occur. Continuous payroll calculation processes the same pay-impacting events as the smart calculation feature, and workers with these pay result statuses:

- *Requires Recalculation*
- *Requires Recalculation Due to Retro*
- *Waiting to Pick up Retro Difference*

## Business Benefits

- You can run manual calculations less often and they'll take less time to process, streamlining payroll processing.
- You don't have to wait for a batch calculation to see current pay results.
- By running smaller calculation jobs, you can free up processing resources for other jobs.
- You can reduce the time it takes to prepare for period-end audits.

## Use Cases

Keep workers' payroll results up to date throughout the pay period as pay-impacting events occur.

## Questions to Consider

Question	Consideration
Do you run smart calculation frequently during the period?	If yes, consider enabling continuous payroll calculation. It processes the same pay-impacting events as smart calculation, so you don't need to run smart calculation to keep pay results updated.
Do you receive integrations during working hours?	If yes, consider the impact of continuous calculations on other payroll tasks. While continuous payroll calculation processes the integration, Workday: <ul style="list-style-type: none"> <li>• Might block related actions on a payroll result (Example: putting a pay result on hold, canceling a pay result).</li> <li>• Queues other jobs such as retro calculations.</li> </ul>
Do you use pay run groups, or have many pay groups with the same period schedule?	When you enable auto calculation of initial pay results, Workday runs the initial calculation only for pay groups that are complete by the scheduled start time.  You can run a smart calculation to start the period for any pay groups that you complete later.
Do you need time after the last calculation each period to do final audits?	You can: <ul style="list-style-type: none"> <li>• Pause calculations for the period manually.</li> <li>• Stop continuous calculations automatically each period, before the payment date.</li> </ul>

## Recommendations

- When you want to stop a calculation, pause the pay groups that are in progress and let the current run finish. Aborting a continuous calculation job could cause errors in accounting and future payroll calculations.
- To prevent continuous calculation from processing a worker, put the worker's pay result on *Hold*.
- When you need to restart calculations after the automatic stop time has passed, use the Update Continuous Payroll Calculation Status report.

## Requirements

Run a full payroll calculation at period end to capture configuration changes and to pick up workers who don't yet have pay results.

## Limitations

The continuous payroll calculation job:

- Processes only workers and pay components from regular run categories. You'll need to run payroll calculations manually for nonregular run categories.
- Processes only worker-based events. It doesn't process configuration changes or Workday maintenance updates.
- Omits workers with no pay results for the period, unless it finds a pay-impacting event for the worker.

## Tenant Setup

Use the Edit Tenant Setup - Payroll task to enable continuous payroll calculation in your tenant.

## Security

Domain	Considerations
<i>Set Up: Tenant Setup - Payroll</i> in the System functional area.	Users secured to this domain can enable continuous payroll calculation.
<i>Set Up: Payroll - Pay Group Specific</i> in the Core Payroll functional area.	Users secured to this domain can access the Edit Period Schedule task to schedule when to automatically: <ul style="list-style-type: none"> <li>Run the first full calculation for the period.</li> <li>Stop continuous calculation for the period.</li> </ul>
<ul style="list-style-type: none"> <li><i>Reports: Pay Calculation Results for Pay Group (Results)</i> - CAN in the CAN Payroll functional area.</li> <li><i>Reports: Pay Calculation Results for Pay Group (Results)</i> - FRA in the FRA Payroll functional area.</li> <li><i>Reports: Pay Calculation Results for Pay Group (Results)</i> - UK in the UK Payroll functional area.</li> <li><i>Reports: Pay Calculation Results for Pay Group (Results)</i> - USA domain in the USA Payroll functional area.</li> <li><i>Reports: Pay Calculation Results for Pay Group (Results)</i> - AUS domain in the Australia Payroll functional area.</li> </ul>	Users secured to any of these domains can access the Continuous Payroll Calculation Pipeline report to view workers with unprocessed events.
<i>Process: Run Batch Calculations (Pay Calculation)</i> in the Core Payroll functional area.	Users secured to this domain can access the: <ul style="list-style-type: none"> <li>Update Continuous Payroll Calculation Status report to pause continuous payroll calculations.</li> <li>Process Monitor for Continuous Payroll report to view the status of continuous calculation jobs.</li> </ul>

## Business Processes

If you use the *Pay Cycle Event* business process, evaluate how it fits with continuous payroll calculation. You can't initiate the business process for a pay group and period after continuous calculation creates on-cycle pay results.

## Reporting

Reports or Dashboards	Considerations
Update Continuous Payroll Calculation Status	You can use the report to: <ul style="list-style-type: none"> <li>Pause continuous calculation for a pay group.</li> <li>View the current status of continuous calculation.</li> <li>Restart continuous calculation after an automatic stop.</li> </ul>
Continuous Payroll Calculation Pipeline	Use to see how many workers and events are waiting to be recalculated, before you pause continuous payroll calculations for your final audit.

## Integrations

You can use the *Put Period Schedule* web service to mass upload initial calculation and automatic stop settings for continuous calculation.

## Connections and Touchpoints

Features	Considerations
Enterprise Interface Builder (EIB) integrations	You don't have to pause continuous calculations while EIB data uploads. Continuous payroll calculation processes time entries and other payroll inputs as Workday receives the data.
Process Monitor for Continuous Payroll report	Workday processes accounting updates as part of the continuous calculation job. You won't see a separate accounting job.
Period Schedules	As part of the period schedule, you can configure Workday to automatically: <ul style="list-style-type: none"> <li>Calculate initial pay results each period.</li> <li>Stop continuous calculations before period end.</li> </ul>

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.

## Other Impacts

As soon as you enable continuous payroll calculation in your tenant, Workday begins launching the continuous calculation job for all pay groups that have:

- The status *In Progress*.
- Had a full calculation run for the current period.

## Related Information

### Tasks

[Configure Continuous Payroll Calculation](#) on page 85

## Configure Continuous Payroll Calculation

### Prerequisites

- Use the Edit Tenant Setup - Payroll task to enable continuous payroll calculation.
- Security: *Set Up: Payroll - Pay Group Specific* in the Core Payroll functional area.

### Context

You can use continuous payroll calculation to automate payroll processing for regular run categories.

After you enable continuous payroll calculation, you can configure Workday to automatically:

- Run a full calculation to open each period. Continuous payroll calculation starts after a full calculation has run.
- Stop running continuous calculation at the end of each period, so you can complete final audits.

### Steps

1. Access the Edit Period Schedule task.
2. As you complete the Continuous Payroll Calculation section, consider:

Option	Description
Enable Auto Calculation of Initial Pay Results for Period	Select to automatically run a full calculation to start each period.
Default # of Days After Period Start Date	For each period, sets when to run the initial calculation.
Enable Automatic Stop	Select to stop continuous calculations each period.
Default # of Days Before Payroll Payment Date	For each period, sets when to stop continuous calculations.

### Result

The initial full calculation for the period runs for all pay groups that share the period schedule. You'll need to run the initial calculation manually for pay groups that aren't in a *Complete* status at the auto calculation time.

### Next Steps

Review the Auto Calc Initial Results and Automatic Stop dates and times on each period. Change dates and times on periods to reflect holidays or other exceptions.

## Set Up Pay Modeling

### Prerequisites

- Security: *Set Up: Payroll (Model My Pay)* in the Core Payroll functional area. See: [Steps: Enable Functional Areas and Security Policies](#).

- Ensure there is at minimum one payroll result and one payslip available for the current year.

## Context

Before workers can model their pay or you can model pay on a worker's behalf, use the Maintain Model My Pay Configurations task to configure:

- Categories on the Model My Pay and Model Pay for Worker tasks, such as Earnings, PreTax Deductions, Post Tax Deductions, and Tax Elections.
- Pay components and related calculations within those categories.

## Steps

1. Access the Maintain Model My Pay Configurations task.
2. (Optional) In the Disclaimer field, customize the default message that Workday displays to workers on their modeled results.
3. From the Enable for Model My Pay prompt, select the categories to make available for modeling.
4. As you complete the tabs, select the Enabled checkbox for the pay components you want employees to be able to model.
5. Add a related calculation or an amount override to the row to enable adjustments or overrides.  
In pay modeling, Workday uses the original reference pay values for related calculations unless you adjust the related calculation.
6. Enable the *Self-Service: Payroll (Model My Pay)* domain in the Core Payroll functional area to enable the Model My Pay task for workers.
7. Enable the *Worker Data: Payroll (Model My Pay)* domain in the Core Payroll functional area to enable the Model Pay for Worker task. This task enables you to model a worker's pay on their behalf.

## Result

When a worker uses the Model My Pay task or you use the Model Pay for Worker task, Workday displays a summary of the difference between a worker's reference pay and modeled pay with:

- Reference Pay breakdown.
- Modeled Pay breakdown.
- Gross and Net pay.
- Earnings.
- Employee taxes.
- Taxable wages.
- Deductions.

## Example

You want to enable workers to model hypothetical changes to their hours.

1. Configure the Hourly Pay component so that workers can view estimates of their pay based on their hours.
2. Access the Maintain Model My Pay Configurations task.
3. Select Earnings from the Enable for Model My Pay prompt.
4. Select the Hourly Pay check box on the Earnings tab.
5. Add these related calculations to the row:
  - *Hours (unprorated)*
  - *Rate*
6. In the Rate row, select the Display Only check box.

If the worker doesn't model any changes to their hours, Workday uses the existing hours from input, scheduled hours, or time entry.

If you don't add Hours and Rate to Hourly Pay, then Workday bases Hourly Pay on the pay component configuration and doesn't use any override values that have changed in the original reference result.

Related Information

**Tasks**

[Steps: Enable Functional Areas and Security Policies](#)

**Reference**

[2022R2 What's New Post: Model My Pay](#)

## Concept: Pay Modeling

You can configure pay modeling to enable workers to make hypothetical changes to their pay and view their results. Workers can use the Model My Pay task to adjust their tax elections, deductions, and earnings as the basis for their hypothetical pay. Workday displays a gross-to-net approximation based on these changes to determine how they affect pay calculations.

You can configure employee access to the Model My Pay task on the:

- Pay worklet. Access the Configure Worklet task and add Model My Pay to the Actions area for the Pay worklet. For more information, see: [Set Up Worklets](#).
- Pay dashboard. Access the Maintain Dashboards report and edit the Pay dashboard. For more information, see: [Configure Dashboard Content](#).
- Benefits and Pay Hub . Access the Maintain Hubs report. For more information, see: [Set Up Hubs](#).
- My Payslips report.

You can also model a worker's pay on their behalf with the Model Pay for Worker task, secured to the *Worker Data: Payroll (Model My Pay)* domain in the Core Payroll functional area. Once enabled, the task includes workers in:

- Pay groups
- Unconstrained groups

### Limitations

Workers can only:

- Model existing on-cycle pay results in the regular run category with a start and end date within the current tax year.
- Model categories you have enabled in the Maintain Model My Pay Configurations task.
- Add eligible earnings from the pay component settings for their pay group.
- Model tax elections made through Employee Self-Service (ESS). Note that workers can't make changes to local tax elections.
- You can model pay for active workers only.
- Model pay components with a calculation worktag of *Tax Authority* or *Position*.
- For Payroll for the U.S., model results for a U.S. state with pay results completed after you added the state. Example: A worker can model what their pay would be if they lived in Nevada, but only for pay results completed after you added Nevada.

For Payroll for the U.S., Workday recommends that FLSA workers model hours instead of amounts for pay calculations that affect FLSA wages and hours.

Related Information

**Tasks**

[Steps: Enable Functional Areas and Security Policies](#)

**Reference**

[2022R2 What's New Post: Model My Pay](#)

## Concept: Intelligent Prompt Recommendations for Payroll

Workday's Form Completion Assistant uses machine learning to provide intelligent prompt recommendations for payroll when you create:

- Costing allocations.
- Creditor garnishment withholding orders for Payroll for the U.S.
- Manual payments.
- On-demand payments.
- Pay calculations.
- Pay group assignments.
- Payroll accounting adjustments.
- Payroll inputs.
- Records of Employment (ROEs) for Payroll for Canada.
- Tax filing reports.
- Withholding orders for Payroll for Canada.

Using prompt recommendations improves data accuracy and can help you complete tasks more efficiently. Workday displays up to 5 recommendations for each supported prompt based on a combination of your most recently used and most frequently used selections. Workday doesn't display invalid selections for a prompt and can update recommendations based on the values in other fields.

To view the supported prompts and tasks, see [Reference: Form Completion Assistant](#).

### Opting Out of Prompt Recommendations

Workday enables Form Completion Assistant prompt recommendations by default. You can opt out of recommendations for payroll by accessing the Payroll, Payroll for Canada, or Payroll for USA sections of the Maintain Machine Learning Prompt Recommendations task and clearing the Enable Machine Learning Recommendations check boxes for any or all of these categories:

- Assign Costing Allocation
- Create Payroll Accounting Adjustments
- Creditor Garnishment Type (for Payroll for the U.S)
- Off Cycle Payments
- Payroll Input
- Proposed Pay Group
- ROEs (for Payroll for Canada)
- Run Pay Calculation
- Tax Filing Reports
- Withholding Orders (for Payroll for Canada)

You can opt back in to intelligent prompt recommendations for payroll by reselecting the check boxes.

### Related Information

#### Reference

[Reference: Form Completion Assistant](#)

## Reference: Tenant Analyzer

The Tenant Analyzer (secured to the *Set Up: Tenant Setup - Tenant Analyzer* domain in the System functional area) is a preconfigured profile of reports for reviewing your payroll, absence, reporting, and financial management configurations to enable you to:

- Verify your tenant configuration against Workday recommendations.
- Troubleshoot performance issues.

As your tenant grows, you can also use Tenant Analyzer to get a quick inventory of your payroll, absence, reporting, and financial management setup.

Absence Profile Group

Report	Description	Example Use
Validations	<p>Displays absence configurations that don't meet Workday recommendations.</p> <p>Security: <i>Set Up: Time Off (General)</i> domain in the Time Off and Leave functional area.</p>	Identify and resolve accruals that are missing a time off plan.
Calculation Exception Audit	<p>Displays the number calculations with exceptions. You can drill down on the number to view and resolve exceptions.</p> <p>Security:</p> <ul style="list-style-type: none"> <li>• <i>Set Up: Time Off (Calculations Generic)</i> domain in the Time Off and Leave functional area.</li> </ul>	Identify and resolve calculations that reference other calculations with a different category.

Report	Description	Example Use
	<ul style="list-style-type: none"> <li>• <i>Set Up: Calculations</i></li> <li>- <i>Generic domain in the Core Payroll functional area.</i></li> </ul>	

## Payroll Profile Group

Report	Description	Example Use
Pay Groups	<p>Displays all pay groups and related configuration, such as:</p> <ul style="list-style-type: none"> <li>• Number of employees.</li> <li>• Run category.</li> <li>• Gross and net pay accumulations.</li> <li>• Period schedule.</li> </ul> <p>Security: <i>Set Up: Payroll - Pay Group Specific</i> domain in the Core Payroll functional area.</p>	Verify that all pay groups use the same gross and net pay accumulations.
Accounting	<p>Displays all account posting rule sets and related configuration, such as:</p> <ul style="list-style-type: none"> <li>• Posting rules.</li> <li>• Posting rule conditions.</li> <li>• Condition dimensions.</li> </ul>	Identify any companies and rule types associated with account posting rule sets.

Report	Description	Example Use
	<p><b>Security:</b> <i>Set Up: Payroll - Company Specific (Accounting)</i> domain in the Core Payroll functional area.</p>	
Validations	<p>Displays payroll configurations that don't meet Workday recommendations.</p> <p><b>Security:</b> <i>Set Up: Payroll</i> domain in the Core Payroll functional area.</p>	<p>Identify any pay groups that have no calculated pay periods, and investigate whether you need them.</p>
Calculation Exception Audit	<p>Displays the number of payroll calculations with exceptions. You can drill down on the number to view and resolve exceptions.</p> <p><b>Security:</b></p> <ul style="list-style-type: none"> <li>• <i>Set Up: Time Off (Calculations - Generic)</i> domain in the Time Off and Leave functional area.</li> <li>• <i>Set Up: Calculations - Generic</i> domain</li> </ul>	<p>Identify and resolve deductions that are retrieving values from benefit plans they aren't associated with.</p>

Report	Description	Example Use
	in the Core Payroll functional area.	
PCGs for Payroll Calculations	<p>Displays payroll calculations and their associated pay component groups.</p> <p>Security: <i>Set Up: Payroll (Calculations - Payroll Specific)</i> domain in the Core Payroll functional area.</p>	Verify that a pay component is in all of the appropriate pay component groups.
Results/ Result Lines	<p>Displays these statistics for each pay group:</p> <ul style="list-style-type: none"> <li>• Results.</li> <li>• Result lines.</li> <li>• Related result lines.</li> </ul> <p>Security: <i>Reports: Pay Calculation Results for Pay Group (Results)</i> domain in the Core Payroll functional area.</p>	Identify any pay groups with more results than expected and investigate whether you can optimize the run criteria.

#### Reporting Profile Group

Report	Description	Example Use
Payroll Reporting Validations	Displays custom reports that use data sources for	Identify custom reports that you can update to

Report	Description	Example Use
	<p>which an equivalent indexed data source filter is available.</p> <p>Security: <i>Set Up: Payroll</i> domain in the Core Payroll functional area.</p>	improve performance.

#### Performance Profile Group

Report	Description	Example Use
Payroll Performance Validations	<p>Displays payroll configurations that don't meet Workday recommendations.</p> <p>Security: <i>Set Up: Payroll</i> domain in the Core Payroll functional area.</p>	Identify run categories that don't use a specific status and use a generic Active or Terminated status instead.

#### Financials Profile Group

Report	Description	Example Use
Financials Accounting Configuration	<p>Displays all account posting rule sets and related configuration, such as:</p> <ul style="list-style-type: none"> <li>• Posting rules.</li> <li>• Posting rule conditions.</li> <li>• Condition dimensions.</li> </ul> <p>Security:</p> <ul style="list-style-type: none"> <li>• <i>Set Up: Funding Sources</i> domain in the</li> </ul>	Identify any companies and rule types associated with account posting rule sets.

Report	Description	Example Use
	<p>Financial Accounting functional area.</p> <ul style="list-style-type: none"> <li>• <i>Set Up: Matching Rule Set</i> domain in the Banking and Settlement and Financial Accounting functional areas.</li> <li>• <i>Set Up: Payroll</i> - <i>Company Specific (Accounting)</i> domain in the Core Payroll functional area.</li> </ul>	
Financials Tenant Analyzer Validations	<p>Displays financial management configurations that don't meet Workday recommendations.</p> <p>Security: <i>Set Up: Time Off (General)</i> domain in the Time Off and Leave functional area.</p>	Identify companies with no open ledger period.

#### Related Information

##### Tasks

[Steps: Set Up Profiles and Profile Groups](#)

## Reference: Pay Dashboard for Employee Self-Service

The Pay dashboard enables employees to understand their pay, track pay trending, and access common payroll information.

Security: *Self-Service: My Pay Dashboard* domain in the Core Payroll functional area.

The dashboard provides these worklets:

Worklet	Description
Recent Payslips	Displays the next payment date for regular payroll plus the last 5 payslips. Employees can drill into and view the payslip details or print the payslip if you configure that functionality on the Edit Tenant Setup – Payroll task.
Compare Periods	Displays: <ul style="list-style-type: none"> <li>Earnings and deductions for the most recent 2 pay periods so employees can easily compare and identify if anything has changed.</li> <li>The difference between the 2 pay periods in the Change Amount field.</li> </ul> Employees can also compare any 2 pay periods.
Pay History	Displays pay periods for the last 3 months and includes the sections you configure on the Maintain Payroll Payslip Configuration task. Employees can easily see trends in their earnings, pretax deductions, employee taxes, post-tax deductions, and net pay.
Earnings/Deductions History	Displays pay periods for the last 3 months. Includes 6 earnings or deductions that employees can configure from earnings and deductions that have displayed on a payslip within the past 13 months. Employees can also see results for different pay periods, earnings, or deductions.

You can add worklets to the dashboard and additional items to its menu.

Add additional menu items on the dashboard for common Time Off tasks.

- Access the Maintain Dashboards report.
- On the Pay row, select Edit.
- On the Menu section, add a new row and label it *My Time*.
- Add these tasks:
  - Time Off Balance*
  - Request Time Off* (This task initiates the Request Time Off business process.)

### Related Information

#### Tasks

[Steps: Set Up Dashboards and Landing Pages](#)

#### Reference

[The Next Level: A Day in the Life: Payroll Admin](#)

## Reference: Pay Cycle Command Center Dashboard

The Pay Cycle Command Center dashboard (secured to the *Management Dashboard: Pay Cycle Command Center* domain in the Core Payroll functional area) enables you to access information needed for each phase of a pay cycle quickly.

The dashboard provides these default worklets to help you review and manage payroll data for a single or multiple pay periods at a time:

Worklet	Description
Results Status	<p>For the periods and pay groups you select, displays summarized payroll results counts by status, such as:</p> <ul style="list-style-type: none"> <li>• In Progress</li> <li>• Requires Recalculation</li> <li>• On Hold</li> <li>• In Error</li> <li>• Complete</li> </ul> <p>You can drill down to the details and take action from there.</p>
Compare Periods	<p>Enables you to compare pay component trends for selected periods and prior periods to identify anomalies that need resolution.</p> <p>Includes a View More option to:</p> <ul style="list-style-type: none"> <li>• Filter the dashboard results based on a subset of pay components or pay component groups.</li> <li>• Returns pay component-related calculations.</li> <li>• Filter based on on-cycle versus off-cycle results.</li> </ul>
Retro Differences	<p>Displays chart and table views that provide insight into pay cycle preparation and processing so you can view retro differences (earnings/deductions):</p> <ul style="list-style-type: none"> <li>• Targeted to selected pay periods.</li> <li>• Targeted and picked up by a payroll result in selected pay periods.</li> <li>• Targeted and not yet picked up by a payroll result in selected pay periods.</li> </ul> <p>Use the View More option to filter the dashboard results based on a subset of pay components or pay component groups.</p>
Period Trending	<p>Displays summarized gross and net values for current plus prior 5 periods to identify trends and anomalies. You can then select View More to increase or decrease the number of periods you want to go back.</p>

Worklet	Description
Accounting Summary	Displays summarized debit and credit amounts for each ledger account posting. Example: Salaries and wages.
Reconciliation (Results/Payments)	Displays summarized counts and amounts for payroll results, separated by payment type and settlement status.

You can also configure the dashboard prompts and add additional items to its menu.

1. Access the Maintain Dashboards report.
2. On the Pay Cycle Command Center row, select Edit.
3. Set up dashboard default behavior for in-progress periods and associated pay groups on the Prompts section:

Prompt Field	Label for Prompt	Default Type	Default Value
Country	<i>Country</i>	<i>Determine default value at runtime</i>	<i>Payroll Supported and Viewable Default Country</i>
Periods	<i>Period</i>	<i>Determine default value at runtime</i>	<i>Periods In-Progress Viewable for Default Country</i>
Pay Run Groups and/or Pay Group Details	<i>Pay Run Groups and/or Pay Group Details</i>	<i>Determine default value at runtime</i>	<i>Pay Group Details for Default In Progress Periods</i>

4. On the Menu section, add a new row and label it *Global Library*.
5. Add the Global Library report to the Task field.

Related Information

### Tasks

[Steps: Set Up Dashboards and Landing Pages](#)

### Reference

[The Next Level: A Day in the Life: Payroll Admin](#)

## Pay Run Categories

### Setup Considerations: Payroll Run Categories

You can use this topic to help make decisions when planning your configuration and use of run categories. It explains:

- Why to set them 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.

For full configuration details, see task instructions.

## What They Are

Run categories define which workers and pay components to process in payroll and retro payroll calculations.

When you create a pay group, you indicate which run categories and period schedules are available for payroll calculations. For each pay group, you define 1 run category for regular payroll, but you can set up additional run categories for nonregular payroll. Example: Configure separate run categories for regular and bonus payroll calculations.

## Business Benefits

Run categories provide control over who and what to pay in a payroll calculation, while saving you the time and effort of manually entering what to pay each worker. They're a key component to payroll processing. You must create at least 1 run category to process payroll in Workday.

You can also use run categories to manage the performance of nonregular payroll calculations. Example: For bonuses that impact only a subset of employees, create a separate run category to only process the impacted workers.

## Use Cases

Use run categories to indicate which types of workers to process in payroll. Examples:

- Active workers with payroll inputs.
- Terminated workers with retro differences or retro events.

Include multiple types of workers in the same run category, and then define what to pay each type of worker.

Examples:

- Regular payroll for workers who are active, terminated, or on leave.
- Severance pay or vacation payouts for eligible terminated workers (CAN, FRA, UK, USA).
- Short-term disability for eligible workers on leave (CAN, FRA, UK, USA).
- Benefit and retirement deductions for workers on leave (CAN, FRA, UK, USA).
- Retirement deductions for bonus payments (CAN, FRA, UK, USA).
- Termination payments including unused leave for eligible terminated workers (AUS).
- Worker's Compensation payments for eligible workers on leave (AUS).
- Superannuation or other payments for workers on leave (AUS).
- Superannuation salary sacrifice deductions for bonus payments (AUS).

## Questions to Consider

Question	Considerations
Who do you want to process?	For nonregular payroll, you can maximize payroll calculations by only processing the impacted employee groups.
Do you need to automatically calculate any additional pay components with bonuses or intermittent payments?	If yes, configure the Off Cycle (On Demand Additional, Manual) tab to support on-demand additional pay.  For Payroll for the U.S., if you regularly have a large number of bonuses to process with supplemental tax rates, consider creating a separate nonregular run category and selecting the Non Regular Taxation option. You can then process the bonuses as on-cycle payroll.

Question	Considerations
What pay components do you need to process for terminated workers or workers on leave?	<p>Include any pay components for terminated workers or workers on leave on the Nonactive (On Cycle, On Demand Replacement) tab.</p> <p>Workday automatically processes several pay components for non-active workers. Examples: Retro differences, one-time payroll input.</p>
How do you want to handle recurring payments on a schedule different from your regular payroll? Example: Quarterly bonuses.	You can create a separate run category to use with a different period schedule.
How do you want to handle recurring payments that require separate checks or deposits, without processing them as on-demand additional payments?	Set up a separate run category for each separate recurring payment.
What kinds of payment elections do you want to offer your employees?	Define different payment elections for each run category that the worker is associated with.

## Recommendations

Use the most specific payroll processing status that applies when identifying workers to process, to produce better performance than a generic status with selection criteria. Example: On Leave with One-Time Payroll Input.

## Requirements

Understand how Workday applies processing statuses to workers. Example: When a worker is active on the period start date but terminated midperiod, Workday processes them as an active worker. See Reference: Payroll Processing Statuses for Run Categories on page 113.

## Limitations

- Payroll for the UK supports a single run category approach. This is to ensure PAYE and National Insurance are calculated correctly, using balance totals from completed pay results. Using multiple run categories can cause unexpected results.
- You can only have 1 regular run category for each pay group, but multiple pay groups can share the same run category.
- Changing a run category configuration doesn't trigger payroll recalculations when you're using the Smart Calculation option on a payroll run.
- You can't define effective dates for run category settings. When processing retro events, Workday recalculates all pay components configured for the run category at the time of the process. This includes any pay components that you added or removed since the original calculation.
- Regardless of the run category configuration, Workday only resolves pay components for workers who meet the eligibility defined for those pay components.
- In some cases, such as when processing retro differences or payroll inputs, Workday overrides the run category settings.

## Tenant Setup

No impact.

## Security

Users secured to the *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area can set up run categories.

## Business Processes

No impact.

## Reporting

You can run the Tenant Analyzer report to verify your run category setup against Workday recommendations.

You can use the All Run Categories report data source when creating custom reports to report on run categories.

## Integrations

No impact.

## Connections and Touchpoints

Feature	Considerations
Arrears processing	Net pay validations and arrears processing start when a result reaches the minimum net pay defined on the run category.
Off-cycle payments	The run category determines which pay components to process as part of off-cycle payments.
Pay components	You can restrict a pay component so that it resolves only on certain run categories.
Pay groups Period schedules	When configuring a pay group, you define which run categories and period schedules to process.
Supplemental taxation (CAN, FRA, UK, USA)	The run category determines whether to apply supplemental taxation. Only applicable on nonregular run categories.

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.

## Other Impacts

You can only run a pay calculation for 1 run category at a time. As a result, workers have separate payroll results for each run category that they're processed in. When you create a separate run category for a bonus, workers receive:

- A separate check or direct deposit for the bonus.
- A separate payslip for the bonus.

To reduce the number of separate payments or payslips a worker receives, consider grouping workers in the fewest number of run categories possible.

## Related Information

### Tasks

[Create Pay Component Groups](#) on page 238

[Steps: Create Earnings on page 229](#)  
[Create Pay Balances on page 326](#)  
[Create On-Demand Additional Payments on page 693](#)  
[Set Arrears Limits on page 409](#)

#### Reference

[Reference: Processed Pay Components by Run Type on page 111](#)

## Steps: Set Up Pay Run Categories

### Prerequisites

- Review setup considerations for run categories.
- Define gross and net pay accumulations.
- Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

### Context

A run category defines processing instructions for a pay run including:

- Who has a pay result.
- Which pay components automatically resolve in a run.
- When a pay component resolves, based on the type of run.

Note: Payroll for the UK supports a single run category approach. This is to ensure PAYE and National Insurance are calculated correctly, using balance totals from completed pay results. Using multiple run categories can cause unexpected results.

### Steps

1. Access the Create Run Category task.

Specify the run category usage:

Option	Description
Run Category Country	<p>Determines which pay groups and pay components you can associate with a country.</p> <p>When you define a country, you can then add pay groups or pay components that are either:</p> <ul style="list-style-type: none"> <li>Defined for the same country.</li> <li>Have no defined country.</li> </ul> <p>When you leave this field blank, you can add any pay group or pay component group to the run category.</p>
Used in Payroll Interface	Select when using a third-party payroll application.
Regular Run Category	<p>Indicates that the run category is for a regular payroll run rather than a bonus or other type of run.</p> <p>A pay group can have multiple run categories, but only one regular run category.</p>

2. [Identify Who to Process in Run Categories on page 102](#).
3. [Set Taxation and Processing Rules for Run Categories on page 104](#).

Define taxation and minimum net pay for on-cycle and off-cycle pay.

#### 4. Identify what to pay in different types of payments.

- [Identify What to Pay in On-Cycle and On-Demand Replacement Pay](#) on page 105.
- [Identify What to Pay in On-Demand Additional Pay](#) on page 108.
- For Payroll for Australia, Canada, the UK, and the U.S., for manual payments, Workday processes the input from the Run Manual Payment for Worker task, and any statutory employer taxes. In some cases, Workday also calculates taxes configured on the run category.

See [Create Manual Payments](#) on page 719.

- Workday Payroll for France doesn't support manual payments.

#### 5. Maintain Payment Election Rules.

Add the run category to a payment election rule.

### Result

When you calculate on-cycle or off-cycle payroll, Workday refers to the run category to determine who and what to process for the pay period.

### Next Steps

Assign the run category to pay groups.

Inform users of conditions that you defined for automatically calculating pay components.

Related Information

#### Concepts

[Setup Considerations: Payroll Run Categories](#) on page 97

#### Tasks

[Create Pay Accumulations](#) on page 320

#### Reference

[FAQ: Pay Run Categories](#) on page 115

## Identify Who to Process in Run Categories

### Prerequisites

Security: *Set Up: Payroll - Pay Group Specific* domain in Core Payroll functional area.

### Context

You can identify which workers to process in a payroll run. Workday creates a payroll result for processed workers, even if it's a zero result.

You can process any combination of:

- Active workers.
- Workers on leave (leave type has a payroll effect).
- Terminated workers.

You can define additional selection criteria for each status.

For Payroll for Australia, France, and the UK, create at least one regular run category. For example:*Regular (AUS), Regular (FRA), Regular (GBR)*,

### Steps

1. Access the Create Run Category task.

2. As you complete the Workers to Process section on the General tab, consider:

Workers selected for processing must also meet requirements for worker eligibility on pay components.

Option	Description
Status	<p>Identify the type of workers to process. Example: Active workers, workers on leave, terminated workers.</p> <p>See <a href="#">Reference: Payroll Processing Statuses for Run Categories</a> on page 113.</p> <p>To improve processing time, select the most specific status that applies. See <a href="#">Reference: Calculations for Pay Run Categories</a></p>
Selection Criteria	<p>Identify any additional criteria for each status when processing workers. Example: Type of leave, type of contract. Narrowing the population of workers to process optimizes performance.</p> <p>You can select Workday-owned calculations that return a value of true or false, or create your own calculations. Use calculations that reference the run category, pay accumulation, or worker as opposed to calculations that reference a pay component. See <a href="#">Reference: Calculations for Pay Run Categories</a> on page 114.</p> <p>Workers must satisfy all criteria that you specify in the same row (AND logic). If you define criteria in separate rows, they must meet criteria in at least 1 row (OR logic).</p> <p>If a status has no selection criteria, Workday processes all workers with that status, including workers without payroll input.</p> <p>For Payroll for Canada, the UK, and the U.S., you typically don't need to define selection criteria for the <i>Active</i> status. For Payroll for France, for the <i>Active</i> status in a regular run category.</p>

## Result

When processing payroll, Workday processes workers who meet the criteria on the General tab.

## Example

You want to set up the run category to process all workers who are active, on leave, or terminated and who have one-time payroll input.

In the Workers to Process grid, add a row for each Status:

- *Active with One-Time Payroll Input*
- *On Leave with One-Time Payroll Input*
- *Terminated with One-Time Payroll Input*

Workers with payroll input who are considered *Active* for the March (monthly) pay period include:

- Jane, who was terminated March 16 (active on the period start date).
- John, who returned from leave on March 25 (active on the period end date).
- Adrian, who is on a position-based leave (with payroll effect) from February 15 through April 15 for one of her 2 jobs in the processed pay group.

Carlos has jobs in different pay groups:

- Job 1, the primary job, is in pay group X and is *Active*
- Jobs 2 and 3, in pay group Y, are on position-based leave. Carlos is considered *On Leave* when you process pay group Y, because all his jobs in that pay group are on position-based leave.

## Set Taxation and Processing Rules for Run Categories

### Prerequisites

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

### Context

You can define supplementary taxation and minimum net pay amounts for on-cycle and off-cycle payments associated with the run category.

### Steps

1. Access the Edit Run Category task.
2. In the Payroll Processing section on the General tab, enter instructions for taxation and minimum net pay.

Option	Description
Non Regular Taxation (USA)	Select to use a supplemental tax rate. This option isn't available for a regular run category.  You can use the Supplemental Taxation check box on the Run On Demand Payment for Worker task to override this option for additional payments.
Use State Supplemental Flat Tax Rate (USA)	Select when: <ul style="list-style-type: none"> <li>• A preceding regular payment for an employee has no regular wages, or</li> <li>• No preceding regular payment exists.</li> </ul> This selection helps prevent under-withholding on bonuses and other supplemental payments.  Applies when both: <ul style="list-style-type: none"> <li>• The employee's company is configured to use an aggregate tax method such as the state supplemental tax method for separate checks.</li> <li>• The state permits the use of a flat tax method, including Estimated Annual Wages or Same as Federal.</li> </ul> To use the flat tax rate, select either:

Option	Description
	<ul style="list-style-type: none"> <li>The Non Regular Taxation check box for the pay run category, or</li> <li>If making an on-demand additional (off-cycle) payment, the Supplemental Taxation option on the Run On Demand Payment for Worker page.</li> </ul>
Minimum Net Amount	<p>Applies when using net pay validation. Enter the minimum net pay amount. By default the minimum net pay is 0. To avoid falling below the minimum net pay, you can configure deduction priorities and arrears tracking. When resolving a deduction with a priority greater than zero, Workday:</p> <ul style="list-style-type: none"> <li>Reduces the deduction to avoid falling below the minimum.</li> <li>Places the remainder into arrears, if configured.</li> </ul> <p>Typically not used in France.</p>

Related Information

#### Tasks

Steps: [Set Up Net Pay Validation and Arrears Tracking and Recouping](#) on page 405

## Identify What to Pay in On-Cycle and On-Demand Replacement Pay

#### Prerequisites

- Define gross and net pay accumulations.
- Define who to pay for the run category.
- Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

#### Context

Define which pay components and pay component groups to calculate for active and non-active workers processed by the run category in:

- On-cycle runs.
- On-demand replacement payments.

Active workers are active on the period start or end date. Example: A worker who is terminated midperiod is considered active. Workday processes workers with multiple jobs as active when:

- At least 1 job in the pay group is active. Example: Workers with an *Active* status in the Workers to Process section.
- The job in the pay group is ended, but they have an active job in another pay group. Example: Workers with an *Ended Additional Job* status in the Workers to Process section.

Non-active workers are workers who are either:

- Terminated on the period start date.
- On-leave with payroll effect for the entire pay period.

## Steps

1. Access the Edit Run Category task.
2. In the Gross/Net section, specify which pay components to calculate for active workers in on-cycle runs, or on-demand replacement payments.

Option	Description
Gross Pay Accumulation	<p>You can only select pay accumulations with Type set to <i>Gross</i> on the View Pay Accumulation report.</p> <p>For Payroll for the UK and the U.S., select a pay accumulation that groups the earnings that make up gross pay.</p> <p>For Payroll for Canada and France, select a pay accumulation that groups earnings and deductions that make up gross pay.</p> <p>For Payroll for Australia, for a regular run category select <i>AUS Gross (AUS)</i>.</p> <p>For Payroll for France, for a regular run category select <i>FRA Gross (FRA)</i>.</p>
Net Pay Accumulation	<p>Select a pay accumulation that groups the earnings and deductions that make up net pay. You can only select pay accumulations with Type set to <i>Net</i> on the View Pay Accumulation report.</p> <p>For a regular run category, select:</p> <ul style="list-style-type: none"> <li>• <i>AUS Net [AUS]. (AUS)</i></li> <li>• <i>FRA Net Pay [FRA] .(FRA)</i></li> </ul>
Additional Pay Components to Calculate	<p>Select earnings and deductions that aren't part of a worker's gross or net pay, but are related to the result.</p>
Additional Pay Component Groups to Calculate	<p>Select pay component groups that aren't part of a worker's gross or net pay, but are related to the result. Examples:</p> <p>Payroll for Australia:</p> <ul style="list-style-type: none"> <li>• <i>All AUS Reportable Fringe Benefits Amounts (FBT/RFBA) [AUS]</i></li> <li>• <i>AUS Superannuation Employer Contributions [AUS]</i>.</li> </ul> <p>Payroll for France:</p> <ul style="list-style-type: none"> <li>• <i>FRA Employer Taxes Provision [FRA]</i></li> <li>• <i>FRA Statutory Taxes ER [FRA]</i></li> </ul> <p>Payroll for Canada and the U.S.:</p> <ul style="list-style-type: none"> <li>• <i>Employer Paid Benefits</i></li> <li>• <i>Non Cash Taxable Benefits</i></li> <li>• <i>Statutory Taxes (ER)</i></li> </ul>

3. (Optional) On the Nonactive (On Cycle, On Demand Replacement) tab, specify which pay components to calculate for non-active workers in on-cycle or on-demand replacement pay.

Regardless of the run category configuration, Workday automatically processes these pay components for the non-active workers processed by the run category:

- One-time or bonus payments from Workday Compensation, for workers who meet pay component eligibility.
- One-time payroll input, for workers who meet pay component eligibility.
- Employer and employee statutory taxes (CAN, UK, US).

Option	Description
Pay Components to Calculate	<p>Select a pay component that belongs to the gross, net, or additional pay components specified on the General tab.</p> <p>Examples: <i>Base Pay</i> or a retirement or superannuation deduction.</p> <p>To process on-going payroll input for non-active workers, select the pay component here.</p>
Pay Component Groups to Calculate	<p>For Payroll for Canada, the UK, and the U.S., select a pay component group that belongs to the gross, net, or additional pay components groups specified on the General tab, such as <i>Healthcare Benefits Deductions</i>.</p> <p>For Payroll for France, select a pay component group that belongs to the gross, net, or additional pay components groups specified on the General tab. Examples: <i>FRA Statutory Taxes EE - Deductible from Tax [FRA]</i>, <i>FRA Statutory Taxes EE - Submitted to Tax [FRA]</i> or <i>FRA Statutory Taxes ER [FRA]</i>.</p> <p>If you frequently process the same set of deductions for additional payments, you can create a pay component group and assign it to multiple run categories.</p>
Status	<p>Specify whether to calculate the pay component for workers who are on leave or terminated.</p> <p>Create only 1 line for each pay component (or pay component group) and status combination.</p>
Leave Types	<p>(Optional) When the Status is <i>On Leave</i>, select the leave types for which to calculate the pay component. You can only select leave types with payroll effect enabled.</p> <p>When you leave this field empty, Workday calculates the specified pay component for all leave types with payroll effect enabled.</p>
Processing Criteria	<p>Define any additional criteria for calculating the pay component or pay component group.</p> <p>When multiple criteria apply at the same time (AND logic), enter them on the same row.</p>

Option	Description
	<p>When multiple criteria apply individually (OR logic), enter them on different rows.</p> <p>If you don't define processing criteria for a status, Workday processes the pay component for all workers with that status.</p> <p>Some Workday-owned calculations are too broad to use as processing criteria. Example: <i>Don't use Payroll Input Exists for an Earning that is Part of Gross Pay Accumulation for the Run Category</i>, as processing criteria.</p>

## Result

Your run category is configured to identify which pay components to calculate for on-cycle and on-demand replacement payments.

## Example

In on-cycle or on-demand replacement payments, you want to pay:

- Severance pay to terminated workers who have a pay through date or termination date that falls in the period.
- 80% leave pay to workers with short-term disability leave.

Add 2 lines to the Pay Components to Process on the Nonactive (On Cycle, On Demand Replacement) tab of your run category:

Pay Components to Calculate	Status	Leave Types	Processing Criteria
<i>Severance Ongoing</i>	<i>Terminated</i>		<p>For Payroll for Canada, France, and the U.S.: <i>Worker: Pay Through Date &gt;= Period Start Date</i></p> <p>For Payroll for Australia and the UK: <i>Worker: Termination Date &gt;= Period Start Date</i></p>
<i>Leave Pay (80%)</i>	<i>On Leave</i>	<i>Short-term disability</i>	

Related Information

### Tasks

[Create Pay Accumulations](#) on page 320

### Reference

[Reference: Processed Pay Components by Run Type](#) on page 111

## Identify What to Pay in On-Demand Additional Pay

### Prerequisites

- Define who to pay for the run category.
- Define what to pay in on-cycle runs.

- Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

### Context

You can configure Workday to automatically process certain pay components and pay component groups when a worker has an on-demand additional payment.

For Payroll for Canada, the UK, and the U.S., regardless of the run category settings, Workday automatically processes these pay components along with an on-demand additional payment:

- Employer statutory taxes.
- Employee statutory taxes.

### Steps

1. Access the Edit Run Category task.
2. On the Off Cycle (On Demand Additional, Manual) tab, add a section to specify which pay components to calculate automatically for on-demand additional payments.

Option	Description
Pay Components to Calculate	Select a pay component that belongs to the gross, net, or additional pay components specified on the General tab of the run category.  To process one-time or on-going payroll input for an on-demand additional payment, select the Load or Refresh Input check box on the Run On Demand Payment for Worker task.
Pay Component Groups to Calculate	Select a pay component group that belongs to the gross, net, or additional pay components groups specified on the General tab.  If you frequently process the same set of deductions for additional payments, you can create a pay component group and assign it to multiple run categories.
Type of Run	Select <i>On Demand Payment</i> .
Off Cycle Reasons	(Optional) When you only want the component to resolve for off-cycle additional payments that are made for a specific reason, select the reason here.

3. For each section, add one or more rows to indicate who the pay components should resolve for.

You must add at least 1 row with a Status for the pay component to process.

Option	Description
Status	Specify whether to calculate the pay component for employees who are active, on leave, or terminated.  Only use each status once per section. Example: A section identifying a pay component for on-demand payments can't have 2 lines that refer to the <i>Terminated</i> Status.
Leave Types	When the Status is <i>On Leave</i> , select the leave types the pay component applies to. You

Option	Description
	<p>can only select leave types with payroll effect enabled.</p> <p>When you leave this field empty, Workday calculates the specified pay component for all leave types with payroll effect enabled.</p>
Processing Criteria	<p>Define additional criteria for calculating the pay component or pay component group.</p> <p>When multiple criteria apply at the same time (AND logic), enter them on the same row.</p> <p>When multiple criteria apply individually (OR logic), enter them on different rows.</p> <p>Some Workday-owned calculations are too broad to use as processing criteria. Example: <i>Don't use Payroll Input Exists for an Earning that is Part of Gross Pay Accumulation for the Run Category</i>, as processing criteria.</p>

### Example

Payroll for Canada, the UK, and the U.S.:

You offer employees the possibility to contribute a percentage of their salary to a retirement savings plan. You want to take this deduction for any additional pay or bonuses that are paid as on-demand additional payments.

Add 1 row to the Pay Components to Process grid on the Off Cycle (On Demand Additional, Manual) tab of your run category.

Pay Components to Calculate	Type of Run	Off Cycle Reasons	Status
<i>Retirement Savings Contribution</i>	<i>On Demand Payment</i>	<i>Additional Pay Bonus</i>	<i>Active</i>

When you process a bonus on-demand additional payment for a worker who is eligible for the retirement savings contribution, Workday processes:

- The on-demand additional bonus.
- The retirement savings contribution.
- Employer and employee statutory taxes.

### Related Information

#### Tasks

[Create Pay Component Groups](#) on page 238

[Steps: Create Earnings](#) on page 229

[Create Pay Balances](#) on page 326

[Create On-Demand Additional Payments](#) on page 693

[Set Arrears Limits](#) on page 409

#### Reference

[Reference: Processed Pay Components by Run Type](#) on page 111

## Reference: Processed Pay Components by Run Type

Note: Regardless of the configuration, all pay components must be part of the Gross/Net section on the General tab of the run category to be processed.

### On-Cycle Pay Calculation

Type of Worker	Processed When Configured	Automatically Processed
Active	Pay components in the Gross/Net section on the General tab of the run category.	
On Leave Terminated	Pay components on the Nonactive (On Cycle, On Demand Replacement) tab that are configured for an <i>On Leave</i> or <i>Terminated</i> status.	<p>For Payroll for Australia, Canada, the UK, and the U.S, all employer and employee statutory taxes.</p> <p>All one-time or bonus payments from Workday Compensation.</p> <p>All one-time payroll input.</p> <p>To process on-going payroll input, select the pay component on the Nonactive (On Cycle, On Demand Replacement) tab of the run category.</p> <p>Regardless of the pay components listed on the Nonactive (On Cycle, On Demand Replacement) tab, Workday automatically processes retro differences for:</p> <ul style="list-style-type: none"> <li>Terminated workers, who are processed by the run category.</li> <li>Workers on leave who are processed by the run category.</li> </ul>

### On-Demand Replacement

Workday automatically processes some pay components in addition to the pay components entered when creating the on-demand payment.

Type of Worker	Processed When Configured	Automatically Processed
Active	Pay components in the Gross/Net section on the General tab of the run category.	
On Leave Terminated	Pay components on the Nonactive (On Cycle, On Demand Replacement) tab that are configured for an <i>On Leave</i> or <i>Terminated</i> status.	<p>Off-cycle input entered on the payment.</p> <p>For Payroll for Australia, Canada, the UK, and the U.S, all employer and employee statutory taxes.</p>

Type of Worker	Processed When Configured	Automatically Processed
		All one-time or bonus payments from Workday Compensation.

You can use the Load/Refresh Input option to include one-time or ongoing pay input in an on-demand replacement payment.

### On-Demand Additional

Workday automatically processes some pay components in addition to the pay components entered when creating the on-demand payment.

Type of Worker	Processed When Configured	Automatically Processed
Active On Leave Terminated	Pay components on the Off Cycle (On Demand Additional, Manual) tab that are configured for an <i>On Demand Payment</i> type of run.	For Payroll for Australia, Canada, the UK, and the U.S., all employer and employee statutory taxes.  Off-cycle input entered on the payment.

You can use the Load/Refresh Input option to include one-time or ongoing pay input in an on-demand additional payment.

### Manual

For Payroll for Australia, Canada, the UK, and the U.S., Workday automatically processes some pay components in addition to the pay components entered when creating the manual payment.

Type of Worker	Processed When Configured	Automatically Processed
Active On Leave Terminated	Pay components on the Off Cycle (On Demand Additional, Manual) tab that are configured for a <i>Manual Payment</i> type of run, when either: <ul style="list-style-type: none"> <li>• The manual payment has entries for the calculation the pay component is using. Example: You configure a pay component to calculate 10% of a pay component related calculation (PCRC). Workday resolves that component only when the PCRC has a manual payment entry. The PCRC can also be from the pay component on the run category configuration.</li> <li>• All amounts are contained within the pay component. Example: You configure</li> </ul>	All employer statutory taxes.  Off-cycle input entered on the payment.

Type of Worker	Processed When Configured	Automatically Processed
	a pay component to calculate a flat \$100.	

Workday Payroll for France doesn't support manual payments.

#### Related Information

##### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay](#) on page 105

[Identify What to Pay in On-Demand Additional Pay](#) on page 108

## Reference: Payroll Processing Statuses for Run Categories

You can use payroll processing statuses to identify which workers to process for a run category.

Type of Status	Applies when: (Single Job)	Applies when: (Multiple Jobs)
Active Example: Active with One-time Payroll Input	A worker is active on the period start or end date.	At least 1 job in the pay group has an active status on the period start or end date.
Ended Additional Job Example: Ended Additional Job with One-time Payroll Input	Ended Additional Job statuses only apply to workers with multiple jobs.	A worker who has both: <ul style="list-style-type: none"> <li>An active job in another pay group.</li> <li>An ended job in the processed pay group.</li> </ul>
On Leave Example: On Leave with One-time Payroll Input	A worker is on leave with payroll effect on the period start and end dates (the entire pay period).  To enable payroll effect for a leave type, select Payroll Effect on the Edit Leave Type task in Absence management.  If the worker's leave type doesn't have payroll effect, they're considered active and continue to receive their regular pay.	A worker is either: <ul style="list-style-type: none"> <li>On a worker-based leave with payroll effect in the processed pay group.</li> <li>On a position-based leave with payroll effect for every job in the processed pay group.</li> </ul>
Terminated (AUS, CAN, FRA, USA) Example: Terminated with Pay Through Date	A worker has a terminated status on the period start date.	All jobs are ended on the period start date.

#### Related Information

##### Tasks

[Identify Who to Process in Run Categories](#) on page 102

## Reference: Calculations for Pay Run Categories

When defining run categories, you can use Workday-owned calculations to select workers and process pay components. You can also use these calculations and report fields as building blocks for your own calculations.

### Instance Value Calculations

Name	Worker Selection (General Tab)	Pay Components
<i>One-time or Bonus Payment Exists for an Earning that is part of Gross Pay Accumulation for the Run Category</i>	Y	N
<i>One-time or Bonus Payment Exists for Pay Component</i>	N	Y
<i>One-time Payroll Input Exists for the Run Category</i>	Y	N
<i>One-time On-Cycle Position Based Payroll Input Exists for the Worker and Period</i>	Y	Y
<i>Ongoing Payroll Input Exists for the Run Category</i>	Y	N
<i>Pay Through Date for Worker (CAN, FRA, USA)</i>	Y	N
<i>Pay Through Date for Employment (CAN, FRA, USA)</i>	Y	N
<i>Payroll Input Exists for an Earning That Is Part of Gross Pay Accumulation for the Run Category</i>	Y	N
<i>Payroll Input Exists for Pay Component</i>	N	Y
<i>Payroll Input (Onetime) Exists for Pay Component</i>	N	Y
<i>Payroll Input (Ongoing) Exists for Pay Component</i>	N	Y
<i>Worker on Leave with Payroll Effect (Sub Period)</i>	N	Y
<i>Worker: Primary Job: Worker is Terminated as of Period Start Date</i>	Y	N
<i>Time Off Exists for Worker (Jobs in Pay Group) for Pay Period</i>	Y	N
<i>Time Entry Approved Hours Exist for an Earning That Is Part of Gross Pay Accumulation for the Run Category</i>	Y	N

## Value Comparison Calculations

For Payroll for Canada, France, and the U.S:

Name	Worker Selection (General Tab)	Pay Components
<i>Worker: Pay Through Date &gt;= Period End Date</i>	Y	Y
<i>Worker: Pay Through Date &gt;= Period Start Date</i>	Y	Y

## Logic Calculations

Name	Worker Selection (General Tab)	Pay Components
<i>Worker: Terminated Workers with One-time Payroll Input for Period</i>	Y	N
<i>Worker: Terminated Workers with Ongoing Payroll Input for Period</i>	Y	N
<i>Worker: Terminated Workers with One-time Payroll Input (Earnings) for Period</i>	Y	N

Related Information

### Tasks

[Identify Who to Process in Run Categories](#) on page 102

## FAQ: Pay Run Categories

- How can we take medical deductions for employees on leave without pay?
- Is the order that we list pay components on a run category important?
- If an employee meets 2 sets of criteria for the same pay component, will Workday process the pay component twice?
- How do I configure Workday Payroll to calculate partial pay for employees who are on leave?
- We want to create a separate run category for bonus runs. Are there any setup requirements unique to bonus runs? (USA)
- Can I edit or delete a run category?

How can we take medical deductions for employees on leave without pay?

On the Nonactive (On Cycle, On Demand Replacement) tab of the Create Run Category task, select deductions for a leave type. Don't select earnings.

Note: Deductions can go into arrears depending on your rules for arrears processing.

Is the order that we list pay components on a run category important?

No. Workday doesn't refer to the run category to determine the order for processing pay components.

If an employee meets 2 sets of criteria for the same pay component, will Workday process the pay component twice?

No. Workday resolves a pay component for an employee only once, even when the employee meets 2 sets of criteria for the same component.

How do I configure Workday Payroll to calculate partial pay for employees who are on leave?

To calculate partial pay, such as 80% of salary for employees who are on sabbatical:

1. Create an earning called *80% Base Pay* that uses calculation logic to return the partial pay amount.
2. Select the new earning on the Nonactive (On Cycle, On Demand Replacement) tab of the Create/Edit Run Category task.
3. Select a status of *On Leave*, and the leave type for sabbatical.
4. Verify that the Payroll Effect option is enabled on the Create Leave Type task.

We want to create a separate run category for bonus runs. Are there any set up requirements unique to bonus runs? (USA)

For Payroll for the U.S., when bonus payments are subject to a supplemental tax rate, select the Non Regular Taxation check box when defining the run category.

Can I edit or delete a run category?

Yes, but be careful. Editing a run category doesn't affect any periods already processed. You can only delete a run category when it's not:

- Assigned to pay groups.
- Referenced in pay component eligibility (an earning or deduction definition).

#### Related Information

##### **Tasks**

[Create Leave Types](#)

[Steps: Set Up Pay Run Categories on page 101](#)

##### **Reference**

[Reference: Leave Impacts](#)

[FAQ: Payroll Processing on page 679](#)

## Pay for Non-Active Workers

### Setup Considerations: Pay for Terminated Workers

You can use this topic to make configuration decisions for pay for terminated workers. It explains:

- Why to set it up.
- How this feature 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

Workday enables you to process payments for terminated workers, including benefits, bonuses, and corresponding taxes.

## Business Benefits

Workday Payroll helps you comply with regulations by calculating taxes, and reduces manual processing by enabling you to process payments for:

- All terminated workers.
- Different sets of terminated workers based on characteristics that you define.

When you have country-specific reporting requirements, Workday streamlines report preparation within 1 system.

You can also configure payroll tasks for nonpayroll administrators to reduce manual effort in paying terminated workers, such as ending ongoing payroll inputs.

## Use Cases

You can configure payments to workers with:

- A single terminated job (AUS, CAN, USA).
- Multiple terminated jobs in the same company (AUS).
- Multiple jobs, some or all of which you terminated (CAN, USA).

You can process payments for:

- Noncash taxable benefits (USA).
- One-time or bonus payments from Workday Compensation.
- Payout for time off plans.
- Reportable Fringe Benefit Amounts (AUS).
- Retirement contributions (CAN, USA).
- Salary continuance.
- Severance pay (CAN, USA).
- Severance pay and other termination payments (AUS).
- Superannuation contributions (AUS).
- Termination allowances (FRA).

## Questions to Consider

Questions	Considerations
Do you need to continue payments to the worker after termination?	<p>For Payroll for Canada, France, and the U.S., you can select pay through dates after the pay period end date to pay workers after the termination. When the pay through date is in the same pay period as the termination date, you can process payments to workers by:</p> <ul style="list-style-type: none"> <li>• Adding a payroll input effective between the termination date and the pay through date. Make sure that you select specific eligibility criteria in calculations.</li> <li>• Running an off-cycle payment for the subperiod of the termination or the next pay period.</li> <li>• Changing the pay through date to the pay period end date when it doesn't affect any payment amounts.</li> </ul> <p>In Workday HCM, you can <a href="#">Create Severance Worksheets for Workers</a> where you also select</p>

Questions	Considerations
	<p>the pay through dates. Workday Payroll uses that date instead of the one on the <i>Termination</i> business process.</p> <p>For Payroll for Australia and the UK, you can process payments to workers by running an on-demand, on-cycle, or off-cycle payment for the subperiod of the termination or the next pay period.</p> <p>For all countries, you can configure printing parameters such as whether to print payslips for terminated workers.</p>
Do you need to pay workers on their termination date?	<p>For Payroll for France, when the termination date and the pay through date are in the next processing period, you can run an on-demand replacement payment to pay the worker immediately.</p> <p>For Payroll for the UK, when the termination date is in the next processing period, you can run an on-demand replacement payment to pay the worker immediately.</p> <p>For Payroll for the U.S, when the termination date and the pay through date are in the next processing period, you can run an on-demand replacement payment to pay the worker immediately. You can also enable nonpayroll administrators to print a check on demand.</p>
What types of jobs are you terminating?	<p>For Payroll for Canada, France, and the U.S., for terminated workers on salary continuance, you can configure Workday to prorate pay from the termination date to the pay through date.</p> <p>For workers with terminated additional jobs, Workday processes pay for ended jobs until the pay through date or termination date based on the:</p> <ul style="list-style-type: none"> <li>• Primary job status.</li> <li>• Primary and additional jobs being in the same pay group.</li> <li>• Run category configuration.</li> </ul> <p>For Payroll for Australia and the UK, for terminated workers with 1 or more jobs, Workday processes pay for ended jobs until the termination date based on the:</p> <ul style="list-style-type: none"> <li>• Primary job status.</li> <li>• Primary and additional jobs being in the same pay group.</li> <li>• Run category configuration.</li> </ul>
Who do you want to manage payments for terminated workers?	For Payroll for Australia, Canada, France, and the UK, you can configure the <i>Termination</i>

Questions	Considerations
	<p>business process to enable you or nonpayroll administrators such as HR partners to end ongoing payroll inputs for terminated workers. The business process initiator can also use the same task to view the workers' future-dated payroll inputs.</p> <p>For Payroll for the U.S, you can add business processes to the <i>Termination</i> business process to enable you or nonpayroll administrators such as HR partners to:</p> <ul style="list-style-type: none"> <li>• Process final pay to terminated workers. You can configure payment types for the final pay and other parameters such as the payment date.</li> <li>• End ongoing payroll inputs for terminated workers, and view future-dated ones.</li> </ul>
What kinds of data do you need to provide to terminated workers? (AUS, UK)	<p>For Payroll for Australia, you can report payments made to a terminated worker and the taxes withheld as part of the STP report to the ATO. The STP report includes the cessation type and date.</p> <p>For Payroll for the UK, you can create P45s for 1 or multiple terminated workers to provide them with their tax codes and taxable earnings. Make sure that you complete payroll for those workers before generating P45s.</p>
Do you need to meet reporting requirements when you terminate workers? (CAN)	<p>Workday populates Record of Employment (ROE) data for workers:</p> <ul style="list-style-type: none"> <li>• Who you terminate.</li> <li>• Who have insurable earnings for at least 1 pay period.</li> </ul> <p>You can create an ROE for those workers by accessing the Create ROE Data for Events task.</p>
What kinds of termination allowances do you need to process upon termination? (FRA)	<p>Depending on their contract type, workers might receive additional amounts upon termination. Example: Fixed-term contracts can include a termination allowance to pay when you terminate them.</p> <p>You can create earnings for termination allowances using eligibility criteria based on the worker status and contract type. Examples: Mutual agreements or legal severance allowances. When you run payroll, Workday calculates income tax and social contributions for those allowances.</p>
Do you need to meet reporting requirements when you terminate workers? (FRA)	<p>Workday Payroll France provides payroll calculations and DSN reporting configurations that enable you to comply with French regulations.</p>

Questions	Considerations
	<p>You can configure and generate termination DSNs for terminated workers, based on their termination reason.</p> <p>Workday also provides calculations for severance indemnities that you can use to pay worker legal severance allowances.</p>
<p>What kinds of termination payment do you need to process? (AUS)</p>	<p>You can pay unused leave payments and other termination payments, including:</p> <ul style="list-style-type: none"> <li>• Pay in lieu of notice.</li> <li>• Severance pay including redundancy entitlements.</li> <li>• Compensation.</li> <li>• Ex-gratia.</li> </ul>

## Recommendations

To optimize performance, use the most specific payroll processing status on the run category to identify terminated workers to process. Example: Use the *Terminated with One-time Payroll Input* status instead of the *Terminated* status with the Payroll Input (Onetime) Exists for Pay Component selection criteria.

For Payroll for Australia and the UK, load historical data for all terminated workers who have payroll results in the current tax year to avoid inaccurate calculations and reporting.

For Payroll for Australia, set up separate pay components for voluntary and involuntary terminations to avoid inaccurate calculations. Set up pay components for each cessation type, according to the reporting requirements of the ATO. Example: For unused annual leave accrued after August 1993, set up 2 pay components::

- Redundancy.
- Nonredundancy.

For Payroll for Australia, set up separate time offs to track time off accrual. Example: A time off payment to pay out unused annual leave accrued before 1993, and another for annual leave accrued after 1993.

For Payroll for France, avoid inaccurate calculations and reporting by:

- Loading historical data for termination allowances. Examples: Basis for fixed term allowances or nonmonthly bonuses for legal severance allowance calculations.
- Verifying your staffing and organizational data at each termination when preparing DSN reporting.

## Requirements

For Payroll for Australia and the UK, configure run categories to include terminated workers when processing payroll. Define the specific worker statuses, such as *Terminated*, and select which pay components to calculate for those workers. Also select specific statuses before paying terminated workers who have retroactive events.

For Payroll for Canada and the U.S., configure run categories to include terminated workers when processing payroll. Define the specific worker statuses, such as *Terminated with Pay Through Date*, and select which pay components to calculate for those workers. Also select specific statuses before paying terminated workers who have:

- Multiple jobs, such as when you end their additional jobs and their primary job remains active.
- Retroactive events.

For Payroll for France, configure run categories to include terminated workers when processing payroll. Define the specific worker statuses, such as *Terminated with Pay Through Date*, and select which pay

components to calculate for those workers. Also select specific statuses before paying terminated workers who have retroactive events.

Complete any on-demand replacement payments for terminated workers before removing them from a company or pay group.

## Limitations

### Midperiod Terminations

For Payroll for Australia and the UK, when you terminate workers midperiod, Workday creates a subperiod that ends on the termination date. Workday doesn't process any bonus or one-time payments from Workday Compensation when the payments occur after the termination date.

For Payroll for Canada, France, and the U.S., when you terminate workers midperiod, Workday creates a subperiod that ends on the termination date. When the pay through date is on or after the pay period end date, Workday creates a subperiod after the termination date. Workday doesn't process any bonus or one-time payments from Workday Compensation when both the:

- Pay through date is in the same pay period as the termination date.
- Payments occur after the termination date.

### Next Period On-Demand Payments

You need to complete a worker's current pay result before you create a next period on-demand payment. When you use a related action to complete the results, you can't cancel the completion.

You can create a next period on-demand payment for a worker who doesn't have a pay result in the current period. But you can't then create a current or prior period result for the worker.

### Terminated Worker Data

After you terminate workers, Workday disassociates some pieces of worker information such as the work location. To access this information, you can create calculations that retrieve worker data before and on the termination date. Example: You want to pay earnings post-termination and use the worker's previous work location as eligibility criteria.

For Payroll for the U.S., Workday disassociates the work state from terminated workers. To pay workers who change states after their termination, select the new state on the on-demand payment.

### Termination Reasons

For Payroll for Australia, Workday doesn't support death as a termination reason, and Workday doesn't support payments and reporting of payments to death beneficiaries.

## Tenant Setup

You can use the Edit Tenant Setup - Payroll task to:

- Disable processing pay components with retroactive differences for terminated workers.
- Select which end date to suggest on the task for ending workers' ongoing payroll inputs as part of a termination. That date is editable on the task.

For Payroll for Australia, use the *Maintain AUS Termination Configuration* task to map your organization's termination reasons to their corresponding ATO cessation types.

## Security

Domains	Considerations
<i>Business Process Administration or Manage: Business Process Definitions</i> in the System functional area.	Enables users to view and edit business process definitions such as the <i>On Demand Event</i> and <i>Termination</i> business processes.
<i>Self-Service: Payroll (My Payslips)</i> in the Core Payroll functional area.	Enables users to view their current and past payslips by configuring the security policy to include the <i>Terminee Self-Service</i> and <i>Terminee As Self</i> security groups.
<i>Set Up: Payroll</i> in the Core Payroll functional area.	Enables users to configure off-cycle payments options for final pay to terminated workers.
<i>Set Up: Payroll (Reporting)</i> in the Core Payroll functional area. <i>Set Up: Settlement</i> in the Banking and Settlement functional area.	Enables users to configure payslip printing options.
<i>Set Up: Payroll - Pay Group Specific</i> in the Core Payroll functional area.	Enables users to configure run categories.

## Business Processes

Business Processes	Considerations
<i>End Payroll Inputs</i>	You can add this business process to the <i>Termination</i> business process so that other Workday users can end workers' ongoing payroll inputs as part of a termination.
<i>On Demand Event (USA)</i>	You can add this business process to the <i>Termination</i> business process so that other Workday users can issue final pay. Example: You can configure payment types and dates that HR partners can select when they terminate workers and review payment information.
<i>Termination</i>	You can configure additional steps on this business process such as: <ul style="list-style-type: none"> <li>• A <i>Deactivate Worker Payment Elections</i> service step to disable payment elections for terminated workers. This step can prevent payment errors when you rehire the worker.</li> <li>• An <i>On Demand Information for Termination</i> action step to run the <i>On Demand Event</i> business process as a subprocess.</li> </ul>

Business Processes	Considerations
	<ul style="list-style-type: none"> <li>• A <i>Review End Payroll Inputs by Worker</i> action step to run the <i>End Payroll Inputs</i> business process as a subprocess.</li> </ul>

## Reporting

Reports	Considerations
Pay Calculation Results - Outstanding Arrears Balance Composite	<p>View outstanding arrears balances summarized by pay period for terminated workers.</p> <p>This report is secured to the same <i>Reports: Pay Calculation Results (Reports: Indexed Data Source Filters)</i> domain as other indexed report data source filters.</p>
Tenant Analyzer	Verify your run category configuration against Workday recommendations for optimizing performance.

You can use these report data sources when creating custom reports on terminated workers:

- All Active and Terminated Workers
- All Contingent Workers
- All Terminated Employees
- All Workers
- Terminations

## Integrations

For Payroll for Australia and the UK, you can load payroll inputs through the Enterprise Interface Builder (EIB) with an effective date after the termination date.

For Payroll for Canada, France, and the U.S., you can load payroll inputs through the (EIB) with an effective date after the pay through date. Example: You can mass load stock option exercises. Workday processes those inputs except when the pay through date takes place between the termination date and the end of the full pay period.

You can use the *Terminate Employee* web service to end workers' ongoing payroll inputs as part of a termination.

## Connections and Touchpoints

Features	Considerations
Compensation	<p>You can process one-time or bonus payments for terminated workers from Workday Compensation.</p> <p>For Payroll for Canada, France, and the U.S., you can pay severance packages using one-time payment compensation plans integrated with Workday Payroll. You can pay those packages as a lump sum or continual payments upon termination until the pay through date.</p> <p>For Payroll for Australia, the effective date of the payment must be before the termination date to process one-time payments.</p>

Features	Considerations
	For Payroll for Australia, you can pay severance packages using one-time payment compensation plans integrated with Workday Payroll. You can pay those packages as a lump sum until the termination date.
Pay components	Workday applies pay component eligibility criteria when processing payments for terminated workers.
Payroll history	You can load payroll history for terminated workers before or after the termination date. Make sure that the pay group assignment date is on or before the termination date.
Proration	<p>For Payroll for Australia, you can process one-time payroll inputs between the termination date and the pay period end date using specific eligibility criteria. Workday applies the amount in the active subperiod of the termination.</p> <p>For Payroll for Australia, when you terminate a worker mid-period, Workday creates a sub-period, and stops calculations for regular earnings as of the termination date.</p> <p>For Payroll for Canada, France, and the U.S., for midperiod terminations, when the pay through date is in the pay period after the period where termination occurs, you can pay workers until that date using:</p> <ul style="list-style-type: none"> <li>• On-cycle payroll.</li> <li>• On-demand payments.</li> <li>• Payroll inputs.</li> </ul> <p>When the pay through date is between the termination date and the pay period end date, you can process:</p> <ul style="list-style-type: none"> <li>• On-demand payments and one-time payroll inputs until the termination date, or in the next pay period.</li> <li>• One-time payroll inputs between the termination date and the pay period end date using specific eligibility criteria. Workday applies the amount in the active subperiod of the termination.</li> </ul> <p>For Payroll for the U.S., when you terminate and rehire workers multiple times in a pay period, Workday creates multiple subperiods within the pay period. In that case, you can run on-demand payments to pay workers for each subperiod in that pay period.</p> <p>For Payroll for the UK, you can process one-time payroll inputs between the termination date and the pay period end date using specific eligibility</p>

Features	Considerations
	<p>criteria. Workday applies the amount in the active subperiod of the termination.</p> <p>For Payroll for the UK, when you terminate and rehire workers multiple times in a pay period, Workday creates multiple subperiods within the pay period. In that case, you can run on-demand payments to pay workers for each subperiod in that pay period.</p>
Retro pay calculations	<p>You can process payroll differences due to retroactive terminations, including rescinding or correcting terminations retroactively. Workday supports retroactive terminations even in prior periods where workers have no existing payroll results.</p>
Staffing (CAN, FRA, UK, USA)	<p>You can configure the <i>Termination</i> business process to include payroll tasks such as ending ongoing payroll inputs.</p>

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.

## Other Impacts

For Payroll for Australia, Canada, and the U.S., when workers have 1 job, they have a *Terminated* status after you terminate that job. When they have multiple jobs, they have this status after you terminate all jobs.

### Related Information

#### Concepts

[Concept: Termination Dates for DSN Reporting \(FRA\)](#) on page 1783

#### Tasks

[Steps: Set Up Termination](#)

[Identify Who to Process in Run Categories](#) on page 102

[Steps: Set Up Decentralized Processing for On-Demand Payments \(USA\)](#) on page 1125

[Setup Considerations: On-Demand Payments](#) on page 683

[Setup Considerations: Record of Employment \(ROE\) Reporting](#) on page 1444

[Steps: Set Up DSN Reporting \(FRA\)](#) on page 1731

[Steps: Set Up End Payroll Inputs for Terminated Workers](#) on page 614

## Setup Considerations: Pay for Workers on Leave

You can use this topic to help make decisions when planning your configuration and use of pay for workers on leave. 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

You can process payroll for workers on leave by defining:

- Which leave types impact their payroll.
- Which earnings to pay during the leave.
- Which deductions to calculate and put into arrears during the leave.
- When to pay earnings.

Processing payments to workers on leave also includes related compliance calculations and preparing for regulatory reporting.

## Business Benefits

Workday Payroll seamlessly integrates with Workday Absence Management to enable you to process payments to workers on leave based on absence data entered by your HR partners.

Workday also helps you comply with country-specific requirements by:

- Calculating taxes on the payments.
- Streamlining report preparation within 1 system.

## Use Cases

You can process payments to workers on leave for:

- Benefit and retirement deductions.
- Bereavement.
- Earnings differences due to statutory leave (FRA, UK).
- Multiple jobs (CAN, USA).
- Parental or family leave.
- Partial pay for a sabbatical leave.
- Short-term disability.
- Sick leave (CAN, UK, USA).

You can also process payroll for workers who move from 1 leave type to another, such as from paid to unpaid parental leave.

## Questions to Consider

Questions	Considerations
Which earnings or deductions do you need to process for workers on leave?	<p>For workers on leave with payroll effect, Workday applies eligibility criteria to automatically process:</p> <ul style="list-style-type: none"> <li>• Pay components, such as retro differences or one-time payroll inputs. You can specify other pay components to calculate based on the leave and worker types using the Nonactive (On Cycle, On Demand Replacement) tab of your run category.</li> <li>• One-time payments and bonuses from Workday Compensation without additional configuration on the Nonactive (On Cycle, On Demand Replacement) tab.</li> </ul> <p>For Payroll for Canada and the U.S., for workers with multiple jobs and leave types that are:</p>

Questions	Considerations
	<ul style="list-style-type: none"> <li>Both position-based and worker-based, Workday processes pay components for the union of the leave types.</li> <li>Either position-based or worker-based, Workday processes pay components for the leave type of the primary job.</li> </ul>
Which periods of employment do you want bonuses to cover for workers on leave? (USA)	<p>You can configure Fair Labor Standards Act (FLSA) bonuses to:</p> <ul style="list-style-type: none"> <li>Allocate on inactive periods, and have Workday reduce the total bonus by the periods when workers are on leave.</li> <li>Ignore inactive periods and allocate the total bonus over active periods within the coverage dates. Active periods can span several pay periods.</li> <li>Allocate the total bonus over all FLSA periods in the coverage window.</li> <li>Allocate the total bonus over active FLSA periods, and inactive FLSA periods that have FLSA hours.</li> </ul>
Do you need to process reclassification leaves? (FRA)	<p>You can configure Workday to process reclassification leaves and:</p> <ul style="list-style-type: none"> <li>Pay the appropriate earnings during each phase of the leave, such as the notice period or the legal period.</li> <li>Exempt reclassification allowances for the legal period from social contributions, and subject them to CSG/CRDS on replacement income.</li> </ul>
Which leave types are you processing? (AUS, FRA, UK)	<p>For payroll for Australia, you can create leave types for statutory leave payments. Make sure to provide all information required for the leave type.</p> <p>For Payroll for France, you can report leave types in the DSN by mapping Workday leave types to those declared in the DSN.</p> <p>For Payroll for the UK, you can create leave types for statutory leave payments. Make sure to provide all information required for the leave type. Examples:</p> <ul style="list-style-type: none"> <li>Expected due date for Statutory Maternity Pay (SMP) or Statutory Paternity Pay (SPP) to calculate pay rates.</li> <li>Expected due date or week of confinement for SMP to determine the qualifying week for the paid leave.</li> </ul> <p>Workday calculates statutory payments based on completed whole weeks within the pay period. Workday doesn't pay a partial week until that week is complete in a following pay period.</p>

Questions	Considerations
What are the reporting requirements for workers on leave? (AUS, CAN, UK)	<p>For Payroll for Australia, to meet reporting requirements, use the View STP Reporting Categories task to map the pay components for each of your leave types to the correct corresponding Single Touch Payroll (STP) category.</p> <p>For Payroll for Canada, Workday populates Record of Employment (ROE) data for workers:</p> <ul style="list-style-type: none"> <li>• On a leave of absence after you submit the <i>Request Leave of Absence</i> business process.</li> <li>• With insurable earnings for at least 1 pay period.</li> </ul> <p>You can create an ROE for those workers using the Create ROE Data for Events task.</p> <p>For payroll for the UK, to meet the legal requirements for reporting payroll data and National Insurance (NI) contributions, you can:</p> <ul style="list-style-type: none"> <li>• Prepare Real Time Information (RTI) Full Payment Submission (FPS).</li> <li>• Submit RTI reporting directly to HMRC through the HMRC RTI online service.</li> </ul> <p>When workers request or return from leave midperiod, Workday generates 1 RTI FPS submission per subperiod created for the leave. In this case, access the Run UK RTI FPS task to launch an RTI FPS integration for each submission, in ascending order. Wait for the acceptance of each submission before sending the next one.</p>
How do you want to manage payslips and checks for workers on leave? (CAN, UK, USA)	<p>For Payroll for Canada and the U.S., you can configure how many checks to provide to workers on leave when:</p> <ul style="list-style-type: none"> <li>• They request or return from leave midperiod.</li> <li>• The leave is a worker-based leave.</li> </ul> <p>You can select <i>Pay Component</i> as the Proration Type for the <i>Leave of Absence GTN with Tenant Override</i> payroll proration event category on the Maintain Payroll Proration Override report. This setting enables you to generate 1 check for the whole pay period. You can't switch back to gross-to-net proration after you enable pay component proration and completed payroll.</p> <p>For Payroll for the UK, you can send paper versions of P60 forms to workers on leave who elect to receive paper copies of their payslips.</p>

## Recommendations

To optimize performance, Workday recommends that you configure:

- Run categories using the most specific payroll processing status to identify workers to process. Example: Use *On Leave with One-time Payroll Input* instead of *On Leave with the Payroll Input* (Onetime) Exists for Pay Component selection criteria.
- Pay components with eligibility criteria so that they only calculate for eligible workers. Example: Configure disability pay, or parental leave only for eligible workers.

Avoid inaccurate calculations and reporting by loading payroll history before placing workers on leave. For Payroll for the UK, also load year-to-date tax amounts for each statutory type.

For Payroll for the UK, configure Statutory Sick Pay (SSP) as time off rather than leaves of absence to enter different pay rates for each leave period. Only create a leave type for SSP to manage long-term sickness, which also requires a time off configuration for short-term sickness.

## Requirements

For Payroll for Canada, France, the UK, and the U.S, configure leave types to have payroll effect in Workday Absence Management.

For Payroll for Australia, configure leave payment types for each leave type in Workday Absence management.

Configure run categories by:

- Including statuses for workers on leave when processing on- or off-cycle payments. Example: *On Leave with One-time Payroll Input*.
- Selecting which pay components to calculate for those workers. Example: Disability pay (CAN, FRA, UK).
- Selecting which pay components to calculate for those workers. Example: Disability pay or 401K (USA).
- Selecting which pay components to calculate for those workers. Example: Parental leave (AUS).
- Selecting specific statuses before paying workers that have multiple jobs. Example: You end their additional jobs and their primary job remains active (CAN, USA).

To apply pay component proration to an earning for workers on leave, set up the earning as position-based when you use a position-based leave.

## Limitations

You can't directly reference report fields related to the Leave Request Event business object in Workday Payroll calculations, such as the leave reason.

Payroll for Canada doesn't support the ROE feature with cascading leaves of absence.

For Payroll for Canada, all leave types trigger ROEs, including the ones without payroll effect enabled in Workday Absence Management. Example: Paid leave.

Payroll for the UK doesn't support cascading leave types linked to statutory payments.

For Payroll for France, Workday considers workers on therapeutic leave as still active. To ensure accurate calculations and DSN reporting, configure this leave type using a combination of:

- A leave type without payroll effect to use when placing the worker on part-time therapeutic leave.
- A time off plan to represent the actual time that the worker isn't at work due to the leave.

## Tenant Setup

On the Edit Tenant Setup - Payroll task, you can disable processing pay components with retro differences for workers on leave in the scope of the run category. Workday then uses your pay component

configuration from the Nonactive (On Cycle, On Demand Replacement) tab on the run category when processing retro events.

## Security

Domains	Considerations
<i>Process: P60 (Reports) - UK</i> and <i>Process: P60 (Run) - UK</i> in the UK Payroll functional area.	Enables you to create P60 forms, including paper versions, for workers on leave.
<i>Set Up: Payroll - Company Specific (Taxes) - USA</i> in the USA Payroll functional area.	Enables you to configure state and local taxes such as for new state medical leaves.
<i>Set Up: Payroll - FRA</i> in the FRA Payroll functional area.	Enables you to map leaves from Workday Absence Management to rubric values required for DSN reporting.
<i>Set Up: Payroll (ROE) - CAN</i> in the CAN Payroll functional area.	Enables you to map Service Canada reason codes to event types for recording leaves of absence.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	Enables you to configure payroll-specific components such as earnings and deductions to calculate for workers on leave.
<i>Set Up: Payroll (Reporting)</i> in the Core Payroll functional area.	Enables you to configure reporting options related to payslip printing.
<i>Set Up: Settlement</i> in the Banking and Settlement functional area.	Enables you to configure settlement options related to payslip printing.
<i>Set Up: Tenant Setup - Payroll</i> in the System functional area.	Enables you to configure tenant-wide parameters.

## Business Processes

Business Processes	Considerations
<i>Assign Costing Allocation</i>	Configure as a subprocess of the <i>Request Leave of Absence</i> business process to allocate costs for positions on leave.  You can't use this subprocess to allocate costs for workers on leave. Add a step condition to the <i>Request Leave of Absence</i> business process to skip costing for worker-based leaves. Otherwise, worker-based leave requests stop the business process and you need to cancel them.
<i>Request Leave of Absence</i> <i>Request Return from Leave of Absence</i>	Configure a <i>To Do</i> step on the <i>Request Leave of Absence</i> business process to enable workers to change their printing options. Example: Workers can elect to receive printed copies of their payslips or year-end forms while on leave.

## Reporting

Reports or Dashboards	Considerations
All Pay Results Blocking Tenant Proration Option Changes (CAN, UK, USA)	Use to identify and complete any in-progress payroll or retro payroll results before enabling pay component proration on the Maintain Payroll Proration Override report.
Tenant Analyzer	Use to verify your run category configuration against Workday recommendations for workers on leave to optimize performance.
Workers on Leave	Use to identify workers on leave and check that any existing ongoing payments they have are still applicable during the leave.
Workers Returning from Leave	Use to identify workers that returned from leave and check that you configure payroll correctly for them.

## Integrations

No impacts.

## Connections and Touchpoints

Features	Considerations
Absence Management	Workday Payroll processes leave types configured in Workday Absence Management with payroll effect enabled.  When configuring cascading leaves, make sure that the leave periods don't overlap.
Arrears	You can recoup arrears for pay components processed for workers on leave. You can also reduce arrears balance with a payroll input, such as when workers pay deductions using personal checks. Configure run categories so that workers on leave have a pay result that Workday can use to track arrears.
Pay components	Workday applies pay component eligibility criteria when processing payments for workers on leave. When workers go on leave midperiod, Workday creates multiple subperiods, and you can configure: <ul style="list-style-type: none"><li>• Pay component proration, resulting in 1 gross-to-net result that includes separate pay component values for each subperiod.</li><li>• Gross-to-net proration, resulting in separate gross-to-net amounts for each subperiod.</li></ul>
Payroll input	You can use payroll inputs to override the base pay for workers on leave. Example: Configure a payroll input to pay a reduced amount during the leave period instead of using proration.

Features	Considerations
Retro pay calculations	<p>You can process:</p> <ul style="list-style-type: none"> <li>Supported retro events you enter while the worker is on leave in the current period.</li> <li>Retro leave requests or returns.</li> </ul> <p>The retro pay calculation doesn't support multiple returns from leave in 1 leave event. To return workers or correct returns from multiple leave types, do so for each type in a separate event.</p>
Run categories	<p>For Payroll for Australia, France, and the UK, run categories determine which pay components and workers to process on subperiod start dates. Workers have a nonactive status when they're on leave with payroll effect for the entire pay period.</p> <p>Workday applies the configuration from the Nonactive (On Cycle, On Demand Replacement) tab to process non-active workers .</p> <p>For Payroll for Canada and the U.S., run categories and eligibility determine which pay components and workers to process on subperiod start dates. Single-job workers have a nonactive status when they're on leave with payroll effect for the entire pay period. When they have multiple jobs, Workday considers them as nonactive when they're either on a:</p> <ul style="list-style-type: none"> <li>Worker-based leave in the processed pay group.</li> <li>Position-based leave for every job in the processed pay group.</li> </ul> <p>Workday applies the configuration from the Nonactive (On Cycle, On Demand Replacement) tab on the run category to process non-active workers.</p> <p>For all countries, when workers are on leave without payroll effect enabled, Workday Payroll considers them active, and ignores these tabs on the run category:</p> <ul style="list-style-type: none"> <li>The configuration from the Nonactive (On Cycle, On Demand Replacement) tab.</li> <li>Any configuration you define for <i>On Leave</i> statuses on the General and Off Cycle (On Demand Additional Manual) tabs.</li> </ul>
Tax configuration (USA)	<p>Workday delivers compliance updates that you can use to calculate pay for workers on leave. Some delivered configurations require that you enable it for the company. Example: To use a new state medical leave, configure it in the Other section of the Edit Company State and Local US Tax Reporting task.</p>

Features	Considerations
Time Tracking	Workers can enter and submit time through Workday Time Tracking while they're on leave. You can also create a time validation to prevent submission.
Union rates (USA)	Workday enables you to define tax rates for unions and override default tax authorities for paid family and medical leave. You can enter a unique rate in the Union Rate tab of the Edit Company State and Local US Tax Reporting task.

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

##### Concepts

[Setup Considerations: Leave of Absence](#)

[Concept: Additional State and Territory Considerations \(USA\) on page 1185](#)

##### Tasks

[Identify Who to Process in Run Categories on page 102](#)

[Setup Considerations: Payroll Proration on page 277](#)

[Steps: Set Up Statutory Sick Pay \(UK\) on page 1599](#)

[Steps: Set Up DSN Reporting \(FRA\) on page 1731](#)

[Steps: Set Up Reclassification Leaves \(FRA\) on page 1794](#)

[Steps: Report Part-Time Therapeutic Leave in DSNs \(FRA\) on page 1812](#)

[Setup Considerations: Record of Employment \(ROE\) Reporting on page 1444](#)

[Steps: Process Real Time Information Full Payment Submissions \(UK\) on page 1564](#)

##### Reference

[Reference: Edit Tenant Setup - Payroll](#)

#### Concept: Pay for Workers on Leave

When the run category of a pay group includes conditions for paying workers on leave, Workday applies these rules.

#### Workers with Single Job on Leave

For Payroll for Canada, France, the UK, and the U.S., when a worker is on a leave of absence for part of a period, and paid while on leave, Workday automatically prorates earnings during the on-cycle payroll. The leave type must be configured with Payroll Effect selected.

To set up reduced pay for workers on leave, configure the base pay component for workers on leave to pay a reduced amount. You can view the base pay component for workers on leave on the Nonactive (On Cycle, On Demand Replacement) tab of the run category.

[Example: Worker on Leave for Partial Period](#)

The current monthly pay period is 2012-01-01 to 2012-01-31. Using Payroll for Canada or the U.S., Sam is placed on short-term disability, or using Payroll for France or the UK, Sam is placed on short-term sickness. He receives 80% of his pay during his leave. For the January pay period, Workday calculates gross-to-net amounts for these subperiods:

- 2012-01-01 to 2012-01-03 (100% of pay)

- 2012-01-04 – 2012-01-24 (80% of pay)
- 2012-01-25 – 2012-01-31 (100% of pay)

## Workers with Multiple Jobs on Leave

For Payroll for Canada and the U.S., Workday considers the type of leave when determining which pay components to process for workers with a status of *On Leave*.

Type of Leave	Pay Components Processed
Both position-based and worker-based	Workday considers the union of both leave types when determining which pay components to process.
Position-based	The leave type for the primary job applies when processing worker-based pay components.

Workday processes worker-based pay components according to the worker status. If the worker has multiple jobs, the status of the primary position prevails.

Example: Worker on Both Position-Based Leave and Worker-Based Leave

Charles has 2 jobs and is on these leave types for the entire month of April:

- Worker-based leave type A
- Position-based leave type B (for primary job of carpenter)
- Position-based leave type C (for additional job of painter)

Your run category specifies that on-cycle payrolls are to calculate:

Leave Type	Calculations
Leave Type A	Retirement and Retirement Employer Match Contributions
Leave Type B	Non-active Leave Pay
Leave Type C	Medical Deductions

For the April pay period, Charles' status for payroll processing is *On Leave* because he was on a leave of absence on the period start and end dates.

Workday processes these calculations for his jobs:

Job	Calculations
Carpenter	Retirement and Retirement Employer Match Non-active Leave Pay
Painter	Retirement and Retirement Employer Match

Job	Calculations
	Medical Deductions

Assuming that Retirement and Retirement Employer Match are worker-based pay components, Workday resolves them only once.

#### Example: Worker on Position-Based Leave Only

Charles has 2 jobs and is on these leave types for the entire month of April:

- Position-based leave type A (for primary job of carpenter)
- Position-based leave type B (for additional job of painter)

Workday calculates:

Job	Calculations
Carpenter	Non-active Leave Pay
Painter	Medical Deductions

#### Concept: Pay for Terminated Workers

When the run category of a pay group includes conditions for paying terminated workers, or workers with ended additional jobs, Workday applies these rules.

#### Terminated Workers on Salary Continuance

For Payroll for France, Canada, and the U.S., Workday generates 2 sub-periods and 2 gross-to-nets when you terminate a worker mid-period who has a pay through date before the period end date. This enables you to process pay for terminated workers:

- After the termination date.
- In the same pay period as the termination.

If the pay through date is prior to the termination date, workers are paid up to the termination date.

#### Example: Single Job with Mid-Period Termination

The current monthly pay period is 2012-01-01 to 2012-01-31. Jacques is terminated on 2012-01-03 and has a Pay Through Date of 2012-03-31. For the January pay period, Workday calculates a separate gross-to-net amount for these subperiods:

- 2012-01-01 to 2012-01-03.
- 2012-01-04 to 2012-01-31.

If the Pay Through Date was 2012-01-18, Workday would calculate the gross-to-net for the first subperiod only:

- 2012-01-01 to 2012-01-03.
- 2012-01-04 to 2012-01-18.

#### Workers with Ended Additional Jobs (CAN, U.S.)

For Payroll for Canada and the U.S., when a worker has multiple jobs, the status of the primary job impacts how Workday treats ended additional jobs.

Status of Primary Job	Impact on Ended Additional Jobs
Terminated	Workday can process ended jobs that are in the same pay group, up to the Pay Through Date of the primary job.
Active	<p>When the primary and additional jobs are in the same pay group, you can configure Workday to pay the additional job up to its pay through date. On the Edit Run Category task, configure the Nonactive (On Cycle, On Demand Replacement) tab to pay non-active workers in on-cycle runs.</p> <p>When the primary and additional jobs are in different pay groups, you can configure Workday to continue to pay the ended additional job. On the Edit Run Category task for the additional job, select an <i>Ended Additional Job</i> status in the Workers to Process section. Workday considers the worker as active and uses the pay component configuration on the General tab.</p>

Example: Multiple Jobs Terminated with Different Pay Through Dates

Alan has 2 jobs in the same pay group. Both jobs terminate on 2012-01-10:

- Primary job: Pay Through Date is 2012-03-10.
- Secondary job: Pay Through Date is 2012-04-10.

Workday automatically pays Alan until 2012-03-10. Add payroll input to pay Alan's secondary job from 2012-03-11 to 2012-04-10.

Example: Secondary Job in Different Pay Group than Primary Job Ends

Melinda's secondary job, which is in a different pay group from Melinda's primary job, ends on 2012-01-10 with a Pay Through Date of 2012-04-10. Workday continues to pay the primary job during on-cycle processing.

To continue to pay Melinda's secondary job:

1. Access Edit Run Category task for the run category for the secondary job.
2. In the Workers to Process section, add the *Ended Additional Job with Pay Through Date* status.

## Workers with Ended Additional Jobs (UK)

For Payroll for the UK, when a worker has multiple jobs, the status of the primary job impacts how Workday treats ended additional jobs.

Status of Primary Job	Impact on Ended Additional Jobs
Terminated	Workday can process ended jobs that are in the same pay group, up to the Termination Date of the primary job.

Status of Primary Job	Impact on Ended Additional Jobs
Active	<p>When the primary and additional jobs are in the same pay group, you can configure Workday to pay the additional job up to its termination date. On the Edit Run Category task, configure the Nonactive (On Cycle, On Demand Replacement) tab to pay non-active workers in on-cycle runs.</p> <p>When the primary and additional jobs are in different pay groups, you can configure Workday to continue to pay the ended additional job. On the Edit Run Category task for the additional job, select an <i>Ended Additional Job</i> status in the Workers to Process section. Workday considers the worker as active and uses the pay component configuration on the General tab.</p>

#### Example: Multiple Jobs Terminated with Different Termination Dates

Alan has 2 jobs in the same pay group. Both jobs terminate on 2012-01-10:

- Primary job: Termination Date is 2012-03-10.
- Secondary job: Termination Date is 2012-04-10.

Workday automatically pays Alan until 2012-03-10. Add payroll input to pay Alan's secondary job from 2012-03-11 to 2012-04-10.

#### Example: Secondary Job in Different Pay Group than Primary Job Ends

Melinda's secondary job, which is in a different pay group from Melinda's primary job, ends on 2012-01-10 with a Termination Date of 2012-04-10. Workday continues to pay the primary job during on-cycle processing.

To continue to pay Melinda's secondary job:

1. Access Edit Run Category task for the run category for the secondary job.
2. In the Workers to Process section, add the *Ended Additional Job with One-time Payroll Input* status.

#### Related Information

##### Tasks

[Terminate Employees](#)

##### Reference

[2023R1 What's New Post: Records of Employment \(ROEs\) for Workers with Multiple Jobs](#)

#### Example: Set Up Pay Run Category for Active and Terminated Workers

This example illustrates how to:

- Only process active and terminated workers in a regular run category.
- Define a different set of pay components for active workers and terminated workers.

## Context

Global Modern Services (GMS) wants to configure a run category to process active workers, and terminated workers that either:

- Are on salary continuance.
- Have one-time payroll input.
- Have a one-time or bonus payment from Workday Compensation.

GMS wants to calculate these pay components for terminated workers on salary continuance:

- Severance.
- Noncash taxable benefits.
- Retirement contributions for workers with more than 1 year of service.

GMS also wants to calculate these pay components with on-demand additional payments:

- Retirement contributions for terminated workers receiving an on-demand additional payment with a *Final Check (Severance)* reason.
- Retirement and employer match to retirement plans for active workers receiving any type of on-demand additional payment.

## Prerequisites

- Define *Gross* and *Net* pay accumulations.
- Create these pay components:
  - *Retirement Contribution*
  - *Retirement Employer Match*
  - *Severance Pay*
- Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

## Steps

1. Access the Create Run Category task.
2. In the Workers to Process section of the General tab, select these statuses:
  - *Active*
  - *Terminated with Pay Through Date*
  - *Terminated with One-Time Payroll Input*
  - *Terminated with One-Time Compensation Payment*
3. In the Gross/Net section, select these values to define what to calculate for active workers in on-cycle runs:

Option	Description
Gross Pay Accumulation	<i>Gross</i>
Net Pay Accumulation	<i>Net</i>
Additional Pay Component Groups to Calculate	Select these 3 groups: <ul style="list-style-type: none"> <li>• <i>Employer Paid Benefits</i></li> <li>• <i>Non Cash Taxable Benefits</i></li> <li>• <i>Statutory Taxes (ER)</i></li> </ul>

4. On the Nonactive (On Cycle, On Demand Replacement) tab, define what to calculate for terminated workers in on-cycle and on-demand replacement payments:

Pay Component to Calculate	Pay Component Groups to Calculate	Status	Processing Criteria
<i>Severance Pay</i>	<i>Non Cash Taxable Benefits</i>	<i>Terminated</i>	<i>Worker: Pay Through Date &gt;= Period Start Date</i>
<i>Retirement Contribution</i> <i>Retirement Employer Match</i>		<i>Terminated</i>	<i>Worker: Pay Through Date &gt;= Period Start Date</i> <i>Seniority &gt; 1 year</i>

Processing criteria for the retirement pay components are on the same row because workers must meet both conditions (AND conditions). In addition to the selected pay components, Workday automatically processes one-time payroll input and one-time or bonus payments from Workday Compensation.

5. On the Off Cycle (On Demand Additional, Manual) tab, define what to calculate for active and terminated workers in on-demand additional payments:

Pay Component to Calculate	Type of Run	Off-Cycle Reasons	Status
<i>Retirement Contribution</i>	<i>On Demand</i>	<i>Final Check (Severance)</i>	<i>Terminated</i>
<i>Retirement Contribution</i> <i>Retirement Employer Match</i>	<i>On Demand</i>		<i>Active</i>

## Result

Workday processes these workers in the monthly on-cycle payroll for March:

- Charles, terminated on February 28 whose pay through date is March 31. Charles receives severance pay if he's eligible for it, but not base pay.
- Mike, terminated on March 5 whose pay through date is April 15. Workday considers Mike an active worker for March and creates 2 subperiods with separate gross-to-net amounts:
  - March 1 - 5: Prorated salary for the days Mike is active.
  - March 6 - 31: Base pay, noncash taxable benefits, retirement contribution, and employer match to retirement plan for the days after his termination.
- Daniel, terminated on March 5 whose pay through date is March 10. Workday prorates his salary for the March 1-5 subperiod. You need to enter payroll input to pay the March 6 - 10 subperiod.

Susan is on a leave of absence from March 1 through April 15. Workday doesn't process her because she doesn't meet the selection criteria on the General tab.

## Related Information

### Concepts

[Concept: Pay for Terminated Workers on page 135](#)

[Concept: Termination Impact](#)

### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay on page 105](#)

[Identify What to Pay in On-Demand Additional Pay on page 108](#)

## Example: Set Up Pay Run Category for Active and Terminated Workers (FRA)

This example illustrates how to process active and terminated workers with different pay components in the same run category.

### Context

Global Modern Services needs a run category to process:

- Active workers.
- Terminated workers who have:
  - A one-time payroll input.
  - A one-time or bonus payment.

Global Modern Services also needs to calculate statutory taxes on all payments.

Global Modern Services needs to configure a pay component group for additional payments that is based on worker eligibility criteria.

### Prerequisites

Security: *Set Up: Payroll - Pay Group Specific* domain in Core Payroll functional area.

### Steps

1. Access the Create Run Category task.
2. Enter GMS All and Terminated in the Name field.
3. Select France from Run Category ~Country~.
4. On the General tab, add rows for these statuses in the Workers to Process grid:
  - Active
  - Terminated with One-time Payroll Input
  - Terminated with One-time Compensation Payment
5. In the Gross/Net section, select these values:

Option	Description
Gross Pay Accumulation	<i>FRA Gross [FRA]</i>
Net Pay Accumulation	<i>FRA Net Pay [FRA]</i>
Additional Pay Components to Calculate	<i>Memo - Salary Increase Due to Contribution Reductions [FRA]</i>
Additional Pay Component Groups to Calculate	<ul style="list-style-type: none"> <li>• <i>FRA Employer Taxes Provision [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE - Deductible from Tax - Excluded from Gross Up [FRA]</i></li> <li>• <i>FRA Statutory Taxes ER [FRA]</i></li> </ul>

6. On the Nonactive (On Cycle, On Demand Replacement) tab, add a row to the Pay Components to Process grid and select these values:

Pay Components to Calculate	Pay Component Groups to Calculate	Status
<ul style="list-style-type: none"> <li>• <i>IJSS Gross [FRA]</i></li> <li>• <i>Memo - Reference Values for IJSS [FRA]</i></li> <li>• <i>TAX Withholding Tax [FRA]</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>FRA Adds to Net [FRA]</i></li> <li>• <i>FRA Employer Taxes Provision [FRA]</i></li> </ul>	<i>Terminated</i>

Pay Components to Calculate	Pay Component Groups to Calculate	Status
	<ul style="list-style-type: none"> <li>• <i>FRA Statutory Taxes EE - Deductible from Tax [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE - Deductible from Tax - Excluded from Gross Up [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE [FRA] - Submitted to Tax [FRA]</i></li> <li>• <i>FRA Statutory Taxes ER [FRA]</i></li> <li>• <i>FRA Subtracts from Net [FRA]</i></li> </ul>	

For terminated workers, Global Modern Services uses one-time payroll inputs to enter any additional gross pay. Workday processes one-time payroll inputs for the gross or net accumulation on the General tab.

7. On the Off Cycle (On Demand Additional, Manual) tab, add a row to the Pay Components to Process grid and select these values:

Pay Components to Calculate	Pay Component Groups to Calculate	Type of Run	Status
<i>TAX Withholding Tax [FRA]</i>	<ul style="list-style-type: none"> <li>• <i>FRA Statutory Taxes EE - Deductible from Tax - Excluded from Gross Up [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE - Submitted to Tax [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE - Deductible from Tax [FRA]</i></li> <li>• <i>FRA Statutory Taxes ER [FRA]</i></li> <li>• <i>FRA Adds to Net [FRA]</i></li> <li>• <i>FRA Employer Taxes Provision [FRA]</i></li> <li>• <i>FRA Subtracts from Net [FRA]</i></li> </ul>	<i>On Demand Payment</i>	<i>Active</i> <i>Terminated</i>

8. Click OK and Done.

## Result

Workday calculates pay results in the monthly on-cycle payroll for:

- Active workers based on the pay components configured in the General tab.
- Terminated workers with a one-time payroll input for additional payments.
- Statutory taxes for all payments in the run category.

#### Related Information

##### Concepts

[Concept: Pay for Terminated Workers on page 135](#)

[Concept: Termination Impact](#)

##### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay on page 105](#)

[Identify What to Pay in On-Demand Additional Pay on page 108](#)

### Example: Set Up Pay Run Category for Active and Terminated Workers (UK)

This example illustrates how to:

- Only process active and terminated employees in a regular run category.
- Include Workday-delivered statutory calculations in a regular payroll process.

#### Context

Global Modern Services wants to set up a run category to process:

- All active workers.
- Terminated workers who either:
  - Are on salary continuance.
  - Have one-time payroll input.
  - Have a one-time or bonus payment from Workday Compensation.

Global Modern Services needs to calculate:

- Statutory taxes on all payments to active or terminated workers.
- Employer paid benefits for active workers.

Global Modern Services also needs to assess workers for pensions auto enrolment during on-cycle and off-cycle runs. They need to assess workers that were active during the pay period.

#### Prerequisites

Security: *Set Up: Payroll - Pay Group Specific* domain in Core Payroll functional area.

#### Steps

1. Access the Create Run Category task.
2. In the Name field, enter Regular (GBR).
3. Select the Regular Run Category check box.
4. In the Workers to Process grid on the General tab, enter these statuses:
  - *Active*
  - *Terminated with One-Time Payroll Input*
  - *Terminated with One-Time Compensation Payment*
5. In the Gross/Net section, select these settings to define what to calculate for active workers in on-cycle runs:

Option	Settings
Gross Pay Accumulation	<i>GBR Gross [GBR]</i>

Option	Settings
Net Pay Accumulation	<i>GBR Net [GBR]</i>
Additional Pay Components to Calculate	<i>GBR Pensions Auto Enrolment Assessment [GBR]</i>
Additional Pay Component Groups to Calculate	<ul style="list-style-type: none"> <li>• <i>GBR Employer Paid Benefits [GBR]</i></li> <li>• <i>GBR Statutory Taxes (ER) [GBR]</i></li> </ul>

6. Leave the Nonactive (On Cycle, On Demand Replacement) tab empty.

Note: For terminated workers, Global Modern Services uses one-time payroll inputs to enter any additional gross pay. Workday always calculates statutory taxes for on-cycle and on-demand replacement payments.

7. On the Off Cycle (On Demand Additional, Manual) tab, define what to calculate for active and terminated workers in on-demand additional payments:

Option	Settings
Pay Components to Calculate	<i>GBR Pensions Auto Enrolment Assessment [GBR]</i>
Type of Run	<i>On Demand Payment</i>
Off Cycle Reasons	<i>Additional Pay</i>
Status	<i>Active</i>

Note: Workday always calculates statutory taxes for on-demand additional payments.

## Result

Alice is an active employee at Global Modern Services. When Global Modern Services processes monthly on-cycle payroll for March, Workday calculates pay results for Alice based on the pay components in these pay component groups and accumulations:

- *GBR Gross [GBR]*
- *GBR Net [GBR]*
- *GBR Employer Paid Benefits [GBR]*
- *GBR Statutory Taxes (ER) [GBR]*

Workday also uses the calculations in *GBR Pensions Auto Enrolment Assessment [GBR]* pay component group to assess Alice for pensions auto enrolment.

Charles, a Global Modern Services employee, was terminated on January 15th after 2 years of employment. When Global Modern Services processes monthly on-cycle payroll for March, Workday processes Charles because he has a bonus in March entered as a one-time payroll input. Workday calculates all statutory taxes on the amount he received.

## Related Information

### Concepts

[Concept: Pay for Terminated Workers](#) on page 135

[Concept: Termination Impact](#)

### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay](#) on page 105

## Example: Set Up Pay Run Category for Active and Terminated Workers (AUS)

This example illustrates how to:

- Only process active and terminated employees in a regular run category.
- Include Workday-delivered statutory calculations in a regular payroll process.

## Context

Global Modern Services wants to set up a run category to process:

- All active workers.
- Terminated workers who either:
  - Have one-time payroll input.
  - Have a one-time or bonus payment from Workday Compensation.

Global Modern Services needs to calculate:

- Statutory taxes on all payments to active or terminated workers.
- Employer paid benefits for active workers.

## Prerequisites

Security: *Set Up: Payroll - Pay Group Specific* domain in Core Payroll functional area.

## Steps

1. Access the Create Run Category task.
2. In the Name field, enter *Regular (AUS)*.
3. Select the Regular Run Category check box.
4. In the Workers to Process grid on the General tab, enter these statuses:
  - *Active*
  - *Terminated with One-Time Payroll Input*
  - *Terminated with One-Time Compensation Payment*
5. In the Gross/Net section, select these settings to define what to calculate for active workers in on-cycle runs:

Gross Pay Accumulation	<i>AUS Gross [AUS]</i>
Net Pay Accumulation	<i>AUS Net [AUS]</i>
Additional Pay Components to Calculate	<i>AUS ETP Taxable Type R Payment Above Lump Sum D Threshold [AUS]</i> <i>AUS Lump Sum D (ETP Tax Free) Payment [AUS]</i>
Additional Pay Component Groups to Calculate	<ul style="list-style-type: none"> <li>• <i>All AUS Reportable Fringe Benefits Amounts (FBT/RFBA) [AUS]</i></li> <li>• <i>AUS Superannuation Employer Contributions [AUS]</i></li> <li>• Memo entries</li> </ul>

6. Leave the Nonactive (On Cycle, On Demand Replacement) tab empty.
7. On the Off Cycle (On Demand Additional, Manual) tab, define what to calculate for active and terminated workers in on-demand additional payments:

Pay Components to Calculate	
Type of Run	<i>On Demand Payment</i>
Off Cycle Reasons	<i>Additional Pay</i>
Status	<i>Active</i>

## Next Steps

## Related Information

### Concepts

[Concept: Pay for Terminated Workers on page 135](#)

### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay on page 105](#)

### Example: Set Up Selection Criteria for Workers on Leave (FRA)

This example illustrates how to run payroll calculations only for workers who are on parental leave.

### Context

In Global Modern Services, workers on parental leave are:

- Covered by health insurance.
- Eligible for bonuses.

Workers on other types of leave, such as sabbaticals, aren't eligible for these benefits.

You want to run payroll calculations for workers who are on parental leave, but not other types of leave.

### Prerequisites

#### Security:

- *Set Up: Payroll - Pay Group Specific* domain in Core Payroll functional area.
- *Set Up: Payroll (Calculations - Generic)* domain in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

### Steps

1. Access the Edit Run Category task.
2. On the General tab, in the Workers to Process grid, click + to add a row.
3. From the Status prompt, select *On Leave*.
4. Add a row in the Selection Criteria section, and select Create > Create Instance Set Comparison Calculation.
5. Workday opens the Create Instance Set Comparison Calculation task, enter these settings:

Option	Settings
Name	<i>Worker on Parental Leave</i>
Category	<i>Payroll</i>
Source Field	<i>Leave Types for Worker</i>
Relational Operator	<i>in the selection list</i>
Target Instance	<i>Family Leave &gt; Parental Leave</i>

6. Click OK to return to the Edit Run Category task.

### Next Steps

On the Nonactive (On Cycle, On Demand Replacement) tab, define the calculations for the workers on parental leave.

### Example: Set Up Pay Run Category for Workers on Leave

This example illustrates how to:

- Set up a run category for workers on leave.

- Define a different set of pay components to process in both on-cycle and off-cycle payroll runs.

## Context

Global Modern Services (GMS) wants to configure a run category to process workers on leave who:

- Have one-time payroll input, or a one-time or bonus payment from Workday Compensation.
- Are on a paid leave for sabbatical or short-term disability.

GMS wants to calculate these pay components:

- Leave pay for workers on short-term disability. You configure this earning to pay at 80% of the regular amount.
- Nonactive leave pay for workers on sabbatical.
- Retirement contributions for regular workers on a sabbatical or short-term disability.
- Healthcare deductions and employer paid benefits for all workers on sabbatical or short-term disability.

GMS also wants to run on-demand additional payments to workers on short-term disability for the processed subperiod to pay:

- Retirement contributions.
- Employer match to retirement plans.

## Prerequisites

- Enable leave types with the Payroll Effect option on the Create Leave Type task.
- Create these pay components:
  - *Leave Pay (80%)*
  - *Nonactive Leave Pay*
  - *Retirement Contribution*
  - *Retirement Employer Match*
- Create the *Healthcare Deductions* pay component group.
- Create an instance set comparison calculation to identify multiple leave types.
- Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

## Steps

1. Access the Create Run Category task.
2. Enter *Workers on Leave* in the Name field.
3. In the Workers to Process section of the General tab, specify these criteria:

Status	Selection Criteria
<i>On Leave</i>	<p>Because workers can meet any of the 3 criteria, select each of these calculations on a separate row (OR conditions):</p> <ul style="list-style-type: none"> <li>• <i>Paid Leave Type = Sabbatical or STD</i></li> <li>• <i>Payroll Input Exists for an Earning that is Part of Gross Pay Accumulation for the Run Category</i></li> <li>• <i>Onetime or Bonus Payment Exists for an Earning that is Part of Gross Pay Accumulation for the Run Category</i></li> </ul>

4. On the Nonactive (On Cycle, On Demand Replacement) tab, enter these values:

Pay Component to Calculate	Pay Component Groups to Calculate	Status	Leave Types	Processing Criteria
<i>Leave Pay (80%)</i>		<i>On Leave</i>	<i>Short-term disability</i>	
<i>Nonactive Leave Pay</i>		<i>On Leave</i>	<i>Sabbatical</i>	
<i>Retirement Contribution</i>		<i>On Leave</i>	<i>Short-term disability</i> <i>Sabbatical</i>	<i>Worker Employee Type is Regular</i>
	<i>Healthcare Deductions</i> <i>Employer Paid Benefits</i>	<i>On Leave</i>	<i>Short-term disability</i> <i>Sabbatical</i>	

In addition to the selected pay components, Workday automatically processes one-time payroll input for the pay period and any one-time payments or bonuses from Workday Compensation.

5. On the Off Cycle (On Demand Additional, Manual) tab, enter these values:

Pay Component to Calculate	Type of Run	Status	Leave Types	Processing Criteria
<i>Retirement Employer Match</i>	<i>On Demand</i>	<i>On Leave</i>	<i>Short-term disability</i>	
<i>Retirement Contribution</i>				<i>Worker on Leave with Payroll Effect (Sub Period)</i>

6. Click OK and Done.

## Result

You process monthly on-cycle payroll for March. Workday calculates these pay components for Donna, a part-time worker, who's on leave for short-term disability from March 1 through April 15:

- *Leave Pay (80%)*
- *Healthcare Deductions*
- *Employer Paid Benefits*

Workday also calculates these pay components for Gloria, who's on leave for short-term disability from March 4 to March 24:

- March 1 - 3: Regular pay (prorated)
- March 4 - 24: *Leave Pay (80%)* (prorated), *Healthcare Deductions*, *Employer Paid Benefits*
- March 25 - 31: Regular pay (prorated)

Jim is a worker on personal leave for the entire month of March. Workday doesn't calculate anything for him because he doesn't meet the selection criteria for processing.

## Related Information

### Concepts

[Concept: Pay for Workers on Leave](#) on page 133

### Tasks

[Create Leave Types](#)

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay on page 105](#)

[Identify What to Pay in On-Demand Additional Pay on page 108](#)

## Reference

[Reference: Leave Impacts](#)

### Example: Set Up Pay Run Category for Workers on Leave (FRA)

This example illustrates how to:

- Set up a negative net pay advance for workers who are on unpaid leave, but still subject to deductions.
- Use payroll inputs for one-time bonuses for workers on leave.

## Context

You want to set up payroll calculations for workers on parental leave.

Workers on parental leave are unpaid, but are subject to these pay deductions:

- Monthly premium payments for health insurance coverage that continues during their leave.
- Taxes on contingency payments.
- Ongoing debts, or advance repayments.

Workers on parental leave are also eligible for bonuses paid during their leave.

During their leave, workers have a net salary of zero, and will owe Global Modern Services any unpaid amounts upon their return to work.

To pay health insurance premiums, Global Modern Services deducts 100 EUR per month from worker net pay. The *Health insurance premium* deduction is associated with the *FRA Statutory Taxes EE - Deductible from Tax [FRA]* pay component group.

Workday provides these pay components to avoid having a negative net salary for workers on leave:

Pay Component	Use
Deduction: <i>Repayment of Previous Negative Net Salary [FRA]</i> in the <i>FRA Subtracts from Net pay</i> component group.	Deducts the negative net pay advance from the net salary when a worker returns to work.
Earning: <i>Negative Net Pay Advance [FRA]</i> in the <i>FRA Adds to Net [FRA]</i> pay component group.	Creates an advance when the net pay is negative.

## Prerequisites

Security: *Set Up: Payroll - Pay Group Specific* domain in Core Payroll functional area.

## Steps

1. Access the Edit Run Category task.

[See Example: Set Up Selection Criteria for Workers on Leave \(FRA\) on page 145.](#)

2. On the Nonactive (On Cycle, On Demand Replacement) tab, enter these values:

Pay Components to Calculate	Pay Component Groups to Calculate	Status
<ul style="list-style-type: none"> <li>• <i>IJSS Gross [FRA]</i></li> <li>• <i>Memo - Reference Values for IJSS [FRA]</i></li> <li>• <i>TAX Withholding Tax [FRA]</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>FRA Adds to Net [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE - Deductible from Tax [FRA]</i></li> </ul>	<i>On Leave</i>

Pay Components to Calculate	Pay Component Groups to Calculate	Status
	<ul style="list-style-type: none"> <li>• <i>FRA Statutory Taxes EE - Deductible from Tax - Excluded from Gross Up [FRA]</i></li> <li>• <i>FRA Employer Taxes Provision [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE - Submitted to Tax [FRA]</i></li> <li>• <i>FRA Statutory Taxes ER [FRA]</i></li> <li>• <i>FRA Subtracts from Net [FRA]</i></li> </ul>	

For workers on leave, Global Modern Services uses one-time payroll inputs to enter any additional gross pay. Workday processes one-time payroll inputs that belong to the gross or net accumulation on the General tab.

3. On the Off Cycle (On Demand Additional, Manual) tab, enter these values:

Pay Components to Calculate	Pay Component Groups to Calculate	Type of Run	Status
<i>TAX Withholding Tax [FRA]</i>	<ul style="list-style-type: none"> <li>• <i>FRA Adds to Net [FRA]</i></li> <li>• <i>FRA Employer Taxes Provision [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE - Deductible from Tax [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE - Deductible from Tax - Excluded from Gross Up [FRA]</i></li> <li>• <i>FRA Statutory Taxes EE - Submitted to Tax [FRA]</i></li> <li>• <i>FRA Statutory Taxes ER [FRA]</i></li> <li>• <i>FRA Subtracts from Net [FRA]</i></li> </ul>	<i>On Demand Payment</i>	<i>On Leave</i>

4. Click OK and Done.

### Result

Marie is on unpaid parental leave for the entire month of February. During her leave of absence, she has a salary of zero. Marie will owe Global Modern Services the monthly premiums when she returns to work in March. Workday calculates:

Pay Period	Results
February (unpaid parental leave)	<ul style="list-style-type: none"> <li>Net Pay: 0 EUR</li> <li>Negative Net Pay Advance: 109.7 EUR, representing health insurance premiums plus statutory taxes.</li> </ul>
March (return to work)	Net salary minus the repayment of 109.7 EUR.

Steve is also on unpaid parental leave for the month of February. He receives a 1000 EUR bonus using a one-time pay input. During his leave of absence, Workday calculates:

Pay Period	Results
February	Net Pay: Bonus amount minus premium payments and statutory taxes.

## Related Information

### Concepts

[Concept: Pay for Workers on Leave](#) on page 133

[Concept: Retro Leave of Absence](#) on page 934

### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay](#) on page 105

[Identify What to Pay in On-Demand Additional Pay](#) on page 108

### Reference

[Reference: Leave Impacts](#)

## Example: Set Up Pay Run Category for Workers on Leave (UK)

This example illustrates how to pay workers on maternity leave by setting up a run category.

### Context

Ella, the Global Modern Services (GMS) payroll administrator, wants to be able to pay workers on maternity leave. She sets up a run category to enable her to identify and include those workers in a payroll run.

Eligible workers receive statutory maternity pay through payroll, and GMS provides additional payments to complete the worker's salary. Workers on maternity leave are eligible for employer-paid benefits, and regular assessment for pensions auto-enrolment.

### Prerequisites

- Create an earning named *GMS Maternity* to complete a worker's salary during their leave.
- Create a *Statutory Maternity Leave* family leave type that is linked to the *United Kingdom - GBR SMP - Maternity* leave payment type.
- Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

### Steps

- Access the Edit Run Category task.
- From the Run Category prompt, select *Regular (GBR)*.
- On the General tab, in the Workers to Process grid, click + to add a row.
- From the Status prompt, select *On Leave*.

5. On the Nonactive (On Cycle, On Demand Replacement) tab, enter these values:

Option	Settings
Pay Components to Calculate	<i>GBR Pensions Auto Enrolment Assessment [GBR]</i> <i>GBR SMP</i> <i>GMS Maternity</i>
Pay Component Groups to Calculate	<i>GBR Employer Paid Benefits [GBR]</i>
Status	<i>On Leave</i>
Leave Types	<i>Family Leave &gt; Statutory Maternity Leave</i>

6. Click OK and Done.

## Result

When Ella processes the GMS monthly on-cycle payroll for March, Workday calculates these pay components for Sarah, a full-time employee who started maternity leave on March 22:

- March 1 - 21: Regular pay (prorated).
- March 22 - 31: *GBR SMP*, *GMS Maternity*, and all pay components in the *GBR Employer Paid Benefits [GBR]* pay component group.

Workday also assesses Sarah for pensions auto-enrolment.

### Related Information

#### Concepts

[Concept: Pay for Workers on Leave](#) on page 133

#### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay](#) on page 105

#### Reference

[Reference: Leave Impacts](#)

## Example: Set Up Pay Run Category for Workers on Leave (AUS)

This example illustrates how to pay workers on maternity leave by setting up a run category.

### Context

Ella, the Global Modern Services (GMS) payroll administrator, wants to be able to pay workers on maternity leave. She sets up a run category to enable her to identify and include those workers in a payroll run.

Eligible workers receive statutory maternity pay through payroll, and GMS provides additional payments to complete the worker's salary. Workers on maternity leave are eligible for employer-paid benefits, and regular assessment for pensions auto enrolment.

### Prerequisites

- Create 2 leave types:
  - *AUS Parental Leave - Full pay* with the Leave Payment Type *Australia - AUS\_FULL\_PAY - Full Pay*
  - *AUS Parental Leave - Unpaid* with the Leave Payment Type *Australia - AUS\_UNPAID Unpaid*

Select the *Payroll Effect* check box for both.

- Create 2 earnings:
  - *GMS AUS Parental Leave - Full Pay*
  - *GMS AUS Parental Leave - Unpaid*
- Access the Maintain AUS Leave Type Payment Configuration task, and map the 2 new earnings to the 2 new leave types.
- Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

## Steps

1. Access the Edit Run Category task.
2. From the Run Category prompt, select *Regular (AUS)*.
3. On the General tab, in the Workers to Process grid, click + to add a row.
4. From the Status prompt, select *On Leave*.
5. On the Nonactive (On Cycle, On Demand Replacement) tab, enter these values:

Pay Components to Calculate	<p>Additional Pay Components to calculate:</p> <ul style="list-style-type: none"> <li>• <i>AUS Adds to Gross [AUS]</i></li> <li>• <i>AUS Allowances (Payroll Tax) [AUS]</i></li> <li>• <i>AUS Backpay Taxable (Current Tax Year) [AUS]</i></li> <li>• <i>AUS Fringe Benefits (Payroll Tax) [AUS]</i></li> <li>• <i>AUS Ordinary Time Earnings (OTE) [AUS]</i></li> <li>• <i>AUS PAYG Taxable Wages [AUS]</i></li> <li>• <i>AUS Post Tax Deductions [AUS]</i></li> <li>• <i>AUS Pre Tax Deductions [AUS]</i></li> <li>• <i>AUS Reportable Employer Superannuation Contributions (RESC) [AUS]</i></li> <li>• <i>AUS Statutory Taxes (EE) [AUS]</i></li> <li>• <i>AUS Superannuation (Payroll Tax) [AUS]</i></li> <li>• <i>AUS Superannuation Employer Contributions [AUS]</i></li> <li>• <i>AUS Withholding Order (All): Deductions [AUS]</i></li> </ul>
Pay Component Groups to Calculate	Memo Entries
Status	<i>On Leave</i>
Leave Types	<ul style="list-style-type: none"> <li>• <i>Regulatory Leave &gt; GMS AUS Parental Leave - Full Pay</i></li> <li>• <i>Regulatory Leave &gt; GMS AUS Parental Leave - Unpaid</i></li> </ul>

6. Click OK and Done.

## Next Steps

Related Information

### Concepts

[Concept: Pay for Workers on Leave](#) on page 133

### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay](#) on page 105

**Reference**

Reference: Leave Impacts

## Period Schedules

### Set Up Payroll and Time Tracking Period Schedules

#### Prerequisites

Review setup considerations for period schedules.

When using Workday Payroll and Time Tracking, determine whether to create shared period schedules for both.

Security:

- *Set Up: Payroll - Pay Group Specific* domain in Core Payroll functional area.
- *Set Up: Payroll Interface* domain in the Payroll Interface functional area.
- *Set Up: Pay On-Demand*
- *Set Up: Period Schedule* domain in the Projects functional area.
- *Set Up: Time Tracking* domain in Time Tracking functional area.

#### Context

You can define consecutive periods for payroll processing and time tracking, such as weekly or monthly. When the dates for time periods and pay periods match, you can use the same schedule for payroll and time tracking. Pay groups with the same frequency can use the same period schedule.

You can set up existing period schedules for Pay On-Demand to define when workers can request early payment and the payment date auto-adjust function for weekends.

For one-time payments, Workday recommends creating on-demand payments for 1 or multiple workers instead of creating multiple short period schedules.

Note: Ensure that you have at least 1 period in your period schedule with dates before the effective date of your first Workday Payroll or HR transactions.

When you have specific requirements beyond payment dates or time tracking dates, you can create a custom field using the Create Custom Object task. Then you can:

- Add the field to a period schedule, such as for a hire cutoff date.
- Add the field to 1 or more pay periods, such as for a payroll cutoff date. Periods don't inherit custom objects you define at the period schedule level.

You can use these web services to load or retrieve period schedules:

- *Put Period Schedule*
- *Get Period Schedules*

#### Steps

1. Access the Create Period Schedule task.

As you complete the task, consider:

Option	Description
Usage	Select <i>Payroll and Time Tracking</i> .
Regular Pay Day	Workday reports the Regular Pay Day on employees' Statutory Compensation

Option	Description														
	<p>Statements. Workday reports the number from the period schedule you set for the regular run category of an employee's pay group.</p> <p>To create values for this field, select Create Payroll Regular Pay Day.</p>														
Regular Pay Day	This field is for the U.S. only.														
Payment Date Auto-Adjust	<p>Enter values in these fields to change payment dates that fall on weekends or holidays to a weekday:</p> <table> <tr> <td data-bbox="907 566 1024 595">Saturday</td> <td data-bbox="1188 566 1432 825">Zero displays by default, indicating there is currently no auto-adjusting for weekend payment dates. Enter a value to adjust a Saturday payment date.</td> </tr> <tr> <td data-bbox="907 836 1024 865">Sunday</td> <td data-bbox="1188 836 1442 967">Example: Enter -1 to move payment dates from Saturday to the previous Friday.</td> </tr> <tr> <td data-bbox="907 998 1024 1028">Holiday Calendar</td> <td data-bbox="1188 998 1432 1256">Zero displays by default, indicating there is currently no auto-adjusting for weekend payment dates. Enter a value to adjust a Sunday payment date.</td> </tr> <tr> <td data-bbox="907 1267 1024 1296">Auto-Adjust on Holidays</td> <td data-bbox="1188 1267 1442 1398">Example: Enter -2 to move payment dates to the previous Friday.</td> </tr> <tr> <td data-bbox="907 1429 1024 1459"></td> <td data-bbox="1188 1429 1442 1649">Select a holiday calendar to prevent payment dates from falling on holidays. You can select only 1 holiday calendar at a time.</td> </tr> <tr> <td data-bbox="907 1681 1024 1710"></td> <td data-bbox="1188 1681 1442 1812">Select one of these:           <ul style="list-style-type: none"> <li>After Holiday</li> <li>Before Holiday</li> </ul> </td> </tr> <tr> <td data-bbox="907 1843 1024 1934"></td> <td data-bbox="891 1843 1432 1934">When you manually generate new periods in an existing period schedule, the payment dates will automatically adjust and skip the</td> </tr> </table>	Saturday	Zero displays by default, indicating there is currently no auto-adjusting for weekend payment dates. Enter a value to adjust a Saturday payment date.	Sunday	Example: Enter -1 to move payment dates from Saturday to the previous Friday.	Holiday Calendar	Zero displays by default, indicating there is currently no auto-adjusting for weekend payment dates. Enter a value to adjust a Sunday payment date.	Auto-Adjust on Holidays	Example: Enter -2 to move payment dates to the previous Friday.		Select a holiday calendar to prevent payment dates from falling on holidays. You can select only 1 holiday calendar at a time.		Select one of these: <ul style="list-style-type: none"> <li>After Holiday</li> <li>Before Holiday</li> </ul>		When you manually generate new periods in an existing period schedule, the payment dates will automatically adjust and skip the
Saturday	Zero displays by default, indicating there is currently no auto-adjusting for weekend payment dates. Enter a value to adjust a Saturday payment date.														
Sunday	Example: Enter -1 to move payment dates from Saturday to the previous Friday.														
Holiday Calendar	Zero displays by default, indicating there is currently no auto-adjusting for weekend payment dates. Enter a value to adjust a Sunday payment date.														
Auto-Adjust on Holidays	Example: Enter -2 to move payment dates to the previous Friday.														
	Select a holiday calendar to prevent payment dates from falling on holidays. You can select only 1 holiday calendar at a time.														
	Select one of these: <ul style="list-style-type: none"> <li>After Holiday</li> <li>Before Holiday</li> </ul>														
	When you manually generate new periods in an existing period schedule, the payment dates will automatically adjust and skip the														

Option	Description
	<p>holidays depending on which option you select. If you modify the holiday auto-adjust setting from After Holiday to Before Holiday in an existing period schedule that's linked to calendar events, those payment dates don't automatically adjust. You must manually adjust the payment dates.</p> <p>You can add payment dates that occur on holidays for additional periods that don't display in the period schedule. Workday doesn't automatically adjust these payment dates. To add the holiday calendar, use the Edit Additional Period Schedule task.</p>
Continuous Payroll Calculation	<p>(Optional) Displays when you enable continuous payroll calculation in your tenant. You can schedule a default time to:</p> <ul style="list-style-type: none"> <li>Run a full calculation to open each pay period.</li> <li>Stop creating new continuous calculation jobs for the period.</li> </ul> <p>You can change the full calculation and automatic stop times on individual periods.</p>
Pay On-Demand	<p>(Optional) Displays when you have security access to the <i>Set Up: Pay On-Demand</i> domain and have <i>Payroll</i> usage identified on the period schedule.</p> <ul style="list-style-type: none"> <li>Days After Period Start Date to Open Requests - When you enter the number of days in this field, Workday populates the actual date in the Open Requests field in the Pay On-Demand section of the Period Schedule.</li> <li>Days From Period End Date to Close Requests - When you enter the number of days in this field, Workday populates the actual date in the Close Requests field in the Pay On-Demand section of the Period Schedule.</li> <li>Payment Date Auto Adjust - Complete to prevent payment dates from falling on a weekend. The payment date of a Pay On-Demand request is determined by these fields: <ul style="list-style-type: none"> <li>Default Offset</li> <li>Saturday</li> <li>Sunday</li> </ul> </li> </ul> <p>Default Offset indicates the number of days Workday adds to the Pay-On Demand request date to determine the Payment Date. If the Payment Date</p>

Option	Description
	<p>derived from the Default Offset falls on a Saturday or Sunday, Workday adds the value in the Saturday or Sunday fields to the Payment Date.</p> <p>Example: You configure these fields:</p> <ul style="list-style-type: none"> <li>• Default Offset = 1</li> <li>• Saturday = 2</li> <li>• Sunday = 1</li> </ul> <p>A worker makes a Pay On-Demand request on Saturday, 1/1. The Default Offset of 1 indicates a Payment Date of Sunday, 1/2. However, since 1/2 falls on a Sunday, and the value for Sunday is 1, the actual Payment Date is Monday, 1/3.</p> <p>Note: To prevent Pay On-Demand requests from processing when a pay period crosses a calendar year, manually change the Open Requests dates for those pay periods.</p>
Periods	<p>Enter the Period Start Date, Period End Date, and when it differs from the period end date, the Payroll Payment Date.</p> <p>After saving the period schedule, you can configure Workday to select a payment date based on a number of days after the period end date. Select Period Schedule &gt; Edit from the related actions menu of the period schedule, and enter a value for the Payment Date Offset Days Default field. Adjust any payment dates that fall on a holiday.</p>
Accounting Date Override	<p>Enter a date between the period start date and 31 days after the period end date. Depending on your configuration, Workday sets the new override date as the initial accounting date for these on-cycle and off-cycle operational journals:</p> <ul style="list-style-type: none"> <li>• Fringe Actuals</li> <li>• On-Demand Additional</li> <li>• On-Demand Replacement</li> <li>• Payroll Actuals</li> <li>• Payroll Accounting Adjustments</li> </ul> <p>Example: For the month of August, your period start date is 2020-08-17 and the period end date is 2020-08-30. You can then select an accounting date that falls within the range of 2020-08-17 and 2020-09-30.</p> <p>When you select the Off-Cycle - Use Payment Date as Accounting Date check box from the Payroll Accounting section on the Edit Tenant Setup - Payroll task, and also enter</p>

Option	Description
	an Accounting Date Override on the period schedule, Workday uses the override date as the initial accounting date for off-cycle payments.

2. Select Period Schedule > Edit from the related actions menu of the period schedule.
3. (Optional)Select Additional Data > Edit from the related actions menu of the period schedule or of each period. Then select the custom field from the Custom Object prompt.
4. When creating a shared period schedule with Workday Time Tracking, define which workers to assign for time tracking purposes:
  - a) Expand the Time Tracking section.
  - b) For Worker Eligibility, select all conditions that workers must meet to have the schedule assigned.

You can select from rules created with the Create Time Tracking Eligibility Rules task.
5. When creating a shared period schedule with Workday Time Tracking, specify the dates available for time entry:

As you complete the task, consider:

Option	Description
Open Time Entry	The date and time that workers can begin entering time for the period. Leave empty if there are no restrictions. You can only run calculations on an open period.
Lock Time Entry	The date and time after which workers can no longer enter time or change time entries for the period. As a best practice, lock the period for payroll processing.  You can make payroll administrators and other users exempt from the lockout so that they can make last-minute changes to time blocks during the initial lockout period. Exempt users must belong to a user-based or role-based security group associated with the <i>Time Tracking: Exempt from Lockout</i> domain.
Unlock for Adjustments	Select to unlock the period after payroll is complete so that you can enter and correct time for the period using either: <ul style="list-style-type: none"> <li>• Workday Payroll retro pay calculations to automatically process corrections.</li> <li>• Manual adjustments.</li> </ul>
Close Time Entry	The final close date and time for the period. Prevents all users from making additional time entries and corrections for the time period. When you select the Allow Project Transfer in Closed Periods check box on the Set Up Project Billing Configuration task, users can transfer project time blocks in closed time entry periods.

Option	Description
	Workday recommends that you select a date that is no more than 3 months after the period end date.

Note: Period schedules always open, lock, unlock, and close in Pacific time.

6. The Open Request and Close Request fields in the Pay On-Demand section automatically populate when you enter Days After Period Start Date to Open Requests and Days From Period Start Date to Close Requests. You can override these dates.
7. (Optional) Complete the Payroll GL Accruals section to create a forward accrual for the period. You can't update accrual options when payroll calculations are in progress for the period.

Option	Description
Create Forward Accrual	<p>When a pay period spans multiple reporting periods, Workday estimates payroll costs through the end of a financial reporting period.</p> <p>Workday:</p> <ul style="list-style-type: none"> <li>• Calculates forward accrual as Tax Amount x Sum of Accrued Earnings/ Total Earnings x Forward Accrual Ratio.</li> <li>• Creates forward accrual as a ratio of Days to Accrue over Days in Basis.</li> </ul> <p>Workday excludes:</p> <ul style="list-style-type: none"> <li>• Retro earnings.</li> <li>• Earnings with Exclude from Forward Accrual selected on the Non-Effective Dated tab of the Edit Earning task.</li> <li>• Expenses, when selected from the Maintain Payroll Accounting Options task.</li> </ul> <p>Forward accrual doesn't calculate off-cycle results for on-demand or manual payments.</p> <p>To ensure that you include employer expenses in forward accruals, use the <i>Employer Paid Benefits</i> pay component group for a pay component.</p> <p>When you've configured Pay On-Demand for workers with multiple jobs, Workday calculates forward accruals for multiple gross-to-nets within a pay period as the sum of all employer-paid statutory taxes, including all on-demand results in the pay period.</p>
Days to Accrue	Number of days in the pay period for which to estimate payments.
Days in Basis	Number of work or calendar days in a full financial reporting period, typically the most recent full pay period.

Option	Description
Accrual Date	Date on which to create the forward accrual. Used for the accounting entry, this date is typically the last day of the accounting period. You can also set the accrual date on or after the pay period start date.
Accrual Reversal Date	Any day after the accrual date. Typically the first day of the next accounting period.

8. (Optional) Add a row to the Payroll Settlement Date Overrides section to define different payment dates per country. Example: Define override dates for countries with different bank schedules to ensure that payments occur on bank working days.

Option	Description
Country	Workday applies the Override Date when the bank account receiving the payment is in this country. You can view the bank account country on the Bank Account task.
Override Date	Overrides the Payroll Payment Date. For on-cycle payments only.  Workday applies the Override Date during settlement, but displays the default payment date on the payroll results and payslip.

## Result

Workday assigns a sequential Period Number to each period that has a payment date in the same calendar year.

You can't delete a period designated as the first processing period in the Override First Processing Period field of the View Pay Group report.

You can't delete periods that have commitment results generated for them. If a period has commitment results, the Commitments column in the Used In section of the grid is selected.

For Payroll for Canada, when you view or edit period schedules, Workday displays the Canadian Annualization Factors tab. It lists the factors, derived from the Period Number counts, that it uses to annualize and deannualize wages and taxes. For partial year schedules, Workday uses the annualization factor for the pay period frequency.

## Next Steps

Add periods to build out the schedule. You can:

- Add periods individually with the Edit Period Schedule task.
- Generate multiple periods with the Generate Period Schedule Periods task. For each period, Workday automatically populates relevant dates.
- Load periods with the *Put Period Schedule* web service. Enter all relevant dates in the EIB spreadsheet.

Assign pay period schedules to pay groups.

To ensure that workers don't qualify for more than 1 period schedule, periodically review the Audit - Workers with Multiple Time Period Schedules report.

For Payroll for the UK, access the Period Schedule - UK Payroll Pay and Tax Period Report report to view for each payroll period:

- The period number based on counted periods.
- The tax period number.

## Related Information

### Concepts

[Concept: Period Schedules for Time Tracking](#)

### Tasks

[Set Up Pay Groups on page 174](#)

[Create Period Schedules for Time Off](#)

[Set Up Period Schedules for Time Tracking](#)

[Steps: Upload Off-Cycle Payments Using EIB on page 726](#)

[Create On-Demand Additional Payments on page 693](#)

[Set Up Project Billing Configurations](#)

### Reference

[FAQ: Editing Period Schedule Dates on page 165](#)

[2025R1 Feature Release Note: Transfer Project Time Blocks within Closed Time Entry Periods](#)

## Edit Additional Periods on Period Schedules

### Prerequisites

[Set Up Payroll and Time Tracking Period Schedules on page 153](#).

### Context

When you access the Edit Period Schedule task, Workday displays a maximum of 100 periods that includes the past and the future dates based on the current date. You might want to manually edit a period that is not one of the 100 periods that are currently displaying. You can use the pop-up tasks to edit or view those additional periods, and search for all periods based on the criteria you select.

### Steps

1. Access the Edit Period Schedule task.
2. Click the Edit Additional Periods button to access the Edit Additional Period Schedule task in a pop-up.  
Use the task to edit additional periods for a selected period schedule with a specific date range. You can also select the Used in Payroll check box and the Period Date Indicator field to refine your task results further.  
  
Note: Workday doesn't automatically apply the Payment Date Auto-Adjust, Payroll, Continuous Payroll Calculation, and Pay On-Demand settings to all the periods in the Period Schedule grid. Review and then apply the required settings to the existing periods in the grid or any additional periods that you select.
3. (Optional) Click the View Additional Periods button to access the View Additional Period Schedule task in a pop-up.

## Generate Periods for Period Schedules

### Prerequisites

#### Security:

- *Set Up: Payroll (Pay Group Specific)* in the Core Payroll functional area.
- *Set Up: Payroll Interface* in the Payroll Interface functional area.
- *Set Up: Period Schedule* in the Project Tracking functional area.

- *Set Up: Time Off (Calculations - Absence Specific)* in the Time Off and Leave functional area.
- *Set Up: Time Tracking* in the Time Tracking and Time Tracking Hub functional areas.

Create a period schedule with at least 1 period configured within it. For more information, see [Set Up Payroll and Time Tracking Period Schedules](#).

## Context

After you create period schedules, you can automatically extend existing period schedules for up to 2 years instead of manually adding new periods. This increases efficiency and reduces the likelihood of errors.

## Steps

1. Access the View Period Schedule or Edit Period Schedule task.
2. Select the Period Schedule option in the Actions menu.
3. Select the Generate Periods option.
4. Enter the number of periods that you want to add to the period schedule. You can add a maximum of 2 years of periods.
5. (Optional) Enter a value in the Payment Date Offset Days Default field to set the Payroll Payment Date. Otherwise, the value will correspond to the existing period schedule.

**Note:** The Adjusted Payment Date column displays with a checkbox when Workday automatically adjusts the generated payroll payment date because of weekend or holiday calendar configuration.

## Result

Workday adds the periods you configured to the existing period schedule.

**Note:** The Generate Period Schedule Periods task automatically defines the Period Start Date, Period End Date, and Payroll Payment Date for generated periods. When you enable continuous payroll calculation, the task also defines dates and times for the initial calculation and the automatic stop.

## Next Steps

Assign pay period schedules to pay groups.

To ensure that workers don't qualify for more than 1 period schedule, periodically review the Audit - Workers with Multiple Time Period Schedules report.

Related Information

### Tasks

[Set Up Period Schedules for Time Tracking](#)

## Concept: Data Entry in Period Schedule EIB Spreadsheets

To upload a period schedule, you can create an EIB based on the *Put Period Schedule* web service. You can then enter data in a spreadsheet that corresponds to the inbound EIB.

These examples illustrate how to complete the EIB spreadsheet for the *Put Period Schedule* web service.

Examples: Add A New Period Schedule

You want to upload a period schedule with a monthly frequency from January 2018 to April 2018. You're going to use the period schedule for Workday Payroll, and Absence Management.

Add these rows to the EIB spreadsheet:

Spreadsheet Key	Period Schedule ID	Period Schedule Name	Frequency	Usage Period Data	Period Start Date	Period End Date	Period Payment Date	Payroll Period
	(Row ID)			-				
1	MONTHLY	Monthly	Usage	Pa	2018-01-01	2018-01-31	2018-02-01	2018-02-01
1				Usage 2	Ab	2018-02-01	2018-02-28	2018-02-28
1					3	2018-03-01	2018-03-31	2018-04-01
1					4	2018-04-01	2018-04-30	2018-05-01

If you leave the Period Schedule ID blank, Workday generates a new reference ID when you import the sheet. This new reference ID can cause duplicate period schedules if you run the same EIB spreadsheet multiple times.

The Payroll Payment Date field is only for Workday Payroll and Workday Payroll Interface usage.

#### Example: Modify Existing Period Schedule

You want to modify the payroll payment date for a period in an existing period schedule.

Enter these columns in the EIB spreadsheet:

Spreadsheet Key	Period Schedule ID	Period Schedule Name	Frequency	Period Data	Period Start Date	Period End Date	Payroll Payment Date	Payroll Period
	(Row ID)			-				
1	MONTHLY	Monthly	Usage		2018-01-01	2018-01-31	2018-02-01	2018-02-01

Ensure that the Period Schedule ID and Period ID fields refer to the existing period schedule and period. When you enter a new Period Schedule ID or leave the field empty, Workday creates a new period schedule.

#### Example: Create Forward Accruals

You have a biweekly period schedule for January and February. You want to set up forward accruals for the last period of each month when there are remaining days in the month after the period end date.

Enter these columns in the EIB spreadsheet:

Period Data	Period Start Date	Period End Date	Payroll Payment Date	Days Accrued	Days Basis	Days Accrued	Accrual Basis	Reveal Date	Period
(Row ID)									
1	2018-01-01	2018-01-19							2
2	2018-01-15	2018-02-02		10		2018-02-01			3
3	2018-02-01	2018-02-16							4

Period ID	Period Start Date	Period End Date	Payroll Date	Payment Date	Days Accrued	Days Basis	Accrual Date	Accrual Basis	Period Date
4	2018-01-01	2018-03-01	2018-02-28	2018-03-02	10	Actual Basis	2018-02-28	Actual Basis	2018-03-01

## Related Information

### Concepts

Concept: EIB Spreadsheet Data Entry Guidelines

### Tasks

Steps: Set Up EIBs Using Templates from Web Service Operations

## Use Put Period Schedule EIB

### Prerequisites

- Verify you're using the latest web service version.
- Security:
  - Set Up: Payroll – Pay Group Specific* domain in the Core Payroll functional area.
  - Set Up: Time Off (Calculations – Absence Specific)* in the Time Off and Leave functional area.
  - Set Up: Payroll Interface* in the Core Payroll functional area.
  - Set Up: Period Schedule* in the Core Payroll functional area.

### Context

To create multiple period schedules or add periods to an existing schedule, you can create an EIB integration based on the Put Period Schedule web service. You can then enter data in a spreadsheet that corresponds to the inbound EIB.

### Steps

- Set up an inbound EIB named Put Period Schedule EIB using the Put Period Schedule web service. For more information, see [Set Up Inbound EIB](#).
- Select Template Model>Edit from the related actions menu of the EIB.
- Click Edit Template with Data Options.
- Select the Condition Rule Filter option in the Filter section.
- Add a rule condition. Example: for a semi-monthly period schedule, enter:
  - Source External Field or Condition Rule: Period Schedule Name
  - Relational Operator: equal to
  - Comparison Type: Value specified in this filter
  - Comparison Value: Semi-monthly
- Regenerate the template.
- Select the Generate Spreadsheet with Data option. Workday populates the spreadsheet with the period schedule(s) you configured in the filter.
- As you populate the EIB input spreadsheet, consider:

Option	Description
Spreadsheet Key field in the All section	Specify a unique value for each period schedule.
Add Only field in the All section	Set to Y if you're only adding new schedules and not existing ones.

Option	Description
Period Schedule ID field in the Period Schedule Data (All) section	<ul style="list-style-type: none"> <li>If updating an existing schedule, enter its reference ID.</li> <li>If creating a new schedule, either enter a reference ID of your choice, or leave the field blank and Workday will assign a value.</li> </ul>
Frequency field in the Period Schedule Data (All) section	Schedule frequency. To find the reference ID value, run the <i>View Reference IDs</i> report and select the <i>Frequency</i> business object.
Usage field in the Period Schedule Data (All) section	Enter all usages that apply to the schedule, using a new row for each usage. To find the reference ID values, run the <i>Integration IDs</i> report and select the <i>Period Schedule Usage</i> business object.
Row ID field in the Period Data+ (All > Period Schedule Data) section	Enter a unique Row ID value for each period start and end date.
Period Start Date and Period End Date fields in the Period Data+ (All > Period Schedule Data) section	Enter the period start date and end date in the YYYYMMDD format. You can also specify time, if needed. Example: 2021-02-01T00:00:00 or 2021-02-01.
Payroll Payment Date field in the Period Data+ (All > Period Schedule Data) section	Enter the payroll payment date in format YYYYMMDD. You can also specify time, if needed.
Period ID field in the Period Data+ (All > Period Schedule Data) section	<ul style="list-style-type: none"> <li>If updating an existing period, specify the reference ID of the period.</li> <li>If creating a new period, you can either enter the reference ID of your choice, or leave the field blank and Workday will assign a value. Don't use reference ID value that is already in use as it will overwrite an existing period. To find values currently in use, run the <i>Reference IDs</i> report and select the <i>Period</i> business object.</li> </ul>

For more information, see [Concept: Data Entry in Period Schedule EIB Spreadsheets](#).

## Result

The Put Period Schedule web service uploads the new or existing periods into Workday and uses the data you entered in the EIB spreadsheet.

## Next Steps

Assign pay period schedules to pay groups.

To ensure that workers don't qualify for more than 1 period schedule, periodically review the Audit - Workers with Multiple Time Period Schedules report.

Related Information

### Tasks

[Set Up Inbound EIB](#)

[Set Up EIB Spreadsheet](#)[Examples](#)[Community Post: Put Period Schedule EIB - Inbound](#)

## FAQ: Editing Period Schedule Dates

How do I change a period payment date?

After you start processing payroll for a period, you can't change the period payment date. To change the period payment date when payroll is in progress:

1. Access the Run Pay Cancel task to cancel payroll.
2. Access the Edit Period Schedule task, and change the payment date for a period.
3. Access the Run Pay Calculation task to calculate payroll again.

How do I change the period dates for a period schedule?

To change the dates for a period schedule, we recommend that you both:

- Create a new pay group.
- Move workers to the new pay group on the date the change occurs.

If you alter the existing period schedule for the pay group instead, you might impact retro, proration, and FLSA calculations.

How can I add dates to periods when I extend the schedule?

When adding periods with the Edit Period Schedule task, enter dates with each period you add.

When you generate periods for an existing schedule with the Generate Period Schedule Periods task, Workday automatically populates relevant dates. For more information, see [Generate Periods for Period Schedules](#).

When you use the *Put Period Schedule* web service to add periods, you can enter all relevant dates for each new period in the EIB spreadsheet. For more information, see [Use Put Period Schedule EIB](#).

### Related Information

#### Tasks

[Set Up Payroll and Time Tracking Period Schedules](#) on page 153

## Example: Configure Payroll Cutoff Dates for Pay Periods

This example illustrates how to create payroll cutoff dates using custom objects.

#### Context

Global Modern Services pays their workers monthly. You want to create a payroll cutoff date to use in payroll calculations.

## Prerequisites

Security: *Custom Object Management* domain in the System functional area.

## Steps

1. Access the Create Custom Object task.
2. Enter these values and click OK, then Next:

Option	Description
Workday Object	<i>Period</i>
Custom Object Name	<i>Payroll Cutoff Date</i>

3. InField Definitions, click Add.
4. Enter these values and click Next:

Option	Description
Field Label	<i>Payroll Cutoff Date</i>
Field Type	<i>Date</i>

5. InPermissions, add these domains, then clickNext:
  - *Set Up: Payroll - Pay Group Specific*
  - *Set Up: Time Tracking*
6. Confirm your changes and click OK.
7. Make no changes on the Activate Custom Object task and click OK.
8. Click Done.

## Next Steps

Add payroll cutoff dates to period schedules for each pay period.

Related Information

### Tasks

[Create and Edit Custom Object Definitions](#)

[Set Up Payroll and Time Tracking Period Schedules](#) on page 153

## Example: Add Payroll Cutoff Dates to Pay Periods

This example illustrates 1 way to add payroll cutoff dates to each pay period.

### Context

You want to exclude one-time payments from payroll calculations after the 25th of each month. You also want to receive a notification each time someone initiates a one-time payment.

## Prerequisites

- Security:
  - *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.
  - *Set Up: Time Tracking* domain in the Time Tracking functional area.

## Steps

1. Access the View Period Schedule task.
2. Select *Monthly* from the Period Schedule field and click OK.

3. From the related actions menu of each period, select Additional Data > Edit and click OK.
4. Select *Payroll Cutoff Date* on the Custom Object prompt and click OK.
5. Enter the next occurring 25th of the month in the Payroll Cutoff Date field and click OK.

## Next Steps

Create a calculated field that retrieves the payroll cutoff date you added to each pay period. Then, configure it on the *Request One-Time Payment* business process.

Related Information

### Tasks

[Create Calculated Fields](#)

[Create Business Process Condition Rules](#)

[Create Custom Notifications](#)

# Pay Groups

## Setup Considerations: Pay Groups

You can use this topic to help make decisions when planning your configuration and use of pay groups. 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 They Are

Pay groups are organization types that define which workers and pay components to process in payroll and retro payroll calculations, and the payment frequency. You can secure pay groups to roles in your company to control who can configure and run payroll and which workers the role can access.

### Business Benefits

Using pay groups reduces manual processing by enabling you to process a set of selected workers in a single payroll or retro payroll run. Workday also provides the flexibility to restrict access to payroll results through configurable security on pay groups.

### Use Cases

Define eligibility for the earnings and deductions to calculate for workers from different divisions, departments, companies, or supervisory organizations:

- With different period schedules, such as weekly, biweekly, or monthly.
- In different countries.
- Whose payroll you want different roles in your organization to manage.

Refine calculations by also creating pay groups for subsets of workers such as:

- Pre-hires receiving signing bonuses in advance.
- Terminated workers receiving post-termination pay.
- For Payroll for Canada, France, the UK, and the U.S., workers on unpaid assignments.

- For Payroll for Canada, France, the UK, and the U.S., exempt and nonexempt workers across companies.

Select run categories for the pay group to indicate which types of workers to process, such as terminated workers or workers on leave.

### Questions to Consider

Questions	Considerations
For Payroll for Canada and the U.S., which jobs do workers have that you process in payroll?	<p>Single-job workers can only belong to 1 pay group. A worker can have multiple pay groups when:</p> <ul style="list-style-type: none"> <li>They have multiple jobs.</li> <li>They're on an international assignment to the U.S. from a non-Workday payroll system. They can have an external pay group for their home country and a U.S. pay group for the international assignment.</li> </ul>
How many pay groups do you want to process in the same payroll run?	<p>When pay groups share the same period schedule and country, you can process them together in pay run groups. When using Workday Payroll features, select those pay run groups instead of the individual pay groups.</p> <p>Example: Configure security for:</p> <ul style="list-style-type: none"> <li>Payroll partners to process and report on pay run groups only when they have access to all included pay groups.</li> <li>Payroll administrators to access all pay run groups.</li> </ul>
How do you want to assign pay groups to workers?	<p>You can assign pay groups:</p> <ul style="list-style-type: none"> <li>One at a time, using the <i>Assign Pay Group</i> task. For Payroll for Canada and the U.S., you can process workers with multiple jobs.</li> <li>In bulk. For existing employees, you can use the <i>Assign Pay Group</i> web service. Example: Reorganizations, seasonal promotions, or mergers and acquisitions.</li> <li>Automatically when you fill a position. Set up an assignment rule for each pay group, and configure the <i>Assign Pay Group</i> business process as a subprocess of staffing business processes. Example: <i>Hire, Change Job</i>.</li> </ul> <p>For Payroll for Australia, the UK, and France, you can assign a worker to only 1 pay group.</p>
How do you want Workday to propose pay groups for workers?	<p>You can set up:</p> <ul style="list-style-type: none"> <li>Pay group assignment rules based on worker characteristics. Example: Configure rules to assign a pay group automatically based on the worker's company and city.</li> </ul>

Questions	Considerations
	<ul style="list-style-type: none"> <li>Position restrictions that assign pay groups based on position. Pay group assignment rules supersede pay groups resulting from position assignments.</li> </ul> <p>The <i>Assign Pay Group</i> web service doesn't refer to the assignment rules or position restrictions you set up in your tenant. You must submit the pay group for each worker.</p>
For Payroll for Canada, what are the reporting requirements for workers who transfer pay groups?	<p>Workday populates Record of Employment (ROE) data for workers:</p> <ul style="list-style-type: none"> <li>Whose pay group transfer results in a change in pay frequency or schedule.</li> <li>With insurable earnings for at least 1 pay period.</li> </ul> <p>You can create an ROE for those workers by accessing the Create ROE Data for Events task.</p>
Who should have access to which pay groups?	<p>Base your pay groups to the particular roles you want to secure them to. Examples: payroll partner, custom roles. You can assign 1 or more payroll partners to 1 or more pay groups.</p> <p>Payroll administrators can access and manage all pay groups in your organization.</p> <p>Configure security groups to determine who can view the pay groups and their members. You can also create more advanced security groups to combine factors and limit access based on those combinations. Example: Create security groups to grant a finance administrator and a payroll partner access to a pay group.</p>
How many countries are you processing in payroll?	<p>Create 1 pay group per country that you want to process because:</p> <ul style="list-style-type: none"> <li>Countries determine the default currency in payroll calculations for the pay group.</li> <li>After you run payroll for a pay group, you can't change the country.</li> </ul> <p>When you process a company whose currency is different from the pay group currency, Workday uses the default exchange rate.</p>
What's your payroll schedule?	<p>Create 1 pay group per payment frequency, because you can assign only 1 period schedule per pay group and run category. You can select a different:</p> <ul style="list-style-type: none"> <li>Initial payroll processing period at the pay group level. Example: When you implement Workday Payroll midyear.</li> <li>Payroll processing frequency at the earning or deduction level. Example: To</li> </ul>

Questions	Considerations
	pay biweekly wages based on an annual amount.

## Recommendations

For best performance, set up:

- Pay group detail eligibility on earnings and deductions when processing multiple pay groups. This configuration enables you to restrict calculations to a subset of workers in the selected pay group.
- Pay groups to process 150,000 workers or fewer.
- Automatic assignment rules for each pay group.

When loading history as a result of an acquisition, create a pay group for workers paid by the acquired organization. This pay group enables you to keep the workers separate for auditing until you confirm that the loaded data is accurate. After you complete that verification, you can move them to appropriate pay groups in the new organization.

For Payroll for Canada and the U.S., to avoid unexpected results from retro, proration, and Fair Labor Standards Act (FLSA) calculations when updating pay groups, don't change:

- Pay group assignment dates. Instead, rescind the original assignment and reassign the pay group with the new date.
- Pay group assignments after opening a period when pay components have a calculation proration method of *None of the above*.

## Requirements

Understand how to set up configurable security in Workday.

Assign companies to workers.

## Limitations

- You can't delete pay groups or pay run groups after you include them in a payroll run. You also can't delete or change the period schedule or run categories from those pay groups. You can deactivate pay groups after you move all of their workers to another pay group.
- When workers transfer pay groups during a pay period, Workday doesn't apply the worker eligibility criteria used to process a pay component only once per pay period.
- Workday doesn't support retroactive pay group changes, or pay group changes for workers with future-dated primary job switches.
- To complete or cancel payroll or retro payroll calculations fully for a pay group, do so at the pay group level. Example: Canceling retro results for each worker individually doesn't update the pay group retro pay calculation status to *Not Yet Started*.
- You can't use the same pay group for both Payroll Interface and Workday Payroll. When external pay groups have the Used in Payroll Interface check box selected, you can't clear it. To use an external pay group configuration in Workday Payroll, create a new pay group with the check box unchecked.
- Payroll for Australia, France, and the UK don't support multiple jobs. When workers have multiple jobs, only assign their primary position to a pay group.
- For Payroll for Canada, Workday doesn't calculate Canada ROE for workers transferring to a pay group in the current period.

## Tenant Setup

On the Edit Tenant Setup - Payroll task, you can enable:

- Which countries are available for selection in payroll processing when creating pay groups.

- Workday to process retro differences from another pay group in the workers' primary pay group.

## Security

You can create role-based security groups (unconstrained). Then you can select the associated roles when creating pay groups to control who can access the related payroll data.

Domains	Considerations
<i>Set Up: Payroll - Pay Group Specific</i> in the Core Payroll functional area.	Enables users to configure: <ul style="list-style-type: none"> <li>• Pay groups.</li> <li>• Run categories and period schedules to assign to pay groups.</li> </ul>
<i>Set Up: Tenant Setup - Payroll</i> in the System functional area.	Enables users to configure: <ul style="list-style-type: none"> <li>• Automatic pay group assignment rules.</li> <li>• Tenant-wide parameters.</li> </ul>
<i>Worker Data: Payroll (Pay Group Specific)</i> in the Core Payroll functional area.	Enables users to view workers with a primary work address in a country that differs from the pay group country.

## Business Processes

Business Process	Considerations
<i>Assign Pay Group</i>	You can configure this business process as a subprocess of: <ul style="list-style-type: none"> <li>• A staffing business process such as <i>Hire</i> or <i>Change Job</i>. You can view the full list of supported business processes on the Allowed Subprocess For tab.</li> <li>• For Payroll for the UK, you can configure the <i>Assign UK Payroll ID</i> subprocess on the <i>Hire</i> business process after the <i>Assign Pay Group</i> step. It ensures that all workers have a Payroll ID.</li> <li>• Supported business processes, in any order. Make sure that the pay group assignment doesn't change the workers' organization or position.</li> </ul> <p>When you configure automatic pay group assignment rules, you can also add the <i>Review Pay Group Assignment</i> action step to the <i>Assign Pay Group</i> business process. It enables payroll administrators to review the proposed pay group and override it as needed. When you configure the business process to autocomplete the Proposed Pay Group, Workday ignores the review step.</p>
<i>Create Position</i>	When setting up job requisitions for commitments and obligations, configure the <i>Assign Pay Group for Position Restriction</i> subprocess on this business process to:

Business Process	Considerations
	<ul style="list-style-type: none"> <li>Assign a pay group to a position.</li> <li>Prorate the planned payroll portion of the commitment calculation.</li> </ul>

## Reporting

Pay results display the pay group that workers belong to at payroll calculation, even when workers switch pay groups after the run.

Reports or Dashboards	Description
Audit - Country Exceptions for Pay Group	View workers with a primary work address in a country that differs from the pay group country.
Job History	View all workers' pay group assignments. You can also view a specific worker's pay group assignments by accessing the job history on their worker profile.
Tenant Analyzer	<p>Verify your pay group configurations against Workday recommendations for best performance by viewing:</p> <ul style="list-style-type: none"> <li>Gross and net pay accumulations.</li> <li>Number of employees.</li> <li>Period schedules.</li> <li>Run categories.</li> </ul> <p>You can also display other statistics by pay groups. Example: The number of results per pay group can indicate run category configurations that don't meet Workday recommendations.</p>
Test Pay Group Automatic Assigned Rule View Pay Groups	Test automatic assignment rules and select them for pay groups.

You can use these report data sources when creating custom reports to report on pay groups:

- All Pay Groups
- All Pay Group Detail In Progress X Days Before Payment Date
- Pay Calculation Retro Result Lines for Pay Group
- Pay Calculation Result Summary for Period and Pay Run Group
- For Payroll for Australia, Workers for AUS Pay Groups
- For Payroll for France, Workers for FRA Pay Groups
- For Payroll for the UK, Workers for UK Pay Groups

## Integrations

To assign pay groups to multiple workers in 1 operation, use the *Assign Pay Group* web service. The web service is the initiating step of the *Assign Pay Group* business process, so it triggers the steps and approvals of the existing workflow. To complete the assignments automatically, bypassing the steps and approvals, select Automatic Processing on the EIB spreadsheet.

## Connections and Touchpoints

Features	Considerations
Accounting	Workday Payroll converts the currency after net pay validation. When you set pay groups and company accounting to different currencies, Workday calculates payroll in the pay group currency and passes the results to accounting in both currencies. The results are then available for reporting.
Continuous payroll calculations	<p>After you enable continuous payroll calculations in your tenant, Workday runs it for all pay groups that have:</p> <ul style="list-style-type: none"> <li>The <i>In Progress</i> status.</li> <li>Had a full payroll run for the current period.</li> </ul> <p>When you enable automatic calculation of initial pay results, Workday runs it only for pay groups that are complete by the scheduled start time.</p>
For Payroll for France, DSN reporting	To ensure appropriate security configurations for DSN reporting, assign the same pay group to all workers from the same establishment.
Financials	<p>You can filter journal lines to search for the ones using a worker's pay group worktag. You can also use pay groups in settlements in:</p> <ul style="list-style-type: none"> <li>Bank routing rules to determine which source bank accounts issue payroll payments.</li> <li>Filters to limit the settlement run to include payroll payments from 1 pay group.</li> </ul>
Payroll inputs	<p>When adding payroll inputs, you can:</p> <ul style="list-style-type: none"> <li>Use related calculations in a currency other than the pay group currency.</li> <li>Enable Workday to convert the value to the pay group currency.</li> </ul>
Payslips	For each pay group, you can configure when to display payslips in employee self-service based on the payment date.
Period schedules Run categories	When configuring pay groups, define which period schedules and run categories to process. A pay group can have multiple run categories, but only 1 regular run category.
Proration	<p>When workers with multiple jobs transfer pay groups or companies, Workday manages proration:</p> <ul style="list-style-type: none"> <li>With pay component proration instead of gross-to-net proration.</li> </ul>

Features	Considerations
	<ul style="list-style-type: none"> <li>By prorating only the position-based pay components, and not the worker-based pay components.</li> </ul>
Retro pay calculations	<p>You can configure a tenant-level setting to either:</p> <ul style="list-style-type: none"> <li>Forward retro differences to the workers' primary pay group.</li> <li>Treat the events as unsupported and process retro differences manually in the original pay group.</li> </ul> <p>After you run retro, you can update the target pay group to another based on worker eligibility.</p>
Staffing	<p>You can assign pay groups to workers when managing jobs and positions as part of HCM business processes.</p> <p>You can change the effective date for pay group assignments as part of the Request Worker Start Date Correction task when updating a worker's hire date.</p>
Student	You can identify which pay groups to evaluate in work-study costing for student workers.

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

##### Concepts

[Setup Considerations: Payroll Run Categories](#) on page 97

[Setup Considerations: Role-Based Security Groups](#)

[Concept: Retro Events from Other Pay Groups](#) on page 943

##### Tasks

[Set Up Payroll and Time Tracking Period Schedules](#) on page 153

## Set Up Pay Groups

### Prerequisites

- Set up run categories.
- Set up period schedules.
- Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

### Context

You can create pay groups to aggregate workers for payroll processing done by your own company. You can base pay groups on:

- Shared pay period schedules.
- Pay run categories. Example: Regular and Bonus, GBR Regular, Regular (FRA).

For Payroll for France, to ensure appropriate security configurations for DSN reporting, Workday recommends that you group all workers from the same establishment in the same pay group.

When you create a pay group, you can assign it to one or more run categories. Run categories determine who and what to process. For each run category you assign, you can specify:

- The period schedule.
- The initial processing period.
- When payslips become viewable to workers through self-service pages.
- Who can access and view the pay group.

## Steps

1. Access the Create Pay Group task.
2. As you complete this header, consider:

Option	Description
Name	<p>Workday uses effective-dating for the pay group name.</p> <p>You can change the name and apply effective dating by selecting Organization &gt; Edit Name/Code from the related actions menu of the pay group.</p>
Include Code in Name	Select to add the code as a suffix to the pay group name.
Visibility	<p>Specify who can view the pay group and its members:</p> <ul style="list-style-type: none"> <li>• <i>Role Assignees</i>: Workers assigned to a role in the pay group.</li> <li>• <i>Everyone</i>: All employees.</li> <li>• <i>Role Assignees of Current and Superiors</i>: Workers assigned to a role in the pay group or a superior pay group can view the pay group and its subordinate pay groups.</li> <li>• <i>Role Assignees and Members</i>: All members and workers assigned to a role in the pay group.</li> </ul> <p>Workers secured to the <i>Set Up: Payroll - Pay Group Specific</i> domain in the Core Payroll functional area can view the pay group and its members regardless of the Visibility.</p>

3. As you complete the Pay Group Options section, consider:

Option	Description
Used in Payroll Interface	Don't select this check box for pay groups used by Workday Payroll.
Country	<p>Determines the currency that Workday uses for the pay group. You can select countries that are listed as Enabled Countries on the Edit Tenant Setup - Payroll task.</p> <p>When the country currency is different from the currency of a company or worker payment election, Workday uses the default exchange</p>

Option	Description
	<p>rate to convert it. You can set the default exchange rate as of the period end date on the Maintain Currency Conversion Rates task.</p> <p>After you process payroll for a pay group, you can't change the country. To change the country, create a new pay group.</p>

4. As you complete the Pay Group Details section, consider:

Option	Description
Run Category	<p>The run category defines the payroll processing rules for the pay group and a defined period schedule.</p> <p>You can only calculate payroll for the run category and period schedule combinations, known as pay group details, that you define for a pay group.</p> <p>You can only select 1 regular run category for a pay group.</p>
Pay Run Groups	<p>(Optional) If you want to process and track the pay group at the same time as other pay groups, select a pay run group. Only add pay group details that share the same period schedule to a pay group.</p> <p>When you process payroll, you can select pay run groups instead of, or in addition to pay group details.</p> <p>You can add a pay group to a pay run group later on by accessing the Create Pay Run Group task or Edit Pay Run Group task.</p>
Override First Processing Period	<p>Defines the first period that you can process with Workday Payroll.</p> <p>You can specify an Override First Processing Period when the first period that you process for Workday Payroll isn't the first period in the period schedule. Examples:</p> <ul style="list-style-type: none"> <li>The first period in the period schedule is January 4 - 10, but you don't begin processing until January 11 - 17.</li> <li>You're using the same period schedule for Workday Payroll and Absence Management, but you start calculating absence balances on January 1st, and processing payroll on July 1st.</li> </ul> <p>This field also controls the periods for which you can load payroll history. You can only load payment history for periods before the Override First Processing Period. Example: For a midyear payroll implementation, you can</p>

Option	Description
	import historical payroll data for periods before the go-live date.
Days from Payment Date to Display Payslip	<p>Defines when to display payslips in employee self-service, based on a number of days before or after the payment date. Regardless of this field, you can only view payslips when the payroll status is <i>Complete</i>.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• To display payslips at midnight on the payment date, enter zero.</li> <li>• To display payslips the day before the payment date, enter -1.</li> </ul>

5. On the Assign Roles tab, consider:

Option	Description
Role	<p>Add a row for each organization role that needs to initiate, manage, and oversee payroll processing for the pay group. You can only select organization roles that are enabled for the <i>pay group</i> organization type.</p> <p>To enable an organization role for a specific type of organization, access the Maintain Assignable Roles task.</p>
Restricted to Single Assignment	<p>Select to restrict the assignment to a single position.</p> <p>To restrict an organization role to a single assignment, access the Maintain Assignable Roles task.</p>
Assigned To	Select 1 or more positions assigned to the role.

## Next Steps

Assign workers to pay groups.

To edit the pay group, access the View Pay Group report. Select Organization > Edit Organization from the related actions menu of the pay group.

Related Information

### Concepts

[Concept: Pay Groups and Pay Run Groups](#) on page 180

[Concept: Currency Conversion](#) on page 448

### Tasks

[Steps: Set Up Pay Run Categories](#) on page 101

[Set Up Payroll and Time Tracking Period Schedules](#) on page 153

[Create Pay Group for Third-Party Payroll](#)

## Steps: Set Up Pay Group Automatic Assignments

### Prerequisites

- Review setup considerations for pay groups.
- Create a pay group.

### Context

You can set up rules to propose a default pay group for worker when assigning a pay group either:

- During certain business processes.
- With the Assign Pay Group task.

Workday recommends that you define an automatic assignment rule for each pay group.

Note: A pay group automatic assignment rule supersedes any pay groups that default from a position assignment.

### Steps

1. Access the Create Pay Group Automatic Assignment Rule task.

Create a rule with 1 or more conditions.

Example: To automatically assign a pay group for workers for Company A in City 1, add these Rule Conditions:

And/Or	Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
[blank]	<i>Company - Current</i>	<i>any in the selection list</i>	<i>Value specified in this filter</i>	<i>Company A</i>
And	<i>Location -Current</i>	<i>any in the selection list</i>	<i>Value specified in this filter</i>	<i>City 1</i>

Security: *Set Up: Tenant Setup - Payroll* domain in the System functional area.

2. Access the Test Pay Group Automatic Assigned Rule report to test the automatic assignment rule.

From the Worker Event prompt, select the event associated with an *Assign Pay Group* business process that you want to test.

Security: *Set Up: Tenant Setup - Payroll* domain in the System functional area.

Workday displays the Result of the condition rule.

3. Access the View Pay Group report and select Organization > Edit Organization from the related actions menu on the pay group.

Add a row to the All Pay Group Assignment Rules grid, and select your automatic assignment rule from the Pay Group Automatic Assignment Rule prompt. You can only have 1 active rule per pay group.

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

4. Configure the *Assign Pay Group* business process in the Core Payroll functional area.

(Optional) Add the *Review Pay Group Assignment* action to enable a pay administrator to review and override the proposed pay group. If you don't add a review step, Workday automatically assigns the pay group from the assignment rule.

5. (Optional) Add the *Assign Pay Group* business process as a subprocess to a staffing transaction.
  - a) Add *Assign Pay Group* after the staffing change step, such as *Change Organization Assignments*.
  - b) From the Group prompt, select the role responsible for the pay group assignment, such as the payroll administrator.

## Result

Workday uses the pay group automatic assignment rule to determine the pay group for each eligible worker either. Workday displays a Proposed Pay Group on:

- The business process notification for the *Assign Pay Group* business process.
- The *Assign Pay Group* task.

When either no pay group or multiple pay groups match the automatic assignment rule, the Proposed Pay Group field is left blank and you must select a pay group.

Related Information

### Concepts

[Setup Considerations: Pay Groups](#) on page 167

### Tasks

[Steps: Configure Business Process Definitions](#)

## Assign Workers to Pay Groups

### Prerequisites

- Assign the worker to a company.
- Configure the *Assign Pay Group* business process and security policy in the Core Payroll functional area.

### Context

You can assign a worker to a pay group using one of these methods:

- The *Assign Pay Group* task.
- The *Assign Pay Group* business process.
- A staffing transaction, such as *Hire* or *Edit Position* that includes *Assign Pay Group* business process as a subprocess.

Workday enables machine learning prompt recommendations to help you more quickly select proposed pay groups on the *Assign Pay Group* task. See [Concept: Intelligent Prompt Recommendations for Payroll](#).

You can view business processes that support pay group assignments on the Allowed Subprocess For tab of the *Assign Pay Group* business process definition.

You can use the *Assign Pay Group* web service to bulk load pay group assignments. Configure the web service as the initiating step of the *Assign Pay Group* business process.

### Steps

1. Assign a pay group by either:
  - Accessing the *Assign Pay Group* task.
  - Accessing the notification in your My Tasks for assignments made as part of a staffing event.

2. As you complete the task, consider:

Option	Description
Effective Date	You can't change a pay group assignment for a worker who has a future-dated primary job switch.
Position	<p>Only displays when a worker has multiple positions.</p> <p>Select the position to which the pay group change applies. Secondary positions have a plus sign (+) after the position name.</p> <p>For Payroll for France, Workday recommends assigning only the primary position to a pay group.</p>
Proposed Pay Group	<p>Workday automatically populates a Proposed Pay Group when you've set up pay group automatic assignment rules.</p> <p>Workday leaves this field blank when:</p> <ul style="list-style-type: none"> <li>No automatic assignment rule matches the employee.</li> <li>Automatic assignment rules identify multiple matching pay groups.</li> </ul> <p>If you're using automatic assignment rules, you can only edit the Proposed Pay Group if the <i>Assign Pay Group</i> business process includes a review step.</p>

3. For workers with multiple positions, select any other positions in the Other Jobs section that you want to apply to the same pay group.

If the selected position doesn't meet the criteria for the pay group assignment rule, Workday displays an error message. Clear the check box for the selected position to proceed with the pay group assignments for the other positions selected on the task. You can later manually assign the pay group by running the Assign Pay Group task for the position in error.

### Result

For pay groups assigned with the Assign Pay Group task, Workday generates a separate approval task for each position with a new proposed pay group.

### Next Steps

Review the Audit - Country Exceptions for Pay Group report for employees with a primary work address in a country that differs from the pay group country.

## Concept: Pay Groups and Pay Run Groups

Pay groups identify a group of workers to process in a payroll run. Pay run groups enable you to process and report on multiple pay groups and run categories together.

### Pay Groups

Pay groups identify:

- Who to pay.
- How often to pay.

- Which payments to process.

In addition, pay groups:

- Can define eligibility for earnings, deductions, and other pay components. Example: Make an earning available to workers in selected pay groups.
- Are associated with 1 country, which controls the default currency.
- Are an organization type, like a company or supervisory organization. To control who can set up and run payroll and which employees the role can access, secure them to organization roles.
  - One or more Payroll Partners can manage the payroll process for a pay group. The same partner can be responsible for multiple pay groups.
  - The Payroll Administrator role can access all pay groups in an organization. Payroll Partners can access only the pay groups they're assigned to.

Pay group members:

- Must share a processing schedule, such as weekly or monthly.
- Can belong to different divisions, departments, companies, or supervisory organizations. Example: You can create pay groups for exempt and nonexempt workers across companies.
- Can belong to only 1 pay group, unless they have multiple jobs or are on international assignment from a non-Workday payroll system. For international assignment, they can have an external pay group for their home country and a pay group for the international assignment.

## Pay Run Groups

A pay run group identifies a set of pay groups with selected run categories that you can process and report on together. Examples: Regular monthly, executive monthly, and other monthly pay groups. When you calculate payroll or run reports, you can select the pay run group instead of the individual pay groups. To define pay run groups, use the Create Pay Run Group task.

- Run categories within each pay group must share a period schedule.
- A pay run group can't include pay groups from more than 1 country.
- Payroll Administrators have access to all pay run groups.
- Payroll Partners can process and report on a pay run group only when you assign them to all of its pay groups.

Related Information

### Tasks

[Set Up Pay Groups](#) on page 174

## Concept: Data Entry in Assign Pay Group EIB Spreadsheets

To assign pay groups to multiple employees, you can create an Enterprise Interface Builder (EIB) based on the *Assign Pay Group* web service. You can then enter data in a spreadsheet that corresponds to the inbound EIB and upload it to Workday.

The web service is the initiating step of the *Assign Pay Group* business process, so it triggers the steps and approvals of the existing workflow.

### Security

If you haven't already done so, assign security groups that you want to create and launch EIBs:

Domain	Permissions	Example
<i>Integration Build</i>	Enables users to create EIBs.	Payroll Administrator
<i>Integrations: EIBs</i>	Enables users to launch EIBs.	Payroll Partner

Edit the security policy for the *Assign Pay Group* business process. Add the appropriate security groups to the Assign Pay Group (Web Service) initiating action section. Example: Payroll Administrator.

### **Worker Data**

Workday doesn't generate an EIB spreadsheet prepopulated with worker data. To streamline data entry, you can run a custom report that includes these columns:

- Employee ID
- Pay Group
- Position ID

Run the report for the desired workers, export the report in Excel format, and copy the data to the EIB spreadsheet.

### **Processing Instructions**

You can use the Processing Instruction prompt on the Overview tab to specify the level of workflow automation on the *Assign Pay Group* business process. Select:

- Manual Processing or leave the prompt blank to trigger the review and approval workflow.
- Automatic Processing to complete the pay group assignments automatically, bypassing the reviews, approvals, and other steps.
- 1 of the Run Now options to begin manual or automatic processing before the EIB spreadsheet finishes loading.

### **Other Considerations**

You need to specify the pay group for each worker. The web service doesn't refer to automatic assignment rules or position restrictions you set up.

Workday recommends that you limit the number of workers that you process at a time to 500,000 or fewer.

Pay group assignment doesn't set the worker's pay result status to *Requires Recalculation*. After loading pay group assignments, use the Run Pay Calculation task to recalculate both the old and new pay groups.

Related Information

#### **Concepts**

[Concept: EIB Spreadsheet Data Entry Guidelines](#)

#### **Tasks**

[Steps: Set Up EIBs Using Templates from Web Service Operations](#)

[Set Up EIB Spreadsheet](#)

## **Pay Cycle Event**

### **Setup Considerations: The Pay Cycle Event Business Process**

You can use this topic to help make decisions when planning your configuration and use of the *Pay Cycle Event* business process. 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

The *Pay Cycle Event* business process routes tasks to authorized users based on their membership in security groups, organization hierarchy, and conditional logic. You can specify the sequence of payroll processing tasks in your organization and the roles responsible for their completion. You can also access a step-by-step audit of who performed or approved which steps and when.

## Business Benefits

The *Pay Cycle Event* business process streamlines payroll processing and enforces accountability by enabling you to configure notifications. This also ensures that each role in your organization effectively performs all payroll steps. *The Pay Cycle Event* business process:

- Streamlines payroll processing.
- Enforces accountability by enabling you to configure notifications.
- Eliminates confusion about the order of steps.
- Enforces separation of duties and accountability because only assigned security groups can perform specific tasks in the process.
- Reinforces the desired process, which is particularly useful when training new employees.
- Can be modified as business requirements change.

## Use Cases

You can:

- Configure notifications to enable faster processing and ensure that each role in your organization performs all payroll steps.
- Access report reviews and audit steps to reduce the likelihood of errors.

## Questions to Consider

Question	Considerations
Do you require the review of reports and audits to catch processing errors?	You can add report and audit reviews as <i>To Dos</i> in the business process.
How do you define payroll processing roles and responsibilities?	The <i>Pay Cycle Event</i> business process enables you to specify who does what and to keep an audit trail of each task and when it was completed.
Do you separate payroll processing duties?	Using this business process not only enforces separation of duties, it notifies each role when a task is ready for them to perform.

## Recommendations

Use this business process with the Pay Cycle Command Center (PCCC) to access payroll processing tasks and reports.

## Requirements

No impact.

## Limitations

You can't:

- Use the *Pay Cycle Event* business process when the pay period is in progress.
- Include batch jobs for retro calculations.
- Run off-cycle calculations.

- Run recalculations.
- Run settlement.

## Tenant Setup

No impact.

## Security

Domain	Considerations
<i>Business Process Administration</i> in the System functional area.	View and modify business process definitions.
<i>Manage: Business Process Definitions</i> in the System functional area.	View and modify all aspects of a business process, such as adding steps or conditions.
<i>Process: Run Batch Calculations (Pay Calculation)</i> in the Core Payroll functional area.	Run and schedule payroll calculations.
<i>Process: Run Batch Cancel (Pay Cancel)</i> in the Core Payroll functional area.	Cancel a payroll calculation for a pay group or pay run group.

## Business Processes

No impact.

## Reporting

You can include custom reports in the business process, as well as any of these delivered reports:

Report	Description
Audit Pay Calculation Results for a Period	View pay calculation results meeting predefined selection criteria for all of the workers in a pay run group or pay group during a specified period. Enables you to identify and correct payroll errors.
Audit - Pay Calculation Results Comparison to a Prior Period (By Worker)	Compare pay calculation results for each position for a given period to the results for a prior period for a pay run group or pay group. Enables you to identify and correct payroll errors.
Audit - Pay Calculation Results Comparison to a Prior Period (By Pay Group)	Compare pay calculation results for a specific pay group and period to the results for a prior period. Enables you to identify and correct payroll errors.
Audit - Pay Calculation Results Comparison to a Prior Period (Period Summary)	Compare summary pay calculation results for a given period to the summary results for a prior period. Enables you to identify and correct payroll errors.
Employee Data Changes Between Date Range	View data changes entered during a specified date range.
Pay Cycle Command Center	Provides access to common tasks and reports used to process payroll.
Payroll Accounting by Company/Period	Perform a pre-payroll accounting audit.

Report	Description
Payroll Audit Exceptions	Filter by status levels and severity counts, view audit exception details, and track the progress of audits.
Payroll Input Not Processed	Audit unprocessed pay input entries.

## Integrations

You can use the *Import Payroll Input* web service to load payroll inputs from a third-party provider.

## Connections and Touchpoints

Features	Considerations
Pay groups and pay run groups	Pay groups enable you to group workers for payroll processing, and to define the eligibility rules for earnings and deductions.  You can set up pay run groups to process and report on payroll results for multiple pay groups together.
Payroll accounting	Workday automatically generates payroll accounting entries as part of the calculation process.
Period schedules	Payroll calculations interact with the period schedule to determine period start and end dates and payment date. If you use the continuous calculation feature, you can also configure when to automatically run the first calculation of the period.
Run categories	Run categories define which pay components and types of workers to process in payroll calculations.

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

#### Concepts

[Concept: Payroll Audit Assignments and Routing](#) on page 824

#### Reference

[Reference: Payroll Audit Reports](#) on page 825

## Set Up the Pay Cycle Event Business Process

### Prerequisites

Security: *Business Process Administration* or *Manage: Business Process Definitions* domain in the System functional area.

### Context

You can use the *Pay Cycle Event* business process to specify the sequence of payroll processing tasks in your organization and the roles responsible for their completion. Using the business process enforces

accountability and segregation of duties. The event history displays a step-by-step audit of who approved which steps and when.

Using the *Pay Cycle Event* business process doesn't restrict you from using other Workday-delivered payroll tasks, such as Run Pay Calculation or Run Retro Pay Calculation. But you can't use the business process when the pay period is already *In Progress*.

Note: Pay groups and pay periods are only available for payroll processing in the *Pay Cycle Event* business process if you haven't already initiated payroll processing for them.

## Steps

1. Navigate to the organization to associate with the *Pay Cycle Event* business process.
2. On the organization, select the related action Business Process > Create, Copy, or Link Definition.
3. Set the Effective Date when this business process becomes available for use. If you specify a future date, you can't use the custom definition to create an instance until the effective date.
4. Select the Business Process Type *Pay Cycle Event*.
5. Select Copy existing Definition > Pay Cycle Event (Default Definition).
6. Select the Due Date, which is the number of days in which you want the event completed after initiation.
7. Add or delete rows to modify the business process according to the requirements of your organization. Consider at least these steps:

Step Type	Options
Action	<ul style="list-style-type: none"> <li>• <i>Review Pay Calculation Results</i></li> <li>• <i>Review Payroll Input</i></li> </ul>
Approval	<ul style="list-style-type: none"> <li>• <i>Approval</i></li> <li>• <i>Approval Chain</i></li> <li>• <i>Consolidated Approval</i></li> <li>• <i>Consolidated Approval Chain</i></li> </ul>
Batch/Job	<ul style="list-style-type: none"> <li>• <i>Payroll Run Pay Calculation</i></li> <li>• <i>Payroll Run Pay Complete</i></li> </ul>
Checklist	<ul style="list-style-type: none"> <li>• <i>New Hire</i></li> <li>• <i>Review Pending Operational Transactions</i></li> <li>• <i>Create Checklist</i></li> </ul>
Integration	
Report	<ul style="list-style-type: none"> <li>• Standard Reports</li> <li>• Custom Reports</li> </ul>
Report Group	<ul style="list-style-type: none"> <li>• <i>All Report Groups</i></li> <li>• <i>My Report Groups</i></li> <li>• <i>Create Report Group</i></li> </ul>
Review Documents	
Service	<ul style="list-style-type: none"> <li>• <i>Document Delivery</i></li> <li>• <i>Document Retrieval</i></li> </ul>
To Do	<ul style="list-style-type: none"> <li>• <i>All Active To Do Types</i></li> <li>• <i>Create To Do</i></li> </ul>

## Next Steps

- Set up security for the *Pay Cycle Event* business process.
- Configure custom reports to include in the business process.
- To deactivate all or part the business process, access the Inactivate Business Process Definition task and specify the business objects for which you want to deactivate the custom business process. When you deactivate a custom business process for all business objects, Workday completely removes it and you can't reactivate it. For more information, see: [Concept: Business Process Management](#).

## Example: Configure the Pay Cycle Event Business Process

This example illustrates 1 way to configure the *Pay Cycle Event* business process.

### Context

To ensure that Workday always performs certain steps when processing payroll, you configure the *Pay Cycle Event* business process to reflect the specific process. You configure the *Pay Cycle Event* business process for the CAN Semi-monthly pay group to reflect the steps in your payroll processing checklist.

### Steps

1. Access the Pay Cycle Event (Default Definition) business process definition. From the related actions menu, select Business Process > Copy or Link Business Process Definition.
  - a) Select Copy Workflow Definition to Business Object.
  - b) Select the appropriate pay group.
2. Modify the business process to include these steps:

Order	Type	Specify
a	<i>Initiation</i>	<p>A business process always starts with an Initiation step. Choose one of the following options:</p> <ul style="list-style-type: none"> <li>• Submit: Records the current actions taken for this step and enables the business process to continue to the next step.</li> <li>• Save for Later: Saves input for this step for review or changing later. Workday saves data temporarily so that it reappears when you reopen the step. However, Workday doesn't submit the data until you click Submit.</li> </ul> <p>For more information, see: <a href="#">Concept: Initiation Step</a>.</p>
b	<i>To Do</i>	<p><i>Update Prenotes</i> (Not used in the UK.)</p>

Order	Type	Specify
		You can update individual prenote payments to mark them as errors, cancel, reverse the accounting, or to mark them as complete.
b	<i>Report</i>	<i>Business Process Transactions Awaiting Action</i>  View business processes awaiting action, who it's waiting for, how long it has been waiting, and how many days past due.
c	<i>To Do</i>	<i>Run Retro Pay Calculation</i>  Recalculate earnings and deductions for workers with supported retroactive changes for a completed period. Workday calculates the difference between prior and recalculated results and includes it with the worker's current payroll results.
d	<i>To Do</i>	<i>Retro Calculation Processing Report</i>  Enables you to analyze the cause of your retro processing and the retro effect on your payroll results. You can also use this report to perform these actions on the retro results of 1 or more workers: <ul style="list-style-type: none"> <li>• Complete</li> <li>• Suspend</li> <li>• Cancel</li> </ul>
e	<i>To Do</i>	<i>Run Retro Pay Complete</i>  Complete the retro pay calculation process for 1 worker or a group of workers. You can't rerun the process after it's marked complete.
f	<i>Report</i>	<i>Employee Data Changes Between Date Range</i>  Enables you to view data changes entered during the specified date range.
g	<i>Action</i>	<i>Review Payroll Input by Worker(s)</i>

Order	Type	Specify
		Lists payroll inputs for workers based on selection criteria, such as Start Date, End Date, and Pay Components. It also displays whether a payroll input was part of regular or retro pay calculation results.
h	Batch/Job	<i>Payroll Run Pay Calculation</i> Calculates payroll in the selected pay groups or pay run groups for workers whose pay result status is <i>Not Yet Started</i> .
i	Action	<i>Review Pay Calculation Results</i> Review payroll results for errors or missing information.
i	To Do	<i>Run Payroll Audit</i> Runs configured audit rules to find payroll result exceptions.
i	Report	<i>Payroll Audit Exceptions</i> Enables you to filter by status levels and severity counts, view audit exception details, and track the progress of audits.
i	Report	<i>Payroll Input Not Processed</i> Enables you to look for pay input entries that didn't get processed.
i	Report	<i>Payroll Accounting by Company/Period</i> Enables you to accomplish a pre-payroll accounting audit.
i	To Do	<i>Conduct a Pre-Payroll Accounting Audit</i> An audit of payroll accounting before running payroll.
j	To Do	<i>Final Payroll Approval</i>
k	Batch/Job	<i>Payroll Run Pay Complete</i> You can run this task to complete payroll processing.
l	Report	<i>Payroll Accounting by Company/Period</i>

Order	Type	Specify
		Report you can run to conduct a post-payroll accounting audit (below).
I	<i>To Do</i>	<i>Post-Payroll Accounting Audit</i> An audit of post-payroll accounting.
m	<i>To Do</i>	<i>Create Settlement Run</i> Create, edit, preview, and process settlement runs to settle unpaid open items and pending payments. Workday interacts with banks to send outbound payments and receive inbound payments.
n	<i>To Do</i>	<i>Tax Filing Periodic Data by Company</i> View tax filing data for selected periods, pay run groups, or pay groups. Enables you to reconcile your periodic tax liabilities.

## Payroll History

### Setup Considerations: Payroll History

You can use this topic to help make decisions when planning your configuration and use of Payroll History. 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

Payroll history is a record of payments made to your employees before you started using Workday Payroll. You load this data into Workday to establish starting balances for employees.

#### Business Benefits

Payroll history increases accuracy in payroll calculations by enabling you to include previous pay details for your employees. You can use payroll history to incorporate data from external sources, providing more flexibility in your payroll calculations.

## Use Cases

To ensure accurate payroll calculations, you can load historical payroll data from external, or legacy, systems. Example: You start using Workday Payroll part way through the financial year so require payroll history to reconcile the current tax year.

Loading the data enables you to include payroll history in year-to-date calculations. For Canada, the UK, and the U.S., Workday also enables you to include quarter-to-date calculations.

## Questions to Consider

Questions	Considerations
How many times do you want to load payroll history?	<p>Workday recommends that you load history at least twice. Example, into a test area and then into your live area in Workday.</p> <p>Ensure you can repeat the load with the same parameters and data each time to avoid introducing errors. Load the history as at the final pay period in your legacy payroll system.</p>
I'll start using payroll from the beginning of a new tax year, do I need to load any history?	<p>Yes, if you have any pay-related items that don't fall within a single tax year.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>• Court or withholding orders with an outstanding balance.</li> <li>• Employee loan balances and repayments for transportation season tickets.</li> </ul>
Do you have any employees with multiple historical records in the same company?	<p>Workday recommends that you sum up an employee's data, from their latest period of employment, to load correctly. Instead of totals for every payroll run, provide summed values.</p> <p>For Payroll for the UK only, when an employee has multiple periods of employment, you should load the summed history for each employment period. Example. For an employee who was hired, terminated, and rehired, load 2 periods of history. Each period of employment has its own related payroll ID and year to date payroll amount.</p>
Which pay periods do you need to load history for?	<p>Workday doesn't restrict you from loading multiple periods. However, to prevent possible gaps or overrides in the data, it's good practice to load and calculate history in period sequence order.</p> <p>For Payroll for the U.S. only, Workday recommends that you load payroll history for the current tax year only. For completed quarters, load history by quarter. Where you have partial quarters, load history by pay period.</p> <p>For Payroll for Canada, France, and the UK, due to the potential time and effort to extract, load, and reconcile payroll history, Workday recommends that you load 1 history record per period of employment. Each record includes year</p>

Questions	Considerations
	to date values covering the tax periods within that period of employment, instead of loading history records for each pay period within the tax year.
For Payroll for Australia, do you process payroll calculations that require a worker's pay history to calculate accurately?	<p>Load workers' YTD amounts for:</p> <ul style="list-style-type: none"> <li>• PAYG Taxable Wages.</li> <li>• Regular PAYG and STSL withheld.</li> <li>• Taxable Wages and PAYG withheld from Bonuses, Commissions, or Backpays that relate to a prior financial year that have had PAYG calculated using ATO Schedule 5 - Method B(ii).</li> <li>• Taxable Wages and PAYG withheld from any back payments applied to specific periods in the current tax year using Schedule 5 - Method B(i) for back payments applied to specific periods in the current tax year.</li> </ul> <p>If you aren't loading full YTD pay history, consider using memo earnings to load the YTD amounts against, to avoid impact on STP reporting.</p>
For Payroll for Australia, how will you ensure that your transferred YTD figures don't result in duplicate STP reporting?	<p>Due to the potential time and effort to extract, load, and reconcile payroll history and mapping of legacy payroll items against category in Workday, Workday recommends that you only load the non-reportable pay-related items required to support calculations that rely on payroll history.</p> <p>If you decide to load history for STP reportable items:</p> <ul style="list-style-type: none"> <li>• Create a \$0 pay event in your previous payroll system before you begin reporting in Workday.</li> <li>• Load the history for all reportable pay-related items and reconcile them before your first STP reporting even in Workday.</li> </ul>

## Recommendations

To improve performance and reduce the amount of checking to do after loading data, Workday recommends that you only load the historical data required for current payroll calculations and reporting.

To ensure that any historical data that affects current pay is available, Workday recommends loading historical payroll payments before running your first pay calculation. Example: Employee loan repayments for loans that still have outstanding balances.

When loading history as a result of an acquisition:

- For Payroll for Australia, Canada, France, and the U.S., create a separate pay group for employees paid by the acquired organization. This pay group enables you to keep the employees separate for auditing until you've checked all their history data correctly loaded into Workday. After loading their payroll history, move them to the pay group they'll belong to in the new organization.

- For Payroll for the UK only, when loading history as a result of an acquisition, use your sandbox preview to test and reconcile the payroll history. After you confirm that all data loaded correctly, replicate your actions in your Workday production tenant.

To prevent errors or omissions in pay group reconciliation reports, load payroll history before recording that employees are terminated or placed on leave.

After loading your history data, audit employees' records to ensure that their Period End Date is after their Hire Date of Employee.

After loading, audit employees to ensure that they are in the tenant. Example: Compare names/ID to their Employee ID using a report from the tenant.

## Requirements

Before running your first pay calculation in Workday:

- For Payroll for the U.S. only, if you're starting midquarter or midyear, load historical payments from your external, or legacy, payroll system.
- For Payroll for Canada, France, and the UK, if you're starting midyear, load historical payments from your external, or legacy, payroll system.

For each external, or legacy, payroll ID that you load, you must assign a Workday ID, such as an employee ID, to be able to run a history payment for the employee.

## Limitations

You can add or correct payroll history at any time. However adding or changing historical results for an employee can impact calculations and results that use their historical balances.

For Payroll for Australia, changing historical results for an employee can cause incorrect STP reporting.

After you complete payroll history, you can change the completed history manually on an employee by employee basis. If you need to correct details for multiple employees after loading history, you can load a correction history file. The correction file contains the differences between the original, completed payroll history file and the correct values that should be held in Workday.

Before modifying payroll history for 1 employee, using Run History Payment for Worker:

- For Payroll for Australia, assign an AUS pay group before loading a payroll ID and running the history payment.
- For Payroll for the UK, assign a UK pay group before loading a payroll ID and running the history payment

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Pay Calculation (History): Ad Hoc Actions</i> in the Core Payroll functional area.	Enables you to record or correct payroll history for 1 employee.
<i>Process: Load, Calculate, Cancel, Complete History</i> in the Core Payroll functional area.	Enables you to mass load employees' payroll history.
<i>Worker Data: Payroll (Company Specific) - UK</i> in the UK Payroll functional area.	For Payroll for the UK only, enables you to load history for: <ul style="list-style-type: none"> <li>• Holiday pay.</li> </ul>

Domains	Considerations
	<ul style="list-style-type: none"> <li>Pensions auto-enrolment.</li> <li>Statutory Sick Pay.</li> </ul>

## Business Processes

No impact.

## Reporting

Run the Pay Calculation Processing Report to process history payments. You can use the search facets to filter and apply these mass actions for the selected history payment results on the report:

- Cancel
- Complete
- Recalculate

## Integrations

You can use these web services to mass upload and retrieve employees' pay history:

- Get\_Payroll\_History\_Payments*
- Import\_Payroll\_History\_Payment*
- Put\_Payroll\_History\_Payment*

For Payroll for the UK only, you can also use these web services:

- Get\_Payroll\_Holiday\_Pay\_History*
- Get\_Payroll\_SSP\_History*
- Get\_Pensions\_Auto\_Enrolment\_External\_Assessment\_History*
- Import\_Payroll\_Holiday\_Pay\_History*
- Put\_Payroll\_SSP\_History*
- Put\_Pensions\_Auto\_Enrolment\_External\_Assessment\_History*

## Connections and Touchpoints

Payroll connects to several other areas within Workday. Depending on the parts of Workday that you use, check or set up details in different areas when you load payroll history.

Touchpoint	Consideration
Absence	<p>Review:</p> <ul style="list-style-type: none"> <li>Leave types to ensure that flags are set to support payroll processing.</li> <li>Time-off types to ensure that they support any payroll requirements.</li> </ul>
Benefit Plans	<p>To enable Workday to process contributions and payments through payroll, map any existing benefit plans to payroll earnings and deductions.</p> <p>Check any enrollment rules that control deduction start and end dates so they synchronize with payroll.</p>
Compensation	Review your list of compensation elements to ensure that they're mapped to earnings.

Touchpoint	Consideration
	Ensure that compensation elements and plans exist for all earnings that payroll expects to be handled through compensation instead of payroll input.
Human Capital Management	<p>Review any HCM business processes to determine if steps for payroll need to be:</p> <ul style="list-style-type: none"> <li>• Added. Examples include pay group assignment, tax, and payment elections.</li> <li>• Removed. Example: Payroll interface processing.</li> </ul>
Time Tracking	Associate time calculation tags with earnings or deductions to use approved time blocks as inputs when paying employees.

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

##### Concepts

[Concept: What Payroll History to Load](#) on page 196

##### Tasks

[Steps: Load Payroll History by Batch](#) on page 214

## Steps: Prepare and Load Payroll History

### Prerequisites

- Review setup considerations for payroll history.
- Set up all pay components, including those used in statutory calculations and withholding orders (also known as court orders in Australia and the UK).

### Context

Before running your first pay calculation in Workday, you can load historical payroll payments from external systems.

Payroll history is payroll data:

- For dates on or after the worker's hire date.
- For periods before the Override First Processing Period for the worker's pay group.

When you load history before your first calculation, Workday:

- Includes the history data in year-to-date calculations. For Australia, Canada, the UK, and the U.S., Workday also includes the history data in quarter-to-date and year-to-date calculations.
- Apply limits and self-correcting logic to the correct amounts when you go live.

You can add and correct history after running Workday payroll.

## Steps

1. Determine the scope of the historical data, including:

- Which periods the data covers.
- Which data and calculations to load.

See [Concept: What Payroll History to Load](#) on page 196.

2. Create payroll periods for historical data.

See [Set Up Payroll and Time Tracking Period Schedules](#) on page 153.

3. Load historical data.

- [Steps: Load Payroll History by Batch](#) on page 214.
- [Enter or Correct Payroll History for a Worker](#) on page 215.

4. Access the Pay Calculation Results for Worker and Pay Calculation Results for Group of Workers reports to verify results.

**Security:** *Reports: Results for Worker (Pay Calculation)* and *Reports: Pay Calculation Results for Pay Group (Results)* domains in the country-specific Payroll functional area.

**Example:** *Reports: Results for Worker (Pay Calculation) - USA* and *Reports: Results for Worker (Pay Calculation) - USA* domains in the USA Payroll functional area.

5. Access the Run History Pay Complete task.

Complete your historical pay results. If you have results for multiple periods, complete results in chronological period sequence.

**Security:** *Process: Load, Calculate, Cancel, Complete History* domain in the Core Payroll functional area.

**Note:** You can't reverse or cancel completed payroll history. If necessary, you can modify completed history results or zero-out results, using the Run History Payment for Worker task.

## Concept: What Payroll History to Load

Workday uses historical data to establish starting balances for workers and uses these starting balances in:

- Calculations based on pay balances.
- Year-to-date and other reporting.

The data to load depends on the specific situation of your company. Workday recommends that you only load the historical data required for current payroll calculations and reporting.

## Data Aggregations and Scope

### Payroll for Australia

The payroll history that you need to load is dependent on the capabilities of the system you are transferring from, and the details you want to show on your payslips. If your legacy system can't zero out Single Touch Payroll (STP):

- You can't load the YTD amounts for STP or payslips.
- You need to add pay inputs for the average gross pay for Unused Leave Marginal Tax (ULMT).
- You need to pay inputs for the average gross for PAYG on bonus commissions and back pay.
- Working Holiday Makers won't be taxed on their YTD.

If your legacy system can zero out STP and you don't want to display YTD on payslips:

- Don't zero out the STP in the legacy system.
- Don't load the STP or payslip YTD.

- Override the ULMT periods with a pay input to override the *Number of Periods* related calculation on the *AUS PAYG Withholding - Unused Leave Marginal Tax* deduction.
- Override the PAYG BCBP with a pay input to override the *Number of Periods* related calculation on the *AUS PAYG Withholding - Bonus, Commission, Back Pay Tax* deduction.

If your legacy system can zero out STP and you do want to display YTD on payslips:

- Load the STP, PAYG Taxable Wages YTD, and the payslip YTD.
- Load the Super Choices for the tax year YTD. The YTD values need to be split by Super Choice and Loaded.
- If you are doing a single YTD load, override the number of periods in ULMT for employees being terminated in the go-live year.
- Consider loading YTD data for employees terminated in the tax year, but prior to go live, so that you have the complete YTD records in Workday for the current financial year..

If your superannuation is capped at MSCB, or you pay excess to gross, and you aren't going live at the start of a quarter, then the MSCB remaining for workers who are likely to exceed the cap needs to be loaded as a special input for each pay cycle until the end of the quarter. Use the related calculation *Quarter Converted MSCB Remaining*.

#### Payroll for Canada

Workday recommends that you aggregate historical earnings and deductions for a worker by payroll account number and province. Then load:

- Payroll history for the current tax year only.
- Year-to-date history for completed periods.

Load the aggregated year-to-date amounts into the period immediately preceding the first pay period you'll process in Workday Payroll. Example: The pay period is semimonthly and your Workday implementation date is July 1. Load the year-to-date payroll history amounts into the pay period ending June 30th.

To issue ROEs from Workday, enter ROE insurable amounts and hours from historical pay periods through the *Import ROE Prior Period History Results* web service.

#### Payroll for France

Load data for all workers who are:

- Active or on leave the month of the effective date of your first Workday Payroll transactions.
- Terminated before that effective date but still eligible for pay calculations, such as complementary pay.

When possible, instead of loading monthly indicators for each pay component, load 1 aggregated balance for either the:

- Calendar year.
- Time off accumulation period or other balance periods.

Example: If the effective date of your first Workday Payroll transaction is in September:

- Create historical pay periods starting from September of the previous year.
- For statutory contribution calculations load 1 aggregated, enter the year-to-date value of the URSSAF contribution bases (January-August) in the *Memo - Reference Values for URSSAF [FRA]* deduction.

### Payroll for the UK

- Load history for the current tax year only.
- When possible, instead of loading monthly indicators, load 1 aggregated balance for each pay component in the historical pay period immediately preceding the first processing period.
- Load data for all workers who have payroll results in the current tax year, including terminated employees.

### Payroll for the U.S.

- Load payroll history for the current tax year only.
- Load by quarter for completed quarters.
- Load by pay period for partial quarters.

When loading by quarter, if the pay period is semimonthly, you can define:

- Quarterly periods for any full quarters before the effective date of your first Workday Payroll transactions.
- Semimonthly periods after that effective date.

Example: The effective date is July 1, so you load payroll history for:

- January 1 - March 31
- April 1 - June 30

You then set up these period schedule dates for payroll calculations after the effective date of your first Workday Payroll transactions:

- July 1 - July 15
- July 16 - July 31

### Types of Data to Load

When determining what data to load, consider which pay components contribute to:

- Year-to-date reporting.
- Pay balances used in payroll calculations.

Incomplete payroll history can result in incorrect pay balances for workers, and adversely impact payroll calculations or reporting relying on those balances.

The examples in the following tables provide suggestions for types of historical data to load for different countries. Ensure that you've identified all payroll calculations that rely on historical data.

For Payroll for the U.S., to ensure correct reporting for jurisdictions that tax work and resident amounts, always include both Work City and Resident City when you load payroll. Example: To report the Political

Subdivision (PSD) code for Pennsylvania resident and work cities accurately, always include both Work City and Resident City.

### Payroll for Australia

Data for	Examples of the Types of Data to Load
Payslip	Loading payslip YTD isn't required. However, if you choose to load YTD history, you also need to load the values for the PAYG and Superannuation Guarantee pay components, so that the taxable gross and ordinary time earnings are displayed correctly on the payslip.
Superannuation	<p>Load the YTD for these calculations:</p> <ul style="list-style-type: none"> <li>• <i>AUS Superannuation Additional Employer Reportable (SV) [AUS]</i></li> <li>• <i>AUS Superannuation Employee Post Tax Member (SM) [AUS]</i></li> <li>• <i>AUS Superannuation Employee Pre Tax Salary Sacrifice (SS) [AUS]</i></li> <li>• <i>AUS Superannuation Guarantee (SG) [AUS]</i></li> </ul>
Tax calculations	Load the YTD PAYG taxable amount for each worker, to calculate tax for back pays related to prior tax years, bonuses, commissions, and other lump sum payments.

## Payroll for Canada

Data for	Examples of the Types of Data to Load
Bonus wages paid before your Workday implementation	<p>Load the <i>Bonus Taxable Wages</i> related calculation for these pay components:</p> <ul style="list-style-type: none"> <li>• <i>Federal Income Tax (FIT) [CAN]</i></li> <li>• <i>Province Income Tax (PIT) [CAN]</i></li> <li>• <i>Province Income Tax (QC-PIT) [CAN]</i></li> </ul>
Bonus year-to-date earnings	<p>To calculate the K2, K2P, and K2Q credits properly, load the <i>Bonus Subject Wages</i> related calculation for these pay components:</p> <ul style="list-style-type: none"> <li>• <i>Canada Pension Plan (CPP) [CAN]</i></li> <li>• <i>Employment Insurance - EI [CAN]</i></li> <li>• <i>Quebec Parental Insurance Plan - QPIP [CAN]</i></li> <li>• <i>Quebec Pension Plan (QPP) [CAN]</i></li> </ul>
Loans and withholding orders	<p>Workday recommends that you create withholding orders and loans with the current balance for the month. Ensure that the balance corresponds to the effective date of your first Workday Payroll transactions. In this case, don't load historical data for loans and withholding orders.</p>
Payslip	<p>The tax year-to-date amount of all earnings that contribute to:</p> <ul style="list-style-type: none"> <li>• Gross pay.</li> </ul>

Data for	Examples of the Types of Data to Load
	<ul style="list-style-type: none"> <li>• Taxable pay.</li> </ul>
Workers compensation reporting	<p>All of the pay component-related calculations for the <i>Province Workers Compensation - (PWC) - ER [CAN]</i> and <i>Province Workers Compensation - (QC-PWC) - ER [CAN]</i> pay component.</p>
Year-end tax reporting: Quebec parental insurance	<p>Load the <i>Tax Amount</i> related calculation for the <i>Quebec Parental Insurance Plan - QPIP [CAN]</i> pay component.</p> <p>Load these related calculations for the <i>Employment Insurance - EI [CAN]</i> pay component:</p> <ul style="list-style-type: none"> <li>• <i>Exempt Wages</i></li> <li>• <i>Taxable Wages</i></li> <li>• <i>Tax Amount</i></li> </ul> <p>Load for the pay components of the employer as well.</p>
Year-end tax reporting: Income tax	<p>Some external payroll applications don't split out federal and provincial income tax. In those cases, it's sufficient to report only federal income tax.</p> <p>Load the <i>Deduction for Employment Income</i> related calculation for the <i>Federal Income Tax (FIT) [CAN]</i> pay component.</p> <p>Load these related calculations for the <i>Federal Income Tax (FIT) [CAN]</i> pay component.</p> <ul style="list-style-type: none"> <li>• <i>Bonus Tax</i></li> <li>• <i>Lump Sum Tax - T4</i></li> </ul>

Data for	Examples of the Types of Data to Load
	<ul style="list-style-type: none"> <li>• <i>Lump Sum Tax - T4A (only applicable when loading history prior to 2022)</i></li> <li>• <i>Regular Tax</i></li> <li>• <i>Regular Tax - T4A (only applicable when loading history prior to 2022)</i></li> <li>• <i>Subject Wages</i></li> </ul> <p>Load the <i>Deduction for Employment Income</i> related calculation for the <i>Federal Income Tax (FIT T4A) [CAN]</i> pay component.</p> <ul style="list-style-type: none"> <li>• <i>Subject Wage</i></li> <li>• <i>Regular Tax</i></li> <li>• <i>Lump Sum Tax</i></li> </ul>
	<p>Load the <i>Deduction for Employment Income</i> related calculation for the <i>Province Income Tax (QC-PIT) [CAN]</i> pay component.</p>
	<p>Load these related calculations for the <i>Province Income Tax (QC-PIT) [CAN]</i> pay component.</p> <ul style="list-style-type: none"> <li>• <i>Bonus Tax</i></li> <li>• <i>Lump Sum Tax - RL-1</i></li> <li>• <i>Regular Tax</i></li> <li>• <i>Regular Tax - RL-2 (only applicable when loading history prior to 2022)</i></li> <li>• <i>Subject Wages</i></li> </ul>
	<p>Load the <i>Deduction for Employment Income</i> related calculation for the <i>Province Income Tax (QC-PIT RL-2) [CAN]</i> pay component.</p> <ul style="list-style-type: none"> <li>• <i>Subject Wages</i></li> </ul>

Data for	Examples of the Types of Data to Load
	<ul style="list-style-type: none"> <li>• <i>Regular Tax</i></li> </ul> <p>Load the <i>Regular Tax</i> and <i>Lump Sum Tax</i> related calculations for these pay components (if applicable):</p> <ul style="list-style-type: none"> <li>• <i>Federal Income Tax T4A-RCA</i></li> <li>• <i>Province Income Tax T4A-RCA</i></li> </ul>
Year-end tax reporting: Pension	<p>Load the <i>Exempt Wages</i> and <i>Tax Amount</i> related calculations for these pay components:</p> <ul style="list-style-type: none"> <li>• <i>Canada Pension Plan (CPP) [CAN]</i></li> <li>• <i>Canada Pension Plan Second Contribution (CPP2) [CAN]</i></li> <li>• <i>Quebec Pension Plan (QPP) [CAN]</i></li> <li>• <i>Quebec Pension Plan Second Contribution (QPP2) [CAN]</i></li> </ul> <p>Load for the pay components of the employer as well.</p>
Year-to-date wage limit calculation	<p>Load the <i>Insurable Wages</i> related calculation for these pay components:</p> <ul style="list-style-type: none"> <li>• <i>Province Workers Compensation - (PWC) - ER [CAN]</i></li> <li>• <i>Province Workers Compensation (QC-PWC) - ER</i></li> </ul> <p>Load the <i>Taxable Wages</i> related calculation for these pay components:</p>

Data for	Examples of the Types of Data to Load
	<ul style="list-style-type: none"> <li>• <i>Canada Pension Plan (CPP) [CAN]</i></li> <li>• <i>Canada Pension Plan Second Contribution (CPP2) [CAN]</i></li> <li>• <i>Employment Insurance - EI [CAN]</i></li> <li>• <i>Quebec Pension Plan (QPP) [CAN]</i></li> <li>• <i>Quebec Pension Plan Second Contribution (QPP2) [CAN]</i></li> <li>• <i>Quebec Parental Insurance Plan - QPIP [CAN]</i></li> </ul> <p>Load for the pay components of the employer as well.</p>

### Payroll for France

Data for	Examples of the Types of Data to Load
Year-end compensation, and periodic bonuses	<ul style="list-style-type: none"> <li>• Basis for 13th month calculation.</li> <li>• Basis for year-end bonuses.</li> <li>• Basis for annual leave 10th rate calculation.</li> </ul>
Termination allowances	<ul style="list-style-type: none"> <li>• Basis for fixed-term contract allowances.</li> <li>• Nonmonthly bonuses for the calculation of legal severance allowances, loaded month by month.</li> </ul>
Statutory contributions	<p>Reference values for statutory contributions.</p> <p>Basis and values for all statutory</p>

Data for	Examples of the Types of Data to Load
	<p>contributions, including the ceilings and gross wages stored as pay component related calculations in these memo deductions:</p> <ul style="list-style-type: none"> <li>• <i>Memo - Reference Values for all Contributions - No Retro [FRA]</i></li> <li>• <i>Memo - Reference Values for all Contributions [FRA]</i></li> <li>• <i>Memo - Reference Values for Pôle Emploi [FRA]</i></li> <li>• <i>Memo - Reference Values for AGIRC-ARRCO [FRA]</i></li> <li>• <i>Memo - Reference Values for URSSAF [FRA]</i></li> <li>• <i>Memo - Reference Values for URSSAF - No Retro [FRA]</i></li> </ul> <p>The value of the <i>CSG Exempt Wages above Limit</i> pay component related calculation, stored in these memo deductions:</p> <ul style="list-style-type: none"> <li>• <i>Memo - Reference Values for URSSAF - No Retro [FRA]</i></li> <li>• <i>Memo - Reference Values for URSSAF [FRA]</i></li> </ul> <p>When preparing payroll history for workers with individual standard reductions, consider:</p> <ul style="list-style-type: none"> <li>• Enter a value for <i>Memo – Reference Values for all</i></li> </ul>

Data for	Examples of the Types of Data to Load
	<p><i>Contributions – No Retro [FRA] - General Contribution Reduction Taxable Wages without Impact of Professional Expenses when a worker has an individual standard deduction for the current contract.</i></p> <ul style="list-style-type: none"> <li>Enter a value for <i>Memo – Reference Values for all Contributions – No Retro [FRA]</i> - General Contribution Reduction Taxable Wages for all cases.</li> </ul>
General Contribution Reduction (Réduction générale), family welfare allowances	<p>The pay component related calculations in these memo deductions:</p> <ul style="list-style-type: none"> <li><i>Memo - Reference Values for All Contributions [FRA]</i></li> <li><i>Memo - Reference Values for All Contributions - No Retro [FRA]</i></li> </ul> <p>Load calculations that represent the SMIC and taxable wages for the General Contribution Reduction, and Additional Family Allowances.</p>
Health and contingency fund contributions in excess	The pay component related calculations of these memo deductions:

Data for	Examples of the Types of Data to Load
	<ul style="list-style-type: none"> <li>• <i>Memo – Social Contributions in Excess</i></li> <li>• <i>Memo – Taxable Contributions in Excess</i></li> </ul> <p>The value of pay components for health and contingency funds or supplementary retirement funds in these pay component groups:</p> <ul style="list-style-type: none"> <li>• <i>FRA Contributions to Health Care Funds ER [FRA]</i></li> <li>• <i>FRA Contributions to Contingency Funds ER [FRA]</i></li> <li>• <i>FRA Contributions to Health Care Funds EE [FRA]</i></li> <li>• <i>FRA Contributions to Contingency Funds EE [FRA]</i></li> <li>• <i>FRA Contributions to Supplementary Retirement Funds EE [FRA]</i></li> <li>• <i>FRA Contributions to Supplementary Retirement Funds ER [FRA]</i></li> </ul>
Year-to-date totals displayed on a payslip	<ul style="list-style-type: none"> <li>• Previous statutory EE and ER contributions.</li> <li>• Net deductions.</li> <li>• Gross earnings.</li> </ul>
Negative net pay	Negative net pay to reimburse, such as the <i>Negative Net Pay Advance [FRA]</i> pay component.

Data for	Examples of the Types of Data to Load
Loans and withholding orders	Workday recommends that you create withholding orders and loans with the current balance for the month. Ensure that the current balance corresponds to the effective date of your first Workday Payroll transactions. In this case, don't load historical data for loans and withholding orders.

## Payroll for the UK

Data for	Examples of the Types of Data to Load
Tax calculations	The tax year-to-date tax amount, in the <i>GBR Tax [GBR]</i> pay component.  When you've a carryover amount from the prior period, also load the <i>Tax Owing to Regulatory Limit</i> related calculation of the <i>GBR Tax [GBR]</i> pay component.
Payslip	The tax year-to-date amount of all earnings that contribute to: <ul style="list-style-type: none"><li>• Gross pay.</li><li>• NIable earnings.</li><li>• Taxable pay.</li></ul>
Employee National Insurance contributions	The tax year-to-date National Insurance contribution amount in the <i>GBR NI - Employee NICs [GBR]</i> pay component.  NIable earnings stored as <i>GBR NI - Employee NICs [GBR]</i> related calculations: <ul style="list-style-type: none"><li>• <i>GBR NIable Earnings</i>.</li></ul>

Data for	Examples of the Types of Data to Load
	<ul style="list-style-type: none"> <li>• <i>GBR NI: Earnings within the LEL:</i> Earnings within the lower earnings limit.</li> <li>• <i>GBR NI: Earnings with the PT:</i> Earnings within the primary threshold.</li> <li>• <i>GBR NI: Earnings within the ST:</i> Earnings within the secondary threshold.</li> <li>• <i>GBR NI: Earnings within the UEL/USTs:</i> Earnings within the upper earnings limit or upper secondary threshold.</li> <li>• <i>GBR NI: Earnings above the UEL/USTs:</i> Earnings above the upper earnings limit or upper secondary threshold.</li> </ul> <p>To ensure accurate RTI reporting, also load these related calculations on the <i>GBR NI - Employee NICs [GBR]</i> deduction:</p> <ul style="list-style-type: none"> <li>• <i>GBR NI: Earnings at the LEL (Reporting)</i></li> <li>• <i>GBR NIable Pay Earnings (Reporting)</i></li> </ul>
Employer National Insurance contributions	The tax year-to-date National Insurance contribution amount in

Data for	Examples of the Types of Data to Load
	the <i>GBR NI - Employer NICs [GBR]</i> pay component.
Student Loan calculations	Student loan amount in the <i>GBR Student Loan [GBR]</i> pay component.
Postgraduate Loan calculations	Postgraduate loan amount in the <i>GBR Postgraduate Loan [GBR]</i> pay component.
Statutory Pay	<p>Tax year-to-date amounts for:</p> <ul style="list-style-type: none"> <li>• Statutory additional paternity pay.</li> <li>• Statutory adoption pay.</li> <li>• Statutory maternity leave.</li> <li>• Statutory ordinary paternity pay.</li> <li>• Statutory parental bereavement pay.</li> <li>• Statutory shared paternity pay.</li> <li>• Statutory sick pay.</li> </ul>

### Payroll for the U.S.

Data for	Examples of the Types of Data to Load
Tax calculations	<p>Quarterly earnings for the employees.</p> <p>When applicable, load the pay component related calculation values for:</p> <ul style="list-style-type: none"> <li>• Hours</li> <li>• Wages for 401k deductions.</li> </ul> <p>Include the state and local codes of the employees.</p>

Data for	Examples of the Types of Data to Load
Withholding orders	Quarter-to-date balance for withholding orders.
Federal year-end tax documents	<p>The year-to-date value for all withheld employee tax and all paid employer tax including, but not limited to:</p> <ul style="list-style-type: none"> <li>• <i>Additional Medicare Tax [USA]</i></li> <li>• <i>Earned Income Credit [USA]</i></li> <li>• <i>Federal Withholding [USA]</i></li> <li>• <i>Federal Withholding (Income Code 15) [USA]</i></li> <li>• <i>FUI (ER) [USA]</i></li> <li>• <i>Medicare [USA]</i></li> <li>• <i>Medicare (ER) [USA]</i></li> <li>• <i>OASDI [USA]</i></li> <li>• <i>OASDI (ER) [USA]</i></li> <li>• <i>Tip taxes (Federal Withholding Tip Tax [USA], Additional Medicare Tip Tax [USA])</i></li> </ul> <p>For each deduction, load the pay component amount and the related calculation values for:</p> <ul style="list-style-type: none"> <li>• <i>Gross Wages</i></li> <li>• <i>Subject Wages</i></li> <li>• <i>Taxable Wages</i></li> </ul> <p>When applicable, load the pay component related calculation values for:</p> <ul style="list-style-type: none"> <li>• <i>Regular Tax</i></li> </ul>

Data for	Examples of the Types of Data to Load
	<ul style="list-style-type: none"> <li>• <i>Regular Taxable Wages</i></li> <li>• <i>Supplemental Taxable Wages</i></li> </ul> <p>Load all values by quarters.</p>
State year-end tax documents	<p>The year-to-date value for all withheld employee tax and all paid employer tax including, but not limited to:</p> <ul style="list-style-type: none"> <li>• <i>FUI (ER) Credit Reduction [USA]</i></li> <li>• <i>State Earned Income Credit (Residence) [USA]</i></li> <li>• <i>State Withholding (Resident) [USA]</i></li> <li>• <i>State Withholding (Work) [USA]</i></li> <li>• <i>SUI (ER) [USA]</i></li> <li>• <i>SUI [USA]</i></li> <li>• <i>Tip taxes (State Withholding Tip Tax (Resident) [USA], State Withholding Tip Tax (Work) [USA])</i></li> </ul> <p>For each deduction, load the pay component amount and the related calculation values for:</p> <ul style="list-style-type: none"> <li>• <i>Gross Wages</i></li> <li>• <i>Subject Wages</i></li> <li>• <i>Taxable Wages</i></li> </ul> <p>Load all values by quarter and include the state codes of the employees.</p> <p>When applicable load the pay component related calculation values for <i>Total Hours</i>.</p>

Data for	Examples of the Types of Data to Load
Local year-end tax calculations and documents	<p>The year-to-date value for all withheld employee tax and all paid employer tax including, but not limited to:</p> <ul style="list-style-type: none"> <li>• <i>Local City Withholding (Resident) [USA]</i></li> <li>• <i>Local City Withholding (Work) [USA]</i></li> <li>• <i>Local County Withholding (Resident) [USA]</i></li> <li>• <i>Local County Withholding (Work) [USA]</i></li> <li>• <i>Local School District Withholding (Resident) [USA]</i></li> <li>• <i>Tip taxes (Local County Withholding Tip Tax (Work) [USA], Local County Withholding Tip Tax (Resident) [USA])</i></li> </ul> <p>When possible, Workday recommends that you load resident and work taxes separately.</p> <p>Load all values by quarters. Include the local codes of the employees.</p> <p>When applicable load the pay component related calculation values for <i>NYC W-2 Wages</i>.</p>

#### Related Information

##### Tasks

[Steps: Set Up ROE Reporting on page 1450](#)

**Reference**

[FAQ: Payroll Input on page 637](#)

## Steps: Load Payroll History by Batch

**Prerequisites**

Security: *Process: Load, Calculate, Cancel, Complete History* domain in the Core Payroll functional area.

**Context**

You can use Enterprise Interface Builder (EIB) to load historical payments for multiple workers, during:

- A midyear implementation of Workday.
- The acquisition of another organization.

Loading payroll history occurs in 2 phases:

Phase	Description
Data load ( <i>Put Payroll History Payment</i> web service).	Workday loads the values of individual earnings and deductions (not pay accumulations or pay balances) directly into the payroll results.
Historical pay calculations (Run History Pay Calculation task).	Workday: <ul style="list-style-type: none"> <li>• Calculates gross and net amounts, bypassing limits.</li> <li>• Derives pay accumulations and pay balances.</li> <li>• Applies worktag values.</li> </ul>

When you have historical data for multiple pay periods, load and calculate history in period sequence.

When loading history as a result of an acquisition, create a separate pay group for workers paid by an acquired organization. After loading their payroll history, move them to the pay group they'll belong to in the new organization.

**Steps**

1. **Set Up Inbound EIB.**

Select *Put Payroll History Payment* from the Web Service Operation prompt.

2. Prepare the EIB spreadsheet and launch the EIB spreadsheet upload.

See [Steps: Set Up EIBs Using Templates from Web Service Operations](#).

3. Access the Pay Calculation Off-cycle Inputs for Group of Workers report to review history in the staging tables.

The report includes history payments that you haven't calculated yet, plus any calculated results.

Security: *Reports: Pay Calculation Results for Pay Group (Results)* domain in the Core Payroll functional area.

4. Access the Run History Pay Calculation task to calculate history payments.

**Next Steps**

If the original results were incorrectly loaded, you can cancel the calculated results using the Run History Pay Cancel task. Canceling history removes the source data.

## Related Information

### Examples

[Workday Community: Put Payroll History Payment EIB - Inbound](#)

## Enter or Correct Payroll History for a Worker

### Prerequisites

Security: One of these domains in the Core Payroll functional area:

- *Pay Calculation (History): Ad Hoc Actions*
- *Process: Load, Calculate, Cancel, Complete History*

### Context

You can add or modify payroll history for 1 worker. Example: Correcting or adding payments after loading payroll history by batch.

Corrections don't change data, such as limits, on any production payroll results that are already complete. However, for Canada, the UK, or the U.S., self-correcting taxes could adjust in the next payroll you run. For Australia, consider how the correction will affect the STP report and the related YTD amounts for workers.

Note: Adding or changing historical results for a worker can impact existing calculations and results that use historical balances. When you change payroll history, verify any current calculation results and correct them as necessary.

Example: When you correct a history payment of a worker in a prior pay group, Workday deletes the history payment. If you need to correct a history payment of a worker that no longer is in the same pay group, you must move the worker back to the prior pay group to enter the correction or create a new history payment in the current pay group

Administrators and partners who need to enter payments for themselves must use the *Put Payroll History Payment* web service instead of the Run History Payment for Worker task.

### Steps

1. Access the Run History Payment for Worker task.

Option	Description
Third Party Sick Pay	Applies to U.S. only.
History Period	You can only select periods before the Override First Processing Period defined for the pay group.
Existing Payment	To update an existing payment, select its payment ID.
Create New History Payment	Select to add, rather than edit, a history payment.

Workday displays existing history payments in the History Payments Summary section.

2. (Optional) In the Override Payroll Worktags section, select override values for default worktags.

Default worktag values are based on the worker's primary job. Unless you select override values, Workday applies the worktags to the history payment based on the history period or subperiod end date.

Workday adds any related worktags in addition to selected override values. You can remove any related worktags you don't want.

For France, the UK, and the U.S., workers must have a company assignment. If no company displays, enter a worktag override.

For Canada, for the Province Authority (Work), you can override the reference worktag of the same name with another province. If the worker works outside of Canada, you can select *United States* or *Other* for any other country.

Canadian workers must have a company assignment, payroll reference number, and work province. If any of these worktags don't display, enter a worktag override.

3. Under Inputs, add a row per Pay Component and enter Input Details:

Option	Description
Pay Component	<p>Applies to the U.S. only</p> <p>For third-party payments, you can only select from taxes and third-party sick pay earnings.</p>
Type	<p>To enter the amount of the earning, deduction, tax, or withholding order, select <i>Amount</i>, and enter the amount in the Value field.</p> <p>You can also enter values for related calculations that make up the amount. Example: For Canada, the UK, or the U.S. this might be <i>Rate</i> and <i>Hours</i>; for France it might be <i>Taxable Wages</i>. Workday stores the related values, but doesn't use them in calculations.</p>

4. (Optional) In the Gross and Net Amounts section, override the Workday-calculated net pay amount, gross pay amounts, or both.

a) Select the Use Override check box for the net or gross pay.

b) Enter the Override Gross Amount or Override Net Amount.

### Result

In payroll results, the payment type is reported as *History*.

### Next Steps

Complete the historical payroll result by selecting Pay Calculation > Complete from the related actions menu of the history pay result.

## FAQ: Payroll History

Where is payroll history used?

Workday includes history results in:

- Pay balances.
- Normal payroll results.
- Single Touch Payroll (STP) reporting for Australia.
- T4 and RL-1 results for Canada.
- Quarterly and annual tax filing for the U.S.

- W-2 results for the U.S.

History results don't generate:

- Accounting results.
- Payments.
- Company PAYG Liability reporting through STP for Australia.
- DSN reporting for France.
- Payslips or advices for France.
- Payslips (including self-service), advices, or ACH files for Canada or the U.S.
- Payslips (including self-service) or advices for the UK.
- Periodic tax filing for Canada, the UK, or the U.S.

Can I load history payments for periods dissimilar to the worker's regular payroll?

Yes, you can load history payments with a run category different from a worker's run category only if you process the worker's history in the relevant company and tax year.

For which pay periods can I load payroll history?

Load payroll history for periods before the Override First Processing Period specified for a worker's pay group.

How can I modify completed payroll history?

To edit completed payroll history for 1 worker, access the Run History Payment for Worker task.

You can't use the *Put Payroll History Payment* web service to edit completed payroll history. Instead, use it to load new history payments by batch that represent the difference between the completed payroll history and the results you want.

How can I load payroll history for a worker who had more than 1 legacy payroll ID in the same tax year, in Payroll for the UK?

Use the *Put Payroll ID* web service to load the worker's legacy details. For each legacy payroll ID, assign a unique Workday payroll ID. Then, load the worker's year to date payroll history for each Workday payroll ID.

How does Workday apply worktag overrides with proration, in Payroll for the U.S.?

Workday determines the default worktag values for uploaded payments based on the end date of a history period.

You can specify subperiod dates within a period for payments that represent a partial period. In this case, Workday applies the default worktag values based on the subperiod end date.

Example: Andrew transfers companies midperiod, and receives 1 payment from his former company and another from his new company. The subperiod end date recorded for each payment ensures that Workday assigns the correct worktag values.

What worker data is necessary for payroll history, in Payroll for the U.S.?

Workers must have a pay group assignment date and a company assignment date that is on or before the begin date of the subperiod for which you're

loading history. A pay group assignment for the full period isn't necessary.

## Troubleshooting: Unable to Load Payroll History for Terminated Workers

Cause: The terminated worker doesn't have a pay group assigned as of the termination date.

Solution:

### Steps

1. [Assign Workers to Pay Groups](#) on page 179.  
Enter an Effective Date that's on or before the termination date.
2. Load historical data.  
[See Steps: Load Payroll History by Batch](#) on page 214.
3. (Optional) [Enter or Correct Payroll History for a Worker](#) on page 215.  
Add or modify payroll history for a worker.

# Earnings, Deductions, and Other Calculations

## Setup Considerations: Earnings and Deductions

You can use this topic to help you make decisions when planning your configuration and use of earnings and deductions. 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 They Are

Earnings and deductions, together referred to as pay components, enable you to calculate what to pay or deduct from wages when you process payroll. You can configure earnings and deductions to specify which workers are eligible for them, and for different elements of payroll processing. Examples:

- Proration of earnings.
- Gross up of earnings.
- Scheduling of pay component resolution.
- Retro recalculations.
- FLSA period resolution.
- Tax resolution for multiple jurisdictions.
- Applicable limits.
- Effective date resolution.
- Benefit plan application.
- Pay component exclusion from forward accrual.
- Allocation reporting periods for Record of Employment reporting.
- Which run categories and pay groups can use the pay component.
- Which pay component groups (PCGs) the pay component adds to.

## Business Benefits

Earnings and deductions add flexibility to your payroll processing by enabling you to configure complex payroll calculations according to your business needs. You can configure Workday Payroll to easily retrieve values from other parts of Workday, reducing the need for manual entries and the associated risk of error.

## Use Cases

To reduce compliance risk and manual entries, you can set up earnings and deductions to use data from these areas to process payroll:

- Compensation.
- Benefits.
- Payroll input.
- Time off.
- Workday Time Tracking.

Allocate earnings and employee-paid deductions across organizations types and locations. Examples:

- Cost centers.
- Grants.
- Projects.

Set up related calculations within earnings and deductions to specify:

- PCGs.
- Default calculations.
- Override calculations.
- Limit details.
- Payslip configuration and layout.
- Whether to apply percentage splits.
- Whether to allow pay input.
- Reporting parameters.

Set up employee self-service (ESS) voluntary deductions, such as charity donations.

## Questions to Consider

Question	Considerations
What eligibility criteria can you use for processing earnings and deductions?	<p>You can use precise eligibility criteria to streamline your payroll processing. You can base eligibility on the:</p> <ul style="list-style-type: none"> <li>• Run category.</li> <li>• Pay group.</li> <li>• Worker.</li> </ul> <p>You can use Workday-delivered or custom worker eligibility criteria.</p>
How do you control the frequency of earnings and deductions?	<p>You can control when a pay component resolves by using eligibility criteria. Example:</p> <ul style="list-style-type: none"> <li>• On the first pay period of the month.</li> <li>• When you enter payroll input.</li> </ul> <p>You can use an override to determine your preferred frequency.</p>

Question	Considerations
How do you configure earnings and deductions for workers with multiple jobs?	<p>When you have workers with multiple jobs, configure earnings and deductions as position-based rather than worker-based.</p> <p>You can't change a worker-based pay component to position-based. Instead, add a new pay component with a position worktag.</p>
How do you want to prorate earnings or deductions when a midperiod change creates subperiods?	<p>You can set up earnings and deductions to prorate based on days worked, calendar days, or annual days. Alternatively, you can choose to have no proration.</p> <p>When you prorate a pay component, Workday processes it proportionately as a prorated gross-to-net calculation for each subperiod.</p>
Do you want to recalculate earnings or deductions during retroactive payroll calculations?	<p>You can determine whether Workday recalculates earnings and deductions during a retroactive payroll calculation. When you run retro calculations, Workday reprocesses only earnings and deductions associated with supported retroactive changes in completed pay periods.</p> <p>Example: A worker receives a pay increase effective at the beginning of the previous pay period. You run retro to recalculate payroll for the worker for the completed pay period and pick up the change in pay. Workday calculates and pays the difference in the next payroll run.</p>
How do you apply a limit?	<p>You can configure pay components to take account of deduction limits. Example: A 401(k) pretax deduction includes a wage limit on the pay component related calculation (PCRC) for base amounts and the total annual contribution.</p>
How do you apply a limit?	<p>You can configure pay components to take account of deduction limits. Example: The RRSP deduction includes an annual contribution limit based on the calendar year.</p>
Do you need to group together multiple earnings and deductions for other calculations?	<p>You can assign the earning or deduction to PCGs. Each selected group sums the values of the earnings or deductions it contains during payroll processing.</p> <p>Example: Workday uses the PCGs to apply taxation and determine which earnings are subject to Income Withholding Orders or health care taxes.</p>
Do you need to withhold taxes for earnings?	<p>You can add PCGs to an earning to determine how the withholding is calculated.</p> <p>Example: When you use the <i>Federal Taxable (Do Not Withhold Taxes) [USA]</i> PCG, Workday adds</p>

Question	Considerations
	the earning to federal taxable wages but doesn't withhold taxes in payroll calculations.

## Recommendations

To aid processing performance, create the minimum number of earnings and deductions.

To maximize payroll processing performance, configure earnings and deductions using specific eligibility criteria to ensure that Workday calculates only applicable run categories, pay groups, and workers.

## Requirements

Set up benefit and compensation plans and Workday Time Tracking, where applicable, before you configure earnings and deductions. When you use an external time tracking system, ensure that it's set up to export payroll input to Workday.

## Limitations

When you change an earning or deduction after Workday processes it in a payroll calculation, Workday doesn't trigger retro or smart calculation.

You can't change a worker-based pay component to position-based. Instead, add a new pay component with a position worktag.

## Tenant Setup

You can select tenant-wide proration configuration on the Edit Tenant Setup - Payroll task to enable pay component proration when workers go on leave or return from leave in the middle of a pay period.

## Security

Domain	Considerations
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> domain in the Core Payroll functional area.	Enables you to create and modify earnings and deductions.
<i>Set Up: Calculations - Generic</i> domain in the Core Payroll functional area.	Enables you to run reports related to payroll calculation data.
<i>Worker Data: Payroll (Limit Overrides)</i> domain in the Core Payroll functional area.	Enables you to view and maintain payroll limit overrides.
<i>Set Up: Payroll (FLSA) - USA</i> domain in the USA Payroll functional area.	Enables you to set up and modify FLSA work period calendars, calendar events, rules, and types.

## Business Processes

No impact.

## Reporting

Reports	Considerations
All Deductions	<p>Use to verify deduction configurations. Examples:</p> <ul style="list-style-type: none"> <li>• If the deduction is either Workday-owned or tenanted.</li> <li>• Which PCGs include the deduction.</li> </ul>

Reports	Considerations
	<ul style="list-style-type: none"> <li>Deduction criteria, including run category eligibility, worker eligibility, and scheduling formulas.</li> <li>Calculation details, including calculation formulas and overrides, calculation worktags, and related calculations.</li> <li>Referenced benefit plans.</li> <li>Exclusion from forward accruals.</li> <li>Worker ESS elections.</li> </ul>
All Earnings	<p>Use to verify earnings configuration. Examples:</p> <ul style="list-style-type: none"> <li>Whether the earning is Workday-owned or tenanted.</li> <li>PCGs that include the earning.</li> <li>Earning criteria, including run category eligibility, worker eligibility, and scheduling formulas.</li> <li>Calculation details, including calculation formulas and overrides, calculation worktags, and related calculations.</li> <li>Compensation elements and prorations.</li> <li>Earning limits.</li> </ul>
All Related Calculations	<p>Use to verify related calculation configurations for earnings and deductions. Examples:</p> <ul style="list-style-type: none"> <li>Default value.</li> <li>Proration method.</li> </ul>
All Pay Component Related Calculations (PCRCs)	<p>Use to verify:</p> <ul style="list-style-type: none"> <li>Related calculations used in earnings and deductions.</li> <li>The override value.</li> </ul>
Ambiguous Earning Compensation Mapping Audit	<p>Use to verify compensation mapping to earnings. Example: Earnings mapped to:</p> <ul style="list-style-type: none"> <li>Compensation plans of different types.</li> <li>2 or more hourly plans.</li> <li>2 or more percent-based compensation plans.</li> <li>2 or more unit-based compensation plans.</li> </ul>

## Integrations

No impact.

## Connections and Touchpoints

Touchpoint	Considerations
Time Tracking	When you enter time entry worktags, you override any default costing defined at the earning level in Workday Payroll.
Compensation	<ul style="list-style-type: none"> <li>Compensation plans are tied to compensation elements, which are then tied to payroll earnings. Without proper configuration, compensation amounts won't flow from Compensation to Payroll.</li> <li>Compensation plans, with their respective amounts, are associated with employees. Workday passes this information from Compensation to Payroll for processing.</li> <li>Ensure that you configure eligibility rules for the plans correctly.</li> <li>You can configure earnings to include multiple compensation elements, but you can only assign each compensation element to a single earning. The exception to this rule is a Base Pay compensation element.</li> </ul>
Benefits	Workday ties earnings and deductions to benefit plans and sends the amounts and associated codes from Benefits to Payroll for processing.

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 Pay Component Groups](#) on page 238

[Enter Earning or Deduction Calculations](#) on page 246

[Set Up Earning or Deduction Limits](#) on page 255

[Steps: Set Up Proration](#) on page 284

#### Reference

[FAQ: Earnings and Deductions](#) on page 268

[Reference: Compare Pay Components, Groups, Accumulations, and Balances](#) on page 270

[Reference: Payroll Configuration Reports](#) on page 272

## Create Earnings and Deductions

### Setup Considerations: Earning and Deduction Limits

You can use this topic to help make decisions when planning your configuration and use of earning and deduction limits. 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.

Note: Although it's possible to use earning and deduction limits in Payroll for France, these are rarely used in France.

## What They Are

Limits enable you to define when Workday stops processing earnings and deductions based on a maximum value that you can configure.

## Business Benefits

Limits:

- Make it easier for you to comply with regulatory requirements by stopping contributions automatically, such as for retirement or health saving deductions.
- Reduce manual effort required to adjust the workers' net pay for those requirements by enabling you to configure employer and employee limits.
- Provides you with greater control and flexibility by enabling you to apply them on 1 or more pay components.

## Use Cases

You can configure limits on pay components such as:

- Charitable contributions (CAN, UK, USA).
- Combined employer and employee contribution amounts.
- Flexible spending account contributions (CAN, USA).
- Health saving account (HSA) contributions (USA).
- Loan repayments.
- Retirement plan contributions such as a 401(k) (USA) and RRSP (CAN).
- Transportation reimbursements.

You can also configure limits on related calculations, such as:

- A 415 wage limit for retirement accounts (USA).
- For taxable and nontaxable redundancy earnings (UK).
- for the year's maximum pensionable earnings (CAN).

## Questions to Consider

Questions	Considerations
What types of earnings and deductions do you need to limit?	<p>For Payroll for Canada, the UK, and the U.S., Workday delivers legislative limits in tax tables that you can use when configuring earnings and deductions. Examples:</p> <ul style="list-style-type: none"> <li>• Contribution limits for retirement plans.</li> <li>• Contribution limits for HSAs for family or individual plans (USA).</li> <li>• Elective deferral limits for retirement accounts.</li> </ul> <p>You can also use these calculations to build your own limits, such as to process employer contribution matches for retirement accounts.</p>

Questions	Considerations
	<p>Inactive pay components and manual payments don't contribute to limits.</p> <p>Limits for position-based pay components apply to each position.</p>
How many earnings or deductions do you want to limit?	<p>You can configure limits that consider 1 earning, or multiple using pay accumulations.</p> <p>Example: You can build limits on a retirement plan deduction to consider:</p> <ul style="list-style-type: none"> <li>• Combined employee contributions and an employer match.</li> <li>• Contributions from previous companies and year-to-date contributions in the current company.</li> <li>• Pretax contributions before post-tax contributions when workers elect to both.</li> </ul> <p>You can also configure limits on related calculations, such as to define wage limits.</p>
Which periods do you want to apply limits to?	<p>Limits always apply to a balance period such as year-to-date. You can use Workday-delivered balance periods or create your own to build limits over specific pay periods. Example: You can use a balance period for the current year based on payment dates for statutory limits that reset each tax year.</p> <p>When you use the current period as the balance period, Workday applies all amounts towards the period limit. Example: You configure a limit per period on an earning. A worker has retro differences processed in the current payroll for the same earning. Workday applies both the retro earning and the current earning towards the limit.</p>
Who do you want to apply limits for?	<p>When you configure limits, they apply to all workers eligible for the earning, deduction, or related calculation. You can define overrides for workers and pay components to:</p> <ul style="list-style-type: none"> <li>• Ignore a limit.</li> <li>• Apply a different limit.</li> </ul> <p>Example: You hire a worker midyear and want to account for what they already contributed to their retirement account in their previous job. You can configure an override for that worker to ignore the limit applied for all other workers and use a memo deduction instead.</p> <p>When you configure multiple limits on pay components, Workday applies the override against all limits. Example: You configure an elective deferral annual limit and an annual contribution limit on an employee retirement</p>

Questions	Considerations
	deduction. When you define an override limit for a worker who has that deduction, Workday overrides both related calculation limits.
Do you use Benefits?	<p>You can configure certain limits in Benefits or Workday Payroll depending on how you implement benefit plans:</p> <ul style="list-style-type: none"> <li>When limits don't apply to wages, configure them in Benefits. Example: For Payroll for Canada, France, the UK, and the U.S., contribution percentages to retirement plans or goal amounts for health savings accounts don't apply to wages.</li> <li>When limits apply to wages, configure them in Payroll. Example: Workday takes employee contribution to retirement plans calculated based on eligible wages, up to a limit for the year for the benefit.</li> <li>When you manage workers' benefits through payroll input or a third-party provider, configure limits on the payroll side.</li> </ul>

## Recommendations

- Use Workday-delivered calculations as limits before creating your own, as Workday maintains the delivered regulatory amounts, such as for:
  - Balance periods.
  - Retirement plan limits (CAN, UK, USA).
- Use lookup tables to store and maintain limits to reduce manual updates.
- Configure a new effective date when updating limits on pay components because limits are specific to periods of time. When you don't add a new effective date, Workday applies the limit to the current pay period. Example: The current pay period is December and you want to configure a limit starting next year. When you don't add a new effective date and process payroll for December, Workday applies the limit to December.
- Build calculations on pay components instead of using limits so that Workday evaluates separately on on-cycle, off-cycle, and retro results in the current period.

## Requirements

For Payroll for Canada and the U.S., map earnings and deductions to plans and other sources, such as compensation or benefit plans, or time tracking totals. When you have multiple benefit plans with different limits, don't map the benefit plans to the same deduction. Mapping 1 plan to 1 deduction ensures accurate limit calculations. Verify the accuracy of your statutory calculations because Workday doesn't deliver all regulatory limits. Examples:

- For Payroll for Canada, Workday delivers limits for RRSP retirement plans, but doesn't deliver limits for noncash gifts workers can receive in a year.
- For Payroll for the U.S., Workday delivers limits for 401K retirement plans, but doesn't deliver IRS transit limits.

For Payroll for the UK, map earnings and deductions to plans or other sources for the value that the pay component calculates, such as compensation or benefit plans.

## Limitations

Workday doesn't support all types of worker data in custom Payroll calculations so you can't configure limits based on those types. Example: You can't configure limits based on union membership types.

For Payroll for Canada, when companies merge or go through acquisitions, Workday doesn't carry over amounts contributing to regulatory limits. You can enter these amounts manually.

For Payroll for the U.S., Workday doesn't deliver limit calculations for HSA contributions that prorate for a midyear switch from family to single coverage. You can configure payroll limit overrides to account for the proration.

## Tenant Setup

For Payroll for the U.S., you can access the Edit Tenant Setup - HCM task to include additional HSA coverage target options. You can then select the family or employee limit as the IRS limit for those additional targets.

No impact for Payroll for Australia, Canada, France, or the UK.

## Security

Domains	Considerations
<i>Set Up: Payroll (Calculations - Payroll Specific)</i>	Enables users to create and edit pay components, and access reports to review: <ul style="list-style-type: none"> <li>• Balance periods.</li> <li>• Limits.</li> <li>• Pay accumulations.</li> </ul>
<i>Set Up: Payroll (Taxes View)</i>	Enables users to view Workday-delivered tax data including: <ul style="list-style-type: none"> <li>• Court order limits (UK).</li> <li>• Wage and payment limits.</li> <li>• Withholding order limits (CAN, USA).</li> </ul>
<i>Worker Data: Payroll (Limit Overrides)</i>	Enables users to view and maintain payroll limit overrides for workers.

## Business Processes

No impact.

## Reporting

Reports	Considerations
All Balance Periods	Enables you to view Workday-delivered balances that you can use to build limits.
All Calculations	Enables you to view calculations that you can use before you build custom limits.
All Deductions	Enables you to view limits configured for each deduction.
All Earnings	Enables you to view limits configured for each earning.

Reports	Considerations
All Pay Accumulations	Enables you to view limits configured for each pay accumulation.
All Pay Component Related Calculations	Enables you to view limits configured for each pay component related calculation.
All Payroll Tax Data	For Payroll for Canada and the U.S.: Enables you to view Workday-delivered regulatory wage and payment limits.
All Payroll Withholding Order Data	Enables you to view Workday-delivered calculation rules for calculating withholding orders, including: <ul style="list-style-type: none"><li>• Calculation methods.</li><li>• Court order limits (UK).</li><li>• Prioritization.</li><li>• Withholding order limits (CAN, USA).</li></ul>

## Integrations

You can use these web services to mass load or retrieve limit overrides:

- *Get Payroll Limit Overrides*
- *Put Payroll Limit Override*

## Connections and Touchpoints

Features	Considerations
Benefits	You can map benefit plans to pay components, enabling you to configure limits on mapped pay components. Workday only transfers information from Benefits to Payroll and not the other way around.  Coordinate with your Benefits department to ensure consistency with limits and prevent over contributions.
Payroll history	When you run the Run History Pay Calculation task, Workday calculates gross and net amounts and bypasses limits.
Retro pay calculations	You can limit retro pay calculations based on: <ul style="list-style-type: none"><li>• Earnings.</li><li>• Deductions.</li><li>• Pay component related calculations.</li></ul> When you calculate payroll for a target period, Workday includes retro differences in the current earning or deduction. When the differences exceed a limit you configured on the pay components, Workday reduces the total retro difference for the recalculated periods to that limit.

Features	Considerations
	<p>When you suspend retro results, Workday still applies those results in limits you recalculate for prior periods in retro, including results for Fair Labor Standards Act calculations for Payroll for the U.S. You can create memo pay components to offset results you want to suspend to resolve discrepancies between retro and pay results.</p> <p>When you suspend retro results, Workday still applies those results in limits you recalculate for prior periods in retro. You can create memo pay components to offset results you want to suspend to resolve discrepancies between retro and pay results.</p>

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

##### Concepts

[Setup Considerations: Earnings and Deductions](#) on page 218

[Setup Considerations: Income Withholding Orders \(CAN\)](#) on page 1424

[Setup Considerations: Income Withholding Orders \(USA\)](#) on page 1306

[Setup Considerations: Payroll History](#) on page 190

[Concept: Retro and Limits](#) on page 922

##### Tasks

[Create Pay Accumulations](#) on page 320

##### Reference

[Reference: Related Calculations for Benefit Earnings and Deductions \(USA\)](#) on page 274

##### Examples

[Setup Considerations: Calculations](#)

[Steps: Set Up Employee Benefit Plans](#)

## Steps: Create Earnings

### Prerequisites

- For Payroll for Canada, the UK, and the U.S., for position-based earnings, configure your Workday tenant to support multiple jobs.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

You can set up earnings to calculate values such as:

- 401(k) loan earning (USA).
- Base pay or allowance.
- Benefits such as employer contributions to health care or insurance.
- FLSA earnings (USA).
- Gross up earnings (CAN, FRA, IRL, UK, USA).
- Hours from Workday Time Tracking.
- Paid and unpaid time off.
- Tip earnings (USA).

- Values entered through payroll input.

## Steps

1. Access the Create Earning task.
2. Enter the earning identification information:

Option	Description
Name	Enter how the earning displays on payroll results.
Code	To use with other Workday applications, enter a code of up to 20 characters. Example: You're configuring integrations in HCM for importing payroll data.
Default Payslip Name	<p>Enter the name of the earning to display on payslip configurations. You can override this field on Maintain Payroll Payslip Configuration.</p> <p>For Payroll for France:</p> <p>When you use the <i>Payslip to Print - FRA</i> standard report to create a payslip layout, you can display aggregated pay components on the payslip.</p> <p>To configure an aggregated line, define a Default Payslip Name that:</p> <ul style="list-style-type: none"> <li>• Is identical for all pay components to be aggregated.</li> <li>• Contains characters between square brackets.</li> </ul> <p>On the payslip, Workday displays the text between square brackets as the payslip name for aggregated pay components.</p>

3. Specify the Country that you can use the earning for.

When you leave this field blank:

- You can use the earning in any country.
- Workday uses the currency of the pay group for calculations.
- Workday displays all options for the countries included in your tenant setup.

4. Set Up Pay Component Eligibility on page 243.

Define eligibility criteria to determine when Workday calculates the earning. Example: Restrict the earning to specific workers or run categories.

5. Enter Earning or Deduction Calculations on page 246.

Define the calculation that returns the final earning values.

6. On the Effective Dated tab, consider these optional features, which require additional setup.

Option	Description
Calculation Proration	<p>Determines how to prorate the earning when a midperiod event results in multiple subperiods.</p> <p>For Payroll for Australia, if none of the proration options apply, but you still need to prorate, the proration calculation can be</p>

Option	Description
	<p>set to <i>None</i>. You can determine the proration behavior with related calculations.</p> <p>See <a href="#">Set Up Proration Calculations</a> on page 285.</p>
Gross-Up Calculation	<p>For Payroll for Canada, France, Ireland, the UK, and the U.S.</p> <p>Enables you to calculate a gross amount based on an input net amount.</p> <p>See <a href="#">Set Up Gross-Up Earnings</a> on page 334.</p>
Retro Calculation	<p>Enables you to configure whether Workday recalculates the earning during retroactive calculations. By default, Workday recalculates earnings during retro payroll calculations.</p> <p>See <a href="#">Steps: Set Up Retro Processing</a> on page 873.</p>
FLSA/Flat Sum Bonus	<p>For Payroll for the U.S.</p> <p>Contains options that enable you to:</p> <ul style="list-style-type: none"> <li>Calculate results by FLSA period on a specific results tab.</li> <li>Manage coverage dates that span multiple FLSA periods.</li> <li>Indicate that the earning is a flat sum bonus.</li> </ul> <p>See <a href="#">Steps: Set Up Payroll for the Fair Labor Standards Act (USA)</a> on page 1013.</p>
Multiple Work Jurisdictions	<p>For Payroll for the U.S.</p> <p>Determines whether to split the earning calculation based on tax allocation percentages defined for different work jurisdictions.</p> <p>See <a href="#">Set Up Ongoing Multiple Work Jurisdictions (USA)</a> on page 1220.</p>
Calculation Worktag	<p>Enables you to tag the earning with supplemental information such as company, position, location, or loan number. You can then reference the worktag to:</p> <ul style="list-style-type: none"> <li>Guide the calculation of pay components.</li> <li>Associate pay component values for aggregation or accounting.</li> <li>Limit values displayed for accumulation.</li> <li>Limit values displayed for reporting.</li> </ul> <p>See <a href="#">Concept: Worktags for Payroll Calculations</a> on page 302.</p>
Holiday Pay	For Payroll for the UK.

Option	Description
	<p>Enables you to split an earning into weekly periods for statutory holiday pay calculations. You can use this for:</p> <ul style="list-style-type: none"> <li>Earnings that you include when calculating statutory holiday pay.</li> <li>Earnings that shadow source earnings used to calculate holiday pay.</li> </ul> <p>See <a href="#">Steps: Set Up Statutory Holiday Pay (UK)</a> on page 1580.</p>

7. (Optional) In the Calculation Worktag section, add worktags for supplemental information such as company, position, or location. As you complete the section, consider:

Option	Description
Calculation Worktag	<p>When you configure an earning with a calculation worktag, Workday requires you to enter the worktag also on payroll input.</p> <p>For Payroll for Canada and the U.S., to create a position-based earning or deduction for multiple jobs, or for U.S. international assignments, select the <i>Position</i> worktag.</p> <p>You can't change the calculation worktag after you:</p> <ul style="list-style-type: none"> <li>Include the earning or deduction in a payroll or retro calculation.</li> <li>Add payroll input for the earning or deduction.</li> </ul>
Include Input	<p>Select this check box to resolve the earning whenever Workday processes payroll input for the associated worktag.</p> <p>Example: You can add a Shift worktag to these earnings to track shift hours:</p> <ul style="list-style-type: none"> <li>Hourly pay by shift: An earning that tracks shift work entered as payroll input from a third-party time and attendance system.</li> <li>Pay differential: An earning to calculate the pay differential based on the shift hours.</li> </ul> <p>You can then select the Include Input check box on the pay differential earning. This ensures that Workday resolves the pay differential earning when you enter pay input for the hourly pay by shift earning.</p>

8. [Set Up Pay Component Related Calculations](#) on page 249.

Configure Workday to automatically calculate related calculations as part of an earning or deduction.

9. (Optional) [Set Up Earning or Deduction Limits](#) on page 255.

Define limits for the earning calculation.

10.(Optional) Base earning calculations on compensation elements or absence totals:

- [Map Earnings to Compensation Elements](#) on page 260.
- [Enter Pay Component Calculations Based on Absence Management Totals](#) on page 259.
- [Map Earnings to Time Tracking Totals](#) on page 261.

11.[Add Earnings or Deductions to Pay Component Groups](#) on page 241.

Add earnings to a group of pay component groups, which you can then use in run categories or other configurations. Example: Define which pay components add to the gross pay.

12.On the Non-Effective Dated tab, consider these optional features.

Option	Description
Groups	For Payroll for the UK, for any benefit in kind earnings that must be excluded when calculating the UK 50% regulatory income tax limit, add the <i>GBR PBIK Earnings Excluded From 50% Regulatory Limit</i> PCG.
Benefits	<p>Enables you to link an earning to a benefit plan.</p> <p>You can then set up enrollment event rules in HCM to specify when to begin or end payroll deductions based on the benefit plan.</p> <p>See:</p> <ul style="list-style-type: none"> <li>• <a href="#">Map Pay Components to Benefit Plans</a> on page 261.</li> <li>• <a href="#">Create Enrollment Event Rules</a>.</li> </ul>
Costing	<p>Enables you to specify how to allocate all instances of an earning for all employees across:</p> <ul style="list-style-type: none"> <li>• Cost centers.</li> <li>• Projects.</li> <li>• Grants.</li> <li>• Other organization types and locations.</li> </ul> <p>See <a href="#">Set Up Cost Allocations for Earnings</a> on page 264.</p>
ROE	<p>For Payroll for Canada.</p> <p>Enables you to identify how to report an earning for ROE reporting.</p> <p>See <a href="#">Set Up Earnings for ROE Reporting</a> on page 1452.</p>

## Result

The earning is available for use in payroll processing upon the effective date.

## Next Steps

When you modify a pay component after you've processed it in a retro pay calculation, either:

- Move the No Retro Processing Prior To date after the date of your edit.
- Create a new effective-dated snapshot for the earning.

#### Related Information

##### Concepts

[Concept: Effective Dating for Earnings and Deductions](#) on page 299

[Concept: Inactivate Earning and Deduction Definitions](#) on page 300

[Concept: Delete Calculations](#) on page 301

[Concept: Pay Component Aggregation for Payslips \(FRA\)](#) on page 510

[Concept: Retro Processing Periods](#) on page 904

##### Tasks

[Set Up Gross-Up Earnings](#) on page 334

[Define Payslips](#) on page 487

[Create Termination Payments \(AUS\)](#) on page 1841

## Steps: Create Deductions

#### Prerequisites

- For position-based deductions, configure your Workday tenant to support multiple jobs.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

#### Context

You can set up deductions to retrieve values such as:

- Absence deductions.
- Employee 401(k) contributions (USA).
- Employee and employer medical or disability insurance contributions (FRA).
- Employee medical contributions (CAN, UK, USA).
- Loan deductions (AUS).
- Values entered through payroll input.
- Withholding taxes (CAN, UK, USA).

#### Steps

1. Access the Create Deduction task.
2. Enter the deduction identification information:

Option	Description
Name	Enter how the deduction displays on payroll results.
Code	To use with other Workday applications, enter a code of up to 20 characters. Example: You're configuring integrations in HCM for importing payroll data.
Default Payslip Name	Enter the name of the deduction to display on payslip configurations. You can override this field on Maintain Payroll Payslip Configuration.  For Payroll for France:  When you use the <i>Payslip to Print - FRA</i> standard report to create a payslip layout, you

Option	Description
	<p>can display aggregated pay components on the payslip.</p> <p>To configure an aggregated line, define a Default Payslip Name that:</p> <ul style="list-style-type: none"> <li>• Is identical for all pay components to be aggregated.</li> <li>• Contains characters between square brackets.</li> </ul> <p>On the payslip, Workday displays the text between square brackets as the payslip name for aggregated pay components.</p>

3. Specify the Country that you can use the deduction for.

When you leave this field blank:

- You can use the deduction in any country.
- Workday uses the currency of the pay group for calculations.
- Workday displays all options for the countries included in your tenant setup.

4. [Set Up Pay Component Eligibility](#) on page 243.

Define eligibility criteria to determine when Workday calculates the deduction. Example: Restrict the deduction to specific workers or run categories.

5. [Enter Earning or Deduction Calculations](#) on page 246.

Define the calculation that returns the final deduction values.

6. On the Effective Dated tab, consider these optional features, which require additional setup.

Option	Description
Calculation Proration	<p>Determines how to prorate the deduction when a midperiod event results in multiple subperiods.</p> <p>See <a href="#">Set Up Proration Calculations</a> on page 285.</p>
Retro Calculation	<p>Enables you to configure whether Workday recalculates the deduction during retroactive calculations.</p> <p>See <a href="#">Steps: Set Up Retro Processing</a> on page 873.</p>
Multiple Work Jurisdictions	<p>For Payroll the U.S. This field determines whether to split the deduction calculation based on tax allocation percentages defined for different work jurisdictions.</p> <p>See <a href="#">Set Up Ongoing Multiple Work Jurisdictions (USA)</a> on page 1220.</p>
Calculation Worktag	<p>Enables you to tag the deduction with supplemental information such as company, position, location, or loan number. You can then reference the worktag to:</p> <ul style="list-style-type: none"> <li>• Guide the calculation of pay components.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Associate pay component values for aggregation or accounting.</li> <li>Limit values displayed for: <ul style="list-style-type: none"> <li>Accumulation.</li> <li>Reporting</li> </ul> </li> </ul> <p>See <a href="#">Concept: Worktags for Payroll Calculations</a> on page 302.</p>

7. (Optional) In the Calculation Worktag section, add worktags for supplemental information such as company, position, or location. As you complete the section, consider:

Option	Description
Calculation Worktag	<p>When you configure a deduction with a calculation worktag, Workday requires you to enter the worktag also on payroll input.</p> <p>For Payroll for Canada and the U.S., to create a position-based deduction for multiple jobs, or for U.S. international assignments, select the <i>Position</i> worktag.</p> <p>You can't change the calculation worktag after you:</p> <ul style="list-style-type: none"> <li>Include the deduction in a payroll or retro calculation.</li> <li>Add payroll input for the deduction.</li> </ul>
Include Input	Select this check box to resolve the deduction whenever Workday processes payroll input for the associated worktag.

8. [Set Up Pay Component Related Calculations](#) on page 249.

Configure Workday to automatically calculate related calculations as part of a deduction.

9. (Optional) [Set Up Earning or Deduction Limits](#) on page 255.

Define limits for the deduction calculation.

10. [Add Earnings or Deductions to Pay Component Groups](#) on page 241.

Add deductions to a group of pay component groups, which you can then use in run categories or other configurations. Example: Define which pay components add to the gross pay.

11. On the Non-Effective Dated tab, consider these optional features.

Option	Description
Benefits	<p>Enables you to link deduction to a benefit plan. You can then set up enrollment event rules in HCM to specify when to begin or end payroll deductions based on the benefit plan.</p> <p>See:</p> <ul style="list-style-type: none"> <li><a href="#">Map Pay Components to Benefit Plans</a> on page 261.</li> <li><a href="#">Create Enrollment Event Rules</a>.</li> </ul>

Option	Description
Costing	<p>Enables you to specify how to allocate all instances of a deduction for all employees across:</p> <ul style="list-style-type: none"> <li>• Cost centers.</li> <li>• Projects.</li> <li>• Grants.</li> <li>• Other organization types and locations.</li> </ul> <p>See <a href="#">Set Up Cost Allocations for Employee Deductions</a> on page 266.</p>
ROE	<p>For Payroll for Canada:</p> <p>You can use these fields to identify the allocation reporting period for ROE reporting.</p> <p>Allocation Reporting Period: To include deduction amounts for all deductions that you configure with an EI Taxable pay component group, such as EI Taxable [CAN], select <i>Period Earned</i> or <i>Period Paid</i>.</p> <p>Allocation Reporting Period Retro: Workday automatically populates the reporting period with the same value as the Allocation Reporting Period.</p>

## Result

The deduction is available for use in payroll processing upon the effective date. You can also set it as a voluntary deduction for employee self-service.

## Next Steps

When you modify a pay component that you've processed in a retro calculation, either:

- Move the No Retro Processing Prior To date after the date of your edit.
- Create a new effective-dated snapshot for the earning.

## Related Information

### Concepts

[Concept: Effective Dating for Earnings and Deductions](#) on page 299

[Concept: Inactivate Earning and Deduction Definitions](#) on page 300

[Concept: Delete Calculations](#) on page 301

[Concept: Pay Component Aggregation for Payslips \(FRA\)](#) on page 510

[Concept: Retro Processing Periods](#) on page 904

### Tasks

[Define Payslips](#) on page 487

[Steps: Set Up Voluntary Deductions](#) on page 345

[Define Payslips \(FRA\)](#) on page 495

### Examples

[The Next Level: Crisis Management Solution: Stopping Benefit Deductions in Payroll](#)

## Create Pay Component Groups

### Prerequisites

To see which pay component groups Workday delivers, review the View Pay Component Group report.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

### Context

A pay component group is a set of earnings, deductions, and pay component-related calculations that return an aggregate value for the period or subperiod.

Workday uses pay component groups for calculations and reporting. It delivers them for deductions, such as for taxes and withholding orders, and others for earnings, such as all earnings that add to gross pay and employer-paid benefits. You can also create your own pay component groups.

Pay component groups don't represent values over multiple periods or support subtraction. To calculate one or more pay component balances over time, use a pay balance instead. To perform subtraction, use a pay accumulation or arithmetic calculation instead.

Note: Pay component groups always filter by worktag. However, you can configure pay accumulations to not filter by worktags.

### Steps

1. Access the Create Pay Component Group task.
2. Complete the task:

Option	Description
Pay Component Group Code	Enter a unique code to use when migrating pay component groups with object transporter.
Pay Component Usage	Select the types of pay components to include in the group.
Target Single Subperiod for a Prorated Pay Component	<p>When a primary pay component references another pay component (Example: Base pay references holiday pay), you must select the Target Single Subperiod for a Prorated Pay Component check box on the Create Pay Component Group or the Create Pay Accumulation task. Selecting this check box sets the referenced pay component (Example: Holiday pay) to target a single subperiod of the prorated primary pay component.</p> <p>To prevent any negative impacts on retro calculations, you must create a new:</p> <ul style="list-style-type: none"> <li>• Pay component group and enable Target Single Subperiod for a Prorated Pay Component.</li> <li>• Effective dated snapshot for your primary pay component referencing the cloned pay component group.</li> </ul>
Adds to Group	Select the pay components to include.

The Exceptions for Taxes and Exceptions for Withholding Orders tabs don't apply to Payroll for Australia and France.

3. (Optional) For Payroll for Canada, the UK, and the U.S., on the Exceptions for Taxes tab, identify any earnings or deductions that are subject to a different tax treatment in specific tax jurisdictions.

Examples:

- In Canada, the pay in lieu of notice earning is subject to workers compensation in all provinces except British Columbia, Quebec, Saskatchewan, and Yukon. To create this rule for the *Workers Compensation Exempt* pay component group, select the 4 provinces in the Payroll Tax Authority field. Then select *Pay in Lieu of Notice [CAN]* in the Include Pay Component(s) field.
  - In the United States, all states except Pennsylvania reduce state taxable income by the amount of 401(k) deductions. To create this rule for the *State Withholding Taxable Reduction [USA]* pay component group, select *Pennsylvania* as the Payroll Tax Authority and 401(k) deductions in the Exclude Pay Component(s) field.
4. (Optional) For Payroll for Canada, the UK, and the U.S., on the Exceptions for Withholding Orders tab, specify exceptions to the disposable earnings calculation for withholding orders.

Example: In the United States, all states except Louisiana reduce disposable earnings for withholding orders by medical expenses including dental and vision. To create this rule for the *Withholding Order (All): Medical Insurance [USA]* pay component group, select:

Option	Value
Tax Authority	<i>Louisiana</i>
Withholding Order Type	Leave this field blank and Workday applies the exception to all types for this state where the type doesn't follow federal withholding. If you select specific types, Workday applies the exception to only the types selected.
Exclude Pay Component(s)	<i>Dental and Vision</i>

## Related Information

### Concepts

[Concept: Delete Calculations](#) on page 301

### Tasks

[Map Fields for Custom Reporting of Pay Results](#) on page 803

[Set Up Pay Component Related Calculations](#) on page 249

[Steps: Set Up Pay Run Categories](#) on page 101

### Reference

[Reference: Compare Pay Components, Groups, Accumulations, and Balances](#) on page 270

## Create Deduction Recipient

### Prerequisites

Set up the bank accounts to pay third-party deduction recipients.

Security: *Worker Data: Payroll (Income Withholding Orders)* domain in the Core Payroll functional area.

Security: (Optional) *Set Up: Payroll Third-Party Payments* domain in the Core Payroll functional area.

### Context

Record information for a third-party deduction recipient, including the:

- Recipient
- Contact information

- Method of payment
- Bank account details

Select a deduction recipient when creating:

- a withholding order or making an ad hoc payment (CAN, FRA, USA)
- a court order or making an ad hoc payment (UK)
- a withholding order (AUS)

Note: For Workday Payroll for Australia, Workday doesn't settle during the pay run process. Create a settlement run for payroll third-party payments to settle.

Workday delivers 2 web services that you can use when creating a custom integration for garnishment processing to or from a third-party application:

- *Put Deduction Recipients* loads deduction recipient information into Workday.
- *Get Deduction Recipients* retrieves information from Workday.

## Steps

1. Access the Create Deduction Recipient task.
2. Enter the recipient Name.
3. (Optional) For Payroll for the U.S., enter an Alternate Deduction Recipient Name.  
For national deduction recipients with multiple locations, such as the Internal Revenue Service (IRS), create an alternate deduction recipient to associate with a different address. When entering withholding orders, you can select the original or alternate deduction recipient and associated address.
4. (Optional) Enter an External Entity ID that helps you identify the recipient.  
Enter a payee ID for a withholding order.
5. (Optional) Define IDs for deduction recipients.  
The Deduction Recipient ID field displays when you've configured it on the Edit Tenant Setup - Financials task. Select an ID Definition from the ID Generator for Deduction Recipient field in the Business Entity Sequence ID section. Workday uses the ID during processing and with integrations.
6. Select the Payment Type.
7. Select the Country for the deduction recipient. This field isn't effective dated and is required, so you must update it when editing existing deduction recipients.
8. Add contact information for the recipient.  
Selecting the Visibility > Public check box makes the contact information visible in Workday.
9. Add a Settlement Bank Account and enter information for the receiving account.  
You can only have 1 active settlement bank account at a time.
- 10.(Optional) Select the Inactive option to deactivate a specific snapshot of a deduction recipient. To deactivate the entire deduction recipient, you must deactivate all snapshots.
- 11.(Optional) Select the Enable Payroll Third-Party Payments option to generate and settle payments for Involuntary Withholding Order or Court Order deductions. For more information, see: [Concept: Payroll Third-Party Payments](#).
- 12.(Optional) The Always Separate Payment option is enabled by default when you select Enable Payroll Third-Party Payments. This option generates a separate payment for each payable item in a settlement run. If the payable item and payment have a 1:1 relationship when you generate an electronic payment for an Income Withholding Order or Court Order deduction recipient, we recommend you keep this option enabled.
- 13.(Optional) Select a Category. These categories are configured through the Maintain Payroll Third-Party Payments Categories task. You can reference these categories in bank routing rules, settlement filtering, and the Maintain Remittance Setup Rule task. Workday generates both a Workday ID and a Reference ID for each payroll third-party payment category. You can customize

the Reference ID, but not the Workday ID. You can use Reference IDs when running the Put Payroll Deduction Recipient and Put Bank Routing Rules web services. You can't remove a category while it's assigned to a deduction recipient or referenced in bank routing rules.

## Next Steps

Access the View Deduction Recipient report. To see the Deduction Recipient ID, select Integration IDs > View IDs from the related actions menu of the deduction recipient.

When creating or editing a deduction recipient, you can view future, current, and previous deduction recipient snapshots. The section under the Effective Dated Details header represents the deduction recipient snapshot. Snapshots enable you to:

- Enter an effective date when creating or editing a deduction recipient.
- View the configuration as of a specific effective date of a deduction recipient.
- Make configuration changes as of a specific date without impacting prior configurations.
- Deactivate a deduction recipient.

You can add rows to a deduction recipient snapshot only if they're dated after the current effective snapshot. When you add a new snapshot, Workday copies the configuration of the prior snapshot to the newly added snapshot.

To remove a deduction recipient, access the Delete Deduction Recipient task. You can only delete deduction recipients that have never been in use.

[Related Information](#)

### Concepts

[Concept: Payroll Third-Party Payments on page 772](#)

### Examples

[Define Bank Accounts](#)

[Reference: Edit Tenant Setup - Financials](#)

## Add Earnings or Deductions to Pay Component Groups

### Prerequisites

[Security: Set Up: Payroll \(Calculations - Payroll Specific\) domain in Core Payroll functional area.](#)

### Context

Each group sums the values of the earnings or deductions that it contains. Adding frequently used pay components to groups is convenient for when you're creating payslips and other reports. Some commonly used groups are:

For Payroll for Australia:

- *AUS Adds to Gross [AUS]*
- *AUS PAYG Taxable Wages [ AUS]*
- *AUS Post Tax Deductions [AUS]*
- *AUS Statutory Taxes (EE) [AUS]*
- *AUS Superannuation Employer Contributions [AUS]*

For Payroll for Canada, the UK, and the U.S.:

- *Adds to Gross*
- *Base Pay*
- *Employee Cost (Pre-Tax)*
- *Employee Cost (Post-Tax)*

For Payroll for France:

- *FRA Adds to Gross [FRA]*
- *FRA Subtracts from Gross [FRA]*
- *FRA Statutory Taxes EE - Deductible from Tax [FRA]*
- *FRA Statutory Taxes EE - Submitted to Tax [FRA]*
- *FRA Statutory Taxes ER*

For Payroll for Ireland:

- *IRL Adds to Gross [IRL]*
- *IRL Adds to Net [IRL]*
- *IRL Employer Paid Benefit [IRL]*
- *IRL Employee PRSIable Pay [IRL]*
- *IRL Employer PRSIable Pay [IRL]*
- *IRL Post Tax Deductions [IRL]*
- *IRL Pre Tax Deductions [IRL]*
- *IRL Salary Sacrifice [IRL]*
- *IRL Taxable Pay [IRL]*
- *IRL USCable Pay [IRL]*

You can use the:

- IRL CSO pay component groups to display values you need for EHECS reporting to the Central Statistics Office.
- IRL RTR pay component groups for payroll submissions to Revenue.

Note: Use the *IRL Salary Sacrifice [IRL]* pay component group to ensure the correct gross value is reported to Revenue. Example: Travel pass.

- *IRL Adds to Net [IRL]* to resolve a negative net pay.

## Steps

1. Access the Create Earning or Create Deduction task.
2. In the Groups field on the Non-Effective Dated tab, select one or more groups to add the pay component to, or select *Create*.

For Payroll for Canada, you can only configure 1 Canada Revenue Agency income tax pay component group for an earning.

Note: To ensure that Workday calculates Health Tax Contributions for Quebec workers correctly when pension amounts are present, configure applicable RPP deductions with the pay component group *Other Quebec Deductions (F2) [CAN]*.

## Result

Each selected group sums the values of the earnings or deductions it contains during payroll processing.

## Example

You can add these groups to earnings:

For Payroll for Australia:

- *AUS Adds to Gross [AUS]*
- *AUS PAYG Taxable Wages [AUS]*
- *Method B (ii) Taxable Wages [AUS]*
- *AUS Pre Tax Deductions [AUS]*
- *AUS Post Tax Deductions [AUS]*
- *AUS Ordinary Time Earnings [AUS]*

## For Payroll for Canada:

- *Adds to Gross [CAN USA]*
- *CNESST Taxable [CAN]*
- *Compensation Tax Taxable [CAN]*
- *CPP Taxable [CAN]*
- *EI Taxable [CAN]*
- *Income Taxable (Withhold Taxes) [CAN]*
- *Income Taxable T4A-RCA [CAN]*
- *Labour-Sponsored Funds (LCF/LCP) [CAN]*
- *Lump Sum Taxable T4A-RCA [CAN]*
- *Manitoba Health Taxable [CAN]*
- *Newfoundland and Labrador Health Taxable [CAN]*
- *ONEHT Taxable [CAN]*
- *Pensionable Wages [CAN]*
- *Pension Income RL-2 [CAN]*
- *Quebec Lump Sum Taxable RL-2*
- *Quebec Taxable (Withhold Taxes) [CAN]*
- *Vacation Earnings [CAN]*
- *WSDRF Taxable [CAN]*
- *QPIP Taxable [CAN]*
- *QHSE Taxable [CAN]*
- *Withholding Order (All): Periodic Earnings Canada [CAN]*

## For Payroll for the U.S.:

- *Adds to Gross [CAN USA]*
- *Federal Taxable (Withhold Taxes) [USA]*
- *FICA Taxable [USA]*
- *FUI Taxable [USA]*
- *FLSA Wages [USA]*
- *SUI Taxable [USA]*
- *State Withholding Taxable (Withholding Taxes) [USA]*
- *Local Withholding Taxable (Withholding Taxes) [USA]*
- *401(k) Earnings [USA]*
- *Withholding Orders (All): Periodic Earnings [USA]*

## Related Information

### Reference

[Reference: Compare Pay Components, Groups, Accumulations, and Balances](#) on page 270

## Set Up Pay Component Eligibility

### Prerequisites

Add the pay component to a pay component group.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

Using precise criteria can reduce the time to calculate payroll. When you don't configure pay component eligibility, Workday calculates the pay component for every:

- Run category.

- Pay group.
- Worker.
- Pay run.

When workers aren't eligible for a pay component, their pay results can display a zero value for that component.

Note: Changing the eligibility criteria of pay components that are part of payroll results can affect retro pay calculations. For a pay component in a prior period, Workday applies the current worker eligibility criteria to the worker's data on the retroactive event effective date.

## Steps

1. Access the Create Earning or Create Deduction task.
2. As you complete the Criteria section of the Effective Dated tab, consider:

Option	Description
Run Category Eligibility	<p>When you use more than 1 run category and the pay component applies to only some of them, select those categories.</p> <p>When the Country field on the pay component is:</p> <ul style="list-style-type: none"> <li>• Empty, select any run category.</li> <li>• Populated, select run categories associated with no country, or with at least 1 of the listed countries.</li> </ul>
Pay Group Detail Eligibility	The pay component only applies to workers in that pay group.
Worker Eligibility	<p>You can see all available calculations on these reports:</p> <ul style="list-style-type: none"> <li>• All Instance Set Comparison Calculations</li> <li>• All Instance Value Calculations</li> <li>• All Logic Calculations</li> <li>• All Value Comparison Calculations</li> </ul> <p>To create your own worker eligibility rules, select <i>Create</i> from the Worker Eligibility prompt and 1 of these calculations:</p> <ul style="list-style-type: none"> <li>• <i>Create Instance Set Comparison Calculation</i></li> <li>• <i>Create Logic Calculation</i></li> <li>• <i>Create Value Comparison Calculation</i></li> </ul> <p>When you add the criteria in 1 row, workers must meet all conditions of that row. When you add criteria in multiple rows, workers must meet all conditions of at least 1 row.</p>
Scheduling	<p>You can control when a pay component resolves, such as:</p> <ul style="list-style-type: none"> <li>• On the first pay period of the month by selecting <i>Scheduling: First Period of Month (based on Payment Date)</i>.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>When you enter payroll input by selecting <i>Payroll Input Exists for Pay Component</i>.</li> </ul>

### Example

These examples illustrate how Workday applies the Worker Eligibility field.

#### Workers Meet All Conditions (CAN, UK, USA)

You give a worker a midperiod promotion and a raise. The worker contributes to their retirement plan, but you don't configure the retirement deduction for proration. To prevent the deduction from resolving twice for the pay period, select these conditions on the same row:

- Benefits: Benefit Plan Percentage Exists (and <> 0)*
- Pay Component Not Previously Paid in Period*

#### Workers Meet 1 Condition

You want to resolve an earning only for workers with an hourly pay rate type or a payroll input. To do so, select these conditions on each row:

- Pay Rate Type as of Period Start Date = Hourly*
- Pay Rate Type as of Period End Date = Hourly*
- Payroll Input Exists for Pay Component*

#### Workers Meet 1 or More Conditions

You want to exclude workers hired and terminated midperiod, and only process workers that have either an:

- Hourly pay rate type as of the period begin date, and payroll input.
- Hourly pay rate type as of the period end date, and payroll input.

To do so, select these conditions per row:

- Pay Rate Type as of Period Start Date = Hourly and Payroll Input Exists for Pay Component*
- Pay Rate Type as of Period End Date = Hourly and Payroll Input Exists for Pay Component*

### Next Steps

Enter earnings and deductions calculations.

Related Information

#### Concepts

[Concept: Retro and Pay Component Eligibility](#) on page 916

[Concept: Pay Groups and Pay Run Groups](#) on page 180

#### Tasks

[Enter Earning or Deduction Calculations](#) on page 246

[Steps: Set Up Pay Run Categories](#) on page 101

#### Reference

[FAQ: Earnings and Deductions](#) on page 268

## Examples

Reference: Boolean Calculations

# Enter Earning or Deduction Calculations

## Prerequisites

- Set up pay component eligibility on earnings or deductions.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Context

You can create payroll calculations that return the final earning or deduction values on administrative payroll results and worker payslips.

## Steps

1. Access the Create Earning or Create Deduction task.
2. In the Calculation Details section of the Effective Dated tab, consider:

Option	Description
Calculation	<p>Calculates the earning or deduction amount.</p> <p>Workday provides many common payroll calculations, such as <i>Base (unprorated) * Percent</i>. You can filter your search for a Workday-owned calculation by Category, Type, and Country.</p> <p>To build your own calculation, select Create. Workday provides tasks to build a variety of calculations, such as an arithmetic or lookup.</p>
Input Amount Allowed?	<p>Enables you to enter the calculation amount through payroll input when the amount doesn't come from compensation, a benefit plan, or time tracking.</p> <p>Workday recommends selecting either:</p> <ul style="list-style-type: none"> <li>• Input Amount Allowed? for the calculated amount.</li> <li>• Input Allowed? for each applicable pay component related calculation (PCRC).</li> </ul> <p>Workday doesn't recommend selecting both.</p> <p>When you leave this check box clear, Workday prevents you from adding payroll input for both:</p> <ul style="list-style-type: none"> <li>• The earning or deduction amount.</li> <li>• PCRC amounts.</li> </ul> <p>When a Workday-owned pay component isn't enabled, you can still add payroll input for any enabled PCRCs.</p> <p>Workday ignores this check box when loading data for web services and integrations.</p>

Option	Description
	You can override this setting by selecting Special Entry when adding payroll input.
Override Frequency	Enables you to select a frequency different from the pay group frequency defined on the Create Period Schedule task. Workday uses the override frequency to deannualize in the annualization/deannualization process.

#### Related Information

##### Concepts

[Concept: Payroll Calculations on page 310](#)

##### Tasks

[View Payroll Results on page 785](#)

[Steps: Set Up Payroll Input on page 611](#)

## Create Related Calculations

### Prerequisites

- Access the All Related Calculations report to determine whether Workday delivers the related calculation you need.
- Security:
  - Set Up: Calculations - Generic* domain in the Core Payroll functional area.
  - Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

### Context

Related calculations help define how Workday calculates the value of an earning or deduction. They pull in values that your company commonly uses for more complex calculations. You can use Workday-owned related calculations, such as *Rate* and *Amount*, or you can create your own.

When you associate a related calculation with an earning or deduction, Workday creates a pay component related calculation. You can use the same related calculation in multiple earnings and deductions.

You can also assign non-numeric data types to your related calculations, including text, date, and boolean.

### Steps

- Access the Create Related Calculation task.
- Enter values in these fields:
  - Name
  - Code
  - Category
  - Comment, if applicable

3. (Optional) If you want to incorporate non-numeric data in your related calculation, use the Input Value Type tab to assign 1 of the following input value types to your related calculation:

- *Boolean*
- *Date*
- *Numeric*
- *Text*

This determines the type of related calculation you can enter through payroll input. When creating or editing a related calculation, you can enter a default value on the Value tab that is the same data type as the input value type. Note that if you select *Text* as your input value type, you must also add an input value lookup table.

4. As you complete the Value tab, consider:

Option	Description
Currency Related	Enables currency conversion for payroll input that uses this related calculation. When you enter payroll input in a currency other than the pay group currency, Workday converts the value to the pay group currency.
Prorate Using Days Worked Prorate Using Calendar Days None of the above	<p>Specify how to prorate the value of a pay component related calculation that uses this related calculation.</p> <p>Ensure that the proration method is consistent with the proration method for the pay component.</p> <p>For related calculations on earnings and deductions with Prorate Using Annual Working Days selected, select either:</p> <ul style="list-style-type: none"> <li>• Prorate Using Days Worked</li> <li>• Prorate Using Calendar Days</li> </ul> <p>For Payroll for Australia, if you select None of the above, you can set up proration when you map calculations to pay components, based on the individual calculations.</p>

5. On the Retro Adjustment Type tab, select Bring Forward Difference to forward any differences found during a retro calculation to the current period. This doesn't apply to rates.

When you leave the Bring Forward Difference check box clear, Workday pulls the full amount of the related calculation for the worker into the current period. Example: The full amount of base pay or time off hours.

6. For the Payroll for the U.S., on the Multiple Work Jurisdictions tab, select Do Not Apply Percentage Splits to prevent Workday from splitting the calculation for multiple work jurisdictions. When left clear, Workday splits the related calculation according to the percentages defined in the Tax Allocations tab on the Add Worker US Tax Elections task.

Applies when you use the related calculation to define:

- A taxable earning.
- An imputed earning.
- A pretax deduction.

When you select Do No Apply Percentage Splits, Workday applies the setting by default to all pay component related calculations that use the related calculation. You can override this setting for a

specific pay component related calculation in the Related Calculations section on the Create Earning or Create Deduction task.

A Do Not Apply Percentage Splits check box is also available for pay components. Consider when to split the entire pay component versus the pay component related calculation.

7. (Optional) Select the Hide on Retro Results? setting if you don't want the pay component related calculation to display on retro results.

## Next Steps

Add the related calculation to the definition of a pay component.

[Related Information](#)

### Concepts

[Concept: Tax Allocations for Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1229

[Concept: Payroll Calculations](#) on page 310

### Tasks

[Add Payroll Input for Workers](#) on page 617

### Examples

[2023R2 What's New Post: Non-Numeric Payroll Input](#)

## Set Up Pay Component Related Calculations

### Prerequisites

- Create an earning or deduction.
- Create a related calculation or identify an existing one to use.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

You can configure Workday to automatically calculate related calculations as part of an earning or deduction. When you add a related calculation to an earning or deduction definition, Workday creates a pay component related calculation (PCRC).

Example: The *Hourly Pay* earning uses a calculation of *Hours (unprorated) \* Rate*, where *Hours (unprorated)* and *Rate* are related calculations. When you assign the related calculations to the earning, Workday forms 2 new PCRCs:

- *Hourly Pay - Hours (unprorated)*
- *Hourly Pay - Rate*

Note: To display hours on the Actuals tab of a worker's pay result, add the *General Ledger: Hours* pay component group to any *Hours* related calculation.

When the pay component uses *Position* as a calculation worktag, Workday resolves the pay component separately for each valid position. To include positions the worker no longer holds, Workday recommends using a pay accumulation as the related calculation. Note: While pay component groups always filter by worktag, you can configure pay accumulations not to filter by worktag.

You can also use non-numeric related calculations in pay component calculations. You can choose from:

- Date type related calculations that return dates.
- Numeric, Boolean, and text type related calculations that return numeric values.

You can't change the input value type of a related calculation once the related calculation has been used in a pay component.

For Payroll for the U.S., you can't use non-numeric related calculations for FLSA earning amounts.

## Steps

1. Access the Edit Earning or Edit Deduction task.
2. In the Related Calculations grid on the Effective Dated tab, add a row for each pay component related calculation. Complete the Related Calculations grid:

Option	Description
Related Calculation	<p>Select a related calculation to calculate as part of the pay component. Example: Select <i>Hours</i> and <i>Rate</i> for an <i>Hours * Rate</i> earning calculation.</p> <p>If you select a Workday-owned calculation, ensure that it meets your requirements for proration, retro processing, and other conditions.</p> <p>If you configure proration for the related calculation, either by days worked or calendar days, and link it to a pay component with proration exceptions, the Pay Components Not Subject to Proration (Exception) field displays when you view the pay component related calculation. You can't configure this field directly, either in Edit Earning or Edit Deduction.</p> <p>(Optional) If you select a related calculation that you use to report hours, select the Aggregate check box. Workday then combines hours from pay inputs into a consolidated result line, improving pay calculation performance and enhancing pay result readability.</p>
Default Calculation	<p>Displays the default calculation defined on the Create Related Calculation task.</p> <p>When the default calculation is <i>Payroll Input</i>, select the Input Allowed? check box on the Related Calculations grid.</p>
Override Calculation	<p>(Optional) Override the default calculation with a different calculation or amount. Example: You can select <i>Timesheet: Approved Hours for Earning</i> to retrieve the value for <i>Hours (unprorated)</i> from Workday Time Tracking.</p> <p>If you select <i>Payroll Input</i>, also select the Input Allowed? check box on the Related Calculations grid.</p> <p>If you are using non-numeric data in your related calculation (Boolean, date, or text), you must enter an override calculation for a related calculation that is the same data type as the input value type of the related calculation.</p> <p>Note: Override and default calculations for non-numeric related calculations don't display on payroll results, but are still used to calculate pay component amounts.</p>

3. (Optional) Complete the Limit Details section of the Related Calculations grid:

Option	Description
Value	Select a calculation, balance, or other element that serves as a limit for the value of the PCRC.
Based On	When left blank, Workday compares the value of the PCRC against the limit value.  You can also compare an aggregated amount, including the current PCRC, against the limit value. Select a pay accumulation or select Create > Create Pay Accumulation from the prompt.
Include Current Value	Applies to limits based on pay accumulations. Select which PCRCs to process before the PCRC of the current row when evaluating a limit.  On the row for: <ul style="list-style-type: none"> <li>• The PCRC to take first, leave the Include Current Value field blank.</li> <li>• The PCRC to take second, select the first PCRC.</li> <li>• The PCRCs to take third, select the first and second PCRCs.</li> </ul> Example: You can configure the order in which Workday evaluates a limit based on the sum of PCRCs A, B, and C. If you want Workday to resolve A first, then B, and finally C, then: <ul style="list-style-type: none"> <li>• For the related calculation A, leave the Include Current Value field blank.</li> <li>• For the related calculation B, select A from the Include Current Value prompt.</li> <li>• For the related calculation C, select A and B from the Include Current Value prompt.</li> </ul>

4. (Optional) If you want to limit how a related calculation resolves for a worktag, complete the Limit Filter Worktags section of the Related Calculations grid:

Option	Description
Default Filter Worktags	When you assign a worktag limit to a related calculation, you can apply the limit at a worktag value level for a worktag dimension.  Example: You create a related calculation tracking the amount paid toward the original amount requested for a 401k loan. You also add 2 payroll inputs for the 401k loan deduction specifying loan numbers 1 and 2. When you assign the 401k Loan number custom worktag dimension as a default filter worktag, the amount paid toward the loans is tracked separately by loan number.

Option	Description
Condition Conditional Filter Worktags	<p>Use these fields to configure a set of worktags for the limit, different from the worktags you configured as default.</p> <p>These worktags override the default if the conditions you configure are true.</p>

5. Complete the Results section of the Related Calculations grid:

Option	Description
Do Not Store / Do Not Store if Zero	<p>Select whether to store the value of the PCRC with each calculation. Select:</p> <ul style="list-style-type: none"> <li><i>Do Not Store</i> to improve performance when the PCRC is only used in an intermediary calculation.</li> <li><i>Do Not Store if Zero</i> or <i>None of the above</i> to store the PCRC calculated value for later use. You can then display the calculated value, report on it, or make it available to other calculations.</li> </ul> <p>Workday doesn't process retro differences that you generate for the PCRC in the target period when:</p> <ul style="list-style-type: none"> <li>You select <i>Do Not Store if Zero</i>.</li> <li>The pay component amount is zero.</li> </ul> <p>To process retro on the PCRC in the target period regardless of the pay component value, select <i>None of the above</i>.</p> <p>When you select Input Allowed?, Workday stores payroll input for the PCRC regardless of your selection.</p>
Display Current / Current and Balances	<p>Select what to display in the Related Values section of the View Payroll Results report for a worker:</p> <p>For Payroll for Canada, France, and the U.S.:</p> <ul style="list-style-type: none"> <li><b>Display Current:</b> Displays only the PCRC amount.</li> <li><b>Current and Balances:</b> Displays both the PCRC amount and balances (such as MTD and PTD) configured on the Maintain Pay Results - Balance Period Mapping task.</li> <li><b>None of the above:</b> Doesn't display the Related Values section.</li> </ul> <p>For Payroll for Australia and the UK:</p> <ul style="list-style-type: none"> <li><b>Display Current:</b> Displays only the PCRC amount.</li> <li><b>Current and Balances:</b> Displays both amount and balances (such as PTD and</li> </ul>

Option	Description
	<p>YTD) configured on the Maintain Pay Results - Balance Period Mapping task.</p> <ul style="list-style-type: none"> <li>None of the above: Doesn't display the Related Values section.</li> </ul>

6. In the Hours for Reporting section of the Related Calculations grid, consider:

Option	Description
Result	<p>For hours-related calculations only. Select to include the PCRC value in the pay result.</p> <p>Workday then makes the hours PCRC value available for reporting through the Hours Worked on Result report field. This report field comes from the Payroll Results data source on the Payroll Results business object.</p> <p>Workday uses the latest effective-dated pay component definition to determine the configuration for reporting hours.</p>
Result Line	<p>For hours-related calculations only. Select whether to <i>Add</i> or <i>Subtract</i> the hours PCRC value from the aggregation of all PCRC values for the pay result line.</p> <p>Workday then:</p> <ul style="list-style-type: none"> <li>Makes the hours PCRC value available for reporting through the Result Line Hours report field. This report field comes from the Payroll Result Lines data source on the Payroll Result Line business object.</li> <li>Sums all result line hours and makes the result available for reporting through the Hours Paid on Result report field. This report field comes from the Payroll Results data source on the Payroll Result business object.</li> </ul> <p>Workday uses the latest effective-dated pay component definition to determine the configuration for reporting hours.</p>

7. As you complete the other fields on the Related Calculations grid, consider:

Option	Description
Override Related Calculation for Ongoing Multiple Jurisdictions	<p>For Payroll for the U.S.:</p> <p>Applies when defining one of these pay components:</p> <ul style="list-style-type: none"> <li>A taxable earning.</li> <li>An imputed earning.</li> <li>A pretax deduction.</li> </ul> <p>Companies using ongoing multiple work jurisdictions can split the PCRC by percentages. Define the percentages for</p>

Option	Description
	<p>employees on the Tax Allocations tab of the Add Worker US Tax Elections.</p> <p>To use the Default Calculation setting from the related calculation, select <i>None of the Above</i> or select an option to override it.</p> <p>The <i>Do Not Apply</i> option is available for pay components and for individual PCRCs. Determine whether to split the entire pay component or the PCRC.</p>
Retro Adjustment Type	<p>Displays when you select Bring Forward Difference on the Create Related Calculation task.</p> <p>Indicates whether the Run Retro Pay Calculation task forwards the difference between the original value and the recalculated value to the current period. When clear, Workday uses the full amount of the recalculated pay component related calculation in the current period instead of the retro differences.</p>
Pay Component Related Calculation	Displays the PCRC that results from defining the related calculation for the pay component.

## Result

You can:

- Select pay component related calculations in pay component groups, pay accumulations, and pay balances.
- Display pay component related calculations on payroll result reports and employee payslips.

When you run a payroll calculation, Workday calculates the pay component related calculations.

Related Information

### Concepts

[Concept: Payroll Calculations](#) on page 310

[Concept: Hours Aggregation on Pay Results](#) on page 630

[Concept: Worktags for Payroll Calculations](#) on page 302

### Tasks

[Set Up Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1220

[Create Pay Accumulations](#) on page 320

[Steps: Set Up Retro Processing](#) on page 873

### Reference

[FAQ: View Payroll Results](#) on page 843

### Examples

[Concept: Business Objects, Data Sources, and Fields](#)

[Concept: Custom Reports](#)

[2023R2 What's New Post: Non-Numeric Payroll Input](#)

## Set Up Earning or Deduction Limits

### Prerequisites

Map the pay components to a plan or other source for the value that the earning or deduction is calculating:

- Compensation.
- Time off.
- Time tracking.
- Benefits.
- Payroll input.

To set multiple limits on pay components, create a pay accumulation that sums the limited pay components.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

You can define 1 or more limits for an earning or deduction.

For position-based earnings or deductions (when *Position* populates the Calculation Worktag field), the limits apply to each position.

When you use the current period as the balance period, Workday applies all amounts towards the period limit. Example: You configure a limit on the employer match percentage for retirement plans. When you run payroll, some workers reach that limit in on-cycle payroll. Then, if you run on-demand bonus payments for those workers, Workday doesn't process further employer contributions. Conversely, if you run on-demand payments first for the workers, Workday applies the limit on those payments before on-cycle payroll.

### Steps

1. Access the Limits section of the Effective Dated tab on the Create Earning or Create Deduction task.
2. As you complete the task, consider:

Option	Description
Value	The limit that applies to the pay component.
Balance Period	The period to which the limit applies. Example: A month-to-date (MTD) or year-to-date (YTD) balance period.
Based On	<p>To limit only the current pay component itself, leave this field blank. Workday automatically uses the value of the current pay component.</p> <p>To limit the combined value of multiple pay components, including the current one, select the pay accumulation that sums them, or select <i>Create &gt; Create Pay Accumulation</i> from the prompt.</p> <p>You can't base a limit on a pay balance. Use the Balance Period field to identify the period to which the limit applies.</p>
Include Current Value	Use this field only when the limit applies to a pay accumulation. It tells Workday the order in which to resolve the pay components as the pay accumulation nears its limit. Workday

Option	Description
	<p>considers the values of the pay components only on the current pay result.</p> <p>You can list multiple pay components in any order. Workday examines all of the pay components in the pay accumulation, and processes the one where <b>Include Current Value</b> is empty first. It then examines the remaining pay components and determines which one has no pay components left to process before it, and processes that one, and so forth. To control the order to take the pay components when the accumulation reaches the limit:</p> <ul style="list-style-type: none"> <li>• On the pay component to take first, leave the <b>Include Current Value</b> field blank.</li> <li>• On the pay component to take second, select the first pay component.</li> <li>• On the pay component to take third, select the first and second pay components.</li> </ul> <p>Example: The limit is based on a pay accumulation that sums the year-to-date values of pay components A and B. You want Workday to resolve A first:</p> <ul style="list-style-type: none"> <li>• On A, don't select a value.</li> <li>• On B, select A.</li> </ul> <p>If the accumulation includes a third pay component, and you want Workday to resolve A and B first:</p> <ul style="list-style-type: none"> <li>• On A, don't select a value.</li> <li>• On B, select A.</li> <li>• On C, select A and B.</li> </ul> <p>Workday processes:</p> <ul style="list-style-type: none"> <li>• A first, because it's empty.</li> <li>• B second, after processing A.</li> <li>• C third, after processing A and B.</li> </ul>

#### Related Information

##### Tasks

- [Create Pay Accumulations](#) on page 320
- [Create Pay Balances](#) on page 326
- [Steps: Create Deductions](#) on page 234

## Override Earning or Deduction Limits for Workers

### Prerequisites

Define a limit for an earning or deduction.

Security: *Worker Data: Payroll (Limit Overrides)* domain in the Core Payroll functional area.

## Context

You can configure Workday to either:

- Ignore a defined limit for a pay component for a given worker.
- Apply a different limit for a pay component for a given worker.

You can use these web services to mass load or retrieve limit overrides:

- *Get Payroll Limit Overrides*
- *Put Payroll Limit Override*

## Steps

1. Access the Maintain Payroll Limit Overrides for Worker task.
2. As you complete the task, consider:

Option	Description
Ignore Limits for	Select 1 or more earnings, deductions, or pay component related calculations.
Position	For position based pay components, the limits apply to both the worker and their position. If a worker moves positions, you must reset the limit override value accordingly.
Use Limit Override Value	Select the check box to enter a limit that differs from the limit defined for the pay component. Clear the check box to apply no limit to the worker.
Limit Override Value	If you selected Use Limit Override Value, enter the positive or negative limit to apply for the worker.  Workday only overrides the Value of the limit defined on the Create Earning or Create Deduction task. Workday still calculates the value to compare against the limit, using these fields on the Limits section of the pay component: <ul style="list-style-type: none"> <li>• Balance Period</li> <li>• Based on</li> <li>• Include Current Value</li> </ul> When you override a limit for a pay component with multiple limits, the override replaces all limit values on the pay component. In this case, you can alternatively create a memo pay component to add to a pay accumulation for the limit. Adjust the memo pay component amount to calculate the balance of the amount that is already taken.

## Result

You can see the settings on the View Payroll Limit Overrides for Worker report.

## Example

For Payroll for Canada, France, the UK, and the U.S.:

You hire Paul midyear. A retirement plan deduction has an annual limit of 17,500 and Paul has had deductions taken through his previous company.

To prevent Paul from exceeding the annual limit, calculate a new limit for him by subtracting their year-to-date deduction amount from 17,500. Enter the result as Paul's Limit Override Value. Set the:

- Start Period to the first period to process with Workday Payroll.
- End Period to the last period of the year.

## Override Withholding Order Priority

### Prerequisites

Record multiple withholding orders for a worker.

Security: *Worker Data: Payroll (Income Withholding Orders)* domain in the Core Payroll functional area.

### Context

This topic provides instructions for withholding order priority for these countries:

- Payroll for Canada
- Payroll for France
- Payroll for the U.S.

You can view the processing priorities for a worker's withholding orders on the Withholding Orders for Worker report.

For Payroll for Canada, when a worker has multiple income withholding orders (IWOs), Workday assigns a processing priority to each order based on the rules of the issuing agencies. Workday delivers this priority:

- 200 - Federal Tax Levy
- 201 - Province Tax Levy
- 300 - Family Maintenance Order
- 400 - Garnishment Order
- 500 - Wage Assignment Order

For Payroll for the U.S., when a worker has multiple IWOs, Workday assigns a processing priority to each order based on the rules of the issuing agencies. Workday delivers this priority:

- 200 - Support
- 201 - Lump Sum
- 300 - Bankruptcy
- 400 - Federal Tax Levy
- 500 - Creditor Garnishment
- 500 - Federal Administrative Wage Assignment
- 500 - State Tax Levy
- 500 - Student Loan
- 600 - Wage Assignment

For Payroll for the U.S., if 2 IWOs have the same priority, the order date determines the priority. However, support orders always have the highest priority (200), even when a worker has multiple orders. You can override the default priority order assigned to any order type except support orders.

### Steps

1. Access the Withholding Orders for Worker report.

2. Select Withholding Order > Override Priority from the related actions menu of an IWO. The Override Priority Withholding Order task displays.
3. Enter a number in the Priority Override field to replace the Priority Default. For Payroll for Canada and the U.S., the lower the number, the higher the priority.

**Related Information**

#### Tasks

[Steps: Set Up Withholding Orders \(USA\)](#) on page 1310

[Steps: Set Up Withholding Orders \(CAN\)](#) on page 1427

## Enter Pay Component Calculations Based on Absence Management Totals

#### Prerequisites

- Set up time off plans and time off codes, and identify the absence component related calculation for the time off codes. See [Steps: Set Up Time Off Plans](#).
- Define the pay component calculation. See [Concept: Payroll Calculations](#) on page 310.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Context

You can use time off totals from Absence Management as a basis for calculating:

- Earnings (AUS, CAN, UK, USA).
- Pay components (FRA).

Example: Use totals for the *Paid Vacation* time off in an earning calculation.

#### Steps

1. For Payroll for Australia, Canada, the UK, and the U.S., access the Create Earning task. For Payroll for France, access the Create Earning or Create Deduction task.
2. Complete the Calculation Details section of the Effective Dated tab:

Option	Description
Calculation	Select a rule for calculating time off with an operand that refers to an amount of time. Example: <i>Time Off Paid (Units) * Rate</i> .
Input Amount Allowed?	(Optional) For earnings that don't come from Workday Time Tracking or a time off plan, configure the earning to allow payroll input. See <a href="#">Enter Earning or Deduction Calculations</a> on page 246.

**Related Information**

#### Concepts

[Concept: Time Off Earnings](#) on page 307

#### Tasks

[Steps: Set Up Payroll Input](#) on page 611

#### Examples

[Steps: Set Up Time Off Plans](#)

## Map Earnings to Compensation Elements

### Prerequisites

Create an earning, including any relevant related calculations in the Calculation Details section. See [Steps: Create Earnings](#).

Create Compensation Elements, such as:

- Bonus
- Commission
- Hourly
- Salary
- Superannuation (AUS)

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

You can configure Workday to process midperiod events using proration by mapping an earning to a compensation element (like a bonus or commission). Proration divides a payroll period into subperiods with separate payroll calculations before and after the event. Mapping the applicable earning to a compensation element ensures Workday retrieves the correct rates, percentages, and amounts to process the event.

Example: A worker receives a mid-period raise. You configure the relevant earning that includes the worker's pay to include Compensation Change to account for the update in pay.

### Steps

1. Access the Create Earning task.
2. Complete the task:

Option	Description
Events Causing Pay Component Proration	For earnings with a defined proration method and a proration calculation.  Select Compensation Change to prorate the earning amount in response to compensation changes for a worker.
Compensation Element	Select 1 or more compensation elements.  Note: For Payroll for the U.S., set up all earnings attached to a specific compensation element the same way for FLSA. Make sure that you don't use an FLSA-specific and a non-FLSA specific earning for the same compensation element. Example: 2 bonus earnings have the compensation element <i>Spot Bonus</i> , but 1 is FLSA-specific and the other is non-FLSA specific. This configuration causes Workday to process non-FLSA earnings by FLSA periods, even though this earning isn't subject to FLSA wages.

### Related Information

#### Concepts

Concept: [Compensation Elements and Payroll Processing](#) on page 306

**Tasks**

[Set Up Proration Calculations on page 285](#)

**Examples**

[Steps: Set Up Compensation Components](#)

[Reference: Compensation Plan Comparisons](#)

## Map Earnings to Time Tracking Totals

**Prerequisites**

- For earnings that refer to time reported in Workday Time Tracking, [Create Time Calculation Tags](#).
- Define the pay component calculation. See [Steps: Set Up Time Off Plans](#).
- Security: *Set up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

**Context**

You can use time off entered in time tracking as a component in earning calculations.

**Steps**

1. Access the Create Earning task.
2. Access the Time section of the Effective Dated tab.
3. In the Time Calculation Tag field, specify which hours to retrieve.

**Examples:**

For Payroll for Australia, to have the *Ordinary Hourly Pay* earning pay time blocks tagged with the *Regular* time calculation tag, select *Regular*.

For Payroll for Canada, the UK, and the U.S., to have the *Hourly Pay* earning pay time blocks tagged with the *Regular* time calculation tag, select *Regular*.

For Payroll for France, to have the *Complementary hours* earning pay time blocks tagged with the *Regular* time calculation tag, select *Regular*.

**Related Information****Concepts**

[Concept: AND and OR Setup for Boolean Calculations on page 314](#)

**Examples**

[Steps: Set Up Payroll to Pay Time](#)

## Map Pay Components to Benefit Plans

**Prerequisites**

Define the pay component calculation. See [Set Up Pay Component Related Calculations on page 249](#).

If the pay component comes from a benefit plan, set up a plan, such as health care, insurance, or retirement savings.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

**Context**

Identify the source of the benefit or configure it to accept payroll input.

**Steps**

1. Access the Create Earning or Create Deduction task.

2. Complete the Non-Effective Dated tab:

Option	Description
Benefit Plan	<p>Select an employer-paid benefit, such as <i>Health Care</i> or <i>Insurance Plans</i>.</p> <p>For Payroll for Canada and the U.S., for multiple benefit plans with different limits, Workday recommends that you don't map the benefit plans to the same earning or deduction.</p> <p>For Payroll for France, to ensure correct DSN reporting, when setting up health care plans, don't map the same deduction to more than 1 health care benefit plan reported as prevoyance in a DSN.</p>
Benefit Group Coverage	<p>For earnings only.</p> <p>Select the group that the plan covers.</p>
Coverage/Cost as of Payment Date	<p>When cleared, Workday takes the deduction if the pay period end date is on or after the deduction begin date.</p> <p>When selected, Workday takes the deduction if the payment date is on or after the deduction begin date. Workday doesn't consider in which pay period the deduction begins.</p> <p>Workday doesn't prorate a worker's benefits when they change midperiod.</p> <p>Example: For weekly or bi-weekly pay periods that cross benefit plan years at the end of the year, use the check box to determine whether you use rates from 1 year or the next. In this way, you can prevent issues caused by using deduction rates from the wrong year.</p> <p>The check box applies to the deduction all year round. Don't select or clear the setting just to affect a cross-year result.</p> <p>Because there's no effective date, if the deduction is configured to recalculate in retro, changing the setting part way through a year can adversely affect your retro calculations.</p>

3. (Optional) For Payroll for France, on the Effective Dated tab, in the Worker Eligibility grid, add *Employee Enrolled in Benefit Plan as of Sub Period End Date* when you need to calculate different earnings or deductions for each subperiod.

For retro benefits, use the *Worker's Health Care Coverage Target as of Sub Period End Date (Benefits)* report field in the Create Lookup Table task to calculate benefits contributions by subperiod when a benefit plan changes during the pay period. See [Example: Create Advanced Lookup Tables for Benefit Rates \(FRA\)](#) on page 263.

## Next Steps

[Set Up Cost Allocations for Earnings](#) on page 264

For Payroll for France, when you store benefit rates in an advanced lookup table, configure the deduction calculation to use a lookup calculation for the lookup table containing the rates.

#### Related Information

##### Tasks

[Steps: Set Up Payroll Input](#) on page 611

##### Examples

[Steps: Set Up Benefits](#)

## Example: Create Advanced Lookup Tables for Benefit Rates (FRA)

This example illustrates how to store additional benefit rates in an advanced lookup table.

#### Context

Julie the payroll administrator needs to create payroll calculations based on benefit rates for a health care coverage plan. Because each health care coverage target has both a flat amount and a rate, Julie needs to store the rates in an advanced lookup table.

#### Prerequisites

- Define 2 health care coverage targets: *Employee - Basic Option* and *Employee - Premium Option*.
- Create a health care benefit plan.

#### Security:

- Set Up: Payroll (Calculations - Generic)* domain in the Core Payroll functional area.
- Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

#### Steps

- Access the Create Lookup Table task.
- Select Advanced Lookup Table - Report Field Search Criteria.
- Complete these options:

Option	Value
Name	Health Care Coverage Rates
Category	Payroll
Report Field Search Criteria	<i>Worker's Health Care Coverage Target (FRA Benefits)</i>
Effective Date	Enter today's date.

- Click OK to create the lookup table.
- Access the Lookup Tables > Column Labels task from the related actions menu of the lookup table.

Add these rows:

Display on Page	Display
Selected	EE Contribution - Flat Amount
Selected	ER Contribution - Flat Amount
Selected	EE Contribution - Rate
Selected	ER Contribution - Rate

6. Access the Edit Lookup Tables task to return to the *Health Care Coverage Rates* lookup table.

In the Table Data tab, add these rows:

Search Value	EE Contribution - Flat Amount	ER -Contribution - Flat Amount	EE Contribution - Rate	ER Contribution - Rate
<i>Employee - Basic Option</i>	35	40	.01	.02
<i>Employee - Premium Option</i>	35	40	.015	.03

7. Access the Create Lookup Calculation task.

a) Enter these values:

- Name: Health rate - EE Flat Amount
- Category: *Payroll*

b) In the Calculation grid, add this row:

Lookup Table	Column	Period Date Indicator
<i>Health Care Coverage Rates</i>	<i>EE Contribution - Flat Amount</i>	<i>Based on Payment Date</i>

Create a similar lookup calculation for the ER contribution flat amount, and the EE and ER contribution rates.

## Next Steps

Create 4 deductions, each one using a lookup table calculation to retrieve the health care coverage rates.

Related Information

### Examples

[Create Health Care Plans](#)

## Set Up Cost Allocations for Earnings

### Prerequisites

Enable worktags for cost allocations.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

### Context

You can specify how to allocate all instances of an earning for all employees across:

- Cost centers.
- Projects.
- Grants.
- Other organization types and locations.

### Steps

1. Access the Create Earning or Edit Earning task.
2. Access the Costing section of the Non-Effective Dated tab.
3. To override a forward accrual for a pay period that spans multiple financial reporting periods, select the Exclude from Forward Accrual check box.
4. Click the Add button for each set of costing instructions that you want to enter for different time periods.

5. As you complete a set of costing instructions, consider:

Field	Description
Start Date	Dates must not overlap previous or future instructions.
End Date	
Default From Organization Assignment	Select to use the cost center, fund, or other organizations assigned to the employee.
Costing Company	Enter a costing company for the specified pay component. The Costing Company column is only available when you select the Intercompany Accounting - Enable check box in the Payroll Accounting section on the Edit Tenant Setup - Payroll task.
Costing Override Worktag	<p>Lists all worktags identified as Required under Payroll Costing Allocation on the Maintain Worktag Usage task.</p> <p>You can also select from other worktags that are enabled for payroll costing.</p> <p>If you have set up related worktags, Workday adds the one you select and its related worktags. You can remove any you don't want.</p>
Distribution Percent	The sum of all rows must equal 100%.

### Example

To split a bonus earning for all workers across cost centers 0001, 0002, and the worker's default cost center, add 3 rows:

Default from Organization Assignment	Costing Override Worktag	Distribution Percent
Selected	Not applicable.	34
	Cost Center: 0001	33
	Cost Center: 0002	33

### Next Steps

- To edit cost allocations for earnings, access either the Edit Earning or the Edit Earning and Employee Deduction Cost Allocations task.
- To view all cost allocations defined for earnings and employee deductions, access the All Earnings and Employee Deductions Costing Allocations report.
- You can create custom reports on costing allocations for earnings and employee deductions using the *Earnings and Employee Deductions Costing Allocations* report data source.

### Related Information

#### Concepts

[Concept: Allocation of Payroll Costs](#) on page 566

[Concept: Costing Allocations Priority](#) on page 574

#### Tasks

[Steps: Set Up Labor Costing](#) on page 540

[Steps: Enable Worktags for Cost Allocations on page 547](#)

[Set Up Payroll and Time Tracking Period Schedules on page 153](#)

### Examples

Concept: Worktags

## Set Up Cost Allocations for Employee Deductions

### Prerequisites

- Enable worktags for cost allocations.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

### Context

You can specify how to allocate all instances of an employee-paid deduction for all employees across:

- Cost centers.
- Projects.
- Grants.
- Other organization types and locations.

### Steps

1. Access the Create Deduction or Edit Deduction task, and select the employee-paid deduction.  
You can't define costing on a deduction that you've configured as a primary balancing worktag.
2. Access the Costing section of the Non-Effective Dated tab.
3. Click the Add button for each set of costing instructions that you want to enter for different time periods.
4. As you complete a set of costing instructions, consider:

Field	Description
Start Date	Dates must not overlap previous or future instructions.
End Date	
Default From Organization Assignment	Select to use the cost center, fund, or other organizations assigned to the employee.
Costing Company	Enter a costing company for the specified pay component. The Costing Company column is only available when you select the Intercompany Accounting - Enable check box in the Payroll Accounting section on the Edit Tenant Setup - Payroll task.
Costing Override Worktag	<p>Lists all worktags identified as Required under Payroll Costing Allocation on the Maintain Worktag Usage task.</p> <p>You can also select from other worktags that you've enabled for payroll costing.</p> <p>If you have set up related worktags, Workday adds the one you select and its related worktags. You can remove any you don't want.</p>
Distribution Percent	The sum of all rows must equal 100%.

## Example

To split an employee-paid deduction for all workers across cost centers 0001, 0002, and the worker's default cost center, add 3 rows:

Default from Organization Assignment	Costing Override Worktag	Distribution Percent
Selected	Not applicable.	34
	<i>Cost Center: 0001</i>	33
	<i>Cost Center: 0002</i>	33

## Next Steps

- To edit cost allocations for earnings, access the Edit Earning and Employee Deduction Cost Allocations task.
- To view all cost allocations defined for earnings and employee-paid deductions, access the All Earnings and Employee Deductions Costing Allocations report.

## Related Information

### Concepts

[Concept: Allocation of Payroll Costs](#) on page 566

[Concept: Costing Allocations Priority](#) on page 574

### Tasks

[Steps: Set Up Labor Costing](#) on page 540

[Steps: Enable Worktags for Cost Allocations](#) on page 547

[Set Up Payroll and Time Tracking Period Schedules](#) on page 153

### Examples

[Concept: Worktags](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Checklist: Review Pay Component Setup

This topic provides a checklist that you can use to help you process payroll efficiently after you create new pay components.

Make sure you	Refer
Add the new pay component or the new pay component group to the run category.	<a href="#">Identify What to Pay in On-Cycle and On-Demand Replacement Pay</a> on page 105
Add the new pay component group to the payslip configuration if you want the pay component to be visible on payslips.	For Payroll for Australia, Canada, the UK, and the U.S., see <a href="#">Define Payslips</a> on page 487. For Payroll for France, see <a href="#">Define Payslips (FRA)</a> on page 495.
Add the new pay component to the account posting rules set.	<a href="#">Set Up Account Posting Rules</a>
Set deduction priorities, net pay validations, and arrears if the deduction impacts the employee pay.	<a href="#">Setup Considerations: Net Pay Validation and Arrears</a> on page 399
Consider if the new pay component requires a tax authority exception. (CAN, USA)	<a href="#">Define Tax Authority Exceptions from Pay Component Groups (USA)</a> on page 1197

Make sure you	Refer
Consider if the new pay component needs requires year-end mapping. (CAN, UK, USA)	<p>Reference: <a href="#">Year-End Form Box Mappings (CAN)</a> on page 1407</p> <p><a href="#">Map Earnings and Deductions to W-2 Boxes (USA)</a> on page 1200</p> <p><a href="#">Setup Considerations: Year-End Payroll Processing (UK)</a> on page 1514</p>
Consider impacts to systems outside Workday, such as integrations or accounting system that needs to be updated.	<a href="#">Map Fields for Custom Reporting of Pay Results</a> on page 803
Consider impacts to reports or calculation fields whether you'd need to include or exclude the new pay component. Example: You build a custom report to view specific earnings or deductions, consider if the new pay component needs to be added to the report definition.	
Add the appropriate pay component if you're using pay component segment security.	<a href="#">Example: Control Visibility of Earning and Deduction Results</a> on page 805

## FAQ: Earnings and Deductions

Do I need to create a separate set of earnings and deductions for each benefit plan?

No. Minimize the time that you spend setting up and maintaining your benefit calculations by creating a few practical earnings and deductions. Example: If employees can select only 1 plan within a coverage type, you can define 1 set of earnings and deductions that calculates costs across all plans within that type.

How can I set up an earning to process for a worker even when the worker isn't eligible?

Set up the earning to accept payroll input by adding 1 of these eligibility rules to the Worker Eligibility field in the Criteria section of the Effective Dated tab on the Create Earning task:

- *Payroll Input Exists for Pay Component*
- *Payroll Input (Onetime) Exists for Pay Component*
- *Payroll Input (Onetime or Ongoing) Exists for Pay Component (Sub Period)*
- *Payroll Input (Period Specific) Exists for Pay Component*
- *Payroll Input (Onetime) Exists for Pay Component (Sub Period)*
- *Payroll Input (Ongoing) Exists for Pay Component*

Add the eligibility rule as a separate row from the other worker eligibility criteria so that it's an OR condition. You can then use Add Payroll Input by Worker to process the earning regardless of whether the payee meets eligibility criteria.

How can I create an earning that doesn't affect net pay or taxes?

A memo earning is an earning created solely for reporting purposes that doesn't affect net pay or employee and employer taxes.

To create a memo earning, create an earning as you normally would but, in the Groups field of the Non-Effective Dated tab, don't add the pay component group:

- *Adds to Gross (CAN, USA)*
- *AUS Adds to Gross [AUS]*
- *FRA Adds to Gross [FRA]*
- *GBR Adds to Gross [GBR]*

Add the earning to Additional Pay Components to Calculate on the Edit Run Category task.

For Payroll for France, if you need to include the earning in a pay component group that impacts the net pay or taxes, Workday recommends that you define the earning calculation as zero, and stock the reporting calculations in the pay component related calculations.

Configure the RRSP deduction with the pay component group: *Other Quebec Deductions (F2) [CAN]*.

Workday uses this pay component group to calculate the Health Tax Contribution for Quebec workers. Without it, the tax calculates at a higher amount when a worker has a pension amount that reduces their pre-tax income.

How can we remedy a situation where our QC-PIT results in Workday don't match the expected result in our legacy application? (CAN)

How can I view all related calculations?

You can access the View Related Calculation (Workday Owned) report to view a list of all the related calculations that Workday provides.

You might find these other standard payroll reports useful:

- All Pay Component Related Calculations
- All Related Calculations
- View Related Calculation

How does Workday Payroll know when to take a Workday Benefits benefit plan deduction?

To view other payroll reports, access the Workday Standard Reports report and select Set Up Payroll.

By default, Workday takes a deduction if the pay period end date is on or after the deduction begin date. When you map benefit plans to deductions using 1 of these tasks, use the Coverage/Cost As Of Payment Date check box on the Non-Effective Dated tab to control when to apply coverage and rates for a benefit:

- Create Deduction
- Create Earning
- Edit Deduction
- Edit Earning

If you select the check box, Workday takes the deduction when the payment date is on or after the deduction begin date.

Example: For weekly or bi-weekly pay periods that cross benefit plan years at the end of the year, use the check box to determine whether you use rates from 1 benefit year or the next. In this way, you can prevent issues caused by using deduction rates from the wrong year.

The check box applies to the deduction all year round. Don't select or clear the setting just to affect a cross-year result.

Because there's no effective date, if the deduction is configured to recalculate in retro, changing the setting part way through a year can adversely affect your retro calculations.

## Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

[Steps: Create Deductions](#) on page 234

[Steps: Set Up Payroll Input](#) on page 611

[Create 401\(k\) Loan Repayment Deduction \(USA\)](#) on page 1090

### Examples

[Create Eligible Earnings Overrides for Bonus and Stock](#)

## Reference: Compare Pay Components, Groups, Accumulations, and Balances

	Definition	Create Task	Where to Set Up for Display	Return Value
Pay Component	Generic term for anything that can add to or subtract from a worker's net pay. Includes: <ul style="list-style-type: none"> <li>Earnings.</li> <li>Deductions.</li> <li>Pay component related calculations (PCRCs).</li> </ul>	<ul style="list-style-type: none"> <li>Earning: Create Earning.</li> <li>Deduction: Create Deduction.</li> <li>PCRC: Calculation or Related Calculation field on the Create Earning or Create Deduction task.</li> </ul>	Create Earning or Create Deduction task, in the Related Calculations section (scroll to the right).	Displays on the View Payroll Results report and on workers' payslips.
Pay Component Group	Adds the values of pay components in the group. Examples:	Create Pay Component Group	Create Pay Component Groups task, in the Pay Component Usage field.	Returns a single gross-to-net value each time it's referenced. Displays on the View Earning and

	Definition	Create Task	Where to Set Up for Display	Return Value
	<ul style="list-style-type: none"> <li><i>AUS Adds to Gross [AUS].</i></li> <li><i>FRA Adds to Gross [FRA]</i></li> <li><i>Pre Tax Deductions (CAN, UK, USA)</i></li> </ul> <p>Pay component groups always filter by worktag.</p>			<p>View Deduction reports in the:</p> <ul style="list-style-type: none"> <li>Groups section of the Non-Effective Dated tab.</li> <li>Related Calculations section of the Effective Dated tab.</li> </ul>
Pay Accumulation	<p>Adds or subtracts the values of included:</p> <ul style="list-style-type: none"> <li>Earnings.</li> <li>Deductions.</li> <li>PCRCs.</li> <li>Pay component groups.</li> <li>Other pay accumulations.</li> </ul> <p>You can configure the pay accumulation to filter the values by worktag.</p> <p>For Payroll for the UK, it's important to associate the UK Payroll ID worktag with pay accumulations.</p>	Create Pay Accumulation	Create Pay Accumulation task, on the Calculate/Display Exceptions tab.	<p>Returns a single gross-to-net value each time it's referenced.</p> <p>Displays on the Pay Accumulations/Balances tab on the View Payroll Results report.</p>
Pay Balance	<p>Adds the values of one or more pay component balances over time. Example: the year-to-date balance of a loan repayment.</p> <p>Can include:</p> <ul style="list-style-type: none"> <li>Earnings.</li> <li>Deductions.</li> <li>PCRCs.</li> </ul>	Create Pay Balance	Create Pay Balance task, in the Display on Result check box.	<p>Returns a value for a balance period, such as:</p> <ul style="list-style-type: none"> <li>Month-to-date.</li> <li>Year-to-date.</li> <li>Fiscal period.</li> </ul> <p>Displays on the Pay Accumulations/Balances tab on</p>

	Definition	Create Task	Where to Set Up for Display	Return Value
	<ul style="list-style-type: none"> <li>• Pay accumulations.</li> <li>• Pay component groups.</li> </ul> <p>You can configure the pay balance to filter the values by worktag.</p> <p>For Payroll for the UK, it's important to associate the UK Payroll ID worktag with pay balances.</p>			the View Payroll Results report.

#### Related Information

##### Tasks

- [Steps: Create Earnings](#) on page 229  
[Steps: Create Deductions](#) on page 234  
[Create Pay Component Groups](#) on page 238  
[Create Pay Balances](#) on page 326  
[Create Pay Accumulations](#) on page 320

## Reference: Payroll Configuration Reports

Workday provides reports that describe the current payroll configuration in your tenant.

Report	Description
Accumulation Types	Workday-delivered accumulation types, and usage counts for times each type.
All Balance Periods	Balance periods by category (Payroll, Absence, Compensation), and how Workday calculates period start and end dates.
All Deductions	<p>Detailed information about each deduction available in Workday, including:</p> <ul style="list-style-type: none"> <li>• Pay component groups that include the deduction.</li> <li>• Deduction criteria, including run category eligibility, worker eligibility, and scheduling formulas.</li> <li>• Calculation details, including calculation formula and overrides, calculation worktags, and related calculations.</li> <li>• Benefit plan information.</li> <li>• Whether you've excluded a deduction from forward accruals.</li> <li>• Whether workers can elect it through employee self-service.</li> </ul>

Report	Description
All Earnings	<p>Detailed information about each earning available in Workday, including:</p> <ul style="list-style-type: none"> <li>• Pay component groups that include the earning.</li> <li>• Earning criteria, including run category eligibility, worker eligibility, and scheduling formulas.</li> <li>• Calculation details, including calculation formula and overrides, calculation worktags, and related calculations.</li> <li>• Compensation element and proration.</li> <li>• Limit calculations for earning amounts.</li> </ul>
All Pay Accumulations	<p>Detailed information about each pay accumulation available in Workday, including:</p> <ul style="list-style-type: none"> <li>• Elements that add to and subtract from the pay accumulation.</li> <li>• Limit calculations for pay accumulation amounts.</li> <li>• Calculation and display exceptions.</li> <li>• Other pay accumulations and pay groups that use the pay accumulation.</li> </ul>
All Pay Balances	<p>Each pay balance, its associated balance period, and its associated application calculation method.</p>
All Pay Component Groups	<p>Each pay component group, its usage type (earnings, deductions, or pay component related calculations), its earnings or deductions, and its related calculations.</p>
All Pay Component Related Calculations	<p>Each pay component related calculation, the pay component that it supports, and the related calculation that it's based on.</p>
All Related Calculations	<p>Each related calculation and the pay component related calculations based on it.</p>
Ambiguous Earning Compensation Mapping Audit	<p>Earnings with one or more ambiguous mappings:</p> <ul style="list-style-type: none"> <li>• Earning mapped to compensation plans of different types.</li> <li>• Earning mapped to 2 or more hourly plans.</li> <li>• Earning mapped to 2 or more percent-based compensation plans.</li> <li>• Earning mapped to 2 or more unit-based compensation plans.</li> </ul>
Payment Election Rules	<p>Rules that govern payment options available to workers for payroll and expense payments. For each rule, Workday displays:</p> <ul style="list-style-type: none"> <li>• Rule type (payroll, payroll interface, or expense).</li> <li>• Run category for payment, if any.</li> </ul>

Report	Description
	<ul style="list-style-type: none"> <li>• Allowed payment types (such as check and direct deposit).</li> <li>• Maximum number of payment elections, and whether you can mix payment types.</li> <li>• Allowed distribution calculations (flat amount, percentage, or both).</li> <li>• Default payment type, if any.</li> </ul> <p>To edit payment election rules, use the Maintain Payment Election Rules task.</p>
Sample Check Images	<p>For Payroll for Canada and the U.S.:</p> <p>Sample check images and text instructions to help users enter bank account details for payment elections in supported countries. To add a sample check image and text instructions for a country, use the Edit Sample Check Image task.</p>

## Reference: Related Calculations for Benefit Earnings and Deductions (USA)

### Elective Deferral Limits Related Calculations

Workday delivers these related calculations you can use to define elective deferral limits in earnings and deductions:

Related Calculation	Description
<i>Elective Deferral Annual Catch-Up Limit for 401(k), 403(b), 457(b) and 408(k) SEP Plans</i>	<p>A Workday owned lookup calculation. Returns a numeric value for the annual catch-up contribution limit for SEP plans for the year:</p> <ul style="list-style-type: none"> <li>• 401k</li> <li>• 403b</li> <li>• 457b</li> <li>• 408k</li> </ul>
<i>Elective Deferral Annual Limit for 401(k), 403(b), 457(b) and 408(k) SEP Plans</i>	<p>A Workday owned lookup calculation that returns a numeric value for the annual contribution limit for SEP plans for the year:</p> <ul style="list-style-type: none"> <li>• 401k</li> <li>• 403b</li> <li>• 457b</li> <li>• 408k</li> </ul> <p>Doesn't include the catch-up contribution limit.</p>

Related Calculation	Description
<i>401k Annual Limit (including catch-up if worker over 50 years of age)</i>	A Workday owned conditional calculation that returns a numeric value for the 401k annual contribution limit (including catch-up limit if applicable) for the year.

#### Section 415 Limits Related Calculations

Workday delivers these related calculations you can use to define Section 415 limits in earnings and deductions:

Related Calculation	Description
<i>Section 415 eligible wage limit</i>	A Workday owned lookup calculation. Returns a numeric value for the Section 415 eligible wage limit for the year.

#### Health Savings Accounts Limits Related Calculations

Workday delivers these related calculations you can use to define Health Savings Account (HSA) limits in earnings and deductions:

Related Calculation	Description
<i>Benefits: HSA Maximum Annual Contribution Limit (without Catch-UP Limit)</i>	<p>A Workday owned conditional calculation. Returns the minimum of the HSA plan contribution maximum and the IRS limit, if there's a contribution maximum on the HSA benefit plan definition. If no contribution maximum exists on the HSA plan, Workday uses the IRS limit.</p> <p>Doesn't include the catch-up contribution limit.</p> <p>There are 2 lookup tables based on coverage (employee or family) for the IRS limit amount. To look up the rate, use the year of the payment date.</p>

Related Calculation	Description
	Workday uses family limit values if you're bringing deductions directly into payroll using payroll input (instead of tracking the HSA benefit plan in Workday). If you need employee limit values, create new calculations to accommodate the limits.
<i>Benefits: HSA Catch-Up Maximum Annual Contribution Limit (if workers is &gt;= age 55)</i>	<p>A Workday owned arithmetic calculation. Returns the sum of the <i>Benefits: HSA Maximum Annual Contribution Limit (without Catch-Up Limit)</i> and <i>Benefits: HSA Catch-Up Maximum Annual Contribution Limit (if worker is &gt;= age 55)</i>.</p> <p>The assumption is that there's no contribution maximum on the HSA benefit plan definition for the catch-up limit, so Workday uses the IRS Limit for catch-up contributions.</p> <p>Workday uses family limit values if you're bringing deductions directly into payroll using payroll input (instead of tracking the HSA benefit plan in Workday). If you need employee limit values, create new calculations to accommodate the limits.</p>

## Troubleshooting: One-Time Payments

### Payroll not processing one-time payments.

Workday loads one-time payments, but doesn't include them in the current payroll period.

Cause	Solution
The scheduled payment date of the one-time payment is prior to the dates of the current payroll period.	Run retroactive payroll. See <a href="#">Steps: Process Retro Payroll</a> on page 875.
The scheduled payment date of the one-time payment is after the dates of the current payroll period.	Process payroll for the next payroll period. See <a href="#">Steps: Process Payroll</a> on page 644.

### Payroll processing one-time payment multiple times.

Cause: There are multiple run categories with shared pay periods corresponding to the effective date of the one-time payment.

Solution: Create a separate earning for each run category.

From the Run Category Eligibility prompt, select a run category to restrict each earning to 1 run category.

See [Steps: Create Earnings](#) on page 229.

Related Information

#### Examples

[Request One-Time Payments for Employees](#)

## Proration

### Setup Considerations: Payroll Proration

You can use this topic to help make decisions when planning your configuration and use of payroll proration. 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

In response to certain midperiod events, Workday divides a payroll period into subperiods with separate payroll calculations before and after the event. Example: Compensation changes.

For other midperiod events, Workday creates a subperiod to reflect accurately the portion of the pay period that you employed the worker. Example: Hire, termination.

When creating multiple pay periods, Workday can apply:

- Pay component proration, resulting in 1 gross-to-net result that includes separate pay component values for each subperiod.
- Gross-to-net proration, resulting in separate gross-to-net amounts for each subperiod.

Note: Payroll for Ireland only supports pay component proration.

You can configure:

- How Workday calculates pay component values for each subperiod.
- In some cases, whether Workday uses gross-to-net or pay component proration.

## Business Benefits

Prorating payroll calculations makes it easier to pay workers accurately, as it takes into account midperiod payroll changes when they occur.

Configuring how Workday calculates payroll amounts for each subperiod provides you with the flexibility to adapt your calculations for different scenarios.

## Use Cases

You can prorate earnings and deductions to reflect midperiod:

- AGIRC-ARCCO tax election changes (FRA).
- Company or pay group transfers.
- Compensation changes.
- Changes to full-time equivalent or working time (FRA).
- Hires or terminations.
- Job changes.
- Changes in scheduled weekly hours (AUS).
- Changes in collective agreements (AUS).
- Leaves of absence.
- Changes to Military Spouse Residency Relief status (USA).
- Primary work state changes (USA).
- State changes for employees with tax allocations for multiple ongoing work jurisdictions (USA).

## Questions to Consider

Questions	Considerations
Which earning and deduction amounts do you want to prorate?	<p>For each earning and deduction, you can either:</p> <ul style="list-style-type: none"> <li>• Define a method to prorate pay component amounts based on the calendar or working days in the subperiod.</li> <li>• Process the pay component in full for each subperiod or once per pay period using worker eligibility criteria.</li> </ul> <p>When you don't select a proration method, Workday processes the pay component in full for each subperiod where the payment applies. When deciding whether to prorate a pay component, consider whether the inputs to the calculation already reflect the subperiod.</p> <p>For Payroll for Australia, you can also use related calculations and override calculations to set up proration rules that fit your requirements.</p>
For prorated pay components, how do you want to calculate prorated amounts?	<p>You can configure Workday to prorate calculation amounts based on:</p> <ul style="list-style-type: none"> <li>• Calendar days.</li> <li>• Working days in the period.</li> <li>• Working days in the year, where you define the number of working days in the year.</li> <li>• The calculation method that you configure for the related calculations (AUS).</li> </ul>

Questions	Considerations
Do you want separate payments for a leave of absence (LOA)?	<p>By default, Workday uses gross-to-net proration to manage subperiods for LOAs entered in Workday Absence Management, creating a separate payment and payslip for each subperiod.</p> <p>You can configure Workday Payroll to use pay component proration for LOAs, which results in 1 payment and 1 payslip for the entire period.</p> <p>For Payroll for Australia, Workday recommends using Workday-delivered calculations to make payment when workers are on LOA.</p> <p>Payroll for Ireland:</p> <ul style="list-style-type: none"> <li>Only supports pay component proration.</li> <li>Doesn't prorate PRSI insurable weeks for workers on unpaid LOAs.</li> </ul>
When do you want a midperiod compensation change to take effect?	<p>Workday applies midperiod compensation changes entered through Workday Compensation to the entire payroll period where the change occurs.</p> <p>To reflect the compensation change midperiod, you can configure Workday Payroll to apply pay component proration to compensation changes.</p>
Do your employees have multiple jobs (CAN, USA)?	<p>When you configure multiple jobs, Workday manages pay group or company changes with pay component proration.</p> <p>When workers with multiple jobs change their pay group or company, Workday prorates position-based, not worker-based, pay components.</p>
Are you using holiday hours as part of your calculation?	<p>When creating a calculation that uses holiday hours from holiday calendars as inputs, Workday recommends using Workday-delivered instance value calculations. Example: <i>Worker: Holiday Hours (from Holiday Calendar) for Worker during Sub-Period</i>.</p>
Which related calculations do you want to prorate?	<p>Workday recommends:</p> <ul style="list-style-type: none"> <li>Prorating related calculations that return amounts for an entire pay period. Examples: Salary from Workday Compensation, scheduled hours.</li> <li>Not prorating related calculations that return amounts for the subperiod. Examples: Rates, hours worked for the subperiod, time off hours.</li> </ul> <p>To avoid double proration, Workday doesn't directly prorate a pay component amount when the earning has a pay component related calculation (PCRC) with a selected proration method. Workday applies this rule regardless of</p>

Questions	Considerations
	<p>whether you use the PCRC in the calculation for the pay component.</p> <p>When you select a proration method for a related calculation that is different from the pay component proration method, Workday uses the pay component proration method.</p>
Are you using FLSA to pay a bonus to workers on LOA (USA)?	<p>Select the appropriate FLSA Bonus Allocation Across Coverage Dates rule when you configure the bonus earning. Workday then calculates bonus amounts for FLSA-eligible workers on LOA based on your configuration.</p> <p>See: <a href="#">Concept: FLSA Bonus Allocation</a> on page 1021.</p>
Do you want to prorate midperiod changes for FTE/Working Time or ARRCO-AGIRC tax elections (FRA)?	<p>You can configure a payroll proration override to prorate midperiod changes for FTE/Working Time or ARRCO-AGIRC tax elections. You can access the Maintain Payroll Proration Override task to opt into these features. Workday doesn't enable them by default.</p> <p>A retroactive change in FTE/Working Time or ARRCO-AGIRC tax elections doesn't trigger a retroactive calculation. When the retro is triggered by another event, FTE/Working Time or ARRCO-AGIRC tax election changes are included in the calculation.</p>
How does Workday apply a referenced pay component when the primary pay component is subject to pay component proration?	<p>When a primary pay component references another pay component (Example: Base Pay references Holiday Pay), you must select the Target Single Subperiod for a Prorated Pay Component check box on the Create Pay Component Group or the Create Pay Accumulation task. Selecting this check box sets the referenced pay component (Example: Holiday Pay) to target a single subperiod of the prorated primary pay component.</p> <p>To prevent any negative impacts on retro calculations, you must:</p> <ul style="list-style-type: none"> <li>• Create a new pay component group or pay accumulation and enable Target Single Subperiod for a Prorated Pay Component.</li> <li>• Create a new effective dated snapshot for your primary pay Component referencing the cloned pay component group or pay accumulation.</li> </ul> <p>If there are pay accumulations or pay component groups nested within, you must enable each level to target a subperiod accurately.</p> <p>When the reference pay component subperiod or period end date doesn't fall into a subperiod of</p>

Questions	Considerations
	<p>the primary pay component, Workday applies the reference pay component to the first subperiod of the primary pay component. See <a href="#">Concept: Pay Component Proration Calculation</a></p> <p>For FLSA workers, Workday recommends that you enable Target Single Subperiod for a Prorated Pay Component feature only when the hours are prorated.</p> <p>It's recommended that pay inputs target the reduction to the correct FLSA subperiod. Otherwise, the reduction might go into the wrong subperiod and might impact your FLSA overtime calculation (over or under stated) because it lowers the wages for the wrong week.</p>

## Recommendations

Workday recommends enabling pay component proration for LOAs when gross-to-net proration results in negative gross pay.

## Requirements

No impact.

## Limitations

Limitation	Details
Not all midperiod changes cause proration.	Workday doesn't create multiple subperiods for the following changes:
Work province changes (CAN).	<ul style="list-style-type: none"> <li>• Benefits.</li> <li>• Pay rate types. Example: Hourly.</li> <li>• Worker positions.</li> <li>• Changes in tax declaration (AUSTRALIA).</li> <li>• Changes in superannuation (AUSTRALIA).</li> </ul>
Pay group changes.	When you make a midperiod change in pay group, Workday creates multiple subperiods. For all subperiods, however, Workday uses the same pay group.
Midperiod terminations.	The worker eligibility criteria used to prorate pay through the termination date depends on the method.
Midperiod transfers (IRL).	When a worker has a midperiod transfer, Workday creates multiple subperiods within the termination period.
	When the pay through date is on or after the transfer date.
	Example: A worker with monthly payroll has a midperiod transfer from March 1 - 15 to April 1 - 15. Workday prorates PRSI insurable weeks for the worker's March pay results: March 1 - 15. When the pay through date is on or after the transfer date, the worker receives an additional PRSI insurable week for the month of April.

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	Users with security enabled for this domain can select the proration method for an earning or deduction.
<i>Set Up: Calculations - Generic</i> in the Core Payroll functional area. <i>Set Up: Time Off (Calculations - Generic)</i> in the Time Off and Leave functional area.	Users with security enabled for either of these domains can select the proration method for a related calculation.
<i>Set Up: Tenant Setup - Payroll</i> in the System functional area.	Users with security enabled for this domain can enable pay component proration for LOAs.

## Business Processes

Some business processes occurring midperiod result in multiple subperiods. See [Reference: Midperiod Changes Causing Proration](#) on page 293.

## Reporting

Reports	Considerations
All Pay Results Blocking Tenant Proration Option Changes	Use to identify and complete in-progress payroll or retro payroll results before you enable pay component proration for LOA.
Maintain Payroll Proration Override	Enables you to manage payroll proration settings in your tenant. For a given country, you can: <ul style="list-style-type: none"> <li>View which payroll proration categories support tenant override.</li> <li>Change the proration type for payroll proration categories that support an override.</li> </ul> The user must be in one of these security groups : <ul style="list-style-type: none"> <li>Payroll Administrator</li> <li>Payroll Auditor</li> <li>Payroll Partner</li> </ul>
Proration Changes for Group of Workers	Use to identify workers with prorated pay results.

You can use the Proration Changes for Workers for Period and Pay Run Group WS param report data sources to create custom reports on payroll inputs.

## Integrations

No impact.

## Connections and Touchpoints

Features	Considerations
Absence Management	Workday creates multiple subperiods in response to midperiod LOAs.

Features	Considerations
	<p>Pay component proration settings don't impact balance or accrual proration from Absence Management.</p> <p>When you create calculations with time off amounts as inputs, Workday recommends retrieving the time off amounts directly from ACRCs. Workday recommends that you don't reference other PCRCs in the earning or deduction definition. Example: When you reduce a worker's salary by amounts for paid time off, reference the time off ACRCs, instead of the PCRCs from time off earnings.</p>
Compensation	<p>Workday can create multiple subperiods in response to midperiod compensation changes.</p> <p>Pay component proration settings don't impact time-based proration for merit and bonus awards from Compensation.</p>
FLSA calculations (USA)	<p>Workday uses a pay component's proration method (calendar or work days) to prorate FLSA calculations. Workday prorates pay component amounts using this formula: (Number of days in FLSA period/Number of days in coverage period).</p> <p>When you select None of the above as the proration method, Workday divides the pay component amount by the number of FLSA periods in the coverage dates.</p>
Labor costing	<p>When you enable midperiod costing, Workday uses the proration method specified on earnings to prorate midperiod changes to cost allocations.</p> <p>Workday prorates midperiod costs for deductions based on calendar days, regardless of the deduction's proration method.</p> <p>Workday doesn't support the Prorate Using Annual Working Days proration method for midperiod costing. Workday uses calendar days instead.</p>
On-demand payments	<p>Workday manages the proration of on-demand payments differently depending on the payment type:</p> <ul style="list-style-type: none"> <li>• Workday prorates on-demand replacement payments over all eligible subperiods, based on the selected proration method.</li> <li>• Workday doesn't prorate on-demand additional payments. You must create separate payments or separate inputs for each subperiod.</li> </ul>
Payroll input	<p>Workday manages the payroll input for multiple subperiods depending on the input type:</p>

Features	Considerations
	<ul style="list-style-type: none"> <li>For one-time inputs, Workday processes the entire input in the subperiod that includes the payroll input End Date.</li> <li>For ongoing inputs, Workday resolves the pay component in each subperiod.</li> </ul>
Retro pay calculations	<p>The retro pay calculation applies the same proration method that you define for the pay component for payroll calculations. For LOAs, when you change the calculation method from gross-to-net to pay component proration, do so for all of their effective-dated definitions. This practice prevents unexpected results in the prior period that retro recalculates.</p>
Payroll Processing Position (CAN, USA)	<p>For workers with multiple jobs, Workday creates multiple subperiods, when either the:</p> <ul style="list-style-type: none"> <li>Primary position changes work states midperiod.</li> <li>Additional position is the processing position and changes work states midperiod.</li> </ul>

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.

## Other Impacts

When you don't select a proration method for an earning or deduction, you can configure whether Workday creates:

- Multiple gross-to-net results for LOAs.
- A single gross-to-net result for LOAs.

Example: You can enable pay component proration for LOAs on hour-based earnings where the related calculations directly return subperiod amounts.

Related Information

### Concepts

[Concept: Allocation of Payroll Costs](#) on page 566

[Concept: FLSA Bonus Allocation](#) on page 1021

### Reference

[2021R1 What's New Post: Payroll Proration Framework](#)

[2021R2 What's New Post: Proration Events for France](#)

### Examples

[Example: Set Up Pay Component Proration for Leave of Absence](#) on page 296

## Steps: Set Up Proration

### Prerequisites

Review setup considerations for payroll proration.

## Context

In response to certain midperiod events, Workday divides a payroll period into subperiods with separate payroll calculations before and after the event.

You can configure how Workday calculates pay component values for each subperiod. In some cases you can configure whether Workday applies:

- Gross-to-net proration.
- Pay component proration.
- No proration (FRA).

Note: Payroll for Ireland only supports pay component proration.

## Steps

1. Access the Maintain Days Worked by Work Shift task to assign days to shifts when you want to prorate by days worked.

Security: *Set Up: Payroll (Proration - Work Shift Days Worked)* domain in the Core Payroll functional area.

2. (Optional) Access the Maintain Payroll Proration Override report.

- a) Access the row of an editable event category, and click Edit.
- b) From the Proration Type prompt, select the type of proration to apply.

You can't modify a payroll proration type when there are payroll results in progress.

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

3. [Set Up Proration Calculations](#) on page 285.

## Result

When you calculate payroll, Workday divides a payroll period into subperiods with separate payroll calculations before and after the event and prorates pay component values across subperiods.

When you enable midperiod costing for your tenant:

- Workday prorates costing allocation by the proration type on the pay component.
- Costing always prorate regardless of pay component proration.

Example: If you set a pay component to prorate by calendar days and your pay period is 6/1 - 6/15, then there's 15 total days in the period. If there's a costing change on 6/8, then 7 days (6/1-6/7) of the total 15 go to the first costing. The other 8 days (6/8-6/15) go to the second costing.

## Next Steps

To identify workers with prorated results, access the Proration Changes for Group of Workers report.

[Related Information](#)

### Reference

[Setup Considerations: Payroll Proration](#) on page 277

[2021R2 What's New Post: Proration Events for France](#)

## Set Up Proration Calculations

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Context

When a midperiod change creates subperiods, you can configure Workday to prorate the pay component and related calculation amounts in each subperiod.

When configuring proration calculations, ensure that you define a proration method for both the pay component and the relevant related calculations.

## Steps

1. Access the Edit Earning or Edit Deduction task.
2. As you configure the Calculation Proration section, consider:

Option	Description
Prorate Using Days Worked	<p>Prorates by the formula: (Number of days worked in the subperiod)/(Number of working days in the full period).</p> <p>Example: You hire a worker on 6/5 with a 6/1 - 6/15 period for a semimonthly payroll. With 11 working dates from Monday - Friday, Workday uses a proration factor of 7/11.</p> <p>Workday refers to an employee's assigned work shift to determine the number of work days to use in the proration factor. When you don't assign a work shift, Workday uses Monday through Friday as work days.</p>
Prorate Using Calendar Days	<p>Dependent on the number of days in the month.</p> <p>Example: For a person hired mid month for June payroll, Workday uses a proration factor of 15/30 for the monthly period.</p>
Prorate Using Annual Working Days	<p>Prorates using the formula: (Days Worked * Periods in the Year) / (Annual Days * (Days in Work Shift/5)).</p> <p>Define the annual days for the proration factor in the Calculation for Annual Days Worked prompt.</p> <p>Workday uses an employee's work shift to determine:</p> <ul style="list-style-type: none"> <li>• The days worked.</li> <li>• The proration factor denominator.</li> </ul> <p>When you don't assign a work shift, Workday uses Monday through Friday as work days.</p> <p>Example: You define 260 annual days worked for a full-time position working Monday through Friday. For an employee hired mid month for a monthly payroll, Workday uses a proration factor of (11*12)/(260).</p> <p>Workday doesn't support the Prorate Using Annual Working Days option when:</p>

Option	Description
	<ul style="list-style-type: none"> <li>Managing midperiod labor costing. Workday uses calendar days instead (CAN, FRA, IRL, UK, USA).</li> <li>Allocating an FLSA bonus across employment. Workday uses the number of FLSA periods within coverage dates instead (USA).</li> </ul>
None of the above	<p>No proration. Workday processes the pay component in full in each subperiod. To process the pay component only once per pay period, select 1 of these calculations in the Worker Eligibility grid:</p> <ul style="list-style-type: none"> <li><i>Pay Component: Not Previously Paid in Period</i></li> <li><i>Pay Component: Not Previously Paid in Period (by Company)</i></li> </ul> <p>For Payroll for Australia, Workday recommends you choose this option.</p>

3. As you complete the task, consider:

Option	Description
Events Causing Pay Component Proration	<p>By default, Workday doesn't prorate midperiod compensation changes. Select <i>Compensation Change</i> to enable pay component proration for a midperiod change to a worker's compensation.</p> <p>By default, Workday applies gross-to-net proration for leaves of absence. When enabled on the Maintain Payroll Proration Override report, you can select <i>Worker-based Leave</i> to use pay component proration for a leave of absence. To do so, you must identify a country in the earning.</p> <p>For Payroll for Australia, Workday doesn't apply proration by default for leave of absences. Workday recommends that you enable leave of absence as a pay component proration event, and then select worker-based leave for the leave of absence.</p> <p>Payroll for Ireland only supports pay component proration. Workday doesn't prorate PRSI insurable weeks for workers on unpaid leaves of absence. You need to adjust the insurable weeks manually. See <a href="#">Add Payroll Input for Workers</a> on page 617.</p>
Compensation Element	When setting up pay component proration for a midperiod compensation change, select the compensation element for the earning.

- Set the proration method for the related calculations listed in the Related Calculations grid.

For Payroll for Canada, France, Ireland, the UK, and the U.S.:

- Select Related Calculation > Edit from the related actions menu of a related calculation.
- On the Value tab, select a proration method.

Ensure that you select a proration method that is consistent with the proration method for the pay component.

For earnings and deductions with the Prorate Using Annual Working Days proration method, select 1 of these methods for the related calculations:

- Prorate Using Days Worked
- Prorate Using Calendar Days

For Payroll for Australia, Workday recommends that you configure proration in the Pay Component Related Calculations. When you configure calculations for a Pay Component Related Calculation, you can use Workday delivered calculations to derive the values for a sub-period. For example:

- *PC Sub Period: Scheduled Working Hours, excluding non-working time, in a Sub Period as per Worker's Schedule*
- *Job: Weekly Scheduled Hours (as of Sub Period End Date)*
- *Compensation: Compensation Element Value (using PC Freq Override - No Rounding)*

## Result

When you calculate payroll, Workday prorates pay component values across subperiods and rounds the:

- Proration factor to 6 decimals. Workday rounds 0.0000005 and above up, and below 0.0000005 down.
- The final result based on the rounding rule defined for the calculation. When there's no defined rounding rule, Workday rounds the final prorated result to 2 decimals. Workday rounds 0.005 and above up, and below 0.005 down.

For Payroll for the U.S., Workday uses separate rounding logic for multiple work jurisdiction allocations for payroll input.

## Next Steps

You can access the Edit Calculation Proration and Events Causing Pay Component Proration task to verify and edit proration settings for all earnings or deductions.

If you configured proration calculations in Pay Component Related Calculations, you can access the Edit Earning or Edit Deduction task to verify and edit the proration settings.

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

## Concept: Off-Cycle Payments and Proration

When Workday creates subperiods due to a midperiod change, how you handle proration of off-cycle payments depends on the payment type.

On-Demand Replacement Payments (AUS, CAN, FRA, UK, USA)

When you process an on-demand replacement payment and all subperiods are available, Workday prorates the result over the subperiods. The proration is similar to the on-cycle payment it replaces.

When the worker is eligible for the replacement payment for only 1 subperiod, Workday assigns the payment to this subperiod. If you enter an event that

### On-Demand Additional Payments

generates a new subperiod, you can run another replacement payment for that subperiod.

Example: A worker is terminated midperiod, and you need to pay for time worked.

Workday doesn't prorate on-demand additional payment amounts. You must manually calculate the prorated amounts for each subperiod.

For a period that has gross-to-net proration, create a separate payment for each subperiod. For each payment, enter:

- The Sub-Period Target Date for each subperiod.
- The prorated amounts that you calculated.

Example: A worker is terminated midperiod and you need to pay for accumulated vacation time in the termination period.

For a period that has pay component proration, create a single payment, with rows in the Input grid for each subperiod. On each row, enter:

- The prorated amount that you calculated.
- The End Date to target the row to the appropriate subperiod.

Example: A worker ends an additional job midperiod, and you need to pay for accumulated vacation time.

### Manual Payments

For Payroll for Canada, Ireland, the UK, and the U.S., Workday doesn't prorate amounts for manual payments. You must manually calculate and enter the prorated amounts for each subperiod.

Payroll for Ireland only supports manual additional payments.

#### Related Information

##### Tasks

[Create On-Demand Replacement Payments](#) on page 687

[Create On-Demand Additional Payments](#) on page 693

## Concept: Payroll Input and Proration

Payroll input you enter using these tasks doesn't cause proration:

- Add Payroll Input.
- Add Payroll Input by Worker.

When you add payroll input for a period with multiple subperiods, Workday processes them as follows:

Type of Payroll Input	Proration
One-time	Workday processes the entire input in the subperiod that includes the payroll input End Date.

Type of Payroll Input	Proration
Ongoing	<p>By default, Workday resolves the pay component in each subperiod. For gross-to-net proration, you can set worker eligibility for the pay component to resolve only once per pay period. Workday prorates the amounts to each subperiod only when you set up the pay component for proration.</p> <p>For terminated workers, Workday applies the payment to the worker's last subperiod when the start and end dates of the payment are after the termination subperiod.</p>

#### Related Information

##### Concepts

[Concept: Payroll Input on Payroll Results](#) on page 623

##### Tasks

[Add Payroll Input for Workers](#) on page 617

## Concept: Multiple Jobs and Proration

This topic applies to:

- Payroll for the U.S.
- Payroll for Canada

Workday prorates payroll results in response to midperiod changes in a worker's job or company. When a worker has:

- A single job, Workday applies gross-to-net proration.
- Multiple jobs, Workday applies pay component proration.

When calculating subperiod results for a worker with multiple jobs, Workday prorates both position and worker-based pay components.

When you switch a worker's primary job midperiod, Workday assigns the *Requires Re-calculation* status to all subperiods.

### Example: Midperiod Company Transfer with Multiple Jobs

Laura has multiple positions. For her position at Alma Mater University, she receives these earnings each pay period:

- *Base Pay by Position* (a position-based pay component) of 1000.
- *Staff Benefits Credit* (a worker-based pay component) of 20.

On March 25, her job at Alma Mater University (company) transfers to Alma Mater Foundation. For the March 18 - March 31 pay period, Laura has 2 gross-to-net pay results for her job:

For Alma Mater University:

Pay Component	Subperiod	Amount
Base Pay by Position	March 18 - March 24	500
Staff Benefits Credit		20

For Alma Mater Foundation:

Pay Component	Subperiod	Amount
Base Pay by Position	March 25 - March 31	500
Staff Benefits Credit		20

Laura receives her standard pay for any additional jobs not impacted by the pay group change.

#### Related Information

##### Tasks

Steps: Set Up Payroll for Multiple Jobs on page 589

## Concept: Pay Component Configurations for Subperiods

You typically define pay component calculations to return an amount for an entire pay period. When you have subperiods in a pay period, there are a few methods to prevent the pay component from resolving with its full amount for each subperiod.

Option	Description
Define a proration method for pay components.	The pay component resolves at each subperiod, but returns an amount that is prorated for the subperiod.
Use eligibility criteria to process a pay component once per period.	<p>For gross-to-net proration only.</p> <p>When creating a pay component, select 1 of these options from the Worker Eligibility prompt:</p> <ul style="list-style-type: none"> <li>• <i>Pay Component: Not Previously Paid in Period</i></li> <li>• <i>Pay Component Not Previously Paid in Period (by Company)</i></li> </ul> <p>The pay component then resolves for a subperiod with the amount defined for the entire period, but only when the pay component hasn't already resolved.</p> <p>Note: These eligibility criteria don't apply to proration caused by pay group changes. To avoid duplicate results, make pay group changes before you open the pay period.</p>
Deduct days not worked during the period (FRA)	<p>In the case of midperiod hires or terminations, you can calculate a worker's pay for the entire pay period based on the worker schedule. You can then create a deduction to subtract the equivalent pay for unworked hours.</p> <p>See <a href="#">Example: Create Deductions for New Hires and Terminated Employees (FRA)</a> on page 1652.</p>

## Calculations and Subperiods (FRA)

When setting up calculations, you can use report fields that return either:

- A value for the subperiod.
- A value for the period.

All calculations resolve for each subperiod. This could potentially result in different values for logic or instance value comparison calculations in each subperiod.

Example: A worker has a midperiod company change and also changes from Collective Agreement A to Collective Agreement B. If you select:

- The report field *Collective Agreement as of Sub Period End Date*, Workday returns different collective agreements values for each subperiod.

- The report field *Collective Agreement as of Period End Date*, Workday returns the same collective agreement for each subperiod.

#### Related Information

##### Tasks

[Set Up Pay Component Eligibility](#) on page 243

## Concept: Pay Component Proration Calculation

When a primary pay component references another pay component (Example: Base Pay references Holiday Pay), you must select the Target Single Subperiod for a Prorated Pay Component check box on the Create Pay Component Group or the Create Pay Accumulation task. Selecting this check box sets the referenced pay component (Example: Holiday Pay) to target a single subperiod of the prorated primary pay component.

If you enter the reference pay component via a pay input and the input end date is within the period; Workday uses the input end date. Example: Jake Lee has a midperiod compensation change on 1/10/24. There's a pay input for a holiday on 1/1/24. Base Pay is configured for pay component proration on a compensation change and Holiday Pay isn't. Workday calculates:

- Primary pay component Base Pay subperiod 1 (1/1-1/9).
- Primary pay component Base Pay subperiod 2 (1/10-1/31).
- Reference pay component Holiday Pay entered via input (start and end date is 1/1) will target primary pay component subperiod 1.

If you don't enter the referenced pay component via input or the input end date is outside of the period; Workday uses the subperiod of the reference pay component or period end date to determine the target subperiod of the primary pay component. Example: Jake Lee has a midperiod compensation change on 1/10/24. There's a holiday on 1/1/24. Base Pay is configured for pay component proration on a compensation change and Holiday Pay is not. Workday calculates:

- Primary pay component Base Pay subperiod 1 (1/1-1/9).
- Primary pay component Base Pay subperiod 2 (1/10-1/31).
- Reference pay component Holiday Pay not entered via input will have a period end date of 1/31, and will target primary pay component subperiod 2.

When the reference pay component subperiod or period end date doesn't fall into a subperiod of the primary pay component, Workday applies the reference pay component to the first subperiod of the primary pay component. Example: Jake Lee's:

- Primary pay component (Base Pay) proration events: Compensation change and Leave of Absence.
- Reference pay component (Holiday Pay) proration events: None
- Pay Group: Executive (Monthly)
- Pay Period: 1/1/24 - 1/31/24

Sequence of events:

- January 1st is a Holiday
- Jake Lee goes On Leave effective 1/5
- Return from Leave effective 1/10
- Compensation Change for Jake Lee effective 1/15
- Jake Lee goes On Leave effective 1/31
- Return from Leave effective 2/1

Workday Calculates:

- Base Pay subperiod 1: 1/1 - 1/4
- Base Pay subperiod 2: 1/10 - 1/14
- Base Pay subperiod 3: 1/15 - 1/30
- Holiday Pay has no subperiod, so period end date is 1/31

- Reduction wages for holiday pay is applied to the Base Pay subperiod 1/1 - 1/4

#### Related Information

##### Reference

[2024R2 Feature Release Note: Pay Component Proration Calculation](#)

## Reference: Midperiod Changes Causing Proration

Workday creates multiple subperiods in responses to these midperiod changes:

For Payroll for Australia:

Type of Change	What's Prorated
Hire worker	Gross-to-net
Terminate worker	Gross-to-net
Switch primary job	Gross-to-net
Pay group	Gross-to-net
Company	Gross-to-net
Leave request (worker-based leave).	Pay component
Leave return (worker-based leave).	Pay component
Compensation change	Pay component
Change in scheduled weekly hours	Pay component
Change in collective agreement	Pay component

For Payroll for Canada:

Type of Change	What's Prorated	What's Prorated When Using Multiple Jobs
Hire worker	Gross-to-net	Gross-to-net
Terminate worker	Gross-to-net	Gross-to-net
Add job	Not applicable	Pay component
End job	Not applicable	Pay component
Switch primary job	Gross-to-net	Gross-to-net
Pay group	Gross-to-net  If you change a worker's work province midperiod, and also make a company or pay group transfer, Workday processes multiple gross-to-nets, but only processes the province of employment for the one in effect at the end of the period.	Pay component
Company	Gross-to-net	Pay component
Leave request (worker-based leave).	Gross-to-net  Pay component	Gross-to-net  Pay component

Type of Change	What's Prorated	What's Prorated When Using Multiple Jobs
Leave return (worker-based leave).	Gross-to-net Pay component	Gross-to-net Pay component
Compensation change	Pay component	Pay component
End of 1 disbursement plan period and beginning of another (for academic contract pay)	Pay component	Pay component

For Payroll for Ireland, which only supports pay component proration:

- Hire worker
- Terminate worker
- Pay group
- Company
- Leave request (worker-based leave).
- Leave return (worker-based leave).
- Compensation change.

For Payroll for France:

Type of Change	What's Prorated
Hire worker	Gross-to-net
Terminate worker	Gross-to-net
Switch primary job	Gross-to-net
Pay group	Gross-to-net
Company	Gross-to-net
Leave request (worker-based leave).	Gross-to-net
Leave return (worker-based leave).	Gross-to-net
Establishment (Only for workers whose pay group is in France).	Gross-to-net
AGIRC-ARRCO tax election change (opt-in only)	Gross-to-net
FTE/Working time change (opt-in only)	Gross-to-net
Compensation change	Pay component

For Payroll for the UK:

Type of Change	What's Prorated
Hire worker	Gross-to-net
Terminate worker	Gross-to-net
Switch primary job	Gross-to-net
Pay group	Gross-to-net
Company	Gross-to-net
Leave request (worker-based leave).	Gross-to-net

Type of Change	What's Prorated
	Pay component
Leave return (worker-based leave).	Gross-to-net Pay component
Compensation change	Pay component
End of 1 disbursement plan period and beginning of another (for academic contract pay)	Pay component

For Payroll for the U.S.:

Type of Change	Type of Proration	Type of Proration When Using Multiple Jobs
Hire worker	Gross-to-net	Gross-to-net
Terminate worker	Gross-to-net	Gross-to-net
Add job	Not applicable	Pay component
End job	Not applicable	Pay component
Switch primary job	Gross-to-net	Gross-to-net
Pay group Company	Gross-to-net	<p>When you select the Pay Component Proration for Multiple Jobs check box on the Edit Tenant Setup - Payroll task:</p> <ul style="list-style-type: none"> <li>• Pay component proration occurs.</li> <li>• Workday creates Gross-To-Net (GTN) results for each combination of companies and pay groups that you configure for the entire pay period of the pay group.</li> </ul> <p>When you don't select the Pay Component Proration for Multiple Jobs check box on the Edit Tenant Setup - Payroll task:</p> <ul style="list-style-type: none"> <li>• GTN proration occurs. This is the default configuration and only applies to the worker's primary position.</li> <li>• Additional positions continue pay component proration with the default configuration.</li> </ul>
Primary work state	Gross-to-net	Gross-to-net
Changes to the work state of an employee's additional position,	Gross-to-net	Gross-to-net

Type of Change	Type of Proration	Type of Proration When Using Multiple Jobs
when the additional position is the processing position.		
Changes to Military Spouse Residency Relief (MSRR) status	Gross-to-net	Gross-to-net
Changes to states or state percentages for employees with tax allocations defined for multiple ongoing work jurisdictions	Gross-to-net	Gross-to-net
Leave request (worker-based leave).	Gross-to-net Pay component	Gross-to-net Pay component
Leave return (worker-based leave).	Gross-to-net Pay component	Gross-to-net Pay component
Compensation change	Pay component	Pay component
End of 1 disbursement plan period and beginning of another (for academic contract pay)	Pay component	Pay component

## Example: Set Up Pay Component Proration for Leave of Absence

This example illustrates how to set up pay component proration for a leave of absence for the following:

- Payroll for the U.S.
- Payroll for the UK
- Payroll for Canada
- Payroll for Australia

### Context

Jake goes on medical leave from 2017-01-10 to 2017-01-27. You want to enable pay component proration for Jake's base pay so that he receives a single paycheck for the pay period.

### Prerequisites

Create an earning for a worker's basic salary named *Base Pay (Position)*, based on a compensation element.

### Steps

1. Access the Maintain Payroll Proration Override report.

You can drill into the Payroll Proration Event Category to edit the tenant settings.

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

2. Select the Country / Territory.

This page displays the proration settings in effect for the selected country or territory and proration event category.

You can't enable pay component proration for leave of absence when there are in-progress pay results or in-progress retro pay results. To view in-progress results, run the *All Pay Results Blocking*

*Tenant Proration Option Changes* report. You can't change the proration type after it's enabled and you've run and completed retro or completed payroll.

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

- Access the Edit Earning task for the *Base Pay (Position)* earning.

Enter these values:

Option	Value
Calculation Proration	Select <i>Prorate by Calendar Days</i> to prorate Jake's pay by the number of calendar days in the period.
Events Causing Pay Component Proration	<i>Worker-based Leave</i>

In the Related Calculations grid, verify that the relevant related calculations, such as salaried compensation or hours, have a *Prorate by Calendar Days* Proration Method.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

- Select Time and Absence > Place Worker on Leave from Jake's related actions menu.

Select a Leave Type of *Medical Leave > Illness or Injury*.

Enter a First Day of Leave of 2017-01-10.

Security: Configure the *Request Leave of Absence* business process and security policy in the Time Off and Leave functional area.

- Select Time and Absence > Return Worker from Leave from Jake's related actions menu.

Enter a First Day Back at Work of 2017-01-28.

Security: Configure the *Request Return from Leave of Absence* business process and security policy in the Time Off and Leave functional area.

- Access the Run Pay Calculation task, and select Jake's pay group.

## Result

Jake's pay result displays 2 separate result lines for each subperiod. He'll receive one combined paycheck for the pay period.

Pay Component	Subperiod
<i>Base Pay</i>	2017-01-01 to 2017-01-09
<i>Base Pay</i>	2017-01-28 to 2017-01-31

Related Information

### Tasks

[Steps: Set Up Leave of Absence](#)

[Steps: Create Earnings on page 229](#)

### Reference

[Reference: Edit Tenant Setup - Payroll](#)

## Troubleshooting: Proration

**Workday doesn't prorate workers' pay after benefit changes.**

Workday doesn't create multiple subperiods in response to midperiod benefit changes.

Cause	Solution
Workers have midperiod benefit changes that need an adjustment to a specific amount for the period where the changes occur.	<p><a href="#">Add Payroll Input for Workers</a> on page 617.</p> <p>Add one-time payroll inputs to adjust the amount paid in the relevant period.</p>
Workers have midperiod benefit changes that take effect in the next pay period.	<p><a href="#">Create Enrollment Event Rules</a>.</p> <p>Configure the enrollment event rule to pay workers for the period after they meet eligibility.</p>

### Workday doesn't prorate workers' pay after they move from hourly to salaried positions.

Cause: The earning eligibility is based on the pay rate type, and changes occur midperiod. Workday doesn't create multiple subperiods for earnings based on midperiod position changes.

Solution: Configure the earning to prorate based on a midperiod change in compensation.

#### Steps

Security: These domains in the Core Payroll functional area:

- [Process: Run Batch Calculations \(Pay Calculation\)](#)
  - [Set Up: Payroll \(Calculations - Payroll Specific\)](#)
1. Access the Edit Earning task.
  2. Select your country from the Country prompt.
  3. Select *Compensation Change* from the Events Causing Pay Component Proration prompt.
  4. Access the Run Pay Calculation task.

### Unable to edit the proration type for leaves of absence on the Maintain Payroll Proration Override report.

Cause	Solution
There are in-progress pay or retro pay results.	<p>Security:</p> <ul style="list-style-type: none"> <li>• <a href="#">Process: Run Batch Cancel (Pay Cancel)</a> domain in the Core Payroll functional area.</li> <li>• <a href="#">Process: Run Batch Cancel (Retro Cancel)</a> domain in the Core Payroll functional area.</li> <li>• <a href="#">Set Up: Tenant Setup - Payroll</a> domain in the System functional area.</li> </ul> <ol style="list-style-type: none"> <li>1. Access the All Pay Results Blocking Tenant Proration Option Change report to identify in-progress results.</li> <li>2. For pay results, from their related actions menu, select Pay Calculation &gt; Cancel. For retro pay results, access the Run Retro Pay Cancel task.</li> </ol>
You change the Proration Type prompt from <i>Gross to Net to Pay Component</i> , and run and complete payroll or retro.	<p><a href="#">Cancel a Completed On-Cycle Payroll</a> on page 669.</p> <p>For retro pay results, access the Cancel Retro Complete task.</p> <p>See <a href="#">Concept: Cancel a Completed Retro Pay Calculation</a> on page 885.</p>

## Concepts: Earnings and Deductions

### Concept: Effective Dating for Earnings and Deductions

You can create effective dated definitions of a pay component when you have a change in policy, such as a change in worker eligibility for an earning.

#### Create a New Effective-Dated Pay Component Definition

You must provide an effective date when you first create an earning or deduction.

For Payroll for Canada, the UK, and the U.S., Workday sets all earnings and deductions created before the effective dating feature release (mid-Workday 23, 2014-12-06) with the effective date of 2000-01-01.

To create a new effective dated definition of an existing earning or deduction:

1. Access the Edit Earning or Edit Deduction task.
2. Select Add New Effective Date.
3. Enter the new effective date.

When you click OK, you can see a subtab on the Effective Dated tab for each pay component definition.

#### Example: Tool Allowance (AUS)

Global Modern Services has a tool allowance earning that is effective as of the default date 2000-01-01. The calculation is for *Hours Worked x Rate* at a rate of 0.87. As of 2024-01-01, the rate goes up to 0.93.

The Payroll Administrator accesses the Edit Earning task for the *Tool Allowance* earning and selects the Add New Effective Date option to create a new definition with the effective date 2024-01-01. They enter the new rate of 0.93 in the Override Calculation field for the *Rate Related Calculation*.

#### Example: Union Dues Deduction (CAN, USA)

Global Modern Services has a union dues deduction that is effective as of the default date 2000-01-01. The calculation is for *Hours Worked x Rate*, at a rate of 0.05. As of 2014-01-01, the rate goes up to 0.07.

The Payroll Administrator accesses the Edit Deduction task for the *Union Dues* deduction and selects the Add New Effective Date option to create a new definition of the deduction with the effective date 2014-01-01. She enters the new rate of 0.07 in the Override Calculation field for the *Rate Related Calculation*.

#### Example: Union Subscriptions Deduction (UK)

Global Modern Services has a union subscriptions deduction that is effective as of the default date 2000-01-01. The calculation is for *Hours Worked x Rate*, at a rate of 0.05. As of 2014-01-01, the rate goes up to 0.07.

The Payroll Administrator accesses the Edit Deduction task for the *Union Subscriptions* deduction and selects the Add New Effective Date option to create a new definition of the deduction with the effective date 2014-01-01. She enters the new rate of 0.07 in the Override Calculation field for the *Rate Related Calculation*.

#### Copy Earnings and Deductions

An earning or deduction is always effective-dated, even if only once when it's created, so you're actually copying a snapshot of the earning or deduction in time.

To copy a pay component snapshot as of an effective date: From the related actions menu of the View Earning or View Deduction report, select Calculation > Copy and select the date of the snapshot you want to copy. Workday requires that you change at least the Code field to make a copy.

Once the copy opens, you can delete a pay component related calculation (PCRC) by selecting the minus sign for that row.

## How Workday Applies the Effective Date

Workday uses the effective dated definition that is the same or earlier than:

- The pay period end date for your company's pay components.
- The resolve effective date setting for Workday-delivered pay components. You can view the Resolve Effective Date on the Non-Effective Dated tab of the View Earning or View Deduction report.

If you add or edit an earning or deduction in the middle of a pay period, it applies to the whole pay period. Workday doesn't prorate effective dating.

For Payroll for France, non-effective dated features always apply.

## Retroactive Payroll Processing

If you add or edit an earning or deduction definition with a retroactive effective date, it resolves for workers with supported retroactive events. However, it doesn't cause a retroactive event.

Pay component related calculations (PCRCs) aren't effective dated. You can change some fields for the PCRC after it's calculated, but if you modify the effective date of 1 PCRC, the change applies to all effective dates. Workday recommends you review your current effective dates before making changes.

Example (CAN, USA): You retroactively change a union dues rate. When you initiate a supported retroactive event, those workers with that event receive the union dues update retroactively.

Example (UK): You retroactively change a union subscriptions rate. When you initiate a supported retroactive event, those workers with that event receive the union subscriptions update retroactively.

Related Information

### Concepts

[Concept: Retro and Pay Component Eligibility](#) on page 916

### Tasks

[Steps: Create Earnings](#) on page 229

[Steps: Create Deductions](#) on page 234

## Concept: Inactivate Earning and Deduction Definitions

To prevent a pay component definition from processing to a result, select the Inactive check box on the Edit Earning or Edit Deduction task. Workday:

- Considers the pay component to be inactive for the entire pay period, since Workday doesn't prorate inactive and active status.
- Carries pay balances and pay accumulations forward regardless of the pay component active or inactive status.
- Continues to process arrears for inactivated deductions for both on-cycle and off-cycle payments. To update the arrears balance for an inactive pay component, use the Flat Amount Limit (When No Current Deduction) field on the Edit Net Pay Validation/Arrears task.
- Excludes inactive earnings from payroll commitments.

An inactive pay component in the Include Current Value field on a pay component or pay component-related calculation:

- Has no current result.
- Doesn't contribute to the limit.

## Retroactive Considerations

When a worker has a supported retroactive event:

- Workday resolves a retroactive change to a pay component according to the pay component status as of the retro target period.
- If you change a pay component status for a completed period, Workday always considers worker eligibility criteria. Therefore, regardless of the Retro Calculation setting, the retro pay calculation generates retro differences for that pay component and that period. Example: You deactivate a deduction for a completed period and leave the Recalculate During Retro check box empty on the deduction definition. When you run a retro pay calculation for that period, Workday refunds the deduction in the current period.
- Retroactively changing a pay component definition causes retro differences. Changing an earning or deduction definition itself doesn't create a supported retro event. Example: You retroactively change a union dues rate on an active deduction definition. When you initiate a supported retroactive event, those workers with that event receive the union dues update retroactively.

### **Current Status Field on the View Earning and View Deduction Reports**

Workday displays the status of pay components as of the current day in the Current Status field on the View Earning and View Deduction reports.

If you create a future-dated pay component, and select the Inactive check box:

- The Inactive field displays *Yes*.
- The Current Status field displays *Active* until the effective date.

### **Status Field in Reports and Web Services**

If at least 1 pay component is inactive, the Status field displays on these reports and web services. The *Inactive* status for the pay component displays as of the current day.

Reports:

- All Pay Component Related Calculations
- All Earnings
- All Deductions

Web Services:

- *Get Deductions*
- *Put Deductions*

### **Pay Component Names in Prompts**

Workday keeps inactive pay components available to you, so you can use them for such situations as prior periods or arrears balances. To help you make an informed decision about processing an inactive pay component, Workday appends the name with the term (*Inactive*). Example: *Basic Life - EE (Inactive)*.

Related Information

#### **Tasks**

[Steps: Create Earnings](#) on page 229

[Steps: Create Deductions](#) on page 234

#### **Reference**

[The Next Level: Crisis Management Solution: Stopping Benefit Deductions in Payroll](#)

### **Concept: Delete Calculations**

You can delete single calculations, if they aren't referenced elsewhere. Access the Delete Calculation task to delete:

- Earnings and their associated Pay Component Related Calculations (PCRCs).
- Deductions and their associated PCRCs.

- Date calculations.
- Numeric calculations.
- True or false calculations.
- Pay accumulations.
- Pay balances.
- Pay component groups.

The Delete Calculation task is secured by the *Calculation: Delete* domain in the Core Payroll and Time Off and Leave functional areas.

If you want to delete a calculation that doesn't display in the prompt, review the calculation definition and remove the Usage.

## Considerations for Earnings and Deductions

Workday displays an error message and prevents you from deleting the calculation when it has been used in:

- Payroll input.
- Result lines.
- Retro result lines.
- Commitment or obligation results.

You can't delete earnings and deductions that use these components, even if you delete, cancel, or rescind them:

- Benefit group benefit credits (waived coverage credits).
- Payroll accounting adjustments.
- Payroll commitment rules.

If you're unable to delete a pay component, Workday recommends you to first Inactive the earning or deduction using the Edit Earning or Edit Deduction task.

Related Information

### Concepts

[Concept: Payroll Calculations on page 310](#)

### Tasks

[Steps: Create Earnings on page 229](#)

[Steps: Create Deductions on page 234](#)

## Concept: Worktags for Payroll Calculations

Use worktags to tag pay components with supplemental information, such as company, position, location, or loan number. You can reference them later to:

- Guide the calculation of pay components.
- Associate pay component values for aggregation or accounting.
- Limit values displayed for accumulation.
- Limit values displayed for reporting, such as on the Payroll Register by Period report.

Example: Create a worktag for workers with multiple loans to keep track of the initial loan disbursement and subsequent repayments for each loan.

A worktag has 2 parts:

- Type (sometimes called a *dimension*), such as *Loans*.
- Valid values, such as *Loan1* and *Loan2*.

Example: If an earning has a worktag type, such as *Loans*, you must enter a valid value, such as *Loan1*, in payroll input to complete the set up. If you don't, Workday displays an error message and stops you from proceeding.

Workday offers:

- Workday-owned worktags, such as the *Location* worktag type with valid values such as *London*, *Montreal*, *New York*, and *Paris*.
- Custom worktags that you can create, such as a *Loans* worktag type with valid values such as *Loan1*, *Loan2*, and *Loan3*.

The same payroll worktag can fill either or both of these purposes:

- As a calculation worktag, it causes earnings and deductions to resolve multiple times, based on different valid values for a worker. You can use worktags in payroll input to initiate multiple iterations. Example: A worker has 3 loans, *Loan1*, *Loan2*, and *Loan3* on separate rows of payroll input. The loan disbursement earning and the repayment deduction each run 3 times: once for each loan. Running fewer pay components enables Workday to run more efficiently.
- As a filter worktag, it tracks and retrieves values from earnings and deductions to associated accumulations and balances based on matching valid values. Example: *Loan1* limits an accumulation and balance to retrieve only *Loan1* values from an earning or deduction so that the accumulation and balance of *Loan1* are distinct from other loans.

Worktags are available in several places throughout Workday:

Location	Field	Description
Add Payroll Input by Worker task Run History Payment for Worker task Run On Demand Payment for Worker task Run Manual Payment for Worker task Batch payroll input Batch off-cycle input	Payroll Worktags for payroll input, batch payroll input, and history.  Worktags for on-demand and manual payments.	<p>On a separate row for each worktag type, enter a worktag valid value and amount. Each valid value and amount combination generates a separate payroll result line for the pay component.</p> <p>Example: To initiate 2 payments from the loan earning and to associate the 2 loans with their repayment deductions:</p> <ul style="list-style-type: none"> <li>• Enter the valid value <i>Loan1</i> and an Amount of 2000 on 1 row.</li> <li>• Enter <i>Loan2</i> and an Amount of 500 on a separate row.</li> </ul> <p>For the repayment deduction, enter the repayment amounts on separate rows:</p> <ul style="list-style-type: none"> <li>• Enter <i>Loan1</i> and an Amount of 50 on 1 row.</li> <li>• Enter <i>Loan2</i> and an Amount of 12.50 on a separate row.</li> </ul> <p>The pay component resolves for each row of payroll input.</p>

Location	Field	Description
Create Earning Create Deduction	Calculation Worktag	<p>If you want the pay component to resolve independently for each worktag, enter a worktag type in this field. Workday performs the calculation for each valid value from payroll input for the worker.</p> <p>Example:</p> <p>Enter a <i>Loan</i> worktag type on the loan payment earning, and enter 2000 in the Calculation field.</p> <p>Enter a <i>Loan</i> worktag type on the repayment deduction, and enter 50 in the Calculation field.</p> <p>Create a limit up to the original loan balance.</p>
Create Pay Accumulation Create Pay Balance	Filter Worktags	<p>Enter 1 or more worktag types that Workday uses to track associated values.</p> <p>The accumulations or balances are for the current context of the worktag.</p> <p>Example: Enter a <i>Loan</i> worktag type for a worker with multiple loans. The YTD balance tracks data for <i>Loan1</i> and <i>Loan2</i> separately.</p>

#### Related Information

##### Concepts

[Concept: Worktag Balancing for Payroll on page 447](#)

##### Tasks

[Enter Earning or Deduction Calculations on page 246](#)

[Steps: Define Custom Worktags](#)

[Override Worktags for Manual Payments on page 724](#)

##### Reference

[Import Payroll Input EIB - Inbound](#)

##### Examples

[Example: Include Workday and Company-Specific Deductions in EIB Spreadsheets on page 635](#)

## Concept: Position-Based Earnings and Deductions

To make the *Position* worktag type available on earnings and deductions, access the Edit Tenant Setup – HCM task. From the Position Setup Options prompt, select *Multiple Jobs*.

For Payroll for the U.S., use this setting for both multiple jobs and international assignments. You can pay a worker from a non-Workday payroll system for only 1 international assignment at a time.

- When you set up an earning or deduction, select *Position* for the Calculation Worktag. Workday calculates the earning or deduction separately for each position processed.

Examples of position-based earnings and deductions include base pay and union dues. Use only position-based earnings and deductions for international assignments.

- Select *Position* for the Calculation Worktag on all pay components that are referred to by other position-based pay components.

This configuration ensures that all calculations use values for the correct position. Example: A position-based *Overtime Earnings* pay component refers to a *Sick Pay* pay component. Adding the position worktag to Sick Pay ensures that Workday uses the correct rate of pay when calculating sick pay.

- If you don't select the *Position* worktag, Workday considers the earning or deduction worker-based. Workday resolves worker-based earnings once for each gross-to-net amount, for each pay group, unless you add worker eligibility criteria.

For worker-based earnings or deductions in Payroll for Canada and the U.S., the worker's payroll processing position determines eligibility, unless you define rules to look across jobs. If a deduction is based on gross pay (Example: 10% of gross pay), Workday sums the earnings from all positions in the same company for the gross pay.

For worker-based earnings or deductions in Payroll for France and the UK, the worker's primary position determines eligibility, unless you define rules to look across jobs. If a deduction is based on gross pay (Example: 10% of gross pay), Workday sums the earnings from all positions in the same company for the gross pay.

Once a payroll result or payroll input exists for the earning or deduction, you can't add or remove the *Position* worktag.

#### Related Information

##### Tasks

[Enter Earning or Deduction Calculations](#) on page 246

[Add Payroll Input for Workers](#) on page 617

## Concept: Payroll Custom Worktags

You can use custom worktags in earnings, deductions, and payroll journal entries. You can also use them in payroll calculations. However, you can't use custom worktags for payroll costing allocations and accounting adjustments.

### Multiple Custom Worktags

To help manage the resolution of complex calculations, such as pensionable earnings, use multiple custom worktags. They enable you to define a set of worktag types that require valid values when you use payroll input with that pay component.

For Payroll for Canada, the UK, and the U.S., Workday displays a separate resolution on the worker's payslip for each like set of worktag values.

If you're using multiple custom worktag types, you can't combine them with other worktag types, such as *Position*.

Example:

Global Modern Services uses 3 custom worktags: Campaign, Channel, and Business Unit, when entering its pensionable wage earnings. The payroll administrator enables the 3 as custom worktag types, and includes these values for each row of payroll input.

Date	Campaign	Channel	Business Unit	Amount
2013-09-30	10	1	30	100

Date	Campaign	Channel	Business Unit	Amount
2013-10-01	10	1	30	150
2013-10-02	10	1	30	25
2013-10-02	10	1	60	30
2013-10-03	11	1	60	60
2013-10-04	10	2	60	110

The employer contribution for the worker's pension is based on these amounts. Workday combines the display of the first 3 amounts as 275, because all 3 are for Campaign 10, Channel 1, and Business Unit 30. The other 3 display separately, because they are unlike sets of values: with either a different campaign (10 or 11) or a different channel (1 or 2).

Pay Period End Date	Campaign	Channel	Business Unit	Amount
2013-10-04	10	1	30	275
2013-10-04	10	1	60	30
2013-10-04	11	1	60	60
2013-10-04	10	2	60	110

#### Related Information

##### Concepts

[Concept: Position-Based Earnings and Deductions on page 304](#)

##### Tasks

[Enter Earning or Deduction Calculations on page 246](#)

[Steps: Define Custom Worktags](#)

[Add Payroll Input for Workers on page 617](#)

## Concept: Compensation Elements and Payroll Processing

When you create an earning, the Compensation Element section of the Effective Dated tab enables you to map the earning to 1 or more compensation elements so that Workday can retrieve the correct:

- Amounts
- Percentages
- Rates

When the compensation element belongs to a one-time payment plan, the payroll process also:

- Costs the one-time payment according to worktag values assigned through Compensation.
- Creates a separate result line for each one-time payment the worker receives, such as a referral bonus. Payslips report the aggregate amount of the earning.
- Creates separate result lines when you map an earning to both a one-time and recurring compensation element, and the worker receives both.
- Updates the calculation status of a result to *Requires Recalculation* if Compensation modifies or rescinds a worker's payment request when the payment is in progress.

When the compensation element is for period activity pay, academic periods defined in Compensation control the timing of payments. You can't map the same earning to a compensation element for period activity pay or another type. During the payroll process:

- Workday creates a separate result line for each period activity payment that a worker receives. Payslips report the aggregate amount of the earning.

- If Compensation modifies or rescinds a worker's period activity pay when a payment is in progress, Workday updates the calculation status of a result to *Requires Recalculation*.

## Concept: Time Off Earnings

You can create earnings to calculate workers' paid and unpaid time off. For Payroll for France, you can create earnings and deductions. When you configure time off plans to track balances in Workday Absence Management, earnings can use Workday-provided calculations to retrieve units for approved time off. Payroll for France also includes deductions in Workday-provided calculations for time off plan configurations.

### Calculations for Paid and Unpaid Time Off Units

Workday Absence Management automatically creates 3 absence component related calculations each time you add a time off to a time off plan. Use them, with 3 related calculations provided by Workday Payroll, to configure earnings that retrieve the number of paid and unpaid time off units.

Related Calculation	Absence Component Related Calculation	Amount Retrieved
<i>Time Off Paid (Units)</i>	<i>xxx - Time Off Paid</i>	Number of paid days or hours approved for an employee in the current payroll period.
<i>Time Off Unpaid (Units)</i>	<i>xxx - Time Off Unpaid</i>	Number of unpaid days or hours approved for an employee in the current payroll period.
<i>Time Off Total (Units)</i>	<i>xxx - Time Off Total</i>	Sum of paid and unpaid days or hours approved for an employee in the current payroll period.

#### Examples:

##### Payroll for Canada, France, and the U.S.:

When defining an earning for paid vacation, you can use a calculation rule of *Time Off Paid (Units) \* Rate*. Select *Time Off Paid (Units)* as a related calculation. For the override value, select *Vacation-Time Off Paid*, the automatically generated, absence component related calculation.

The related calculations and associated absence component related calculations they create result in different amounts retrieved. The abbreviation, *xxx*, represents the name of the time off, such as *Vacation*.

For Payroll for France, you can configure your own absence rules through calculated fields. See [Workday Community: Absence Calculations for Payroll](#).

##### Payroll for the UK:

When defining an earning for paid holiday, you can use a calculation rule of *Time Off Paid (Units) \* Rate*. Select *Time Off Paid (Units)* as a related calculation. For the override value, select *Vacation-Time Off Paid*, the automatically generated, absence component related calculation.

The related calculations and associated absence component related calculations they create result in different amounts retrieved. The abbreviation, *xxx*, represents the name of the time off, such as *Holiday*.

## Vacation Pay (CAN)

For vacation earnings, configure a separate earning for the vacation pay accrual and the vacation payment.

## Position-Based Time Off

Payroll for France recommends assigning only the primary position to a pay group.

When your tenant configuration supports multiple jobs, you can create position-based earnings to calculate paid or unpaid time for position-based time off. When you run the pay calculation process, Workday Payroll retrieves time off units:

Position Based	Worker Based	Retrieves
Earning and time off plan.		Time-off units for the relevant position.
	Earning and time off plan.	Time-off units for the worker.
Time off plan.	Earning.	Time-off units for the worker's: <ul style="list-style-type: none"> <li>Payroll processing position (CAN, USA).</li> <li>Primary position (AUS, FRA, UK).</li> </ul>
Earning.	Time off plan.	Time-off units for the worker. The position-based earning resolves separately for each of the worker's positions, and it uses the time off units for the worker in each calculation. <p>Example: If a worker requests 8 hours off, Workday uses 8 hours in the earning calculation for each position.</p> <p>You can use calculations to support the proration of time off units (such as units based on FTE and Scheduled Weekly Hours) across positions to prevent paying employees twice for the same time off.</p>

## Unpaid Time Off (CAN, UK, USA)

Create pay components to calculate the value of unpaid time off only if:

- Your time off plans allow requests for unpaid time.
- You're reducing base pay or salary by the value of the unpaid hours or days.

To process unpaid time off, you can either:

- Configure base pay earnings to subtract unpaid time off from an employee's regular wages.
- Subtract unpaid time off directly from Gross or Net pay accumulations.

Workday recommends that you define negative earnings rather than deductions to calculate the value of unpaid time off.

## Unpaid Time Off (FRA)

Workday recommends that for each time off you:

- Create a deduction to reduce base pay by the value of unpaid hours or days.
- Create an earning for the payment of the time off.

On the pay results and the payslip, you see the reduction for time off, and the compensation for paid time off as 2 separate lines.

For partially paid absences, create these pay components:

- A deduction for the entire duration of the time off.
- An earning for the duration of the time off that is paid.

Related Information

### Concepts

[Concept: Payroll Processing Positions \(CAN, USA\) on page 593](#)

### Examples

[Example: Create an Earning for a Single Time Off on page 391](#)

[Example: Create an Earning for Multiple Time Offs on page 392](#)

[Example: Create a Deduction for Multiple Time Offs \(FRA\) on page 1647](#)

[Example: Create Earnings for Paid Vacation \(FRA\) on page 1648](#)

[Example: Create Time Off Deductions Based on Worker Schedules \(FRA\) on page 1650](#)

[Example: Reduce Salary for Time Off and Holidays on page 395](#)

# Payroll Calculations

## Steps: Create Custom Fields for Payroll and Absence Calculations

### Prerequisites

Review the requirements for custom fields in calculations.

### Context

You can create custom fields to retrieve data for Workday calculations. You can use calculated fields as inputs to instance value calculations.

### Steps

1. [Create Custom Field Types.](#)
2. [Create and Edit Custom Object Definitions.](#)

Create custom fields.

From the Category prompt, select *Payroll* or *Time Off*.

From the Authorized Usage prompt, select *Calculation Engine (Payroll/Absence)*.

In the Permissions section, select:

- *Set Up : Calculations - Generic*
- *Set Up: Payroll (Calculations - Payroll Specific)*

**Related Information****Concepts**[Concept: Requirements for Custom Fields in Calculations](#)

## Concept: Payroll Calculations

You can create numeric, boolean, and date calculations that work with Workday Payroll calculations such as:

- Pay component groups.
- Pay accumulations and balances.
- Earnings and deductions for payroll.

You can create simple calculations, or you can nest calculations within each other by selecting an existing calculation as an operand of another. The nesting automatically determines the order of operation, unless you use the Order in the calculation.

**Related Information****Tasks**[Create Calculations](#)[Create Lookup Calculations Using Advanced Lookup Tables](#)**Reference**[Reference: Numeric Calculations](#)[Reference: Boolean Calculations](#)[Reference: Date Calculations](#)

## Concept: Date Calculations for Payroll

You can create date calculations to cover several common payroll calculations.

**Example: Find Defined Date of Current Calendar Year**

To determine worker eligibility for certain bonuses, you want to find October 31st of the current calendar year based on the payment date.

1. Access the Create Build Date Calculation task.
2. Complete these fields:

Year	Month	Day
<i>Year: Payment Date - Year</i>	10	31

If the payment date is 2017-05-31, the calculation resolves to 2017-10-31.

**Example: Find Defined Date of Previous Calendar Year**

You want to find October 31 of the previous year, based on the payment date. You've already created a build date calculation, *Date: Oct 31 of Current Year (based on Payment Date)*, that returns October 31st of the current year.

1. Access the Create Date Increment/Decrement Calculation task.

2. Complete these fields:

Start Date	Year	Month	Day
<i>Date: Oct 31 of Current Year (based on Payment Date)</i>	-1		

Related Information

**Reference**

[Reference: Date Calculations](#)

## Concept: Numeric Calculations for Payroll

You can create numeric calculations to cover several common payroll calculations.

**Example: Percentage of Prorated Base Salary**

You want to find a 50% of a prorated salary. You've already created:

- *Base (prorated)* as a related calculation on earnings.
  - *0.5* as a constant value calculation.
1. Access the Create Arithmetic Calculation task.
  2. Complete these fields:

1st Operand	Operator	2nd Operand
<i>Base (prorated)</i>	<i>Multiply</i>	<i>0.5</i>

**Example: Premium Based on Type of Shift**

You want to find the shift allowance percentage based on the shift they work.

- If they work 1st shift, they receive a premium of 6% per pay period.
- If they work 2nd shift, they receive a premium of 10% per pay period.
- If the shift isn't specified, they receive 5% per pay period.

You've already created 2 instance set comparison calculations, to determine the type of shift worked:

- *Worker's Shift = 1st Shift*
- *Worker's Shift = 2nd Shift*

1. Access the Create Conditional Calculation task and complete these fields:

Order	Condition	Result
<i>a</i>	<i>Worker's Shift = 1st Shift</i>	<i>6</i>
<i>b</i>	<i>Worker's Shift = 2nd Shift</i>	<i>10</i>

2. Select *5* from the Default Response prompt.

#### Example: Dependent Age at Calendar Start Date

You want to determine the age of a dependent at the start of the calendar year.

1. Access the Create Date Difference task.
2. Complete these fields:

Interval	Start Date	End Date
<i>Year</i>	<i>Dependent: Date of Birth</i>	<i>Date: Current Calendar Year End Date (based on Period Start Date)</i>

#### Example: Reference Period for Bonus

You want to calculate the starting month for a 3-month reference period.

1. Access the Create Date Increment/Decrement Calculation task and enter these values:

Option	Value
Name	Current Calendar Month End Date (based on Period End Date) - 3 Months
Start Date	<i>Date: Current Calendar Month End Date (based on Period End Date)</i>
Month	<i>-3</i>

2. Access the Create Date Extract task and enter these values.

Interval	Date
<i>Month</i>	<i>Current Calendar Month End Date</i>

Interval	Date
	(based on Period End Date) - 3 Months

When the period end date is 2017-07-31, the calculation returns 4.

Related Information

**Reference**

[Reference: Numeric Calculations](#)

## Concept: Boolean Calculations for Payroll

You can create boolean calculations to cover several common payroll calculations.

Example: Identify Regular Employees

As part of eligibility criteria, you want to identify workers who are regular employees. You want to include workers who are regular at either the period start or end date.

1. Access the Create Instance Set Comparison Calculation task and complete these fields:

Field	Value
Name	Employee Type is Regular (as of Period End Date)
Source Field	<i>Employee Type as of Period End Date</i>
Relational Operator	<i>in the selection list</i>
Target Instance	<i>Regular</i>

2. Access the Create Instance Set Comparison Calculation task and complete these fields:

Field	Value
Name	Employee Type is Regular (as of Period Start Date)
Source Field	<i>Employee Type as of Period Start Date</i>
Relational Operator	<i>in the selection list</i>
Target Instance	<i>Regular</i>

3. Access the Create Logic Calculation task and complete these fields.

Operand	Operand
<i>Or</i>	<i>Employee Type is Regular (as of Period End Date)</i>

Operand	Operand
	<i>Employee Type is Regular (as of Period Start Date)</i>

**Example: Identify Hourly Workers**

As part of eligibility criteria, you want to identify workers who are paid on an hourly basis.

1. Access the Create Instance Set Comparison Calculation task.
2. Complete these fields:

Source Field	Relational Operator	Target Instance
<i>Pay Rate Type as of Period Start Date</i>	<i>in the selection list</i>	<i>Hourly</i>

**Example: Hire Date After July**

You want to determine if the hire date of a worker is later than July.

1. Access the Create Value Comparison Calculation task.
2. Complete these fields:

1st Operand	Operator	2nd Operand
<i>Month: Worker Hire Date - Month</i>	<i>greater than</i>	<i>7</i>

**Related Information****Reference**

[Reference: Boolean Calculations](#)

**Concept: AND and OR Setup for Boolean Calculations**

You can use AND and OR logic to set up conditions that identify workers, such as:

- Worker Eligibility and Scheduling fields on the Effective Dated tab of the Create Earning and Create Deduction tasks.
- Selection Criteria field for workers to process on the Create Run Category task.

**OR Conditions**

To set up an OR condition, put each condition on a separate row. A worker must satisfy only 1 condition for the pay component or worker selection to resolve.

You want to resolve an earning for an allowance when a worker is either:

- Enrolled in a compensation plan.
- Has payroll input.

1. Access the Edit Earning task.

2. Add 2 rows to the Worker Eligibility field.

Click the plus sign to put each condition in a separate row.

<b>Worker Eligibility</b>
<i>Compensation: Compensation Value Exists and &lt;&gt; 0</i>
<i>Payroll Input Exists for Pay Component</i>

## AND Conditions

To set up an AND condition, keep all conditions in the same row. Workers must satisfy all criteria in the row for the pay component or worker selection criteria to resolve.

You want to resolve a deduction for an amount-based benefit deduction only if the deduction hasn't already resolved in a previous subperiod of the period.

1. Access the Edit Deduction task.
2. Add 1 row to the Worker Eligibility field.

<b>Worker Eligibility</b>
<i>Benefits: Employee Cost (Post-tax) Exists and &lt;&gt; 0</i>
<i>Pay Component Not Previously Paid in Period</i>

### Related Information

#### Tasks

[Set Up Pay Component Eligibility](#) on page 243

[Identify Who to Process in Run Categories](#) on page 102

#### Reference

[Reference: Boolean Calculations](#)

## Example: Calculate Worker Age as of July

This example illustrates how to create nested calculations.

### Context

To determine worker eligibility for bonuses, you want to identify workers who are 25 or younger on July 31st of the year when the bonus is paid.

As calculations have limited numbers of operands, you need to create multiple calculations and nest them. The nesting determines the order of operation, if you don't specify an Order in the calculation.

To calculate July 31st of the year of the worker's payment, you need to:

- Determine the year of the payment date.
- Calculate July 31st of that year.

Then to calculate a worker's age, you need to calculate the difference between:

- The worker's date of birth.
- July 31st of the year of the worker's payment.

### Prerequisites

#### Security:

- *Set Up: Calculations - Generic* domain in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

## Steps

1. Access the Create Build Date Calculation task.

Enter these settings:

Option	Value
Name	Date: July 31 Current Year (based on Payment Date)
Category	Payroll
Year	Year: Payment Date - Year
Month	7
Day	31

2. Access the Create Date Difference Calculation task.

Enter these settings:

Option	Value
Name	Worker Age as of July Current Year (based on Payment Date)
Category	Payroll
Interval	Year
Start Date	Worker: Date of Birth
End Date	Date: July 31 Current Year (based on Payment Date)

## Example: Create a Lookup Table for Cost of Living Percentages

This example illustrates how to create an advanced lookup table to store the cost of living based on a worker's primary work state.

### Context

Your company has workers in California, Florida, New York, Pennsylvania, and South Carolina. You're preparing to create a calculation for bonuses based on the cost of living in each state. You want to create a lookup table with these percentages:

- California: 25%
- Florida: 20%
- New York: 25%
- Pennsylvania: 20%
- South Carolina: 15%

## Steps

1. Access the Create Lookup Table task.
2. Select *Advanced Lookup Table - Report Field Search Criteria*.
3. Enter these values:

Option	Description
Name	Bonus Percent (Based on Cost of Living)

Option	Description
Category	<i>Payroll</i>
Report Field Search Criteria	<i>Worker Primary Work State</i>
Effective Date	Select the effective date for the calculation.

4. Remove the first row from the Values grid.  
If you don't remove the first row, you won't be able to save the table.
5. Click OK.
6. From the related actions menu of the lookup table, select Lookup Table > Column Labels.
7. Enter these values:

Display on Page	Display Name
Selected	<i>Bonus Percent</i>

8. Click OK.
9. Click Done.
10. Access the Edit Lookup Table task.
11. From the Lookup Table prompt, select *Bonus Percent (Based on Cost of Living)*.
12. Enter these values in the Values grid.

Search Value	Bonus Percent	Default
<i>California</i>	0.25	
<i>Florida</i>	0.20	
<i>New York</i>	0.25	
<i>Pennsylvania</i>	0.20	
<i>South Carolina</i>	0.15	
	0.10	Selected

13. Click OK.

## Next Steps

Create step-based conditions and a step-based calculation for bonuses based on the cost of living.

## Example: Create Step-Based Conditions for Bonuses Based on Cost of Living

This example illustrates how to create step-based conditions in preparation for creating a bonus based on cost of living.

### Context

Your company wants to create a bonus for workers based on the cost of living in their state. They want to:

- Only include hourly workers.
- Provide an extra bonus for workers with hourly wages that are greater than 1000.

In preparation for creating a step-based calculation, you want to create these step-based calculation conditions:

- A condition to identify when workers aren't hourly.
- A condition to identify workers with hourly wages greater than 1000.

## Steps

1. Access the Create Step Based Calculation Condition task.
2. Enter these values:

Option	Description
Name	Worker is Not Hourly
Category	Payroll
Logical Operator	AND

3. In the Conditions grid, enter these values and click OK:

Operand 1 (Type Value)	Operator	Operand 2 (Type Value)
Select: <i>Source Field</i>	<i>in the selection list</i>	<i>Target Instance(s)</i>
Select: <i>Pay Rate Type</i>		<i>Salaried</i>

4. Click OK.
5. Access the Create Step Based Calculation Condition task.

Enter these values:

Option	Description
Name	Hourly Wages > 1000
Category	Payroll
Logical Operator	AND

6. In the Conditions grid, enter these values and click OK:

Operand 1 (Type Value)	Operator	Operand 2 (Type Value)
Select: <i>Calculation</i>	<i>greater than</i>	Select: <i>Calculation</i>
Select: <i>Hourly Pay [USA]</i>		Select: <i>1000</i>

7. Click OK.

## Next Steps

Create a step-based calculation for bonuses based on the cost of living.

## Example: Create a Step-Based Calculation for Bonuses Based on Cost of Living

This provides an example of 1 way to create a step-based calculation.

### Context

Your company has workers in California, Florida, New York, Pennsylvania, and South Carolina. You want to create a step-based calculation to give hourly workers bonuses based on the cost of living in their state. The amount of the bonus for these workers is a percentage of their wages for the pay period and is based on the cost of living in their state.

Remote workers who live in other states receive a 10% bonus.

Workers with wages greater than 1000 receive 100 plus the percentage based on the cost of living.

You want to round bonuses to 0.05.

## Prerequisites

- Create an advanced lookup table for the cost of living, named Bonus Percent (based on Cost of Living). Base the table on report field search criteria, and use the worker's primary work state as the search criteria.
- Create a step-based condition, named Worker is Not Hourly, that identifies nonhourly workers.
- Create a step-based condition, named Hourly Wages > 1000, that identifies where a worker's hourly wages are greater than 1000.
- Create a calculation called *Hourly Wages* that returns a worker's hourly wages.

## Security:

- *Set Up: Calculations - Generic* domain in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

## Steps

1. Access the Create Step Based Calculation task and enter these values:

Option	Description
Name	<i>Graduated Bonus Calculation</i>
Category	<i>Payroll</i>

2. Add these steps to the Step Details grid:

Note: Use the plus in the far left column to add each row as a new step, as opposed to adding a row to the Operations sections within a step. The step numbers aren't visible until you click OK and save the calculation.

Step	Condition	Operation	Type	Value
1	<i>Worker is Not Hourly</i>	<i>Exit</i>	<i>Numeric</i>	<i>0</i>
2		<i>Set</i>	<i>Calculation</i>	<i>Hourly Wages</i>
3		<i>Multiply</i>	<i>Lookup Table</i>	<p><i>Lookup Table: Bonus Percent (based on Cost of Living)</i></p> <p><i>Column: Bonus Percent</i></p> <p><i>Period Date Indicator: Based on Period End Date</i></p>
4	<i>Hourly Wages &gt; 1000</i>	<i>Add</i>	<i>Numeric</i>	<i>100</i>
5		<i>Round</i>	<i>Rounding Definition</i>	<i>Round to nearest 0.05</i>
6		<i>Max</i>	<i>Numeric</i>	<i>1500</i>

3. Click OK.

## Result

When you launch a payroll calculation with this calculation, Workday:

- Returns a result of 0 for salaried workers.
- Retrieves the hourly wages for workers paid with an hourly rate.
- Calculates a percentage of the workers' hourly wages based on their primary work state.
- Adds 100 to the bonus for workers with hourly wages greater than 1000.
- Rounds the bonus amounts to 0.05.
- Applies a maximum of 1500 to the bonus amount.

Related Information

### **Concepts**

[Concept: Step-Based Calculation](#)

### **Tasks**

[Create a Step-Based Calculation](#)

## **Pay Accumulations and Balances**

### **Create Pay Accumulations**

#### **Prerequisites**

- Create earnings and deductions.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### **Context**

A pay accumulation is a set of earnings, deductions, pay component-related calculations, pay component groups, or other pay accumulations for which Workday can calculate a total. You specify which values to add or subtract.

Pay accumulations return a value for a single gross-to-net result. They don't represent multiple periods of time (such as month-to-date or quarter-to-date) or multiple results for the same period. Example: A worker receives a regular paycheck and an on-demand additional payment for the current period. The pay accumulation returns a single value for each, not the combined result.

Note: Use a pay balance, not a pay accumulation, to retrieve a value that represents multiple periods of time or multiple results for the same period.

Workday delivers several predefined pay accumulations, such as:

- *AUS Gross (AUS)*
- *AUS Net (AUS)*
- *EI Wages by Company (CAN)*
- *Federal Taxable Wages by Company (USA)*
- *FRA Gross (FRA)*
- *FRA Net Pay (FRA)*
- *FRA Taxable Net (FRA)*
- *FRA Total Statutory Taxes EE (FRA)*
- *FRA Total Statutory Taxes ER (FRA)*
- *GBR Gross (UK)*
- *GBR Net (UK)*
- *Gross Wages (T4) by Company/Province (CAN)*
- *Local Withholding Subject Wages by Company (USA)*

Define accumulations for net and gross pay and set up additional accumulations as needed. Example: For fiscal reporting.

## Steps

1. Access the Create Pay Accumulation task.
2. As you complete the task consider:

Field	Description
Code	<p>Used with other Workday applications. Example: When you're configuring integrations in HCM for importing payroll data.</p>
Type	<p>For gross or net pay; otherwise, leave this field blank.</p>
Filter Worktags	<p>To calculate the accumulation for one or more worktag values, select the worktag types to include. To calculate without regard to worktag values, don't select a filter worktag. This is useful as an alternative to pay component groups, which always filter by worktag.</p> <p>Example: When you reference a pay accumulation, select <i>Company</i> in order to return the value for the company associated with the worker's gross to net pay calculation.</p> <p>For Payroll for the UK, Payroll ID, when referenced, returns the value associated to the employee.</p> <p>When an accumulation has multiple worktags, such as company and cost center, Workday summarizes the values and displays a single row on the View Results report for each combination of worktag values.</p> <p>For Payroll for Canada and the U.S., the <i>Position</i> worktag is available if your Workday tenant is configured for multiple jobs.</p>
Target Single Subperiod for a Prorated Pay Component	<p>When a primary pay component references another pay component (Example: Base Pay references Holiday Pay), you must select the Target Single Subperiod for a Prorated Pay Component check box on the Create Pay Component Group or the Create Pay Accumulation task. Selecting this check box sets the referenced pay component (Example: Holiday Pay) to target a single subperiod of the prorated primary pay component.</p> <p>To prevent any negative impacts on retro calculations, you must:</p> <ul style="list-style-type: none"> <li>• Create a new pay accumulation and enable Target Single Subperiod for a Prorated Pay Component.</li> <li>• Create a new effective dated snapshot for your primary pay component referencing the cloned pay accumulation.</li> </ul>

Field	Description
	If there are pay accumulations or pay component groups nested within, you must enable each level to target a subperiod accurately.

3. On the Add and Subtract Calculations tab, select the pay components that add to, or subtract from, the pay accumulation.
4. (Optional) To restrict the display of the accumulation value on the Pay Accumulations/Balances tab on the Payroll Result report and custom reports, use the Calculate/Display Exceptions tab.

Select an Option:

- *Calculate and display only if specified Earning/Deduction exists.* Displays the value only if one of the specified earnings or deductions is calculated. If you specify a pay accumulation, Workday applies this option to the specified balance period, not the results.
- *Calculate but do not display.*

## Next Steps

- Assign gross and net pay accumulations to run categories.
- As you add new earnings or deductions, include them in pay accumulations as appropriate.
- To determine the source of the accumulation, access the Edit Pay Accumulation task and check the Usage tab.
- You can view pay accumulation definitions with the All Pay Accumulations, View Pay Accumulation, and View Pay Accumulation (Workday Owned) reports. To view pay accumulation values in custom reports, map pay accumulations to report fields.

Use the Delete Calculation task to delete a calculation that isn't in use. See the Usage tab on the calculation to determine if and where it is in use. The tab doesn't display if it isn't in use.

### Related Information

#### Concepts

[Concept: Delete Calculations on page 301](#)

#### Tasks

[Map Fields for Custom Reporting of Pay Results on page 803](#)

[Steps: Set Up Pay Run Categories on page 101](#)

#### Reference

[Reference: Compare Pay Components, Groups, Accumulations, and Balances on page 270](#)

## Setup Considerations: Pay Balances

You can use this topic to help make decisions when planning your configuration and use of pay balances. 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 They Are

Pay balances calculate the value of 1 or more pay component results over a period of time. You can set up pay balances to include a combination of:

- Deductions.
- Earnings.
- Pay accumulations.
- Pay component related calculations (PCRCs).
- Pay component groups.

## Business Benefits

The pay balance feature makes it easy to cover a variety of audits and calculations by providing flexibility on the:

- Inputs you include in the calculation.
- Period you use for aggregations.

Pay balances also provide transparent calculations that are easy to troubleshoot. You can view the:

- Components of each pay balance.
- Calculations each pay balance impacts.

Workday automatically recalculates pay balances every time you view a report or page, ensuring that you have accurate, up-to-date information.

## Use Cases

- Calculate payroll inputs, such as average weekly hours paid.
- Compare individual payroll results to month-to-date or year-to-date totals in your auditing process.
- Track open-ended loan repayments.
- Validate year-to-date pay.

## Questions to Consider

Questions	Considerations
What balances do you want to display on your workers' payroll results?	When creating a pay balance, you can decide whether or not to display the aggregated results or other balances on worker payroll results. Example: You can display year-to-date tax contributions on worker results to help with payroll verifications.
Over what time period do you want to aggregate results?	When configuring a pay balance, the balance period determines when to aggregate results. Examples: Month-to-date, year-to-date. You can also exclude values from the current gross-to-net calculation.  To create an ongoing aggregation of values, you can use a balance period with an end date set to the current period start, end, or payment date.  If you only need to return aggregated values for a single pay period, consider creating a pay accumulation or a pay component group instead of a pay balance.  Pay balances that you create during or after the specified balance period sum the entire period.
Do you want to display aggregated results on a worker's payslip?	To display aggregated results on a worker's payslip, you can either:

Questions	Considerations
	<ul style="list-style-type: none"> <li>• Use the balance-period mapping feature to display payslip results for different balance periods.</li> <li>• Modify your Report Designer payslip layout to include pay balance information.</li> </ul> <p>You can't use the Maintain Payslip Configuration task to display payroll balances on worker payslips.</p>
Which values do you want to include in the pay balance?	<p>When creating a pay balance, you can determine which calculations to include in the balance.</p> <p>When creating a pay balance, you can return results based on a worktag value such as a specific region or position.</p> <p>For retroactive payroll results, you can configure pay balances to either:</p> <ul style="list-style-type: none"> <li>• Include all retro differences.</li> <li>• Only include retro differences when they're from a period that falls within the balance period.</li> <li>• Exclude all retro differences.</li> </ul> <p>When you have related company relationships, you can include values from the worker's company or from related companies, or both.</p>
How do you aggregate results for statutory reporting or calculations?	<p>Workday delivers several read-only:</p> <ul style="list-style-type: none"> <li>• Pay balances.</li> <li>• Balance periods.</li> </ul> <p>You can customize Workday-delivered pay balances by adding earnings and deductions to pay component group included in the pay balance.</p> <p>When Workday delivers a balance period for statutory calculations, you can associate a custom pay balance with the Workday-owned balance period to provide inputs.</p>
How do you want to use your pay balances with other calculations?	<p>When creating custom calculations, you can use a pay balance as an operand. You can also add the pay balance as an override calculation for a PCRC in a memo earning and then reference the PCRC result in a calculation.</p> <p>Workday always includes the current gross-to-net calculation when displaying pay balances on payroll results. However, you can configure a pay balance to exclude current gross-to-net values in calculations that reference the pay balance.</p>

## Recommendations

To ensure correct pay balance values, only include position-based pay components in a pay balance using worktag filtering based on position worktags.

For Payroll for the UK, Workday recommends associating UK Payroll ID worktags with pay balances to ensure accurate reporting to HMRC.

## Requirements

No impact.

## Limitations

You can't configure Workday to display a pay balance for only some workers in a pay group. You can display each pay balance for all or none.

You can't effective-date pay balance configurations. Create a new pay balance rather than edit existing balances to avoid impacting calculations and reports that reference the balance.

When displaying payroll balance amounts on worker results, Workday doesn't display a negative sign for negative amounts.

You can't edit pay balances delivered by Workday.

Workday doesn't store pay balances for prior periods but instead recalculates balances when you run a report or view a page. To retrieve the balance from a prior period, create a balance period based on the prior period start and end dates.

You can't configure eligibility for pay balances. Workday automatically calculates payroll balances for workers who:

- Are in a pay group associated with the country of the balance.
- Have earnings that contribute to the balance.

## Tenant Setup

No impact.

## Security

Domains	Consideration
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	Enables you to create pay balances.
<ul style="list-style-type: none"> <li>• <i>Set Up: Calculations - Generic</i> in the Core Payroll functional area.</li> <li>• <i>Set Up: Time Off (Calculations - Generic)</i> in the Time Off and Leave functional area.</li> </ul>	Enables you to create balance periods.

## Business Processes

No impact.

## Reporting

Reports	Considerations
All Pay Balances	<p>Use to:</p> <ul style="list-style-type: none"> <li>• Browse for existing pay balances in your tenant that you can reuse.</li> <li>• Verify the consistency of configurations across multiple pay balances.</li> </ul>

Reports	Considerations
	<ul style="list-style-type: none"> <li>View which calculations a pay balance impacts.</li> </ul>
Tenant Analyzer	Use to identify potential issues when configuring or referencing pay balances.

You can use these report data sources:

- All Pay Balances for Payroll to report on payroll balance configurations.
- Earnings/Deductions Payroll Balances for Organizations to report on the value of individual pay balances.

There are also multiple ways to report on aggregated values of payroll results that don't rely directly on pay balances. Examples:

- Create matrix or composite reports.
- Map balance periods to payroll results.
- Map report fields to balance periods.
- Run the Pay Balance Summary standard report.

## Integrations

You can use these web services to load or retrieve in pay balances in bulk:

- Get Pay Balances*
- Put Pay Balance*

## Connections and Touchpoints

Features	Considerations
Balance periods	Balance periods determine the period of time over which to aggregate calculations.
Payroll history	Payroll balances can take into account payroll history amounts that fall in the balance period.

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

[Set Up Balance Periods for Reports with Payroll Results](#) on page 783

[Map Fields for Custom Reporting of Pay Results](#) on page 803

#### Reference

[Reference: Compare Pay Components, Groups, Accumulations, and Balances](#) on page 270

#### Examples

[Example: YTD Pay Balances for Custom Reporting](#) on page 807

## Create Pay Balances

### Prerequisites

- Review setup considerations for pay balances.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Context

Over a balance period that includes multiple gross-to-net results (such as quarter-to-date, year-to-date, or fiscal periods), you can configure pay balances to calculate a combination of:

- Earnings.
- Deductions.
- Pay accumulations.
- Pay component groups.
- Pay component related calculations.

Workday recommends that you don't change existing pay balances that you process in retro. Instead, create pay balances with a new effective date. This practice helps ensure accurate retro pay calculations.

## Steps

1. Access the Create Pay Balance task.
2. As you complete the task, consider:

Option	Description
Display on Result	When selected, Workday displays the pay balance on the Pay Accumulations / Balances tab of the View Payroll Result report.
Country	The Edit Tenant Setup - Payroll task controls the countries available for selection.
Filter Worktags	To calculate the pay balance based on worktags, select them from the prompt. The <i>Position</i> worktag is available when you enable your tenant to support multiple jobs.  Example: You can filter pay balance values by region by selecting that worktag type.
Exclude Values from Current Gross to Net During Calculation	When selected, calculations that reference the pay balance exclude the current gross-to-net amount.  Pay balances displayed on workers' payroll results always include the value from the current gross-to-net, regardless of this check box.
Include All Retro Values in Current Gross to Net	When selected, the pay balance includes all retro differences in the current gross-to-net regardless of the period that they're from.
Include All Retro Values Based on Earned Period	When selected, the pay balance only includes the retro differences within the current pay balance period.  Because this option isn't effective-dated, Workday recommends that you leave it clear for existing pay balances. Instead, create new balances and apply the setting. This practice helps prevent impacting calculations that reference the pay balance.
None of the above	When selected, the pay balance excludes all retro differences.

Option	Description
	<p>This option is only available when you select the <b>Exclude Values from Current Gross to Net During Calculation</b> check box.</p> <p>Workday doesn't support this option for pay components that you process in retro. Therefore, Workday recommends that you use it only for pay components that you don't calculate in retro.</p>
<b>Pay Component</b>	<p>Select the pay components to include in the pay balance. For position-based pay balances, select position-based pay components. Ensure that they reference only position-based pay components.</p>
<b>Balance Period</b>	<p>Select the time period over which to sum the values. You can use a Workday-owned balance period or create your own.</p> <p>Workday automatically recalculates pay balances every time you view them. Example: In July, you create a pay balance with a <i>YTD - Current Calendar Year</i> balance period. When you view the pay balance in July, Workday sums the values from January through July.</p>

## Example

Create a Pay Balance for an Open-Ended Executive Loan Repayment

Create a deduction called *Executive Loan Repayment*. When you create the pay balance:

- From the Pay Component prompt, select *Executive Loan Repayment*.
- From the Balance Period prompt, select *Open Ended based on Period End Date*.

Create a Pay Balance for Year-to-Date Gross Pay

Create a pay accumulation called *Gross Pay*. When you create the pay balance:

- From the Pay Component prompt, select *Gross Pay*.
- From the Balance Period prompt, select *YTD - Current Calendar Year (based on Payment Date)*.

## Next Steps

Access the Delete Calculation task to delete a calculation that isn't in use. The Usage tab displays how Workday uses calculations, and is available only for calculations that are in use.

### Related Information

#### Concepts

[Concept: Delete Calculations on page 301](#)

[Setup Considerations: Pay Balances on page 322](#)

[Concept: Retro and Pay Balances on page 920](#)

## Reference

[Reference: Edit Tenant Setup - Payroll](#)

[Reference: Compare Pay Components, Groups, Accumulations, and Balances on page 270](#)

# Gross Up Wages and Taxes

## Setup Considerations: Gross-Up Calculations

This topic provides information for planning the gross-up calculation configuration for these payroll countries:

- Canada
- France
- Ireland
- The UK
- The U.S.

You can use this topic to help make decisions when planning your configuration and use of gross-up calculations. 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

Gross up calculations enable you to calculate a gross amount for an earning, based on a defined net amount.

## Business Benefits

Workday's gross-up functionality makes it easy to gross up calculations, by determining the appropriate tax rate, even in the case of progressive tax rates. This functionality ensures that you're accurately covering all taxes when grossing up a payment amount.

Workday has optimized the gross-up algorithm for performance, making it easy to perform multiple gross-up calculations for a large population.

The gross-up calculation is also highly configurable, making it easy for you to adapt it to your needs.

## Use Cases

You can use gross-up calculations to calculate taxes and other contributions for payments with a guaranteed net amount, such as:

- Benefits in kind.
- Bonuses.
- Gift cards.
- Hiring or relocation bonuses.

## Questions to Consider

Questions	Considerations
How do you want to provide the net amount?	<p>You can provide the net amount for gross ups through:</p> <ul style="list-style-type: none"> <li>• Manual payments.</li> <li>• On-demand payments.</li> <li>• Payroll inputs.</li> </ul>
Which taxes do you want to include in gross ups? (IRL, UK, USA)	<p>When configuring a gross-up earning, the gross-up type determines which taxes Workday includes when calculating gross-ups.</p> <p>You can add other taxable pay component groups according to your tax requirements.</p> <p>You can gross up calculations based on:</p> <ul style="list-style-type: none"> <li>• Employer and employee national insurance (NI) contributions only (UK).</li> <li>• Tax only (UK).</li> <li>• Both NI contributions and taxes (UK).</li> <li>• Tax, PRSI contributions, or USC contributions, or all 3 (IRL).</li> <li>• A company-specific percentage (USA).</li> <li>• All taxes (USA).</li> <li>• Specific combinations of Federal, State, OASDI, and Medicare (USA).</li> </ul> <p>For Payroll for the UK, as you can only gross up supplemental earnings, Workday automatically applies the supplemental tax rate.</p>
In which order do you want Workday to process gross-up calculations?	<p>When a worker has multiple gross-up earnings in the same pay calculation, you can define the order in which Workday processes them.</p>
What is an acceptable tolerance for rounding in gross-up calculations?	<p>By default, Workday accepts a maximum difference of 0.01 between the input and calculated net amounts. You can modify the gross-up tolerance. If the gross-up calculation produces a net amount within the tolerance, it stops calculating.</p> <p>For Payroll for Canada and the U.S., due to the defined tolerance, in some cases the input and calculated net amounts can be different. You can choose to reallocate the differences to a worker's withholding tax to result in accurate net results.</p>
What kinds of earnings do you want to gross up?	<p>For gross-up earnings, Workday returns the full gross amount including net plus taxes. As a result the net portion of the gross-up impacts a worker's net pay.</p> <p>For imputed earnings or benefits in kind, Workday recommends that you create:</p> <ul style="list-style-type: none"> <li>• The gross up earning.</li> </ul>

Questions	Considerations
	<ul style="list-style-type: none"> <li>An offset earning that deducts the net amount from a worker's net pay.</li> </ul>
What other calculations do you use the net amount as input for? (CAN, USA)	<p>If you want to use the net amount in other payroll calculations, add the <i>Net Amount (for Gross Up)</i> pay component related calculation to the:</p> <ul style="list-style-type: none"> <li><i>Gross Up: Net Amount [CAN]</i> pay component group.</li> <li><i>Gross Up: Net Amount [USA]</i> pay component group.</li> </ul>
Which amounts do you want to display on the worker's payslip?	<p>When you include a gross-up earning on a payslip configuration, Workday displays the gross amount. To display the net amount, you can create a memo earning based on the <i>Net Amount (for Gross-Up)</i> pay component related calculation.</p> <p>You can also use the Maintain Payroll Payslip Configuration task to display the <i>Net Amount (for Gross-Up)</i> related calculation.</p>

## Recommendations

Consider your performance requirements when configuring the number of gross ups per worker. You might experience longer calculation times if you include a large number of gross ups per worker. To ensure optimal performance, Workday limits the number of different gross-up earnings per worker to 4 for a payroll calculation. You can, however, have an unlimited number of net inputs for the same gross-up earning.

## Requirements

Create separate gross-up earnings for each Payroll country.

For Payroll for the U.S, when configuring gross-up earnings, you must also set up supplemental taxation for the earning.

## Limitations

- Workday retroactive pay doesn't recalculate gross-up earnings.
- You can't gross up an amount to cover retirement, benefit, or other voluntary or nontax deductions.
- You can only gross up net amounts to cover all taxes. You can't gross up based on different taxes individually (CAN).
- You can only gross up net amounts to cover all taxes and contributions. You can't gross up based on different taxes or contributions individually (FRA).
- Create separate earnings for calculations to gross up and calculations not to gross up. You can't add gross-up amounts to an earning that isn't configured for gross-ups.
- Workday doesn't support gross-up calculations for international assignments.

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	<p>Enables users to define:</p> <ul style="list-style-type: none"> <li>• Which earnings to gross up, and which taxes to use in the gross-up calculation.</li> <li>• The order in which to calculate multiple gross-ups.</li> <li>• The tolerance for rounding in gross-up calculations.</li> </ul>

## Business Processes

No impact.

## Reporting

No impact.

## Integrations

You can use these web services to mass upload net amounts for gross-up calculations:

- *Import Payroll Input*
- *Import Payroll Off-Cycle Payment*

## Connections and Touchpoints

Features	Considerations
Ongoing Multiple Work Jurisdictions (OMWJ) (CAN, USA)	Workday splits gross-up earnings based on a worker's OMWJ allocations. Workday generates a result for each work jurisdiction.
One Time Payments in Compensation	You can gross up one-time payment amounts by selecting a compensation element to which a gross-up earning is assigned.
Fair Labor Standards Act (FLSA) Calculations (USA)	When calculating a gross-up earning for a bonus that crosses multiple FLSA periods, Workday allocates the earning to the appropriate FLSA periods based on the coverage dates.

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.

## Steps: Set Up Gross-Up Calculations

### Prerequisites

Review setup considerations for gross-up calculations.

### Context

This topic provides instructions for setting up gross-up calculations for these payroll countries:

- Canada
- France

- Ireland
- The UK
- The U.S.

You can configure Workday to calculate a gross amount for an earning, based on a defined net amount. You can use gross-up calculations to offset an employee's liability for taxes or contributions when you want to guarantee a given net amount. Examples: gift cards, bonuses.

You can calculate multiple gross-ups in a single pay calculation, including multiple inputs for the same gross-up earning. To ensure optimal performance, Workday limits the number of different gross-up earnings per worker to 4 for a payroll calculation. You can, however, have an unlimited number of net inputs for the same gross-up earning.

Workday retroactive pay doesn't recalculate gross-up earnings.

## Steps

1. Access the Maintain Payroll Gross-Up Configurations task.

As you complete the task, consider:

Option	Description
Gross-up tolerance	Define an acceptable variation between input net amounts and calculated net amounts in gross-up calculations. Workday generates an error when the difference between the input and calculated net amounts is greater than the defined tolerance. By default, Workday provides a tolerance of 0.01.
Apply additional cents to taxes	<p>For Payroll for Canada, select to reallocate any differences between the input and calculated net amount to a worker's withholding tax. Applies when input and calculated net amounts are different due to a gross-up tolerance.</p> <p>Workday allocates the additional amount to the first withholding tax on the payroll result, based on this order of priority:</p> <ul style="list-style-type: none"> <li>• Federal Income Tax (FIT) [CAN]</li> <li>• Province Income Tax (PIT) [CAN]</li> <li>• Province Income Tax (QC-PIT) [CAN]</li> <li>• Federal Income Tax (FIT T4A) [CAN]</li> <li>• Province Income Tax (PIT T4A) [CAN]</li> <li>• Province Income Tax (QC-PIT RL-2) [CAN]</li> <li>• Federal Income Tax T4A-RCA (FIT T4A-RCA) [CAN]</li> <li>• Province Income Tax T4A-RCA (PIT T4A-RCA) [CAN]</li> <li>• Federal Income Tax Non-Resident (FIT-NR) [CAN]</li> </ul> <p>For Payroll for the U.S., select to reallocate any differences between the input and calculated net amount to a worker's withholding tax. Applies when input and calculated net amounts are different due to a gross-up tolerance.</p>

Option	Description
	<p>Workday allocates the additional amount to the first withholding tax that the worker is eligible for, based on this order of priority:</p> <ul style="list-style-type: none"> <li>• Federal</li> <li>• State Work</li> <li>• State Home</li> </ul>
Gross-Up Priorities	<p>Determines the order in which Workday calculates earnings with gross-up calculations. When you select Always Gross-Up on an earning, Workday automatically adds the earning to the Gross-Up Priorities section. Workday recommends that you verify the priority order of the earnings in this section after creating gross-up earnings.</p> <p>Workday only displays earnings based on the selected country.</p>

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## 2. Add Earnings or Deductions to Pay Component Groups on page 241.

For Payroll for France, add statutory taxes that are deductible from tax to the *FRA Statutory Taxes EE - Deductible from Tax - Excluded from Gross Up* pay component group. Workday excludes these taxes from the gross-up calculation.

## 3. Set Up Gross-Up Earnings on page 334.

## 4. Enter the net amount for the gross-up earning.

See Concept: Net Amounts for Gross Ups on page 336.

### Result

After a payroll calculation, Workday displays *Yes* in a Grossed Up column on the worker's payroll results for grossed up earnings.

### Related Information

### Concepts

Setup Considerations: Gross-Up Calculations on page 329

## Set Up Gross-Up Earnings

### Prerequisites

- If the source of your earning is a one-time payment plan, set up the plan.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

This topic provides instructions for setting up gross-up calculations for these payroll countries:

- Canada
- France
- Ireland
- The UK
- The U.S.

You can configure an earning to calculate a gross amount based on an input net amount.

You can use gross-up earnings to offset employee liability for:

- A company-specific percentage (USA).
- All taxes (USA).
- Specific combinations of Federal, State, OASDI, and Medicare (USA).
- PAYE taxes (IRL, UK).
- National Insurance contributions (UK).
- Both PAYE and National Insurance contributions (UK).
- Pay Related Social Insurance (PRSI) employee and employer contributions (IRL).
- Universal Social Charge (USC) contributions (IRL).
- PAYE, PRSI, and USC contributions (IRL).

For Payroll for the U.S., you can only gross up supplemental earnings.

For Payroll for the UK, Workday doesn't include a worker's student loan, postgraduate loan, or court orders in gross up calculations, which can result in a reduction of the final amount paid to the worker.

For Payroll for France, you can use gross-up earnings to offset employee liability for contributions and taxes in these pay component groups:

- *FRA Statutory Taxes EE - Deductible from Tax [FRA]*
- *FRA Statutory Taxes EE - Submitted to Tax [FRA]*
- *FRA Statutory Contingency Contributions ER*
- *FRA Adds to Gross-Up Calculation [FRA]*

You can't gross up an earning to cover voluntary or nontax deductions.

## Steps

1. Access the Create Earning task.
2. As you complete the task, consider:

Option	Description
Country	Required when you have Workday Payroll enabled for multiple countries. You can only select a single country for a gross-up earning.
Calculation	Select <i>Grossed Up Amount</i> (CAN, FRA, IRL, USA). Select <i>Payroll Input</i> (UK).
Input Amount Allowed?	Keep the check box clear for gross-up earnings.
Always Gross-Up	Select to enable Workday to gross up the earning.
Gross-Up Type	For Payroll for Canada, select <i>All Taxes [CAN]</i> . For Payroll for France, select <i>All Taxes [FRA]</i> . For Payroll for Ireland, Workday recommends selecting <i>All Taxes [IRL]</i> . For Payroll for the UK, select what you want to offset. Example: PAYE taxes, NI contributions. For Payroll for the U.S., select a gross-up type. If you select <i>Company Specific Percentage</i> , enter the flat tax rate for the gross-up in the <i>Gross-Up Percentage</i> prompt.

3. In the Related Calculations section of the Effective Dated tab, add a row with these settings:

Option	Description
Related Calculation	Select <i>Net Amount (for Gross-Up)</i> .
Groups (CAN, USA)	You can add this related calculation to the <i>Gross Up: Net Amount [CAN USA]</i> pay component group, in order to reference it in another calculation.
Default Calculation	Automatically populates <i>Payroll Input</i> . This setting, along with selecting <i>Input Allowed?</i> enables you to enter the net amount on one of these tasks: <ul style="list-style-type: none"> <li>• Add Payroll Input by Worker.</li> <li>• Create On Demand Payment for Worker.</li> </ul> See <a href="#">Concept: Net Amounts for Gross Ups</a> on page 336.
Override Calculation	To retrieve the net amount from a calculation or other source in Workday, select a calculation. Overrides the Default Calculation setting.

4. From the Groups prompt on the Non-Effective Dated tab, select:

- *Adds to Gross [CAN USA]*, and either *Supplemental Earnings - Standard* or *Supplemental Earnings - Alternate (CAN, USA)*.
- *GBR Adds to Gross (UK)*.
- *GBR NIable Pay (UK)*.
- *GBR Taxable Pay (UK)*.
- A pay component group that is part of the gross pay accumulation (FRA).
- *IRL Adds to Gross (IRL)*

5. For Payroll for Canada, as you complete the Non-Effective Dated tab, consider:

Option	Description
Groups	Select: <ul style="list-style-type: none"> <li>• <i>Adds to Gross [CAN USA]</i>.</li> <li>• All pay component groups needed to match T4 reporting.</li> </ul>
Allocation Reporting Period	Select how to report the gross-up earning.

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

## Concept: Net Amounts for Gross Ups

When you select *Payroll Input* as the Default Calculation on a gross up earning, there are several different ways to provide the net amount.

**Payroll Input**

On the Add Payroll Input by Worker task, enter these Input Details:

Type	Value
<i>Net Amount (for Gross-Up)</i>	Enter the net amount.

You can enter a negative value in the Value field. Example: To reverse a net overpayment of 100, enter a -100 pay input for a gross up. For Payroll for the U.S., Workday displays a warning for negative pay input.

#### On-Demand Payment

On the Run On Demand Payment for Worker task, enter these Input values:

Type	Value
<i>Net Amount (for Gross-Up)</i>	Enter the net amount.

#### Manual Payment

For Payroll for Canada, the UK, and the U.S., on the Run Manual Payment for Worker task, enter these Input values:

Type	Value
<i>Amount</i>	Enter the grossed up amount.
<i>Net Amount (for Gross-Up)</i>	(Optional) Enter the net amount.

For manual payments, Workday records the entered amounts, but doesn't calculate the grossed up amount.

#### Related Information

##### Tasks

[Create Manual Payments](#) on page 719

[Create On-Demand Replacement Payments](#) on page 687

[Create On-Demand Additional Payments](#) on page 693

[Add Payroll Input for Workers](#) on page 617

## Example: Calculate Gross Bonus Amount Based on Net Pay Input

This example illustrates how to set up a gross-up calculation and provide the net amount through payroll input.

### Context

You want to recognize Kelly with a 5000 award for outstanding service. You want Kelly to get the full 5000, so you need to gross up the amount to include taxes. You're managing the one-time award through a pay input paid with the regular January pay.

### Prerequisites

Security: Set Up: Payroll (*Calculations - Payroll Specific*) domain in the Core Payroll functional area.

## Steps

1. Access the Create Earning task.

2. Enter these values:

Option	Description
Name	Award
Code	AWARD
Country	Select the country for which you're creating the pay component.

3. Enter these values on the Effective Dated tab:

Option	Description
Effective Date	The effective date of the earning.
Calculation	<i>Grossed Up Amount (CAN, FRA, IRL, USA)</i> <i>Payroll Input (UK)</i>
Input Amount Allowed	Unchecked
Always Gross Up	Checked
Gross Up Type	<i>All Taxes [FRA] (FRA)</i> <i>All Taxes [CAN] (CAN)</i> <i>All Taxes [IRL] (IRL)</i> <i>All Taxes [GBR] (UK)</i> <i>All Taxes (USA)</i>

4. Add a row to the Related Calculation grid.

Related Calculation	Default Calculation	Input Allowed?
<i>Net Amount (for Gross-Up)</i>	<i>Payroll Input</i>	Selected

5. On the Non-Effective Dated tab:

From the Groups prompt, select:

Payroll for Canada:

- *Adds to Gross [CAN]*
- All pay component groups needed to match T4 reporting.

Payroll for France:

- *FRA Adds to Gross [FRA]*

Payroll for the UK:

- *GBR Adds to Gross [GBR]*
- *GBR Net Pay [GBR]*
- *GBR Taxable Pay [GBR]*

For Payroll for Ireland:

- *IRL Adds to Gross [IRL]*
- *IRL Employee PRSIable Pay [IRL]*
- *IRL Employer PRSIable Pay [IRL]*
- *IRL Taxable Pay [IRL]*
- *IRL USCable Pay [IRL]*

Payroll for the U.S.:

- *Adds to Gross [USA]*
- Either *Supplemental Earnings - Standard [USA]* or, *Supplemental Earnings - Alternate [USA]*

From the Allocation Reporting Period prompt:

Payroll for Canada: *Period Earned*.

6. Click OK.

7. Add payroll input for the Award earning.

[See Example: Add Net Pay Input for a Gross-Up Earning on page 339.](#)

## Result

When you run the January payroll calculation, Workday calculates:

- Net award amount: 5000.
- Gross award amount: 5000 plus taxes (CAN, UK, USA).
- Gross award amount: 5000 plus taxes and contributions (FRA).

## Example: Add Net Pay Input for a Gross-Up Earning

This example illustrates how to use a payroll input to provide the net amount for a gross-up earning.

### Context

You want to recognize Kelly with a 5000 award for outstanding service. You've created a gross-up earning to ensure that Kelly receives the full 5000. You now need to enter a pay input to specify the amount of the award.

### Prerequisites

- Create a gross-up earning, based on payroll input, named *Award*.
- Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

## Steps

1. Access the Add Payroll Input by Worker task and enter these values:

Option	Description
Workers	Kelly
Start Date	January 1
End Date	January 31
Pay Component	Award
One-time	Selected
Override	Selected
Regular Run Category	Select

2. Click OK.

3. Enter these values on the Input grid:

Option	Description
Input Details - Type	<i>Net Amount (for Gross - Up)</i>
Input Details - Value	5000

## Related Information

### Tasks

[Add Payroll Input for Workers](#) on page 617

## Example: Gross Up One-Time Payment Amount

This example illustrates how to gross up a gift card paid through a one-time payment.

### Context

You want to award Javier a 100 gift card as a one-time merit award. Global Modern Services covers all taxes, so Javier will receive the full amount. You're creating the earning as part of a one-time payment in Workday Compensation. You want to use the net amount from the one-time payment plan.

### Prerequisites

- Set up an *Incentive award* compensation element, and attach it to one-time payment plan for gift cards.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Steps

1. Access the Create Earning task.

2. Enter these values:

Option	Description
Name	Gift Card (Gross-up)
Code	GIFT
Country	Select the payroll country.

3. Enter these values on the Effective Dated tab:

Option	Description
Effective Date	The effective date of the earning.
Worker Eligibility	<i>Compensation: Compensation Element Value Exists and &lt;&gt; 0</i>
Calculation	<i>Grossed Up Amount</i>
Always Gross-Up	Checked
Gross-Up Type	<i>All Taxes [CAN] (CAN)</i> <i>All Taxes [FRA] (FRA)</i> <i>All Taxes [IRL] (IRL)</i> <i>All Taxes [GBR] (UK)</i> <i>All Taxes (USA)</i>
Compensation Element	<i>Incentive award</i>

4. Add a row to the Related Calculation grid with these settings:

Related Calculation	Default Calculation	Override Calculation	Input Allowed?
<i>Net Amount (for Gross-Up)</i>	<i>Payroll Input</i>	<i>Compensation: Compensation Element Value Annualized</i>	Checked

5. On the Non-Effective Dated tab:

From the Groups prompt, select:

Payroll for Canada:

- Adds to Gross [CAN]*
- All pay component groups needed to match T4 reporting.

Payroll for France:

- FRA Adds to Gross [FRA]*

For Payroll for Ireland:

- IRL Adds to Gross [IRL]*
- IRL Employee PRSIable Pay [IRL]*
- IRL Employer PRSIable Pay [IRL]*
- IRL Taxable Pay [IRL]*
- IRL USCable Pay [IRL]*

Payroll for the UK:

- GBR Adds to Gross [GBR]*
- GBR NIable Pay [GBR]*
- GBR Taxable Pay [GBR]*

Payroll for the U.S.:

- Adds to Gross [USA]*
- Either *Supplemental Earnings - Standard [USA]* or, *Supplemental Earnings - Alternate [USA]*

From the Allocation Reporting Period prompt:

Payroll for Canada: *Period Earned*.

## Next Steps

Request a one-time payment for Javier with an amount of 100.

To exclude the value of the imputed income from the gross pay calculation, create a post-tax deduction that subtracts the grossed-up amount from gross pay.

Related Information

Tasks

Steps: Manage One-Time Payments

## Example: Gross Up at a Company-Defined Percentage (USA)

This example illustrates how to gross up amounts at a company-defined percentage.

### Context

You want to give George a 1000 USD spot award. Global Modern Service's policy is to gross up spot awards at 35%, regardless of state and local tax requirements. As a result, some employees can receive more or less than 1000 USD.

### Steps

- Access the Create Earning task.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

- Enter these values:

Option	Description
Name	Spot Award
Code	S_AWARD

- Enter these values on the Effective Dated tab:

Option	Description
Effective Date	The effective date of the earning.
Calculation	<i>Grossed Up Amount</i>
Input Amount Allowed	Unchecked
Gross Up Type	<i>Company Specific Percentage</i>
Gross-Up Percentage	35

- Add a row to the Related Calculation grid.

Related Calculation	Default Calculation	Input Allowed?
<i>Net Amount (for Gross-Up)</i>	<i>Payroll Input</i>	Checked

- From the Groups prompt on the Non-Effective Dated tab, select:

- Adds to Gross [CAN USA]*, and
- Either Supplemental Earnings - Standard [USA] or Supplemental Earnings - Alternate [USA]*.

Note: You can add other taxable pay component groups according to your tax requirements.

- Click OK.

- Access the Add Payroll Input by Worker task, and enter these values:

Option	Description
Worker	George

Option	Description
Start Date	January 1
End Date	January 31
Pay Component	<i>Spot Award</i>
One-time	Selected
Override	Selected
Regular Run Category	Selected

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

8. Click OK.
9. Enter these values on the Input grid.

Option	Description
Input Details - Type	<i>Net Amount (for Gross-Up)</i>
Input Details - Value	1000

## Result

When you run the January payroll calculation, Workday uses a total tax rate of 35% to:

- Calculate a gross-up percentage of 65%.
- A company-specific gross-up amount of 1538.46 USD. ( $1000/0.65 = 1538.46$ )

Pay Calculation	Result
Total tax rate	35%
Gross-up percentage	$1 - 0.35 = 0.65$
Company-specific gross-up amount	$1000/0.65 = 1538.45$ USD

Workday then applies state and local taxes to the company-specific gross-up amount.

Pay Calculation	Result (USD)
Company specific gross-up amount	1538.45
$1538.46 * OASDI$ Rate (6.2%)	(95.38)
$1538.46 * Medicare$ Rate (1.45%)	(22.30)
$1538.46 * Federal Withholding$ Rate (25%)	(384.61)
$1538.46 * State Withholding$ Rate (9.3%)	(143.08)
Actual Net Pay	893.08

Related Information

### Tasks

[Add Payroll Input for Workers](#) on page 617

## Example: Gross Up a Noncash Payment Amount

This example illustrates how to gross up a noncash payment using an earning and a deduction.

## Context

You want to give Emeline a gift card of 200 for her outstanding work. This is a noncash taxable income, but you don't want her to net pay reduced by any taxes due. You're managing the payment in December through payroll input using:

- A noncash gross-up earning.
- A net deduction to offset the amount.

## Steps

1. Create a gross-up earning, named *Noncash Award (Gross Up)* for the gift card based on a net pay input.

See Example: Calculate Gross Bonus Amount Based on Net Pay Input on page 337.

2. Create a net deduction to offset the grossed-up amount.

See Example: Create an Offset Deduction for Noncash Gross Ups on page 344.

3. Access the Add Payroll Input by Worker task and enter these values:

Option	Description
Workers	<i>Emeline</i>
Start Date	December 1
One-Time	Selected
Override	Selected
Regular Run Category	Selected

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

4. Click OK.

5. Enter these values on the Input grid:

Pay Component	Input Details - Type	Input Details - Value
<i>Noncash Award (Gross Up)</i>	<i>Net Amount (for Gross- Up)</i>	200
<i>Noncash Award (Offset)</i>	<i>Amount</i>	200

## Result

When you run the December payroll calculation, Workday calculates:

- Gross award amount: 200 plus taxes and contributions.
- Net offset deduction: 200

This results in a net award amount of zero.

## Example: Create an Offset Deduction for Noncash Gross Ups

This example illustrates how to create a deduction to offset a noncash gross-up earning.

## Context

You want to give employees gift cards, which are noncash taxable income. You've created a gross-up earning to calculate the taxes on the gift card. You also need to create a post-tax deduction to exclude the value of the gift card from the gross pay.

## Prerequisites

- Add the Post Tax Deductions pay component group on the run category.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Steps

1. Access the Create Deduction task.

2. Enter these values:

Option	Description
Name	Noncash Award (Offset)
Code	NONCASHOFF
Country	Select the country for which you're creating the pay component.

3. Enter these values in the Effective Dated tab:

Option	Description
Effective Date	The effective date of the deduction.
Calculation	<i>Payroll Input</i>
Input Amount Allowed	Unchecked

4. From the Groups prompt on the Non-Effective Dated tab, select *Post Tax Deductions*.

5. Click OK.

## FAQ: Net to Gross Ups

Why are the gross pay result amounts different for 2 workers who receive the same net to gross up amount?

Workday accepts a maximum difference of 0.01 between the input and calculated net amounts but you can modify the gross-up tolerance. If the gross-up calculation produces a net amount within the tolerance, it stops calculating. The defined tolerance and the worker's tax elections can cause the input and calculated net amounts to be different. You can select to reallocate the differences to a worker's withholding tax to result in accurate net results.

### Related Information

#### Concepts

[Setup Considerations: Gross-Up Calculations](#) on page 329

#### Tasks

[Steps: Set Up Gross-Up Calculations](#) on page 332

## Voluntary Deductions

### Steps: Set Up Voluntary Deductions

#### Prerequisites

- Create pay components for voluntary deductions and add them to the regular run category.

- Configure each pay component so that:
  - It allows payroll input at either the deduction level or the related calculation level.
  - It's available for the country for which you're setting up voluntary deductions.

## Context

This section applies to:

- Payroll for Canada
- Payroll for France
- Payroll for the U.S.
- Payroll for the UK

You can configure voluntary deductions for workers to elect through employee self-service (ESS) on their Pay dashboard.

## Steps

- (Optional) Create custom worktag types and values.

You can create custom worktags to help classify voluntary deductions. Specify the worktag usage Payroll.

[See Steps: Define Custom Worktags.](#)

- [Set Up Voluntary Deduction Elections](#) on page 347.

- Access the Domain Security Policies for Functional Area report.

Select Domain Security Policy > Enable from the related actions menu of the Self-Service: Payroll (My Voluntary Deductions) domain security policy.

**Security:** These domains in the System functional area:

- Security Activation*
- Security Configuration*

- Access the Maintain Dashboards task.

Add the Voluntary Deductions report to the menu of the Pay dashboard of workers.

**Security:** *Set Up: Tenant Setup - Worklets* domain in System functional area.

- Access the Configure Profile Group task.

Add the Voluntary Deductions report to the Pay profile group of the worker profile.

**Security:** *Set Up: System* domain in System functional area.

## Result

Workers can use the Voluntary Deductions report to elect deductions based on their pay group eligibility.

Related Information

### Tasks

[Steps: Create Deductions](#) on page 234

[Steps: Set Up Dashboards and Landing Pages](#)

[Steps: Set Up Profiles and Profile Groups](#)

### Reference

[Reference: Pay Dashboard for Employee Self-Service](#) on page 95

[Workday 33 What's New Post: Voluntary Deductions for Employee Self-Service](#)

[2022R2 What's New Post: Worktags for Voluntary Deductions](#)

[The Next Level: Crisis Management Solution: Managing Voluntary Deductions in Employee Self Service](#)

## Examples

Example: Set Up Custom Worktags for Voluntary Deductions on page 350

# Set Up Voluntary Deduction Elections

## Prerequisites

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

## Context

You can configure voluntary deductions for workers to elect through employee self-service (ESS) based on:

- Their pay group eligibility.
- The country you configure on the pay component. To enable the same deduction in several countries, create as many voluntary deduction configurations as needed. Example: To enable a deduction for both the U.S. and Canada, create 1 deduction configuration per country.

You can configure 1 election period per year for the same deduction with different amounts and date ranges.

Workers can't edit a one-time voluntary deduction after you process it in pay results.

To configure an existing ongoing pay input as a voluntary deduction, enter an end date on the pay input. You can then enable it for voluntary deduction election.

## Steps

1. Access the Maintain Voluntary Deduction Configurations task.
2. Enter a row for each voluntary deduction election.

Option	Description
Deduction	Workday doesn't filter visible deductions that you can configure for ESS based on worker eligibility.
Worktag Type	(Optional) Select a custom worktag type. You can set up custom Payroll worktags to help categorize voluntary deductions. Example: Create a custom worktag type Campaign with values Africa, Americas, and Asia to enable workers to specify the recipient region for an international charity.  When you select a worktag type here, Workday displays a mandatory Purpose prompt when workers add this deduction.
Help Text	(Optional) Enter instructions to assist the worker making their election. Workday displays the help text on the Voluntary Deductions report.
Earliest Visible Date Latest Visible Date	(Optional) Enter the date range to display the deduction election option to workers.  Leaving the start and end dates empty makes the deduction election option always available. When setting up multiple election periods for

Option	Description
	the same deduction, always enter start and end dates.
Earliest Take Effect Date Latest Take Effect Date	<p>(Optional) Enter the date range that the deduction can be in effect.</p> <p>Workers can enter effective start and end dates within that range on the ESS task.</p> <p>Leaving the start and end dates empty makes the deduction election option always effective. When setting up multiple election periods for the same deduction, always enter start and end dates.</p>
Allow One-time	When you select this check box, Workday processes the deduction in full for the pay period or any subperiod that includes the Effective Date of the pay component.
Allow Ongoing	<p>Workday processes the deduction in each pay period until either of these dates, if they exist:</p> <ul style="list-style-type: none"> <li>The End Date that workers enter through ESS.</li> <li>The Latest Take Effect Date.</li> </ul> <p>When a pay period has multiple subperiods, Workday resolves the deduction in each subperiod.</p> <p>Make sure that the period schedule includes the start and end dates of the voluntary deductions. When it doesn't, workers can't see the deduction that they enter.</p> <p>Workers can't edit voluntary deductions when a future (ongoing) configuration exists.</p>
Value Type	<i>Percent</i> : Available only for deductions that have Input Allowed? selected for at least 1 related calculation.
Calculation	<p>Select a related calculation for deductions that:</p> <ul style="list-style-type: none"> <li>You configure as a percent in this task.</li> <li>Has more than 1 related calculation that allows payroll input.</li> </ul> <p>If the deduction only has 1 related calculation, this field displays it and you can't edit it.</p>
Minimum Maximum	<p>To set a fixed deduction amount, enter the same value in the Minimum and Maximum fields.</p> <p>When workers elect a deduction greater than their pay on the payment date, it results in a negative net for the pay period. You can adjust the net pay by setting up arrears processing.</p>

## Next Steps

### Note:

Workers can edit only the end date of an ongoing deduction after you process it in pay results. They can set it to a date that's on or after the end date of either:

- The current in-progress pay period.
- The last completed pay period, when there isn't a period in progress.

When you enable the Voluntary Deductions report for ESS, Workday considers the workers' pay group eligibility to determine which deductions are available for election. Workday doesn't consider other worker eligibility criteria. After you process the deduction in payroll, workers can view it on their profile for 7 days after the later of the:

- Payment date.
- Payslip visibility date that you configure on the workers' pay group.

Review these reports that provide information on deductions:

Report	Description
All Deductions	The Enabled for Voluntary Deductions report field indicates that a deduction is available for ESS election.
Payroll Input Not Processed View Payroll Input by Worker(s)	The Created by Worker report field marks deductions that workers elected through ESS.

### Related Information

#### Tasks

[Set Up Pay Component Related Calculations](#) on page 249

[Steps: Set Up Net Pay Validation and Arrears Tracking and Recouping](#) on page 405

#### Reference

[Workday 33 What's New Post: Voluntary Deductions for Employee Self-Service](#)

[2022R2 What's New Post: Worktags for Voluntary Deductions](#)

[FAQ: Payslips for a Worker](#) on page 521

#### Examples

[Example: Enable a Voluntary Deduction for Self Service](#) on page 351

[Example: Create a Charitable Contribution Deduction](#) on page 350

## Concept: Voluntary Deductions

You configure voluntary deductions for workers to elect through employee self-service. They can use the Voluntary Deductions report to make elections after you add them to the:

- Pay Dashboard.
- Pay profile group of the worker profile.

Workers can opt in to donating to a charity multiple times a year after you configure the deductions and election periods. See [Example: Enable a Voluntary Deduction for Self Service](#).

You can also enable a custom worktag to classify employee voluntary deductions. See [Example: Set Up Custom Worktags for Voluntary Deductions](#).

Workday processes voluntary deductions as adjustments on the worker's payroll result.

## Example: Create a Charitable Contribution Deduction

This example illustrates how to create a deduction for a charitable contribution that workers can elect through self-service.

### Context

You want to create a deduction that allows workers to make donations to Global Charity.

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

### Steps

1. Access the Create Deduction task.
2. Enter these values:

Option	Description
Name	Global Charity
Code	GC

3. Enter these values on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	Regular
Worker Eligibility	<i>Payroll Input Exists for Pay Component</i>
Calculation	<i>Base (unprorated) * Percent</i>
Input Amount Allowed	Select the check box.

4. Add these 2 rows on the Related Calculations grid:

Related Calculation	Input Allowed?
<i>Base (unprorated)</i>	Selected
<i>Percent</i>	Selected

5. On the Non-Effective Dated tab, enter *Post Tax Deductions* from the Group prompt.

6. Click OK.

### Next Steps

Enable the deduction for election through self-service.

Related Information

#### Tasks

[Steps: Create Deductions](#) on page 234

[Set Up Pay Component Related Calculations](#) on page 249

## Example: Set Up Custom Worktags for Voluntary Deductions

This example illustrates how to set up a custom worktag to classify employee voluntary deductions.

## Context

You're setting up a voluntary deduction for a charity called Way to Give. The charity enables contributors to direct their contributions to a particular cause. You want to enable workers to select the cause when they create their voluntary deductions.

## Steps

1. Access the Enable Custom Worktags task.

Security:

- *Set Up: Enable Worktags* domain in the Common Financial Management and Worktags functional areas.
- *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.

2. In an unused row, select Custom Worktag is Enabled.

3. In the Worktag Name field, enter *Giving Cause*.

4. From the Worktag Usage prompt, select *Payroll*.

5. Click OK, and then click Done.

6. Access the Maintain Custom Worktag Values report.

Security:

- *Set Up: Maintain Custom Worktags* domain in the Common Financial Management and Worktags functional areas.
- *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.

7. From the Custom Worktag Type prompt, select *Giving Cause*.

8. Add a row for each of these giving causes:

- Animal Rescue
- Clean Water
- Disaster Fund
- Literacy
- Medical Outreach

9. Click Done.

## Next Steps

When you configure the voluntary deduction for Way to Give, select the worktag type *Giving Cause*. Workers will see a Purpose prompt when they add new voluntary deductions for Way to Give.

[Related Information](#)

[Reference](#)

[2022R2 What's New Post: Worktags for Voluntary Deductions](#)

## Example: Enable a Voluntary Deduction for Self Service

This example illustrates how to enable a deduction for election through employee self-service.

## Context

You want to enable workers to make donations to Global Charity twice a year.

## Prerequisites

- Create the deduction for the charitable contribution named My Charity.
- Create a custom worktag type called *Giving Cause*.
- Security: *Set Up: Payroll* domain in Core Payroll functional area.

## Steps

1. Access the Maintain Voluntary Deduction Configurations task.
2. From the Country prompt, select *United States of America*.
3. Click OK.
4. Add 2 rows and enter these settings for the 2 election periods:

Deduction	Worktag Type	Help Text	Earliest Visible Date	Latest Visible Date	Earliest Take Effect Date	Latest Take Effect Date	Value Type	Calculation	Maximum
<i>My Charity</i>	Giving Cause	Enter a deduction by January 31.	January 1 of current year	January 31 of current year	February 1 of current year	June 30 of current year	Percent	Base (unprorated)	0.1
<i>My Charity</i>	Giving Cause	Enter a deduction by July 31.	July 1 of current year	July 31 of current year	August 1 of current year	December 31 of current year	Percent	Base (unprorated)	0.1

5. Click OK.

## Result

Workers can now use the Voluntary Deductions self-service report to elect the Global Charity charitable contribution, and select a specific cause from the Purpose prompt.

Workday processes the deduction as an adjustment on the worker's pay result.

## Next Steps

Enable access to the Voluntary Deductions report for workers:

- Configure the *Self-Service: Payroll (My Voluntary Deductions)* security policy in the Core Payroll functional area.
- Add the Voluntary Deductions report to the workers' Pay dashboard menu. Also add it to the Pay profile group of the worker profile.

### Related Information

#### Tasks

[Set Up Voluntary Deduction Elections](#) on page 347

## Flexible Payment and Deduction Options

### Setup Considerations: Flexible Payment and Deduction Options

You can use this topic to help make decisions when planning your configuration and use of flexible payment and deduction options. 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 They Are

In Workday, flexible payment and deduction options provide a centralized business process to manage discretionary payments and deductions for workers through payroll. Examples:

- Advances (CAN, UK, USA)
- Donations
- Loans

## Business Benefits

You can use flexible payment and deduction options to increase efficiency in your payroll operations by:

- Reviewing workers' requests, and status and outstanding balances, at any time.
- Recording flexible payment and deduction on behalf of workers, bypassing approvals.
- Setting limits on payment and deduction request types for more control over when and how much workers can request.
- Configuring goal or target amounts as correctable, helping you avoid manual overrides and adjustments.

You can also enable workers to:

- Request their own payments and deductions, reducing manual processing.
- View the status of their requests and balances at any time, reducing the time you spend responding to queries.

## Use Cases

Set up flexible payment and deduction options for:

- Charitable donations where the worker specifies a total amount and deduction schedule.
- The cost of company-issued uniforms that the worker pays for over time.
- Advances (CAN, UK, USA) or loans (FRA) that workers can request for vacations, which they repay in deductions from their regular pay.
- Cycle-to-work schemes that reduce the worker's pretax pay (UK).

## Questions to Consider

Questions	Considerations
What types of flexible payment and deduction options do you want to support?	You can set up flexible payment and deduction types for different use cases, such as loans, charitable contributions, and equipment reimbursements. Each type can have different options and limits. You can also set up unique earnings and deductions for each type.
How do you want to make payments to workers that they'll repay?	You can configure a flexible payment and deduction type with both an earning and a deduction.
How can workers request goal or target amounts (deductions that aren't repayments)?	Configure a flexible payment and deduction type with only a deduction.
How do you want to manage corrections to goal or target amounts for workers?	You can configure a goal or target amount as correctable, which enables you to change the

Questions	Considerations
	<p>target amount even after running several pay completes.</p> <p>The deduction amount doesn't update automatically, but you can change it manually when you're correcting the business process.</p> <p>You can't access or update the number of installments because Workday doesn't store this information.</p>
How do you support salary sacrifice for a flexible payment and deduction option?	<p>You can create an earning with the calculations normally used for deductions (a negative earning). Select it as the deduction when you create the flexible payment and deduction type.</p>
What period of time do you want to limit worker requests to?	<p>You can configure payment and deduction types with an available date range.</p>
How many simultaneous flexible payment and deduction requests do you want workers to have?	<p>You can configure a flexible payment and deduction type to enable only 1 active request at a time. The worker can't request that type again until Workday fully deducts the active request.</p> <p>You can't automatically prevent workers from requesting a different flexible payment and deduction type, but the approver can reject the request.</p>
How do you want to manage worker requests for ongoing deductions?	<p>Flexible payments and deductions are for a defined amount and number of installments. You can use the voluntary deductions feature to enable ongoing deductions with no specified end date.</p>

## Recommendations

To improve usability, create custom labels to replace the Workday default labels on flexible payment and deduction options tasks and reports.

Create keywords in your tenant to help workers find flexible payment and deduction options tasks and reports.

## Requirements

Create dedicated pay components for flexible payment and deduction options.

## Limitations

This feature doesn't support:

- Creating or updating flexible payment and deduction transactions using payroll input web services.
- Input from payroll input workbooks.
- Interest charges on outstanding balances.
- Ongoing payroll inputs.
- Payroll history payments.
- Payroll reversals.
- Proration, except for leave of absence subperiods.

- Retroactive loans and advances.
- Tracking or recouping arrears.

Workday doesn't support net pay validation for flexible deductions, which can reduce net pay below the selected minimum net pay amount even if you assign them the lowest priority order on the Maintain Deduction Priorities task. However, doing so can help you ensure that net pay validation iterates over the other deductions. You can also:

- Correct the goal or target amount for flexible deductions you've configured as correctable.
- Use payroll input to reduce the flexible deduction amount for the pay period.

Workday doesn't store the number of installments for flexible deductions. The goal, target, or deduction amount is deducted in every pay period until its outstanding balance reaches zero, regardless of the number of installments initially selected.

Workday doesn't support flexible payment and deduction options for workers:

- In third-party payroll pay groups.
- On international assignment.
- Who relocate from a Workday Payroll supported country to a nonsupported country.

Workers with multiple positions can request flexible payments and deductions only for their primary position.

Workday doesn't convert the currency on existing flexible payment and deduction requests when a worker moves from 1 Workday Payroll country to another. You can either:

- Manually calculate the balance and installment amounts in the currency of the new country and correct the transaction.
- Add a one-time payroll input to offset the original amount and recreate the transaction in the currency of the new country.

For Payroll for the U.S., you can't set up flexible deductions for pretax deductions if you have also enabled Ongoing Multiple Work Jurisdictions.

## Tenant Setup

You can use the Edit Tenant Setup - Search task to create keywords to help workers find the flexible payment and deduction options tasks and reports. Examples: Advance, Balance, Goal, Loan.

## Security

Configure these domains in the Core Payroll functional area:

Domains	Considerations
<i>Process: Flexible Payments and Deduction Options Management</i>	Enables you to use web services to process flexible payment and deduction transactions.
<i>Report: Payroll (Flexible Payments and Deduction Options)</i>	Enables you to view workers' flexible payment and deduction transactions.
<i>Self-Service: Payroll (Flexible Payments and Deduction Options)</i>	Enables workers to view their own transactions.
<i>Set Up: Payroll (Flexible Payments and Deduction Options)</i>	Enables you to create and edit flexible payment and deduction types.

## Business Processes

Configure the *Request Flexible Payment and Deduction Options* business process security policy to:

- Identify the security groups that can request, approve, and take other actions on a request.

- Set up notifications to let workers know when you take action on their requests.

Don't set up step conditions that bypass the approval step. You need to specify the payment and first deduction periods when you approve the request.

## Reporting

Reports or Dashboards	Considerations
My Flexible Payments and Deductions worklet	Enables workers to: <ul style="list-style-type: none"> <li>• Review the balances of existing requests.</li> <li>• Check the status of new requests.</li> </ul>
Pay dashboard	You can add the My Flexible Payments and Deductions worklet to the Pay dashboard to enable easy worker access.
View Flexible Payments and Deductions report	View flexible payment and deduction events. From the related actions menu of an event, you can: <ul style="list-style-type: none"> <li>• Approve or deny a request.</li> <li>• Correct amounts on a request.</li> <li>• Rescind a previously approved request.</li> </ul> You can use the Payment/Deduction Type ID from the report as a payroll worktag when you: <ul style="list-style-type: none"> <li>• Adjust the request through payroll input.</li> <li>• Pay the request with an on-demand payment.</li> <li>• Use web services to process requests.</li> </ul>

You can use the Flexible Payment and Deduction Options report data source to create custom reports on flexible payment and deduction events.

## Integrations

Web Services	Considerations
<i>Get Flexible Payment and Deduction Event</i>	Use to retrieve requests from Workday. Example: To get data from a previous bulk load that you need to rescind.
<i>Import Flexible Payment and Deduction</i>	Use to bulk load requests. Example: A company-wide donation campaign.
<i>Import Payroll Off-Cycle Payment</i>	Use to bulk load replacement or additional payments for flexible payment and deduction events.

## Connections and Touchpoints

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

#### Concepts

[Setup Considerations: Earnings and Deductions](#) on page 218

[Setup Considerations: Net Pay Validation and Arrears](#) on page 399

### Tasks

[Steps: Create Deductions](#) on page 234

[Steps: Create Earnings](#) on page 229

[Steps: Set Up Voluntary Deductions](#) on page 345

[Define Deduction Priorities and Arrears Handling](#) on page 406

### Reference

[2020R2 What's New Post: Employee Flexible Payment and Deduction Options](#)

[FAQ: Flexible Payment and Deduction Options](#) on page 364

## Steps: Set Up Flexible Payment and Deduction Options

### Prerequisites

Review setup considerations for flexible payment and deduction options.

### Context

You can set up the *Request Flexible Payment and Deduction Options* business process, enabling workers to:

- Request loans, advances, or other payments that they can repay with future payroll deductions.  
Example: A 500 loan, repaid in 5 deductions of 100 each.
- Set goal or target amounts that Workday deducts from their payroll. Example: A charitable donation of 50, deducted in the next 2 pay periods.

When you configure the business process, Workday enables payroll administrators to record flexible payment and deduction requests for workers and to correct goal or target amounts for them.

### Steps

1. [Edit Business Process Security Policies](#).

Edit the *Request Flexible Payment and Deduction Options* business process security policy in the Core Payroll functional area to grant security groups request, record, and other permissions.

2. [Create the \*Request Flexible Payment and Deduction Options\* business process default definition](#).

- In the Group column of step *b*, select the security groups that will review and approve requests.
- Optional: Add document steps to the business process. We recommend adding the Review Document step after the Request Approval step.
- Note: We don't recommend that you add any other steps to the *Request Flexible Payment and Deduction Options* business process. Limiting the selection to the recommended steps helps you to avoid data quality issues.

See [Steps: Configure Business Process Definitions](#).

3. [Create earnings for payments to workers and negative earnings that Workday deducts from workers' pay](#). As you complete the task, consider:

Option	Description
Worker Eligibility	<ul style="list-style-type: none"> <li>When creating an earning, select <i>Flexible Payment Amount &gt; 0</i>.</li> <li>When creating a negative earning, select <i>Flexible Deduction Amount &lt; &gt; 0</i>.</li> </ul>
Calculation	<ul style="list-style-type: none"> <li>When creating an earning, select <i>Flexible Payment Amount</i>.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>When creating a negative earning, select <i>Flexible Deduction Amount</i>.</li> </ul>
Input Amount Allowed?	To enable you to enter the calculation amount through payroll input, select the check box.
Calculation Proration	Workday doesn't prorate flexible payment and deduction amounts. Select <i>None of the above</i> .
Do Not Recalculate During Retro	Workday doesn't support retroactive flexible payments. Select the check box.
Calculation Worktag	Workday supports payments and deductions only to the worker's primary position. Select <i>Position</i> .

See Steps: [Create Earnings](#) on page 229.

4. Create deductions for repayments and flexible deductions. As you complete the task, consider:

Option	Description
Worker Eligibility	<i>Flexible Deduction Amount &lt; &gt; 0</i> .
Calculation	<i>Flexible Deduction Amount</i> . If you're setting up a deduction to recoup an outstanding balance on termination, use a conditional calculation with the <i>Flexible Payment – Outstanding Balance</i> IVC.
Input Amount Allowed?	To enable you to enter the calculation amount through payroll input, select the check box.
Recalculate during Retro	Workday doesn't support retroactive flexible deductions. Clear the check box.
Calculation Worktag	Workday supports flexible payments and deductions only to the worker's primary position. Select <i>Position</i> .

See Steps: [Create Deductions](#) on page 234.

5. Access the Maintain Flexible Payment and Deduction Options task.

As you create the types of payments and deductions that workers can request, consider:

Option	Description
Payment/Deduction Type	Enter the name of the payment or deduction type.
Earning	Select the earning for payments to workers. For a goal or target amount with no payment to the worker (Example: charitable contributions), don't select an earning.
Deduction	Select the deduction or negative earning used for repayments from workers or contributions toward a goal or target amount.
Request Between	Enter the date range that the payment and deduction type is available for workers to

Option	Description
	request. When you leave these fields blank, the request is always available.
Effective Between	Enter the date range for the payment to the worker. When you leave these fields blank, payment can occur in any period.
Number of Installments	Enter the number of pay periods for a worker's loan, goal, or target amount. Enter zero in the Maximum field for no limits.
Allow Only One Active Request	To prevent workers from requesting a pre-existing request type, select the check box.
Allow Target Amount To Be Corrected	To enable you to correct the goal or target amount for a flexible deduction, select the check box.

Security: *Set Up: Payroll (Flexible Payments and Deduction Options)* domain in the Core Payroll functional area.

6. (Optional) [Define Deduction Priorities and Arrears Handling](#) on page 406 for the flexible deductions. As you complete the task, consider:

Option	Description
Priority Order	Assign the lowest priority to flexible deductions so that higher-priority deductions don't go into arrears.
Track Arrears Recoup Arrears	Workday doesn't support arrears on flexible payments and deductions. Don't select these check boxes.

7. (Optional) [Configure Dashboard Content](#).

Add the Request Flexible Payment and Deduction Options task and the My Flexible Payment and Deduction Options report to the Pay dashboard.

8. (Optional) [Set Up Worklets](#).

Add the Request Flexible Payment and Deduction Options task to the Pay or Benefits worklet.

## Result

After a worker requests a flexible payment or deduction, the business process routes the request for review.

Workday stores the granted amount and the deduction amount on each request. It doesn't store the number of installments, which can change when:

- You edit the granted or deduction amount.
- The worker skips 1 or more scheduled payments.

When a payroll administrator or other user records a flexible payment or deduction request on behalf of a worker, Workday automatically approves the request.

## Next Steps

Workday assigns each request a unique payment or deduction type ID. The ID displays on the View Flexible Payments and Deductions report. Use it as a payroll worktag to identify the transaction when you:

- Adjust the request through payroll input.

- Pay the request before the regular payroll date with an on-demand payment.
- Use web services to process requests.

Related Information

### Concepts

[Setup Considerations: Flexible Payment and Deduction Options on page 352](#)

### Reference

[2020R2 What's New Post: Employee Flexible Payment and Deduction Options](#)

## Example: Set Up a Deduction to Recoup an Outstanding Balance on Termination (CAN)

This example illustrates how you can set up a deduction that recoups the balance of an outstanding flexible payment and deduction option when you terminate an employee.

### Context

Global Modern Services (GMS) enables construction employees in Canada to request loans to purchase protective equipment like safety boots, which they can then repay over multiple pay periods. As a payroll administrator, you want to set up a deduction for equipment loans that recoups its outstanding balance from employees who are terminated during the repayment period.

### Prerequisites

- Create a deduction named *Flex Deduction - Equipment Loan* to use for flexible payments and deductions. See [Steps: Create Deductions on page 234](#).
- Security: *Set Up: Payroll* in the Core Payroll functional area.

### Steps

1. Access the Create Conditional Calculation task.

a) Enter these values:

Field	Value
Name	<i>FPaDO Recoup on Termination</i>
Category	<i>Payroll</i>

b) In the Calculation table, enter these values:

Field	Value
Order	<i>a</i>
Condition	<i>Worker is Terminated as of Sub Period End Date</i>
Result	<i>Flexible Payment - Outstanding Balance</i>

c) In the Default Response field, enter *Flexible Deduction Amount*.

d) Click OK and Done.

2. Access the Edit Deduction task.

a) From the Deduction prompt, select *Flex Deduction - Equipment Loan*.

b) Click OK.

c) In the Calculation field, enter *FPaDO Recoup on Termination*.

d) Click OK twice, then click Done.

3. Access the Maintain Flexible Payment and Deduction Options task.

- From the Country prompt, select *Canada*.
- Click OK.
- Add a row and enter these values:

Field	Value
Payment/Deduction Type	<i>Equipment Loan</i>
Deduction	<i>Flex Deduction - Equipment Loan</i>

- Click OK and Done.

### Next Steps

After running payroll, use the View Flexible Payments and Deductions report confirming that the balance recouped correctly.

## Example: Set Up a Deduction to Recoup an Outstanding Balance on Termination (FRA)

This example illustrates how you can set up a deduction that recoups the balance of an outstanding flexible payment and deduction option when you terminate an employee.

### Context

Global Modern Services (GMS) enables employees based in France to request loans to purchase a laptop, which they can then repay over multiple pay periods. As a payroll administrator, you want to set up a deduction for laptop loans that recoups its outstanding balance from employees who are terminated during the repayment period.

### Prerequisites

- Create a deduction named *Flex Deduction - Laptop Loan* to use for flexible payments and deductions. See [Steps: Create Deductions](#) on page 234.
- Security: *Set Up: Payroll* in the Core Payroll functional area.

### Steps

1. Access the Create Conditional Calculation task.

- Enter these values:

Field	Value
Name	<i>FPA DO Recoup on Termination</i>
Category	<i>Payroll</i>

- In the Calculation table, enter these values:

Field	Value
Order	<i>a</i>
Condition	<i>Worker is Terminated as of Sub Period End Date</i>
Result	<i>Flexible Payment - Outstanding Balance</i>

- In the Default Response field, enter *Flexible Deduction Amount*.

- Click OK and Done.

2. Access the Edit Deduction task.
  - a) From the Deduction prompt, select *Flex Deduction - Laptop Loan*.
  - b) Click OK.
  - c) In the Calculation field, enter *FPaDO Recoup on Termination*.
  - d) Click OK twice, then click Done.
3. Access the Maintain Flexible Payment and Deduction Options task.
  - a) From the Country prompt, select *France*.
  - b) Click OK.
  - c) Add a row and enter these values:

Field	Value
Payment/Deduction Type	<i>Laptop Loan</i>
Deduction	<i>Flex Deduction - Laptop Loan</i>

- d) Click OK and Done.

## Next Steps

After running payroll, use the View Flexible Payments and Deductions report to confirm that the balance recouped correctly.

## Example: Set Up a Deduction to Recoup an Outstanding Balance on Termination (UK)

This example illustrates how you can set up a deduction that recoups the balance of an outstanding flexible payment and deduction option when you terminate an employee.

### Context

Global Modern Services (GMS) enables UK-based employees to request loans to purchase seasonal public transport tickets, which they can then repay over multiple pay periods. As a payroll administrator, you want to set up a deduction for transport loans that recoups its outstanding balance from employees who are terminated during the repayment period.

### Prerequisites

- Create a deduction named *Flex Deduction - Public Transport Loan* to use for flexible payments and deductions. See [Steps: Create Deductions](#) on page 234.
- Security: *Set Up: Payroll* in the Core Payroll functional area.

### Steps

1. Access the Create Conditional Calculation task.
  - a) Enter these values:

Field	Value
Name	<i>FPaDO Recoup on Termination</i>
Category	<i>Payroll</i>

- b) In the Calculation table, enter these values:

Field	Value
Order	<i>a</i>

Field	Value
Condition	<i>Worker is Terminated as of Sub Period End Date</i>
Result	<i>Flexible Payment - Outstanding Balance</i>

- c) In the Default Response field, enter *Flexible Deduction Amount*.
  - d) Click OK and Done.
2. Access the Edit Deduction task.
- a) From the Deduction prompt, select *Flex Deduction - Public Transport Loan*.
  - b) Click OK.
  - c) In the Calculation field, enter *FPaDO Recoup on Termination*.
  - d) Click OK twice, then click Done.
3. Access the Maintain Flexible Payment and Deduction Options task.
- a) From the Country prompt, select *UK*.
  - b) Click OK.
  - c) Add a row and enter these values:

Field	Value
Payment/Deduction Type	<i>Public Transport Loan</i>
Deduction	<i>Flex Deduction - Public Transport Loan</i>

- d) Click OK and Done.

## Next Steps

After running payroll, use the View Flexible Payments and Deductions report to confirm that the balance recouped correctly.

## Example: Set Up a Deduction to Recoup an Outstanding Balance on Termination (USA)

This example illustrates how you can set up a deduction that recoups the balance of an outstanding flexible payment and deduction option when you terminate an employee.

### Context

Global Modern Services (GMS) enables US-based employees to request loans to purchase their uniforms, which they can then repay over multiple pay periods. As a payroll administrator, you want to set up a deduction for uniform loans that recoups its outstanding balance from employees who are terminated during the repayment period.

### Prerequisites

- Create a deduction named *Flex Deduction - Uniform Loan* to use for flexible payments and deductions. See [Steps: Create Deductions](#) on page 234.
- Security: *Set Up: Payroll* in the Core Payroll functional area.

### Steps

1. Access the Create Conditional Calculation task.
- a) Enter these values:

Field	Value
Name	<i>FPaDO Recoup on Termination</i>

Field	Value
Category	Payroll

- b) In the Calculation table, enter these values:

Field	Value
Order	a
Condition	<i>Worker is Terminated as of Sub Period End Date</i>
Result	<i>Flexible Payment - Outstanding Balance</i>

- c) In the Default Response field, enter *Flexible Deduction Amount*.  
d) Click OK and Done.

2. Access the Edit Deduction task.

- a) From the Deduction prompt, select *Flex Deduction - Uniform Loan*.  
b) Click OK.  
c) In the Calculation field, enter *FPaDO Recoup on Termination*.  
d) Click OK twice, then click Done.

3. Access the Maintain Flexible Payment and Deduction Options task.

- a) From the Country prompt, select *US*.  
b) Click OK.  
c) Add a row and enter these values:

Field	Value
Payment/Deduction Type	<i>Uniform Loan</i>
Deduction	<i>Flex Deduction - Uniform Loan</i>

- d) Click OK and Done.

## Next Steps

After running payroll, use the View Flexible Payments and Deductions report to confirm that the balance recouped correctly.

## FAQ: Flexible Payment and Deduction Options

- How can I submit a request on behalf of a worker?
- Can I change a worker's payment or deduction request?
- How can I pay a flexible payment to a worker before the regular payroll date?
- How do I collect an outstanding flexible payment and deduction balance on a terminated worker's final paycheck? on page 365
- When can I reverse approval of a worker's request?
- How can I pause a flexible deduction for 1 period? on page 366
- When does the final deduction period for a request display on the View Flexible Payments and Deductions report? on page 366
- How do I reduce the balance of a flexible payment and deduction when a worker makes a payment outside of payroll? on page 366
- How should I handle midperiod worker pay group changes? on page 366

How can I submit a request on behalf of a worker?

You can access the Record Flexible Payment and Deduction Options task to create a flexible payment

Can I change a worker's payment or deduction request?

and deduction request for a worker. Workday automatically approves the request.

When you review a worker's request, you can change it before approving it. After approval, correct the business process to make changes.

For loans and advances:

- You can change both payment and deduction details before the payment to the worker.
- You can change only the deduction amount after the payment to the worker.

For target or goal amount requests:

- You can change all deduction details before the first deduction.
- You can change only the deduction amount after the first deduction.

How can I pay a flexible payment to a worker before the regular payroll date?

You can create an on-demand payment for the early payment amount. Pay the full amount originally requested. When you run the on-demand payment:

1. Select the same Period as the payment period on the request.
2. Select the flexible earning pay component.
3. Select the payment or deduction type ID from the Worktags prompt.

How do I collect an outstanding flexible payment and deduction balance on a terminated worker's final paycheck?

You can set up a flexible deduction pay component that uses a conditional calculation with the *Flexible Payment – Outstanding Balance* IVC. We recommend using a condition like *Worker is Terminated as of Sub Period End Date*. You can then use this pay component when creating a flexible payment and deduction option for a worker. If this worker is terminated while there's an outstanding balance on the pay component, the balance will recoup automatically on the final paycheck.

Alternatively, you can add a one-time payroll input for the outstanding balance amount. When you add the payroll input:

1. Select the flexible deduction pay component.
2. Select the payment or deduction type ID from the Worktags prompt.

When can I reverse approval of a worker's request?

You can rescind the business process to reverse the request:

- Before payment to the worker, for a flexible payment request.
- Before the first deduction, for a goal or target amount request.

How can I pause a flexible deduction for 1 period?

You can add one-time payroll input for the worker to override the deduction amount to zero. When you add the payroll input:

1. Select the flexible deduction pay component.
2. Select the payment or deduction type ID from the Worktags prompt.

When does the final deduction period for a request display on the View Flexible Payments and Deductions report?

Workday populates the Final Deduction Period on the report when it archives the request. The archive job runs automatically at 04:00:00 GMT on the first Monday of each month. It archives completed requests that have an outstanding balance of zero and at least 1 completed pay result.

How do I reduce the balance of a flexible payment and deduction when a worker makes a payment outside of payroll?

You can create a manual payment to reduce the balance of a flexible payment and deduction. As you run the manual payment for the worker, select the flexible payment or deduction type ID from the Worktags prompt.

How should I handle midperiod worker pay group changes?

Scenario	Consideration
A worker changes pay groups before they receive payment.	When the pay groups have different frequencies, Workday displays the payment in both the old and new pay groups. When you complete the period for 1 pay group, Workday sets the result status in the other pay group to Requires Recalculation. Recalculate the result to remove the extra payment.
A worker changes pay groups in the final deduction period.	When both the old and new pay groups are in progress, Workday displays the deduction in both pay groups. When you complete the period for 1 of the pay groups, Workday sets the result status in the remaining pay group to Requires Recalculation. Recalculate the result to remove the extra deduction.

Scenario	Consideration
<p>A worker changes to a pay group with a shorter pay period.</p>	<p>Workday prorates the deduction in the longer pay period and takes the full deduction in the shorter pay period. This could deduct more than the worker expected.</p> <p>Example: Marc has a flexible deduction of 20 per pay period. When he changes pay groups on the 15th, his pay period changes from monthly to weekly. That month, Workday deducts:</p> <ul style="list-style-type: none"> <li>• 10 for the subperiod in the old pay group.</li> <li>• 20 for the first weekly period in the new pay group.</li> </ul> <p>You can add one-time payroll input to adjust the deduction amount.</p>

#### Related Information

##### Concepts

[Concept: Business Process Management](#)

##### Tasks

[Add Payroll Input for Workers on page 617](#)

[Create On-Demand Replacement Payments on page 687](#)

[Create On-Demand Additional Payments on page 693](#)

[Create Manual Payments on page 719](#)

## Pay On-Demand

### Setup Considerations: Pay On-Demand

You can use this topic to help make decisions when planning your configuration and use of pay on-demand. 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

Pay on-demand enables workers to use employee self-service (ESS) to request early payment for a portion of accumulated wages for the pay period. For workers with multiple jobs, Workday calculates earned wages across additional jobs that are in the same pay group and company as their primary job.

When a worker submits a request, Workday initiates the *Pay On-Demand* business process that includes end-to-end payroll processing. Workday supports standard or same-day:

- Electronic Fund Transfers (EFT) payments for Payroll for Canada. When on-cycle payroll runs for the period that includes pay on-demand, Workday reduces net wages by the total of pay on-demand payments.
- Automated Clearing House (ACH) payments for Payroll for the U.S. When on-cycle payroll runs for the period with pay on-demand, Workday reduces gross and net wages by the total of on-demand payments.

## Business Benefits

- Reduce manual processing by calculating a net advance automatically, and updating accounting and the ledger for Payroll for Canada.
- Reduce manual processing by calculating employer and employee statutory taxes automatically, and updating accounting and the ledger for Payroll for the U.S.
- Encourage workers' financial health by providing them the flexibility to spend their earned wages when they need it.
- Help attract talent and reduce turnover.

## Use Cases

- Pay workers on different cadences based on their characteristics such as salaried, hourly, nonexempt, or gig workers.
- Support workers in emergencies in a time of hardship.
- Help workers avoid borrowing at high interest rates or paying overdraft fees.

## Questions to Consider

Questions	Considerations
Which workers do you want to access the feature?	You can create rule-based security groups and apply them on the business process policy for the initiating actions. Example: You can configure rules to roll out pay on-demand with pilot groups or limit access to nonexempt workers.
How do you manage time entries?	To calculate the pay on-demand amount that workers can request, Workday uses: <ul style="list-style-type: none"> <li>• Approved time from Time Tracking.</li> <li>• Time data from external providers through payroll input. To ensure that Workday uses the most up-to-date data, you might need to load time more frequently. Then, delete inputs based on the batch ID.</li> </ul>

## Recommendations

For annual reporting accuracy, disable pay on-demand for pay periods crossing calendar years.

## Requirements

For Payroll for Canada, to use same-day EFT payments, confirm that your organization's bank or outsourced payment provider supports them.

For Payroll for the U.S., to use same-day ACH payments, confirm that your organization's bank or outsourced payment provider supports them.

## Limitations

For Payroll for Canada, Workday doesn't guarantee or certify federal, provincial, or local regulatory compliance through use of its software.

For Payroll for the U.S., Workday doesn't guarantee or certify federal, state, or local regulatory compliance through use of its software.

We provide tools that can help your institution meet its payroll needs. You're always responsible for determining whether Workday features are appropriate for your business needs and ensuring you're compliant with your regulatory obligations.

Workday doesn't support pay on-demand for:

- Contract workers.
- Garnishments.
- International assignments.
- Multiple work jurisdictions.
- Supplemental earnings as eligible earnings.
- Tax treaties.
- Trailing payments.

When you enable a worker with a garnishment access to pay on-demand, it could result in that worker's garnishment not calculating correctly.

For Payroll for Canada, payslips don't display the number of hours worked for an on-demand payment, since the worker is taking an early payment of earned net advance wages.

For Payroll for the U.S., payslips don't display the number of hours worked for an on-demand payment, since the worker is taking an early payment of a lump sum portion of accumulated wages.

## Tenant Setup

No impact.

## Security

Domain	Description
<i>Report Execution</i> in the Tenant Non-Configurable functional area.	Enables users to review amounts paid and recouped for pay on-demand requests.
<i>Reports: Pay Calculation Results for Pay Group (Results) - USA</i> in the USA Payroll functional area (USA).	Enables users to review withholding orders by workers.
<i>Reports: Pay On-Demand</i> in the Core Payroll functional area.	Enables users to access pay on-demand report fields and data sources.
<i>Self-Service: My Pay Dashboard</i> in the Core Payroll functional area.	Enables users to access the Pay dashboard through ESS. Each self-service task requires appropriate security access. Example: To view and print payslips, configure the <i>Self-Service:</i>

Domain	Description
	<i>Payroll (My Payslips)</i> domain in the Core Payroll functional area.
<i>Self-Service: Pay On-Demand</i> in the Core Payroll functional area.	Enables workers to request pay on-demand using ESS tasks.
<i>Set Up: Pay On-Demand</i> in the Core Payroll functional area.	Enables users to configure tasks for pay on-demand.
<i>Set Up: Tenant Setup: Worklets</i> in the System functional area.	Enables users to configure dashboards. For Payroll for Canada, you can access the Pay On-Demand feature from the Pay dashboard, but you can't configure it from the Benefits and Pay Hub.

## Business Processes

You can configure the *Pay On-Demand* business process to enable payroll administrators or workers to back out requests by adding the:

- Cancel or rescind functionality on the business process.
- Employee as Self* security group to those actions on the business process security policy.

When you rescind a request, Workday:

- Cancels the pay calculation and removes the pay result, enabling you to request what calculated in the result again.
- Changes the status of other noncomplete pay results to *Requires Re-Calculation*.
- Ignores the request in the maximum number of requests workers can submit.

You can add a conditional review step to the *Pay On-Demand* business process to monitor unsupported requests, such as workers with garnishments.

## Reporting

Reports or Dashboards	Considerations
Pay dashboard	When you configure it, workers can request pay on-demand on the ESS Pay dashboard.
Pay On-Demand Amounts Paid and Recouped report	Compare total amounts paid to total amounts recouped on workers' pay. Drill into each pay component for details about the payroll result, company, and associated worktags.
Pay On-Demand Request Count report	Review pay on-demand requests by workers, transaction statuses, and amounts.
View Pay On-Demand Rule report	Review all rules that you configure for pay on-demand.
USA Withholding Order Results for Workers report (USA)	Review withholding orders by workers to help you determine which workers you want to restrict from accessing pay on-demand tasks.
Withholding Orders for Worker report (CAN)	Review withholding orders by workers to help you determine which workers you want to restrict from accessing pay on-demand tasks.

You can use these report data sources in custom reports:

- Pay On-Demand Requests
- Payroll Result Line

## Integrations

You can use external time data that you load through payroll input. Workday recommends that you review the integration frequency and delete existing pay inputs through batch ID to avoid double-counting hours or amounts.

## Connections and Touchpoints

Touchpoints	Considerations
Accounting	<p>For Payroll for the U.S., when you configure pay on-demand as:</p> <ul style="list-style-type: none"> <li>• A direct expense, you can charge the gross, employer taxes, and fringe to the worker's standard costing assignments. The pay on-demand payments completed in a pay period reduce the associated on-cycle gross.</li> <li>• An advance, the gross becomes a receivable. You can charge the gross, employer taxes, and fringe to the worker's standard costing assignments. The associated on-cycle gross reverses the receivable.</li> </ul> <p>For Payroll for Canada, when you configure pay on-demand as an advance, the net becomes a receivable. You can charge the net to the worker's standard costing assignments. The associated on-cycle net reverses the receivable.</p>
Arrears	<p>Workday reduces the available amount that workers can request in the current period when there are recouped arrears. To ensure an accurate available amount, Workday recommends that you configure deductions that go into arrears as eligible deductions for pay on-demand.</p>
Period schedules	<p>You can configure existing period schedules for pay on-demand to define the:</p> <ul style="list-style-type: none"> <li>• Dates that workers can request early payment.</li> <li>• Auto-adjust function for weekends to apply to the payment date.</li> </ul> <p>You can configure accounting for your pay on-demand earning and pay on-demand offset deduction either as a direct expense or a payroll advance.</p>
Proration	<p>Workday prorates accumulated wages based on proration defined on the earning or deduction.</p>

Touchpoints	Considerations
Time Tracking	You can associate time calculation tags with earnings, enabling you to use approved time blocks as inputs when paying workers.
Workday Journeys	You can include information on pay on-demand in a Workday Journey to provide guidance to workers on financial wellbeing.

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

##### Reference

[Reference: Midperiod Changes Causing Proration](#) on page 293

##### Examples

[Setup Considerations: Journeys](#)

[Concept: Tax Filing Integration](#)

[The Next Level: Pay On-Demand](#)

[Example: Create a Pay On-Demand \(Gross-Up\) Earning \(USA\)](#) on page 388

## Steps: Set Up Pay On-Demand

### Prerequisites

Review setup considerations for pay on-demand.

### Context

Set up pay on-demand to enable employees to use employee self-service (ESS) on desktop or mobile to request early payment of a portion of accumulated wages. You can associate the *Pay On-Demand* business process with a pay group and configure unique business processes for different pay groups.

For Payroll for Canada, to receive pay on-demand Electronic Funds Transfer (EFT) payments, employee payment elections must include a Canadian bank account. To use same-day EFT payments, confirm that your organization's bank or outsourced payment provider supports them.

For Payroll for the U.S., to receive pay on-demand Automated Clearing House (ACH) payments, employee payment elections must include a U.S. bank account. To use same-day ACH payments, confirm that your organization's bank or outsourced payment provider supports them.

### Steps

- Access the Create Business Process Definition (Default Definition) task.

From the Business Process Type prompt, select *Pay On-Demand*.

On the *Pay On-Demand* business process, add a row with these values on the Business Process Steps tab:

Order	Type	Specify	Run As User
b	Batch / Job	<i>Payroll On-Demand Calculation and Complete</i>	Add any user with access to the <i>Process: Off Cycle (On Demand)</i> domain in the Core

Order	Type	Specify	Run As User
			Payroll functional area.

From the related actions menu of the *Batch/Job* step, select Business Process > Set as Completion.

(Optional) Add this step and enter conditions as needed:

Order	Type	Specify
c	Action	<i>Review Pay On-Demand</i>

(Optional) Add *Notifications* to the business process. Example: Add a notification to alert the payroll administrator and the employee when a pay calculation fails.

See [Create Custom Notifications](#).

Security: These domains in the System functional area:

- *Business Process Administration*
- *Manage: Business Process Definitions*

## 2. Edit Business Process Security Policies.

- Add *Employee as Self*. Or, create your own rule-based security groups and apply them on the business process policy for the initiating action.
- Add *Payroll Administrator* to other business process actions as required in your organization.

## 3. Activate Pending Security Policy Changes.

## 4. Edit Business Processes.

## 5. Set Up Payroll and Time Tracking Period Schedules on page 153.

Set up period schedules for pay on-demand to define:

- When workers can request pay on-demand.
- How to adjust the payment date for weekends.

## 6. For Payroll for Canada, create a pay on-demand net advance earning.

When you configure pay on-demand as net advance or nontaxable earnings, consider these options:

	Net Advance Earning	Nontaxable Earning
Employee	Receives the net amount that they requested	Receives the net amount that they requested
Taxation Rate	Standard withholding calculation.	Regular calculation on the on-cycle results.

When you don't configure earnings for pay on-demand, the amount available for pay on-demand is zero.

See [Example: Create a Pay On-Demand \(Net\) Earning \(CAN\) on page 390](#).

## 7. For Payroll for the U.S., create a pay on-demand (gross-up) earning.

When you configure pay on-demand as gross-up or nontaxable earnings, consider these options:

	Gross-Up Earning	Nontaxable Earning
Employee	Receives the net amount that they requested	Receives the net amount that they requested

	Gross-Up Earning	Nontaxable Earning
Taxation Rate	Standard withholding rates	Regular rates on the on-cycle

When you don't configure earnings for pay on-demand, the amount available for pay on-demand is zero.

See [Example: Create a Pay On-Demand \(Gross-Up\) Earning \(USA\)](#) on page 388.

8. Create a pay on-demand offset deduction to reduce earnings by the total pay on-demand payments for the pay period.

See [Example: Create a Pay On-Demand Offset Deduction](#) on page 381.

9. [Create Pay Accumulations](#) on page 320 (USA).

To ensure that Workday recoups pay on-demand payments, configure your gross pay accumulation to subtract the total of pay on-demand payments from gross pay.

10. [Set Up Pay On-Demand Rules](#) on page 375.

11. [Define Payslips](#) on page 487.

Either:

- Create a pay component group to display the pay on-demand offset in the deduction section of the payslip.
- Create a memo earning to display the pay on-demand offset deduction as a negative earning.

12. [Define Cost Allocations for a Worker](#) on page 550.

Specify costing allocation instructions for a pay on-demand earning.

13. [Set Up Account Posting Rules](#).

Configure account posting rules for payroll earnings and payroll deductions.

14. Configure settlements to process payments.

See [Steps: Set Up Settlement](#).

- 15.(Optional) Add the Pay On-Demand task as a menu item to the Pay dashboard.

See [Steps: Set Up Dashboards and Landing Pages](#).

## Result

Employees can initiate the business process to create a request by:

- Selecting the Pay tile on mobile, then selecting Make a Request in the Pay On-Demand section.
- Accessing the Pay On-Demand task.
- Selecting Pay On-Demand from the Pay worklet.
- Selecting Pay On-Demand from the Pay Dashboard.

Workday:

- Generates a payroll result for each pay on-demand request using the Pay On-Demand Net Advance earning on the Pay Input line for Payroll for Canada.
- Generates a payroll result for each pay on-demand request using the Pay On-Demand (Gross-Up) earning on the Pay Input line for Payroll for the U.S.
- Doesn't take additional tax withholding amounts into consideration when calculating the pay on-demand result.
- Lists the completed date on the *Pay On-Demand* business process as the payment date unless you offset the date on the period schedule.

## Next Steps

Use the Pay On-Demand Amounts Paid and Recouped report to review the amounts paid to workers and recouped from gross pay.

**Related Information****Examples**

[Steps: Set Up Employee Self-Service](#)

## Set Up Pay On-Demand Rules

**Prerequisites**

Create 1 or more pay on-demand earnings.

Create 1 or more pay on-demand offset deductions.

Security: *Set Up: Pay On-Demand* domain in the Core Payroll functional area.

**Context**

The pay on-demand feature enables workers to request early payment of a portion of their accumulated wages through employee self-service (ESS). You can configure rules for pay on-demand requests to define:

- Which workers can request pay on-demand.
- How many requests a worker can make.
- How Workday calculates the total wages available for pay on-demand.

**Steps**

1. Access the Maintain Pay On-Demand Rules task.
2. As you complete this task, consider:

Option	Description
Pay Group	Configure rules for each pay group whose workers can request pay on-demand.
Payroll Action Reason	Select an action reason that you've set up for on-demand payments. You can create new action reasons on the Create Payroll Action Reason task.
Pay On-Demand Earning	Select the earning that you created for pay on-demand. Workday uses this earning for the pay on-demand payment to the worker.
Pay On-Demand Offset	Select the deduction that you created for the pay on-demand offset. Workday uses this deduction to reduce the worker's on-cycle pay by the pay on-demand amount.

3. As you complete the Amounts tab, consider:

Option	Description
Eligible Earnings	Select the earnings that can contribute to the total available wages for pay on-demand.
Eligible Deductions	Select the deductions that can reduce the available wages for pay on-demand.  To ensure an accurate available amount, Workday recommends that you include deductions that go into arrears.

Option	Description
Percent to Withhold	When you enter a percentage to withhold, Workday holds back that rate from the amount available for a pay on-demand request. Example: Enter 40 so that workers can only request up to 60% of their eligible earnings minus eligible deductions.
End of Day for Exempt Worker	Enter a time that's the end of the work day in the employees' time zone. Employees can view their available amount for a given day only after the end of that day. This setting is only applicable to workers when Exempt Status is Yes in their Job Profile.  Note: Only update this field if your intended pay on-demand population includes salaried (or exempt) employees.

4. As you complete the Request Restrictions tab, consider:

Option	Description
Requests Allowed per Quarter	You can limit the number of requests an employee can make per quarter or per year, based on the payroll tax year. When a worker has met the limit, Workday displays the next date they can submit a request.
Requests Allowed per Year	

5. Access the Guidelines tab to enter explanatory text that displays on ESS tasks.

Related Information

#### Examples

[Steps: Set Up Employee Self-Service](#)

## Concept: Pay On-Demand

Traditionally, employees receive their paychecks on scheduled payroll payment dates. The pay on-demand feature enables workers to request early payment of a portion of their accumulated wages through employee self-service (ESS).

For Payroll for Canada, Workday supports both standard and same day Electronic Fund Transfer (EFT) payments.

For Payroll for the U.S., Workday supports both standard and same day Automated Clearing House (ACH) payments.

### The Pay On-Demand Business Process

You can enable employees to initiate the business process from:

- The Pay tile on mobile.
- The Pay On-Demand task.
- The Pay worklet.
- The Pay Dashboard.

The Pay On-Demand Request Count report provides details about the requests by transaction statuses.

## Amount Available for Pay On-Demand

Workday calculates the amount available for pay on-demand based on rules you configure. For salaried exempt workers, Workday calculates a prorated gross based on the time you configure as the end of the working day and the worker's time zone.

To learn how Workday derives the amount, employees can click:

- ? (the question mark) on mobile.
- View Details on the desktop.

Workers who use Time Tracking can see how their time worked affects the available amount.

Workday also considers the status of the employee's on-cycle pay to determine the available amount:

On-Cycle Status	Available Amount
<i>Not Yet Started</i>	Based on the current pay period.
<i>In Progress</i>	Based on the current pay period.
<i>Completed</i>	Based on the next pay period.

When workers have arrears for deductions that aren't eligible for pay on-demand, Workday recoups them on the available amount. You can configure your eligible pay components to include those deductions to reduce the workers' available amount further by current period amounts.

For workers with multiple jobs, Workday calculates earned wages across additional jobs that are in the same pay group and company as the primary job. Workers can only submit Pay On-Demand requests for additional jobs that are in the same pay group and company as their primary job.

Pay On-Demand request and pay result processing follow the rules you configure in the Maintain Payroll Processing Position Rules task. These rules determine which of a worker's positions to use as the default when processing pay on-demand. When a worker has multiple jobs, Workday tags new Pay On-Demand results with Additional Job Position and Company. If you don't configure new rules, Workday continues to use the worker's primary position for processing pay on-demand for workers with multiple jobs.

For employees with gross-to-net subperiods, Workday:

- Calculates the available amount per subperiod.
- Sums all subperiod available amounts.

The calculation for the available amount is:

- Based on the number of approved hours worked as of the date of the request.
- Net - (net x percent to withhold) - past requests in the pay period.

Where the net = eligible earnings - eligible deductions.

### Example

Marilyn is an hourly worker who has 20 approved hours in the current period.

For Payroll for Canada:

Pay Components	Examples
Eligible earnings	<i>Hourly Pay</i>
Eligible deductions	<i>Statutory</i>
Percent to withhold	40
Employee's pay rate	15 per hour

For Payroll for the U.S.:

Pay Components	Examples
Eligible earnings	<i>Hourly Pay</i>
Eligible deductions	<i>OASDI</i>
Percent to withhold	30
Employee's pay rate	15 per hour

## Impact to On-Cycle Payroll

When you run on-cycle payroll for the period for employees who request pay on-demand, Workday reduces their pay by the total of pay on-demand payments in the period.

### Related Information

#### Concepts

[Setup Considerations: Pay On-Demand](#) on page 367

#### Tasks

[Set Up Gross-Up Earnings](#) on page 334

[Set Up Default Processing Position for Payroll \(CAN, USA\)](#) on page 591

#### Examples

[Steps: Set Up Employee Self-Service](#)

## Concept: Pay On-Demand Accounting

You can configure accounting for pay on-demand earning and pay on-demand offset deduction:

- As a direct expense (USA).
- As a payroll advance (CAN, USA).

For payroll advances, use these tasks:

- Assign Costing Allocation (USA only) - specify costing instructions for the Pay On-Demand earning across cost centers, projects, grants, locations, or other costing dimensions.
- View Account Posting Rule Set (CAN, USA).

Edit account posting rules to direct where pay on-demand transaction journals post to ledger accounts:

- For *Net Advance* for Payroll for Canada.
- For *Payroll Earning* and *Payroll Deduction* for Payroll for the U.S.

### Direct Expense (USA)

When you set up pay on-demand as a direct expense, you can charge the gross, employer taxes, and fringe to the worker's standard costing assignments. The pay on-demand payments completed in a pay period reduce the associated on-cycle gross.

### Payroll Advance

When you set up pay on-demand as an advance:

- The net becomes a receivable for Payroll for Canada. You can charge the net to the worker's standard costing assignments. The associated on cycle net recovery reverses the receivable.
- The gross becomes a receivable for Payroll for the U.S. You can charge the gross, employer taxes, and fringe to the worker's standard costing assignments. The associated on-cycle gross reverses the receivable.

### Example (CAN)

Diana works at the public safety department as a student intern. The gross salary is 2000. Diana makes a pay on-demand request of 200 during the biweekly pay period 2020-08-03 to 2020-08-16.

As a payroll administrator, you can use the payroll advance method:

Accounting Method	Cost Center	Account Posting Rule	Pay Component	Ledger
Payroll Advance	<i>Benefits</i>	<i>Payroll Earning</i>	<i>Pay On-Demand</i>	<i>Payroll On-Demand Advance Receivable</i>
	<i>Benefits</i>	<i>Payroll Deduction</i>	<i>Pay On-Demand Offset</i>	<i>Payroll On-Demand Advance Receivable</i>

When you complete payroll for the pay on-demand request for the pay period, Workday calculates the net advance as:

Gross	250
Statutory taxes	50
Previous requests	50
Percent to withhold	60
Net Pay	90

For on-cycle, Workday calculates gross-to-net amounts as:

Gross pay	2500
Statutory deductions	550
ER benefits	50
Voluntary deductions	50
Pay On-Demand Recovery	90
Net pay	1760

To view journal entries, drill into the worker's *Pay On-Demand* payroll result type and click Actuals. For payroll advance, Workday uses the *Payroll On-Demand Advance Receivable* ledger account to post the credits and debits.

You can:

- Run the Payroll Accounting by Period/Pay Group report to view all accounting transactions for a specific pay period or pay group.
- Access the Edit Earning and Employee Deduction Cost Allocations task to edit cost allocations for earnings and deductions.

### Example (USA)

Diana works at the public safety department as a student intern. The gross salary is 2000. Diana makes a pay on-demand request of 200 during the biweekly pay period 2020-08-03 to 2020-08-16.

As a payroll administrator, you can use direct expense or payroll advance method:

Accounting Method	Cost Center	Account Posting Rule	Pay Component	Ledger
Direct Expense	<i>Public Safety</i>	<i>Payroll Earning</i>	<i>Pay On-Demand</i>	<i>6000: Salaries and Wages</i>
	<i>Public Safety</i>	<i>Payroll Deduction</i>	<i>Pay On-Demand Offset</i>	<i>6000: Salaries and Wages</i>
Payroll Advance	<i>Benefits</i>	<i>Payroll Earning</i>	<i>Pay On-Demand</i>	<i>Payroll On-Demand Advance Receivable</i>
	<i>Benefits</i>	<i>Payroll Deduction</i>	<i>Pay On-Demand Offset</i>	<i>Payroll On-Demand Advance Receivable</i>

When you complete payroll for the pay on-demand request for the pay period 2020-08-03 to 2020-08-16, Workday calculates gross-to-net amounts as:

Gross	200
Deductions Tax	50
Net Pay	150
ER Taxes	15

For on-cycle, Workday calculates gross-to-net amounts as:

Gross	2000
Pay On-Demand Offset	200
Deductions Tax	250
Deduction Voluntary	100
Net Pay	1450
ER Taxes	150
ER Benefits	800

To view journal entries, drill into the worker's *Pay On-Demand* payroll result type and click Actuals.

- For direct expense for Payroll for the U.S., Workday uses the *6000: Salaries and Wages* ledger account to post the credits and debits.
- For payroll advance, Workday uses the *Payroll On-Demand Advance Receivable* ledger account to post the credits and debits.

You can:

- Run the Payroll Accounting by Period/Pay Group report to view all accounting transactions for a specific pay period or pay group.
- Access the Edit Earning and Employee Deduction Cost Allocations task to edit cost allocations for earnings and deductions.

## Related Information

### Tasks

[Define Cost Allocations for a Worker](#) on page 550

## Examples

### Set Up Account Posting Rules

## Example: Create a Pay On-Demand Offset Deduction

### Context

For Payroll for Canada, this example illustrates 1 way to configure a pay on-demand offset recovery deduction for payments already made to the employee from their net pay.

For Payroll for the U.S., this example illustrates 1 way to configure a pay on-demand offset deduction for payments already made to the employee from their gross pay.

Your company offers pay on-demand to workers, so you need to create a pay on-demand offset deduction to recoup the amount paid in advance.

To configure the deduction, you'll also create:

- Pay balances to sum pay on-demand amounts.
- Calculations for deduction eligibility and limits.

Configure the gross pay accumulation to subtract the deduction.

### Prerequisites

- Configure the *Pay On-Demand* business process.
- Create a pay on-demand net advance earning (CAN).
- Create a pay on-demand (gross-up) earning (USA).
- Security: These domains in the Core Payroll functional area:
  - *Calculation Engine: Calculations (Category Segment Security)*
  - *Set Up: Payroll (Calculations - Payroll Specific)*

### Steps

1. Access the Create Deduction task.
2. Enter these values. It's important that you limit your entries to the ones listed below and complete each entry.

For Payroll for Canada:

Option	Description
Name	<i>Pay On-Demand Recovery Offset</i>
Code	<i>PODRCV</i>
Default Payslip Name	<i>Pay On-Demand Recovery Offset</i>
Country	<i>Canada</i>
Effective Date	<i>Use today's date.</i>
Run Category Eligibility	<i>Regular</i>
Calculation	<i>Payroll Input</i> You'll change this placeholder calculation later.
Input Amount Allowed?	Select this check box.
Calculation Worktag	<i>Position</i>

Option	Description
	Workday requires the <i>Position</i> worktag to support pay on-demand for workers with multiple jobs.

For Payroll for the U.S.

Option	Description
Name	<i>Pay On-Demand Offset</i>
Code	<i>PODO</i>
Default Payslip Name	<i>Pay On-Demand Offset</i>
Country	<i>United States of America</i>
Effective Date	Use today's date.
Run Category Eligibility	<i>Regular</i>
Calculation	<i>Payroll Input</i> You'll change this placeholder calculation later.
Input Amount Allowed?	Select this check box.
Calculation Worktag	<i>Position</i> The worktag <i>Position</i> is required to support pay on-demand for workers with multiple jobs.

3. Click OK.
4. Access the Create Pay Balance task.
5. Enter these values:

For Payroll for Canada:

Option	Description
Name	<i>Pay On-Demand Net Advance Current Period Balance</i>
Code	<i>PODNABAL</i>
Display on Result	Select this check box.
Country	<i>Canada</i>
Filter Worktags	<i>Position</i> Workday requires the worktag <i>Position</i> to support pay on-demand for workers with multiple jobs.  Workday recommends adding filter worktags if you don't want wages recouped across certain worktags. Example: The employee changes companies midperiod. When you add the <i>Company</i> filter worktag, Workday recoups wages only from the company that paid the original pay on-demand. Otherwise, the pay on-demand offset recoups money across companies.

Option	Description
Include All Retro Values in Current Gross to Net	Select this option.
Pay Component	<i>Pay On-Demand (Net Advance) [CAN]</i>
Balance Period	<i>Current Period</i>

For Payroll for the U.S.:

Option	Description
Name	<i>Pay On-Demand Gross Up Current Period Balance</i>
Code	<i>PODGUBAL</i>
Display on Result	Select this check box.
Country	<i>United States of America</i>
Filter Worktags	<p><i>Position</i></p> <p>Workday requires the worktag <i>Position</i> to support pay on-demand for workers with multiple jobs.</p> <p>Workday recommends adding filter worktags if you don't want wages recouped across certain worktags. Example: The employee changes companies midperiod. When you add the <i>Company</i> filter worktag, Workday recoups wages only from the company that originally made the pay on-demand. Otherwise, the pay on-demand offset recoups money across companies.</p>
Include All Retro Values in Current Gross to Net	Select this option.
Pay Component	<i>Pay On-Demand (Gross Up) [USA]</i>
Balance Period	<i>Current Period</i>

6. Click OK.
7. Access the Create Pay Balance task.
8. Enter these values:

For Payroll for Canada:

Option	Description
Name	<i>Pay On-Demand Recovery Offset Current Period Balance</i>
Code	<i>PODRBAL</i>
Display on Result	Select this check box.
Country	<i>Canada</i>
Filter Worktags	<i>Position</i>
Include All Retro Values in Current Gross to Net	Select this option.

Option	Description
Pay Component	<i>Pay On-Demand Recovery Offset [CAN]</i>
Balance Period	<i>Current Period</i>

For Payroll for the U.S.:

Option	Description
Name	<i>Pay On-Demand Gross Up Offset Current Period Balance</i>
Code	<i>PODGUOS</i>
Display on Result	Select this check box.
Country	<i>United States of America</i>
Filter Worktags	We recommend adding the same filter worktags you use for other pay balances.
Include All Retro Values in Current Gross to Net	Select this option.
Pay Component	<i>Pay On-Demand Offset [USA]</i>
Balance Period	<i>Current Period</i>

9. Click OK.

10. Access the Create Pay Balance task.

11. Enter these values:

For Payroll for Canada:

Option	Description
Name	<i>Pay On-Demand Subperiod Balance</i>
Code	<i>POD_SUB</i>
Display on Result	Select this check box.
Country	<i>Canada</i>
Filter Worktags	<i>Position</i>
Include All Retro Values in Current Gross to Net	Select this option.
Pay Component	<i>Pay On-Demand (Net Advance) [CAN]</i>
Balance Period	<i>Subperiod Start Date to Subperiod End Date</i>

For Payroll for the U.S.:

Option	Description
Name	<i>Pay On-Demand Subperiod Balance</i>
Code	<i>POD_SUB</i>
Display on Result	Select this check box.
Country	<i>United States of America</i>

Option	Description
Filter Worktags	We recommend adding the same filter worktags you use for other pay balances.
Include All Retro Values in Current Gross to Net	Select this option.
Pay Component	<i>Pay On-Demand (Gross Up) [USA]</i>
Balance Period	<i>Subperiod Start Date to Subperiod End Date</i>

12. Click OK.

13. Access the Create Value Comparison Calculation task.

14. Enter these values:

For Payroll for Canada:

Option	Description
Name	<i>Pay On-Demand Subperiod Balance = 0 (Canada)</i>
Category	<i>Payroll</i>
1st Operand	<i>Pay On-Demand Subperiod Balance [CAN]</i>
Operator	<i>equal to</i>
2nd Operand	<i>0</i>

For Payroll for the U.S.:

Option	Description
Name	<i>Pay On-Demand Subperiod Balance = 0</i>
Category	<i>Payroll</i>
1st Operand	<i>Pay On-Demand Subperiod Balance [USA]</i>
Operator	<i>equal to</i>
2nd Operand	<i>0</i>

15. Click OK.

16. Access the Create Value Comparison Calculation task.

17. Enter these values:

For Payroll for Canada:

Option	Description
Name	<i>Pay On-Demand Net Advance Balance &gt; 0 Canada</i>
Category	<i>Payroll</i>
1st Operand	<i>Pay On-Demand Net Advance Current Period Balance [CAN]</i>
Operator	<i>greater than</i>

Option	Description
2nd Operand	0

For Payroll for the U.S.:

Option	Description
Name	<i>Pay On-Demand Gross Up Balance &gt; 0</i>
Category	<i>Payroll</i>
1st Operand	<i>Pay On-Demand Gross Up Current Period Balance [USA]</i>
Operator	<i>greater than</i>
2nd Operand	0

18.Click OK.

19.Access the Create Conditional Calculation task.

20.Enter these values:

Payroll for Canada:

Option	Description
Name	<i>Pay On-Demand Limit Calculation Canada</i>
Category	<i>Payroll</i>
Order	<i>a</i>
Condition	<i>Pay On-Demand Subperiod Balance = 0 Canada</i>
Result	<i>Pay On-Demand Earning Pay Balance</i>
Default Response	<i>Pay On-Demand Subperiod Balance [CAN]</i>

For Payroll for the U.S.:

Option	Description
Name	<i>Pay On-Demand Limit Calculation</i>
Category	<i>Payroll</i>
Order	<i>a</i>
Condition	<i>Pay On-Demand Subperiod Balance = 0</i>
Result	<i>Pay On-Demand Gross Up Current Period Balance</i>
Default Response	<i>Pay On-Demand Subperiod Balance [USA]</i>

21.Click OK.

22.Access the Create Arithmetic Calculation task.

23.Enter these values:

For Payroll for Canada:

Option	Description
Name	<i>Pay On-Demand Net Advance Recovery Balance Calc</i>
Category	<i>Payroll</i>

Option	Description
1st Operand	<i>Pay On-Demand Net Advance Current Period Balance [CAN]</i>
Operator	<i>Subtract</i>
2nd Operator	<i>Pay On-Demand Recovery Current Period Balance [CAN]</i>

For Payroll for the U.S.:

Option	Description
Name	<i>Pay On-Demand Gross Up Offset Balance Calc</i>
Category	<i>Payroll</i>
1st Operand	<i>Pay On-Demand Gross Up Current Period Balance [USA]</i>
Operator	<i>Subtract</i>
2nd Operator	<i>Pay On-Demand Gross Up Offset Current Period Balance [USA]</i>

24. Click OK.

25. Access the Edit Deduction task.

26. Select the:

- *Pay On-Demand Recovery Offset [CAN] deduction (CAN)*.
- *Pay On-Demand Offset [USA] deduction (USA)*.

You created this deduction in steps 1 - 3. Now you'll add the calculations you've created.

27. Enter these values:

For Payroll for Canada:

Option	Description
Worker Eligibility	<i>Pay On-Demand Net Advance Balance &gt; 0 Canada</i>
Calculation	<i>Delete Payroll Input.</i> <i>Select Pay On-Demand Net Advance Recovery Balance Calc.</i>

For Payroll for the U.S.:

Option	Description
Worker Eligibility	<i>Pay On-Demand Gross Up Balance &gt; 0</i>
Calculation	<i>Delete Payroll Input.</i> <i>Select Pay On-Demand Gross Up Offset Balance Calc.</i>

28.On the Effective Dated tab, enter these values in the Limits grid:

For Payroll for Canada:

Value	Balance Period	Based On
<i>Pay On-Demand Limit Calculation [CAN]</i>	<i>Subperiod Start Date to Subperiod End Date</i>	<i>Pay On-Demand Recovery [CAN]</i>

For Payroll for the U.S.:

Value	Balance Period	Based On
<i>Pay On-Demand Limit Calculation</i>	<i>Subperiod Start Date to Subperiod End Date</i>	<i>Pay On-Demand Offset [USA]</i>

29.On the Non-Effective Dated tab, select these values from the Groups prompt:

For Payroll for Canada, *Post Tax Deductions*.

For Payroll for the U.S.:

- *Federal Taxable Reduction [USA]*
- *FICA Taxable Reduction [USA]*
- *FUI Taxable Reduction [USA]*
- *Gross Wages Reduction for Pay On-Demand [USA]*
- *Local Withholding Taxable Reduction [USA]*
- *State Withholding Taxable Reduction [USA]*
- *SUI Taxable Reduction [USA]*

30.Click OK.

31.For Payroll for the U.S.:

- a) Access the Edit Pay Accumulation task.
- b) From the Pay Accumulation prompt, select *Gross*.
- c) In the Subtract from Pay Accumulation section, select *Pay On-Demand Offset*.
- d) Click OK.

## Result

Workday automatically deducts the offset deduction from:

- Net wages to ensure the worker isn't paid twice (CAN).
- Gross wages to ensure that the worker isn't paid twice for the same hours (USA).

## Related Information

### Tasks

[Steps: Create Deductions](#) on page 234

## Example: Create a Pay On-Demand (Gross-Up) Earning (USA)

This example illustrates 1 way to configure a gross-up earning for pay on-demand.

### Context

Your company offers pay on-demand to workers, so you need to create a pay on-demand gross-up earning.

### Prerequisites

- Configure the *Pay On-Demand* business process.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Steps

1. Access the Create Earning task.
2. Enter these values in the header section:

Option	Description
Name	<i>Pay On-Demand (Gross-Up)</i>
Code	<i>PODGU</i>
Country	<i>United States of America</i>

3. Enter these values on the Effective Dated tab:

Option	Description
Effective Date	<i>Use the current date.</i>
Worker Eligibility	<i>Payroll Input Exists for Pay Component</i>
Calculation	<i>Grossed Up Amount</i>
Always Gross-Up	<i>Select this check box.</i>
Gross-Up Type	<i>All Taxes</i>
Do Not Calculate During Retro	<i>Select this check box.</i>
Calculation Worktag	<p><i>Position</i></p> <p>The worktag <i>Position</i> is required to support pay on-demand for workers with multiple jobs.</p>

4. Add a row to the Related Calculations grid and enter these values:

Option	Description
Related Calculation	<i>Net Amount (for Gross Up)</i>
Input Allowed?	<i>Select this check box.</i>

5. On the Non-Effective Dated tab, select these values from the Groups prompt:

- *Adds to Gross [CAN USA]*
- *Federal Taxable (Withhold Taxes) [USA]*
- *FICA Taxable [USA]*
- *FUI Taxable [USA]*
- *Local Withholding Taxable (Withhold Taxes) [USA]*
- *State Withholding Taxable (Withhold Taxes) [USA]*
- *SUI Taxable [USA]*

6. Click OK.

## Result

When a worker submits a pay on-demand request, Workday calculates and pays the gross pay on-demand amount.

## Next Steps

Create a pay on-demand offset deduction.

Related Information

### Tasks

[Set Up Gross-Up Earnings](#) on page 334

Steps: Create Earnings on page 229

## Example: Create a Pay On-Demand (Net) Earning (CAN)

This example illustrates 1 way to configure a Net Advance earning for pay on-demand.

### Context

Your company offers pay on-demand to workers, so you need to create a net advance earning.

### Prerequisites

- Configure the *Pay On-Demand* business process.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

- Access the Create Earning task.
- Enter these values in the header section:

Option	Description
Name	<i>Pay On-Demand Net Advance</i>
Code	<i>PODNET</i>
Country	<i>Canada</i>

- Enter these values on the Effective Dated tab:

Option	Description
Effective Date	Use the current date.
Worker Eligibility	<i>Payroll Input Exists for Pay Component</i>
Calculation	<i>Payroll Input</i>
Input Amount Allowed?	Select this check box.
Do Not Recalculate During Retro	Select this check box.
Calculation Worktag	<p><i>Position</i></p> <p>Workday requires the worktag <i>Position</i> to support pay on-demand for workers with multiple jobs.</p>

- On the Non-Effective Dated tab, select *Adds to Gross*.
- Click OK.

Pay On-Demand Earnings use only pay components that have the *Adds to Gross* pay component group.

### Result

When a worker submits a pay on-demand request, Workday calculates and pays the net pay on-demand amount.

### Next Steps

Create a pay on-demand offset deduction.

## Related Information

### Reference

[2023R1 What's New Post: Pay On-Demand](#)

## Examples: Time Off Earnings

### Example: Create an Earning for a Single Time Off

This example illustrates 1 way to create an earning for a single time off for these payroll countries:

- USA
- Canada
- UK

#### Context

This example is relevant to organizations in Payroll for Canada and the U.S. with employees in the U.S. and Canada that share a vacation policy.

For Payroll for Canada and the U.S., Global Modern Services wants their vacation time off tracked as a separate earning from sick time off and paid as *Rate \* Hours*. Payroll administrator Sheila, creates an earning to calculate paid time off for vacation.

For Payroll for the UK, Global Modern Services wants their holiday time off tracked as a separate earning from sick time off and paid as *Rate \* Hours*. Payroll administrator Sheila, creates an earning to calculate paid time off for holiday.

#### Prerequisites

- Set up base pay earnings to subtract paid time off from regular wages or directly from Gross or Net pay accumulations.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Steps

1. Access the Create Earning task.
2. Name the earning:
  - *PTO - Vacation Paid* (CAN, USA).
  - *Holiday - Paid* (UK).
3. In the Criteria section of the Effective Dated tab, create an eligibility rule to prevent the earning from resolving when the employee has no paid time off:
  - a) Add a row for Worker Eligibility and select Create > Create Value Comparison Calculation.
  - b) Select *Payroll* as the Category.
  - c) Enter these settings:

Field	Description
1st Operand	<p><i>PTO - Vacation Paid - Time Off Paid.</i></p> <p>This absence component related calculation pulls paid time off hours or days into the earning calculation. <i>PTO - Vacation Paid</i> is the name of the time off definition in Workday Absence Management.</p>
Operator	<i>not equal to</i>

Field	Description
2nd Operand	Select By Category > Common, and then select 0.

4. Select *Hours (Unprorated) \* Rate* in the Calculation field on the Calculation Details section of the Effective Dated tab.
5. Select the Override Frequency *Hourly*.
6. Select Prorate Using Calendar Days.
7. Insert a row in the Related Calculations grid and enter these settings:

Field	Description
Related Calculation	<i>Hours (unprorated)</i>
Default Calculation	<i>Payroll Input</i>
Override Calculation	<i>Paid Vacation Hours - (by Position)</i> .

8. Insert a second row and enter these settings:

Field	Value
Related Calculation	<i>Rate</i>
Override Calculation	<i>Compensation: Compensation Element Value (using PC Frequency Override)</i>

9. Select the Compensation Element.
10. In the Groups field on the Non-Effective Dated tab, select pay components as desired.

#### Related Information

##### Tasks

Steps: Create Earnings on page 229

## Example: Create an Earning for Multiple Time Offs

### Context

This example illustrates how to create an earning for multiple time offs for these payroll countries:

- USA
- Canada
- UK

Global Modern Services wants their earnings to calculate paid time off for the combined value of multiple time offs that are paid based on compensation rate. Sheila, the payroll administrator, creates an earning for all time offs paid at an hourly rate.

This example is relevant to organizations with employees in the U.S. and Canada for Payroll for Canada and the U.S. that share a vacation policy.

### Prerequisites

Set up base pay earnings to subtract paid time off from regular wages. Alternatively, you can subtract paid time off directly from Gross or Net pay accumulations.

Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.

## Steps

1. Create the aggregate calculation:
  - a) Access the Create Aggregate Calculation task.
  - b) Complete these fields:

Field	Value
Category	<i>Payroll</i>
Function	<i>Sum</i>
Operand	Select <i>PTO - Vacation - Time Off Paid</i> and <i>PTO - Sick Pay - Time Off Paid</i> . These absence component related calculations pull paid time off hours or days into the earning calculation. <i>PTO - Vacation Paid</i> and <i>PTO - Sick Pay</i> are the time off definitions in Workday Absence Management.

2. Create the earning:
  - a) Access the Create Earning task.
  - b) Name the earning: All Time Off - Paid.
  - c) In the Criteria section of the Effective Dated tab, create an eligibility rule to prevent the earning from resolving when the employee has no paid time off.

In the Worker Eligibility field, select Create > Create Value Comparison Calculation, and select *Payroll* as the Category. Add a row and enter these values:

Field	Value
1st Operand	Select the aggregate calculation you defined earlier.
Operator	<i>not equal to</i>
2nd Operand	<i>0 (zero)</i>

3. Define the earning calculation in the Calculation Details section of the Effective Dated tab:
  - a) Select *Time Off Paid (Units) \* Rate* in the Calculation field.
  - b) Insert 2 rows in the Related Calculation section and complete these fields:

Related Calculation	Override Calculation
<i>Time Off Paid (Units)</i>	Select the aggregate calculation you defined earlier.
<i>Rate</i>	<i>Compensation: Compensation Element Value (using PC Frequency Override)</i>

4. Select a Compensation Element, such as *Base Pay*.

### Related Information

#### Tasks

[Steps: Create Earnings](#) on page 229

## Example: Calculate Hours Not Worked

This example illustrates how to create a calculation to track hours not worked for these payroll countries:

- USA
- Canada

- UK

## Context

Global Modern Services wants to identify hours not worked in order to calculate the impact of time off and holidays on salaried workers' pay.

When calculating hours not worked due to time off or holidays, you need to:

- Convert time off into hours, based on a full work day for full-time workers.
- Consider subperiods and proration.

## Prerequisites

- Create an *Annual Vacation* time off plan in days. Workday Absence Management will then automatically create 3 absence component related calculations, including *Annual Vacation - Time Off Paid*.
- Set up worker holiday calendars.

Security:

- *Set Up: Calculations - Generic* in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* in the Time Off and Leave functional area.

## Steps

1. Access the Create Arithmetic Calculation task.

Create a calculation named *Annual Vacation Time Off Paid in Hours* with these settings:

Option	Value	Description
1st Operand	<i>Annual Vacation - Time Off Paid</i>	Workday creates this absence component related calculation when you create the <i>Annual Vacation</i> time off plan in days.
Operator	<i>Multiply</i>	
2nd Operand	8	

2. Access the Create Aggregate Calculation task.

Create a calculation named *Hours Not Worked* with these settings:

Option	Value
Category	<i>Payroll</i>
Function	<i>Sum</i>
Operand	<ul style="list-style-type: none"> <li>• <i>Annual Vacation Time Off Paid in Hours</i></li> <li>• <i>Worker: Holiday Hours (from Holiday Calendar) for Worker during Sub-Period</i></li> </ul>

## Next Steps

For Payroll for Canada, the UK, and the U.S., use the *Hours Not Worked* calculation to:

- Reduce worker salaries for time off and holidays.
- Create a related calculation that tracks hours worked.

For Payroll for France, use the *Hours Not Worked* calculation to reduce worker salaries for time off and holidays.

#### Related Information

##### Examples

[Create Holiday Calendars](#)

[Create Time Off Types](#)

## Example: Reduce Salary for Time Off and Holidays

This example illustrates how to set up an earning for a worker's salary that's reduced by time off or holiday pay for these payroll countries:

- USA
- Canada
- UK

#### Context

You want to prevent salaried employees from receiving both their full regular wages and time off or holiday pay earnings when they take paid or unpaid leave.

Payroll for France recommends that you create separate deductions for unpaid time off. As a simplification, however, you can directly reduce the salary by unpaid or paid time off.

You need to reduce the earning in a way that considers subperiods and any proration. Example: Midperiod compensation changes and leave events (when you enable PC Proration for leave of absence).

This example only applies when using Absence Management with Workday Payroll.

#### Prerequisites

- Set up the worker's holiday calendar.
- Create a *Salary* earning based on a compensation element.
- Create 2 related calculations named *Hourly Rate*, and *Reduction Amount* with proration set to *None of the above*.
- Create a related calculation named *Salaried Comp (prorated)* with proration set to *Prorate Using Days Worked*.

#### Security:

- *Set Up: Calculations - Generic* in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* in the Time Off and Leave functional area.
- *Set Up: Payroll (Calculations - Payroll Specific)* in the Core Payroll functional area.

#### Steps

1. Create an aggregate calculation, named *Hours Not Worked* to calculate hours not worked due to time off and holidays.

See [Example: Calculate Hours Not Worked](#) on page 393.

2. Access the Create Arithmetic Calculation task.

Create a calculation named *Salaried Comp (prorated) - Reduction Amount* with these settings:

1st Operand	Operator	2nd Operator
<i>Salaried Comp (prorated)</i>	<i>Subtract</i>	<i>Reduction Amount</i>

3. Access the Create Arithmetic Calculation task.

Create a calculation named *Hours Not Worked \* Hourly Rate* with these settings:

1st Operand	Operator	2nd Operator
<i>Hours Not Worked</i>	<i>Multiply</i>	<i>Hourly Rate</i>

4. Access the Edit Earning task for *Salary*.

- a) Enter these settings:

Option	Value
<i>Worker Eligibility</i>	<i>Pay Rate Type &lt;&gt; Hourly as of PS Date</i>
<i>Calculation Proration</i>	<i>Prorate Using Days Worked</i>
<i>Calculation</i>	<i>Salaried Comp (prorated) - Reduction Amount</i>
<i>Events Causing Pay Component Proration</i>	<i>Compensation Change</i>
<i>Compensation Element</i>	Select the worker's salary compensation element.

- b) Add 3 rows to the Related Calculations section.

Related Calculation	Override Calculation
<i>Reduction Amount</i>	<i>Hours Not Worked*Hourly Rate</i>
<i>Hourly Rate</i>	Enter a calculation to retrieve a worker's hourly rate.
<i>Salaried Comp (prorated)</i>	<i>Compensation: Compensation Element Value (using Pay Period Frequency Only - No Rounding)</i>

## Result

Workday reduces the worker's salary for the period by payments for time off and holidays. When the worker has multiple subperiods, or proration, Workday:

- Prorates the salaried amount for each subperiod.
- Calculates the reduction amount for each subperiod based only on the time off and holidays in the period.

## Next Steps

[Create earnings for paid time off and holiday pay.](#)

[Related Information](#)

## Tasks

[Map Earnings to Compensation Elements](#) on page 260

[Create Related Calculations](#) on page 247

## Examples

[Create Holiday Calendars](#)

## Example: Create Related Calculations to Track Worked Hours

This example illustrates how to track hours worked for salaried workers, excluding time off, and holidays for these payroll countries:

- USA
- Canada

## Context

Global Modern Services provides pension account contributions to salaried workers who work more than a certain number of hours a month. To verify worker eligibility for a pension account, you want to track the total worked hours for each worker, excluding any time off or holidays.

## Prerequisites

- Set up the worker's holiday calendars.
- Create a related calculation named *Scheduled Hours (prorated)* with proration set to *Prorate using Days Worked*.
- Create a related calculation named *Hours Worked in Period (unprorated)* with proration set to *None of the above*.
- Create a *Salary* earning based on a compensation element.

### Security:

- *Set Up: Calculations - Generic* in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* in the Time Off and Leave functional area.
- *Set Up: Payroll (Calculations - Payroll Specific)* in the Core Payroll functional area.

## Steps

1. Create an aggregate calculation to calculate hours not worked due to time off and holidays.  
See Example: Calculate Hours Not Worked on page 393.
2. Access the Create Arithmetic Calculation task.

Create a calculation named *Scheduled Hours - Hours Not Worked* with these settings:

1st Operand	Operator	2nd Operator
<i>Scheduled Hours</i>	<i>Subtract</i>	<i>Hours Not Worked</i>

3. Access the Edit Earning task for the *Salary* earning.

Add 2 rows to the Related Calculations section.

Related Calculation	Override Calculation	Hours for Reporting - Result	Hours for Reporting - Result Line
<i>Scheduled Hours (prorated)</i>	<i>Job: Scheduled Hours for Target Frequency (as of Sub Period End Date using PC Freq Override)</i>		
<i>Hours Worked in Period (unprorated)</i>	<i>Scheduled Hours - Hours Not Worked</i>	<i>Yes</i>	<i>Add</i>

## Result

Workday calculates the workers' hours based on their weekly scheduled hours, and excludes time off and holidays. When the worker has multiple subperiods, Workday calculates a worker's hours based on:

- Weekly scheduled hours, prorated by days worked.
- The time off or holidays in the subperiod.

You can view the hours worked on these reports:

- View Payroll Results.
- Payroll Register by Period.
- Payroll Register for balance period.

Related Information

### Tasks

[Create Related Calculations](#) on page 247

### Examples

[Create Holiday Calendars](#)

## Example: Create a Dividend Earning

This example illustrates 1 way to configure an earning to pay dividends or other nontaxable earnings to workers.

Note: You're responsible for confirming that this solution meets the reporting and compliance requirements of your organization.

### Context

You want to use Workday Payroll to pay quarterly stock dividends to workers. These payments should add to the worker's net pay and display on the payslip, but shouldn't:

- Add to gross pay.
- Be subject to tax withholding.
- Affect benefits calculations.

### Prerequisites

Set up the payslip configuration and printing options.

#### Security:

- *Set Up: Payroll (Calculations - Payroll Specific)* in the Core Payroll functional area.
- *Set Up: Payroll (Reporting)* in the Core Payroll functional area.

### Steps

1. Access the Create Earning task.
2. Enter these values in the header section:

Option	Description
Name	Quarterly Dividend
Code	DIVIDEND
Default Payslip Name	Dividend Payment

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Worker Eligibility	Payroll Input Exists for Pay Component
Calculation	Payroll Input
Input Amount Allowed?	Selected
Calculation Proration	None of the above

4. Don't select any existing pay component groups from the Groups prompt on the Non-Effective Dated tab.
5. Click OK and Done.
6. Access the Edit Pay Accumulation task.
7. In the Pay Accumulation prompt, select Net.
8. In the Earnings prompt, select Quarterly Dividend.
9. Click OK and Done.
10. Access the Create Pay Component Group task.

11. Enter these values:

Option	Description
Name	Nontaxable Earnings
Pay Component Group Code	NTX_EARN
Pay Component Usage	Earnings

12. Select Quarterly Dividend from the Earnings prompt on the Adds to Group grid.
13. Click OK and Done.
14. Access the Maintain Payroll Payslip Configuration task.
15. On the Sections tab, select the Nontaxable Earnings pay component group from the Payslip Calculation(s) prompt on the Earnings row.
16. Click OK and Done.

### Next Steps

Add payroll input for the dividend amounts.

Related Information

#### Tasks

[Steps: Create Earnings](#) on page 229

[Define Payslips](#) on page 487

[Steps: Set Up Payslip Printing Options](#) on page 503

## Net Pay Validation and Arrears

### Setup Considerations: Net Pay Validation and Arrears

You can use this topic to help make decisions when planning your configuration and use of net pay validation and arrears. 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

Workday enables you to set a minimum net pay for workers and take deductions from their pay in priorities you define. When the total deduction exceeds the available pay, Workday puts the remaining deduction in arrears. You can then track those deduction amounts and define limits for amounts to recover from workers' subsequent pay.

Payroll for Australia and France don't typically require arrears tracking.

## Business Benefits

Workday enables you to define how to recover arrears for each deduction and in which order. This helps reduce manual processing when workers pay deductions in advance, or have negative arrears balances.

## Use Cases

You can define rules for tracking and recouping arrears to manage deductions such as:

- Deferred compensation.
- Health plans.
- Pensions.
- Retirement accounts.
- Union dues.

You can process arrears for cases such as when:

- Hourly workers have ongoing deductions but don't have any worked hours for a weekly pay period.
- Workers pay deductions in advance using personal checks.
- Workers go on leave with no pay or partial pay.

## Questions to Consider

Questions	Considerations
Are you using Payroll for France?	<p>When you use Payroll for France, Workday provides these deductions to avoid workers receiving a negative net salary:</p> <ul style="list-style-type: none"> <li>• <i>Negative Net Pay Advance [FRA]</i> creates an advance when the net pay is negative.</li> <li>• <i>Repayment of Previous Negative Net Salary [FRA]</i> deducts the negative net pay advance from the worker's next positive salary.</li> </ul> <p>When you use these Workday-delivered deductions, you don't need to configure arrears processing.</p>
How do you want to recoup arrears?	<p>When the total deduction amount for 1 worker brings their net pay below the minimum net amount, you can:</p> <ul style="list-style-type: none"> <li>• Track the amount put in arrears.</li> <li>• Recoup the arrears in the worker's next payroll runs.</li> <li>• Define recouping eligibility conditions, such as the pay group, run category, or pay schedule.</li> </ul>

Questions	Considerations
	<p>You can configure arrears recouping rules at the deduction level and more granular rules when necessary. Example: Configure unlimited arrears recouping for all workers but no recouping for workers on leave with partial pay.</p>
What arrears limits do you want to set?	<p>You can recoup the maximum arrears amount from worker pay in a period or limit recoverable amounts to a:</p> <ul style="list-style-type: none"> <li>• Flat amount.</li> <li>• Percentage of the current deduction.</li> </ul> <p>You can also cap the total amount of arrears recouped using a Shared Recoup Arrears Limit. This option caps the total amount recovered for an individual or a group of deductions in a given result.</p> <p>Net pay limits for the run category take precedence over arrears limits. Workday reduces the arrears amount recovered so that it doesn't fall below the minimum net amount.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Cap the total amount of arrears recouped for a group of deductions.</li> <li>• Recoup a flat amount from active workers with no current deduction when they become ineligible for the associated benefit plan.</li> <li>• Set a high flat amount value to recover the maximum arrears amount on a bonus run.</li> </ul>
How do you want to adjust the arrears balances?	<p>When you want to adjust or clear a worker's outstanding arrears balance, you can use:</p> <ul style="list-style-type: none"> <li>• A one-time adjustment through payroll inputs to process in the next pay period, such as for workers on leave.</li> <li>• Manual payments that don't impact existing pay results, such as for terminated workers.</li> </ul>
How do you want arrears recouping to impact other deductions?	<p>When a deduction goes into arrears because of insufficient net pay, you can configure Workday to recalculate:</p> <ul style="list-style-type: none"> <li>• Other deductions with a lower priority that impact the net pay.</li> <li>• Additional pay components in the run category.</li> </ul> <p>Workday continues to process arrears for inactivated deductions for on- and off-cycle payments until they're repaid. To update the arrears balance for an inactive pay component, you can configure a flat amount limit to apply when there's no deduction to process.</p>

Questions	Considerations
How do you manage arrears deductions at year-end?	Workday continues to recoup arrears from 1 year to another. You can move all in-arrears pretax deductions at the end of the year and deduct them as post-tax the next year by: <ul style="list-style-type: none"> <li>Creating a pay balance.</li> <li>Loading in-arrears pretax deductions to that pay balance.</li> </ul>
Do you have withholding order deductions?	Workday applies specific priorities to process withholding order deductions. By default, those priorities don't conflict with the priorities you define for other deductions. You can configure withholding order rule overrides to edit withholding order arrears settings.

## Recommendations

For Payroll for Canada, configure Workday-delivered employee statutory taxes when defining deduction priorities to prevent negative net pay for workers on paid leave. Don't track or recoup arrears for those deductions and order them as per the Canada Revenue Agency.

## Requirements

No impact.

## Limitations

You can't:

- Put deductions in arrears that you calculate using the Run Retro Pay Calculation task.
- Recoup arrears generated for a completed pay calculation.
- Split arrears deductions for workers with multiple tax authority worktags or with ongoing multiple work jurisdiction wages (USA).
- Recover outstanding arrears balances from on-demand additional payments.
- Recoup arrears based on deduction worktags. You can only configure arrears for the deduction itself.
- Use the Shared Recoup Arrears Limit to include wages from off-cycle results without additional configuration. By default, it does not consider wages from off-cycle results. See Steps: [Configure Shared Recoup Arrears Limit to Include On-Demand Additional Wages](#) on page 415.
- Create audit rules for arrears.

## Tenant Setup

No impact.

## Security

These domains in the Core Payroll functional area:

Domains	Considerations
<a href="#">Reports: Pay Calculation Results for Pay Group (Audits)</a>	Run audit reports to review pay results and identify workers with zero net pay.

Domains	Considerations
<i>Reports: Pay Calculation Results (Reports: Indexed Data Source Filters)</i>	View workers' arrears balances.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i>	Configure arrears recouping rules, including: <ul style="list-style-type: none"> <li>Accessing reports that track arrears.</li> <li>Defining arrears limits.</li> <li>Defining deduction priorities.</li> </ul>

## Business Processes

No impact.

## Reporting

You can enable arrears tracking to display amounts on standard reports, regardless of whether you want to recoup them.

Reports	Considerations
Audit - Pay Calculation Results for a Period	Identify active and nonactive workers with zero net pay to help manage arrears.
Net Pay Validation and Arrears Rules	Verify arrears tracking and recouping configurations for all deductions.
Net Pay Validation and Arrears Rules (filter by priority)	Verify arrears tracking and recouping configurations for deductions for which you define priorities.
Payroll Result	View a worker's arrears balance and current activity on the Pay Accumulations / Balances tab.
Pay Calculation Results - Outstanding Arrears Balance Composite	View workers' arrears balances in a given pay period.  This report is secured to the same <i>Reports: Pay Calculation Results (Reports: Indexed Data Source Filters)</i> domain as indexed data source filters. Workday doesn't support segmented security on composite reports.

You can use these net pay validation and arrears report data sources when creating custom reports:

- All Deductions in Net Pay
- All Deductions in Net Pay (filter by priority)
- Payroll Result Lines for Outstanding Arrears Balance RDS (USA)(USA, CAN)

## Integrations

You can use the *Import Payroll Input* or *Import Payroll Off-Cycle Payment* web services to mass clear arrears. Example: You can clear pretax deductions at the end of the year and load them as post-tax deductions for the next year.

## Connections and Touchpoints

Features	Considerations
Benefits	You can configure benefits so that Workday only gives them to workers with sufficient earnings to cover their arrears. Example: You can prevent Workday from paying wellness credit benefits to workers whose earnings don't cover their medical deductions.
Pay components	You can configure arrears recouping rules based on these pay component eligibility rules: <ul style="list-style-type: none"> <li>• Run category.</li> <li>• Pay group detail.</li> <li>• Other criteria such as scheduling. Example: Configure Workday to take arrears in the second subperiod of a pay period instead of the next pay period.</li> </ul>
Payroll run categories	Net pay validation and arrears processing start when a result reaches the minimum net pay you define on the run category. You can define different arrears rules for each run category.
Retro pay calculations	<p>When calculating retro pay, Workday doesn't put deductions in arrears or attempt to recoup arrears generated for a completed pay calculation. When you run retro for a period with a deduction in arrears, the retro pay calculation takes the arrears amount into consideration and applies it to deduction limit or balance.</p> <p>When a retro payment and a regular payment combined exceed worker's pay, Workday applies the amount to retro first and forwards the remainder to regular pay. Workday then places the amount over the limit in arrears.</p> <p>You can move a retro result to arrears by using a payroll input with 2 lines:</p> <ul style="list-style-type: none"> <li>• 1 to reduce the retro result.</li> <li>• 1 to increase the arrears balance.</li> </ul>

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

#### Concepts

[Setup Considerations: Payroll Run Categories](#) on page 97

[Setup Considerations: Earnings and Deductions](#) on page 218

[Concept: Retro and Arrears](#) on page 924

#### Tasks

[Create Pay Component Groups](#) on page 238

[Steps: Create Earnings](#) on page 229

[Create Pay Balances](#) on page 326

[Create On-Demand Additional Payments](#) on page 693  
[Set Arrears Limits](#) on page 409

## Steps: Set Up Net Pay Validation and Arrears Tracking and Recouping

### Prerequisites

- Review setup considerations for net pay validation and arrears.
- Define the Minimum Net Amount on the General tab of the Create Run Category task. The most common amount is zero.
- Security: These domains in the Core Payroll functional area:
  - *Set Up: Payroll (Calculations - Payroll Specific)*
  - *Reports: Pay Calculation Results (Reports: Indexed Data Source Filters)*

### Context

When a worker's net pay is below the minimum net amount defined for a run category, you can configure Workday to:

- Eliminate or reduce deductions based on deduction priorities.
- Track and recoup arrears based on deduction priorities and arrears limits. You can also track arrears without recouping them.

Example: You can configure Workday to take health care deductions before retirement deductions to arrive at the specified minimum net pay or when recouping arrears.

Arrears tracking isn't typically used in Payroll for Australia and France.

### Steps

1. [Define Deduction Priorities and Arrears Handling](#) on page 406.

Deduction priorities control the order in which Workday:

- Reduces or eliminates deductions to restore an employee's minimum net pay.
- Recovers outstanding arrears balances when an employee has multiple arrears.

2. [Set Arrears Limits](#) on page 409.

Set default limits for a deduction on the amount of the arrears balance that Workday can recoup in a payroll run.

### Next Steps

Run a payroll calculation. You can review calculated arrears amounts on these reports:

- Payroll Results: Displays current period deductions and any deduction amounts placed in arrears.
- Pay Calculation Results - Outstanding Arrears Balance Composite: Displays arrears balances for an employee.

You can use these net pay validation and arrears report data sources when creating custom reports:

- All Deductions in Net Pay
- All Deductions in Net Pay (filter by priority)
- Payroll Result Lines for Outstanding Arrears Balance RDS (USA)(USA, CAN)

### Related Information

#### Concepts

[Concept: Arrears Processing](#) on page 418

**Tasks**

[Set Taxation and Processing Rules for Run Categories](#) on page 104

**Reference**

[FAQ: View Payroll Results](#) on page 843

## Define Deduction Priorities and Arrears Handling

**Prerequisites**

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

**Context**

When a worker's net pay falls below the minimum defined net pay, you can define how to:

- Eliminate or reduce deductions.
- Track and later recoup arrears.

You can define the deduction priority when eliminating deductions and recouping arrears. For each deduction, you can also define whether to:

- Take partial deductions.
- Recalculate other associated deductions.

Note: You can't stop arrears when a worker goes on leave. However, you can configure the Worker Eligibility section of a deduction to only process arrears when the worker's status is active. For more information, see [Set Up Pay Component Eligibility](#). You can also configure this at the run category level on the Nonactive (On Cycle, On Demand Replacement) tab. For more information, see [Example: Set Up Pay Run Category for Workers on Leave](#).

**Steps**

1. Access the Maintain Deduction Priorities task.
2. Add a row for each deduction that you want to:
  - Reduce or eliminate in a specific order when an employee's net pay falls below the minimum net amount.
  - Recover in a specific order when multiple deductions fall into arrears.

Workday:

- Reduces or eliminates deductions to restore net pay in the reverse order of the rows on the grid.
- Recovers arrears amounts in the same order as the rows in the grid.

For Payroll for the UK, Workday recommends that you only add customer-defined deductions, as the priorities are automatically assigned for Workday-delivered statutory deductions.

For Payroll for Australia, Workday recommends that you only add customer-defined deductions, as the priorities are automatically assigned for Workday-delivered statutory deductions.

3. As you complete the task, consider:

Option	Description
Do Not Take Partial Deduction	Select to prevent Workday from resolving the deduction when the employee's net pay isn't sufficient to take the sum total amount for the deduction. If there are multiple payroll result lines within a payroll result for the same

Option	Description
	<p>deduction, Workday applies this setting to the sum total of the payroll result lines for the deduction.</p> <p>Clearing the check box enables Workday to take partial deductions to restore the net pay to the net pay minimum.</p> <p>Example: Janet's gross pay is 400. She has a 500 deduction. Minimum net pay is zero. When the Do Not Take Partial Deduction is:</p> <ul style="list-style-type: none"> <li>Selected, Workday doesn't take the deduction. Janet's net pay is 400.</li> <li>Cleared, Workday takes 400 of the 500 deduction. Janet's net pay is zero.</li> </ul> <p>If a limit is defined on the deduction, in the payroll period where the deduction limit is reached; Workday withholds up to the defined limit, even when you select the Do Not Take Partial Deduction check box. Example: The deduction has a \$75 limited defined. \$50 is scheduled to calculate each payroll period:</p> <ul style="list-style-type: none"> <li>In payroll period 1, \$50 is calculated.</li> <li>In payroll period 2, \$25 is calculated.</li> </ul> <p>In payroll period 2; the period where the limit is met, the full \$50 can't be withheld, only \$25. Workday withholds \$25, meeting the limit defined on the deduction.</p>
Deduction Impacts Other Deductions	<p>Select to recalculate other deductions when Workday reduces or eliminates the selected deduction due to insufficient net pay.</p> <p>Example: Jonah has 2 deductions:</p> <ul style="list-style-type: none"> <li>Deduction A (with an assigned priority, and Deduction Impacts Other Deductions selected).</li> <li>Deduction B = 10% of Deduction A (with no priority assigned).</li> </ul> <p>If Workday reduces or eliminates Deduction A due to insufficient net pay, Workday also recalculates Deduction B.</p> <p>This option applies only if the related deduction directly impacts net pay. In most cases, you won't select this option for an employer benefit contribution based on an employee contribution, because most employer contributions don't affect net pay.</p> <p>Workday automatically recalculates taxes when it reduces or eliminates a pretax deduction. Select this check box only to recalculate nontax deductions.</p>

Option	Description
Deduction Impacts Addl Pay Components/Groups	Select to recalculate additional pay components and pay component groups in the run category when Workday reduces or eliminates the selected deduction.
Track Arrears	Select this check box to keep a record of any deduction amount Workday doesn't take due to insufficient net pay.
Recoup Arrears	Select to recoup the arrears amount for a deduction. When you select this check box, also set an arrears limit to ensure accurate arrears processing when workers have enough pay.

4.

### Example

When a worker's net pay falls below the minimum amount, you want Workday to apply post-tax deductions in this order of priority: A, then B, and finally C. You also want Workday to track and recoup arrears for all of these deductions. You define these settings on the Maintain Deduction Priorities task.

Deduction	Priority Order	Track Arrears	Recoup Arrears
A		Selected	Selected
B		Selected	Selected
C		Selected	Selected

Pam's gross pay is 75. The minimum net amount is zero. She has 175 in deductions, resulting in a net pay of - 100:

- A: 100
- B: 50
- C: 25

Pam's net pay varies depending on whether you enable partial deductions:

Do Not Take Partial Deductions	Eliminated Deductions (in order of elimination)	Final Net Pay	Calculated Arrears
Selected	<ul style="list-style-type: none"> <li>• C: 25</li> <li>• B: 50</li> <li>• A: 100</li> </ul>	75	<ul style="list-style-type: none"> <li>• A: 100</li> <li>• B: 50</li> <li>• C: 25</li> </ul>
Clear	<ul style="list-style-type: none"> <li>• C: 25</li> <li>• B: 50</li> <li>• A: 75</li> </ul>	0	<ul style="list-style-type: none"> <li>• A: 25</li> <li>• B: 50</li> <li>• C: 25</li> </ul>

On the next payroll, when attempting to recover arrears, Workday processes deduction A first.

### Next Steps

Set arrears limits for the deductions that have the Recoup Arrears check box selected.

## Set Arrears Limits

### Prerequisites

- Define a priority for the deduction and select Recoup Arrears on the Maintain Deduction Priorities task.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

### Context

You can set limits on the amount of an arrears balance to recover in a payroll run. You can define:

- Default limits that apply to all workers.
- Limit overrides based on the pay group, run category, or other criteria.
- Limit the amount withheld for individual or group deductions as a percentage of wages using the Maintain Shared Recoup Arrears Limit task.

During off-cycle processing, Workday recoups arrears from on-demand replacement payments, but not from on-demand additional payments or manual payments.

### Steps

1. Access the Net Pay Validation and Arrears Rules (filter by priority) report.
2. Select the Has Priority check box.
3. From the related actions menu of a deduction, select Deduction > Edit Net Pay Validation/Arrears.
4. Review or modify the arrears settings.

Workday populates settings from the Maintain Deduction Priorities task.

As you complete the task, consider:

Option	Description
Do Not Take Partial Deduction	<p>Select to prevent Workday from resolving the deduction when the employee's net pay isn't sufficient to take the sum total amount for the deduction. If there are multiple payroll result lines within a payroll result for the same deduction, Workday applies this setting to the sum total of the payroll result lines for the deduction.</p> <p>Clearing the check box enables Workday to take partial deductions to restore the net pay to the net pay minimum.</p> <p>Example: Janet's gross pay is 400. She has a 500 deduction. Minimum net pay is zero. When the Do Not Take Partial Deduction is:</p> <ul style="list-style-type: none"> <li>• Selected, Workday doesn't take the deduction. Janet's net pay is 400.</li> <li>• Cleared, Workday takes 400 of the 500 deduction. Janet's net pay is zero.</li> </ul> <p>If a limit is defined on the deduction, in the payroll period where the deduction limit is reached; Workday withholds up to the defined limit, even when you select the Do Not Take</p>

Option	Description
	<p>Partial Deduction check box. Example: The deduction has a \$75 limited defined. \$50 is scheduled to calculate each payroll period:</p> <ul style="list-style-type: none"> <li>• In payroll period 1, \$50 is calculated.</li> <li>• In payroll period 2, \$25 is calculated.</li> </ul> <p>In payroll period 2; the period where the limit is met, the full \$50 can't be withheld, only \$25. Workday withholds \$25, meeting the limit defined on the deduction.</p>
Deduction Impacts Other Deductions	<p>Select to recalculate other deductions when Workday reduces or eliminates the selected deduction due to insufficient net pay.</p> <p>Example: Jonah has 2 deductions:</p> <ul style="list-style-type: none"> <li>• Deduction A (with an assigned priority, and Deduction Impacts Other Deductions selected).</li> <li>• Deduction B = 10% of Deduction A (with no priority assigned).</li> </ul> <p>If Workday reduces or eliminates Deduction A due to insufficient net pay, Workday also recalculates Deduction B.</p> <p>This option applies only if the related deduction directly impacts net pay. In most cases, you won't select this option for an employer benefit contribution based on an employee contribution, because most employer contributions don't affect net pay.</p> <p>Workday automatically recalculates taxes when it reduces or eliminates a pretax deduction. Select this check box only to recalculate nontax deductions.</p>
Deduction Impacts Addl Pay Components/Groups	<p>Select to recalculate additional pay components and pay component groups in the run category when Workday reduces or eliminates the selected deduction.</p>
Track Arrears	<p>Select this check box to keep a record of any deduction amount Workday doesn't take due to insufficient net pay.</p>
Recoup Arrears	<p>Select to recoup the arrears amount for a deduction. When you select this check box, also set an arrears limit to ensure accurate arrears processing when workers have enough pay.</p>

5. In the Default Recoup Arrears Limit section, set default limits on the amount of arrears to recover for a payroll period.

Net pay limits take precedence over arrears limits. Workday reduces the amount of arrears recovered when it results in an employee's net pay falling below the minimum net pay. Example: Sam's net pay is 100, with a minimum net pay of zero. He is in arrears of 150 for a deduction with an

unlimited arrears deduction. Workday recovers only 100 of the arrears balance. Recovering the full amount would result in a negative net pay.

As you complete the section, consider:

Option	Description
Shared Recoup Arrears Limit	<p>Select to cap the total amount that Workday recoups for arrears from a worker's pay. This provides greater control over arrears recoupment and helps prevent excessive deductions. To enable this feature, configure the Shared Recoup Arrears Limit on the Maintain Shared Recoup Arrears Limit or Create Shared Recoup Arrears Limit tasks. If the Shared Recoup Arrears Limit only applies to a select group of workers, you can also define an Override Recoup Arrears Limit. When you enable this feature, the system adds a step to the existing recouping arrears process to ensure that the limit is not exceeded.</p>
Unlimited for Current Deduction	<p>Select to recoup the total arrears amount in the current period.</p> <p>Example: Jane has a current deduction of 100 and total arrears of 400. Workday attempts to recover the 400 in addition to the 100.</p>
Percent of Current Deduction	<p>Select to limit the amount of arrears recouped based on an amount equal to a percentage of the current deduction. When a worker has arrears amounts from payroll results from different run categories, Workday calculates the limit based on the amount from the current pay result. Example: Workday won't recoup a percentage of arrears from other run category results.</p> <p>Example: Allison has a current deduction of 100 and total arrears of 200. When you enter 50, Workday attempts to recover an amount of arrears equal to 50% of the current deduction (50). Workday processes the current deduction of 100 in full.</p>
Flat Amount for Current Deduction	<p>Select to recover a specified flat amount. When a worker has arrears from payroll results from different run categories, Workday only recovers the specified flat amount when the deduction is included in the current payroll results.</p> <p>Example: Peter has a current deduction of 100 and total arrears of 100. When the flat amount is 25, Workday deducts 25 of the arrears balance in addition to the 100.</p>
None of the Above	Select to use an override to arrears.

Option	Description
	<p>When you select this option, Workday recommends that you also enter a value in the Flat Amount Limit (When No Current Deduction) field to ensure arrears recouping.</p>
<p><b>Flat Amount Limit (When No Current Deduction)</b></p>	<p>Enter a flat limit amount on the arrears recovery when Workday can't process the deduction for a period. Example: Dean loses eligibility for medical coverage after changing pay groups. As a result, he receives no medical deduction in the current period. When the arrears amount is 100 and the Flat Amount Limit is 50, Workday deducts 50 in the current period to cover arrears.</p> <p>When Workday doesn't process the deduction in the payroll run, Workday applies both this limit and any scheduling criteria you define for the deduction. Example: You schedule the deduction to apply in the first weekly pay period of each month. Workday recoups arrears for the deduction only in that pay period. To override the scheduling, define custom arrears rules instead of using the default limit.</p> <p>By default, Workday recoups arrears in the next pay period when workers have both:</p> <ul style="list-style-type: none"> <li>• Midperiod events resulting in gross-to-net subperiods.</li> <li>• No earnings in the first subperiod.</li> </ul> <p>To recoup arrears in subsequent subperiods where workers have earnings rather than wait for their next pay period, enter a very high flat amount in this field. Example: Jane goes on leave without pay and returns in the same pay period. To recoup arrears on the subperiod where she's active and has earnings, you can enter 9999 in this field.</p> <p>Except for specific scenarios where you don't want to recoup any arrears, Workday recommends that you always enter a value in this field. Example: You don't want to recoup arrears for another run category.</p>

- In the Default Recoup Arrears Limit grid, define overrides for default limits based on a worker's pay group, run category, or other criteria.

Workday ignores any worker eligibility and scheduling criteria defined for the deduction when applying the override rules.

Example: You have a deduction configured to resolve only on the first and second pay periods of a monthly payroll. Define criteria in the grid to recoup arrears from other pay periods.

As you complete the grid, consider:

Option	Description
Evaluation Order	When you have multiple sets of limits, Workday evaluates a deduction against each row starting from the first. Workday uses the limits associated with the first row that returns a match. When it can't find a match, Workday applies the default limit.
Recoup Arrears Criteria	Specifies the criteria workers must meet to be subject to the override limits, such as run category or pay group.  Example: You can recoup 50% in regular runs and 100% in bonus runs.

## Result

Workday applies the override limits to workers who meet the criteria in the grid. It applies the default limits to all other workers with an arrears balance.

## Example

You want to prevent Workday from recouping arrears for employees hired before 2015. For all other employees, you want to set a recouping limit of 100.

In the Default Recoup Arrears Limit section, select Flat Amount for Current Deduction, and enter 100. Then add a row with these settings:

Option	Settings
Recoup Arrears Criteria	Select <i>Create</i> from the Additional Criteria field. Define a value comparison calculation that returns true for employees hired after January 1, 2015.
Recoup Arrears Limit	Select <i>None of the Above</i> .

## Steps: Configure a Shared Recoup Arrears Limit

### Prerequisites

Configure a Shared Recoup Arrears Limit

### Context

You can set a shared recoup arrears limit on the total amount of arrears that Workday recoups from a worker in a pay period.

When you assign the same shared limit to multiple deductions, Workday groups them and caps the total amount recouped for all deductions in that group. If no action is taken, Workday continues to process arrears based on your existing configurations.

## Steps

1. Access the Maintain Shared Recoup Arrears Limit task.

2. Complete the task:

Option	Description
Limit Name	Enter a unique name.
Percentages	Enter the percentage factor for the limit calculation.
Wages	Select the earnings and pay component groups to include in the limit calculation.  To include wages from on-demand additional payments, see <a href="#">Configure Shared Recoup Arrears Limit to Include On Demand Additional Wages</a> .
Deductions	(Optional) Select the deductions you want to use this limit by default.  Note: If the limit applies only to a specific group of workers, don't complete this field. Instead, access the Edit Net Pay/Validation Arrears task for the relevant deduction and create an override recoup arrears limit rule. Then assign the shared limit in the Shared Recoup Arrears Limit field on the override rule.

4. Click OK.

When processing payroll, Workday evaluates arrears recoupment in this order:

- Minimum Net Pay: Workday ensures the amount recouped doesn't cause the worker's net pay to fall below the value set on the run category.
- Deduction Priorities: Workday recoups arrears based on the order you set in the Maintain Deduction Priorities task. You must enable Track and Recoup Arrears for deductions where the pay calculation engine performs the recoup.
- Recoup Arrears Limit: Workday determines which limit rule a worker is eligible for and, based on that limit, the amount of arrears it will recoup for a deduction.
- Shared Recoup Arrears Limit: When a shared limit applies, Workday caps the total arrears recouped for all deductions associated with that limit.

## Result

### Example

A worker has \$2,000 in base pay and these outstanding arrears balances:

- Medical: \$500
- Dental: \$250
- Vision: \$50

All 3 deductions use the same shared recoup arrears limit of 10% of the base pay. The shared limit for this pay period is \$200, or 10% of \$2,000. Workday recoups arrears based on deduction priority: Medical, Dental, then Vision.

Result:

Workday recoups these amounts:

- Medical: \$200
- Dental: \$0
- Vision: \$0

Workday recoups the full \$200 limit from the highest-priority deduction, Medical. Since this limit is met, Workday does not recoup arrears for any other deduction in the group.

## Next Steps

# Steps: Configure Shared Recoup Arrears Limit to Include On-Demand Additional Wages

### Prerequisites

You have an existing Shared Recoup Arrears Limit configured in the tenant.

### Context

You can use this procedure to include wages paid through On Demand Additional (ODA) payments in the calculation for an employee's Shared Recoup Arrears Limit. This configuration ensures these ODA wages are considered when Workday calculates the maximum amount for arrears recoupment.

### Steps

1. Create Pay Component Groups.

- a) Complete this task:

Option	Description
Name:	Memo Entries (No Payslip)
Pay Component Group Code:	Memo Entries (No Pay)
Category:	Payroll
Pay Component Usage:	Earnings

2. Steps: Create Earnings.

- a) Create the first memo earning to capture the gross pay from ODA payments using these values:

Option	Description
Name:	ODA Wages Memo Earn
Country:	United States of America

Option	Description
Groups field:	Add the Memo Entries (No Payslip) pay component group.

a) In the Worker Eligibility section, create a worker eligibility rule with this condition:

Option	Description
Field:	On Demand Additional Pay
Operator:	equal to
Comparison Value:	True

The earning is calculated only when the Run Category is On-Demand Additional or Manual Payment.

In the Calculation Details section, select the calculation that includes the earnings resolving in on-demand additional payments. If you aren't utilizing gross pay calculation, configure a PCG of the pay components.

### 3. Steps: Create Earnings

a) Create a pay balance for the ODA Wages Memo Earn with these values:

Option	Description
Option	Description
Name	ODA Wages Memo Current Period Pay Balance
Include All Retro Values in Current Gross to Net	Select this check box.
Balance Period	Current Period

### 4. Access the Create Earning task Steps: Create Earnings

a) Create a second memo earning for the on-cycle calculation with these values:

Option	Description
Option	Description
Name	Enter ODA Wages Memo (On Cycle).
Criteria	On the Effective Dated tab, select <i>Regular</i> from the Run Category Eligibility prompt.  The Calculation field is explicitly set to gross.  The value for the ODA Wages Current Period Pay Balance is greater than 0.  The Period: Sub Period Begin Date is equal to the Period: Period Start Date.
Calculation Details	Select <i>ODA Wages Current Period Pay Balance</i> from the Calculation prompt.
Groups	On the Non-Effective Dated tab, select <i>Memo Entries (No Payslip)</i> from the Groups prompt.

5. Access the Edit Run Category task.
  - a) From the Run Category prompt, select *Regular*.
  - b) On the General tab, add the Memo Entries (No Payslip) pay component group to the Additional Pay Component Groups to Calculate field.
  - c) On the Off Cycle tab, in the Pay Components to Process grid, add these rows:

Option	Description
Pay Component to Calculate	Type of Run
ODA Wages Memo Earn	On Demand Payment
ODA Wages Memo Earn	Manual Payment

6. Access the Maintain Shared Recoup Arrears Limit task.

On the limit you want to update, select *ODA Wages Memo (On Cycle)* to the Wages field.

## Result

Workday now includes On Demand Additional wages when it calculates the Shared Recoup Arrears Limit for employees processed in the specified run category.

# Enable Workers to View Arrears Balances

## Prerequisites

Security:

- *Reports: Results for Worker* (Pay Calculation) (for all payroll countries).
- *Self-Service: Payroll*.
- *Set Up: System* domain in the System functional area.

## Context

Enable workers to view arrears balances to provide them with better insights into their net pay and autonomy over accessing that information and to reduce your time spent on arrears balance inquiries.

## Steps

1. Access the Edit Tenant Setup - Payroll task.
  2. In the Arrears section, select the country or countries where you want to enable workers to view their arrears balances.
- Only countries that you have enabled for payroll (Enabled Countries) are selectable.
3. Select a tooltip message.

Option	Description
Arrears Tooltip Text - Use Default	Displays the message provided by Workday when employees view their arrears balances.
Arrears Tooltip Text - Override	Select to create your own tenanted message to employees when they view arrears balances.

4. Access the Configure Profile Group task. See: [Steps: Set Up Profiles and Profile Groups](#).
5. In Profile Group, select Pay for Worker Profile.
6. Add Arrears to the Display in Profile list.

## Result

Once configured, workers can view any arrears balances they might have on the Pay > Arrears tab on their worker profile and in the Benefits and Pay hub.

Only deductions that are set to both Track and Recoup display for workers, either on the deduction or using the Maintain Deduction Priorities task.

Arrears balances update after the payment date to maintain consistency with when workers receive their pay. Each deduction with an arrears balance as of a payment date displays, regardless of whether it was on the current period.

Arrears balances are tied to a worker and company. If a worker moves positions in the same company, arrears balances still display. Example: Last year, the worker was in Position A in Company A and had arrears balances. They moved to position B in Company A. The arrears from Position A still display.

If the worker moves companies or countries, the arrears balances no longer display. Example: The worker from Position A in Company A moves to Company B or to country B. The arrears balance from Position A in Company A do not display.

## Next Steps

You can use the Most Recent Arrears Transaction for Worker report field (secured to the *Reports: Results for Worker (Pay Calculation)* domain) on the Worker business object to create custom reports when you have 1 or more workers with deductions in arrears or at least 1 deduction in common.

[Related Information](#)

[Concepts](#)

[Concept: Arrears Processing on page 418](#)

[Reference](#)

[Reference: Edit Tenant Setup - Payroll](#)

[Reference: Benefits and Pay Hub](#)

[Examples](#)

[2024R2 Feature Release Note: Arrears Balances for Employee Self Service](#)

## Concept: Arrears Processing

### Net Pay and Arrears Processing Calculations

Initial gross-to-net calculation

To adjust net pay during payroll processing, Workday first performs an initial gross-to-net calculation (excluding arrears amounts) to verify that an employee's net pay is at, or above, the net pay minimum (zero by default).

Example:

Deduction	Current Period Amount	Arrears Amount
A	100	50
B	50	25
C	25	10

Subsequent calculations when initial net pay is above the minimum

When calculating net pay, Workday deducts only the current period values of deductions A, B, and C (100 + 50 + 25), not the arrears amounts.

For employees with positive net pay (net pay > minimum net) and no arrears, there are no subsequent calculations. The initial calculation is used.

For employees with positive net pay (net pay > minimum net) and outstanding arrears, Workday:

- Recoups the arrears based on the deduction priorities defined by the Maintain Deduction Priorities task (subject to applicable arrears limits).
- Performs multiple iterations to reduce pretax deduction arrears. After each loop, Workday modifies the applicable deduction (based on priority) by adding the positive net value to the deduction value and redetermining net pay. Once 2 loops produce the same net value, the iterations stop.
- Generates new gross-to-net results.

Example: Eric had medical benefits deducted while he was on leave. When he returns, you need to recoup as much as possible from his pay.

To recoup arrears, Workday determines the most current outstanding arrears balance by referencing the last completed payroll result that has a payment date earlier than the current payroll result.

Subsequent calculations when initial net pay is below the minimum

For employees with negative net pay (net pay < minimum net) and outstanding arrears, Workday:

- Reduces or eliminates deductions based on the deduction priorities defined by the Maintain Deduction Priorities task and puts them into arrears.
- Recalculates taxes, if the net pay validation forces the reduction or elimination of pretax deductions (from the *Pre Tax Deduction* pay component group).
- If Workday recalculated taxes and took a partial amount for a pretax deduction, it adds the negative net value to the deduction until net pay reaches the minimum net amount, produces the same net value in 2 loops, or completes 50 loops and then places the pretax deduction into arrears.
- Generates new gross-to-net results.

Restrictions

The Run Retro Pay Calculation task doesn't put deductions into arrears or attempt to recoup arrears generated for a completed pay calculation.

When you run retro for a period with a deduction in arrears, Workday sometimes calculates a negative retro result for the impacted deduction. To avoid issuing a retro refund for the deduction not taken, Workday first recoups the arrears balance for the deduction with negative retro amount, then recoups the arrears balances for current period and historical deductions.

For Payroll for the U.S., Workday doesn't split arrears deductions for workers with multiple tax authority worktags.

## Arrears Reporting

Workday provides these reports for tracking arrears balances and managing arrears processing rules:

- The Pay Calculation Results - Outstanding Arrears Balance Composite report (secured to the *Reports: Pay Calculation Results (Reports: Indexed Data Source Filters)* domain) displays arrears balances in a given pay period for workers in 1 or more pay run groups or pay groups.
- The Net Pay Validation and Arrears Rules and Net Pay Validation and Arrears Rules (filter by priority) reports (secured to the *Set Up: Payroll (Calculations - Payroll Specific)* domain) display net pay validation and arrears processing rules for all deductions in Workday.
- The Most Recent Arrears Transaction for Worker report field (secured to the *Reports: Results for Worker (Pay Calculation)* domain) on the Worker business object enables you to generate custom reports to view 1 or more workers when there is at least 1 worker with deductions in arrears or at least 1 deduction in common.

Related Information

### Tasks

[Define Deduction Priorities and Arrears Handling](#) on page 406

### Reference

[FAQ: Deduction Priorities and Arrears Processing](#) on page 421

## Concept: Arrears Recouping for Multiple Run Categories

When recouping arrears, by default Workday considers arrears amounts from all run categories, regardless if you restrict the deduction eligibility to 1 run category.

Example: Current Deduction Processed

Workday calculates these arrears for Ana in a regular run category:

Deduction A: 500.

You run a payroll calculation for a bonus run category for Ana. Workday processes Deduction A in the bonus run category, and recoups these amounts based on the Default Recoup Arrears Limit settings:

Arrears Limit Option	Option Value	Recoup Amount
Unlimited for Current Deduction	Selected	500

Arrears Limit Option	Option Value	Recoup Amount
Percent of Current Deduction	50	250
Flat Amount for Current Deduction	100	100
Flat Amount Limit (When No Current Deduction)	200	200

Example: No Current Deduction

Workday calculates these arrears for Ana in a regular run category.

Deduction A: 500.

You run a payroll calculation for a bonus run category for Ana, in which Workday doesn't process Deduction A. Workday recoups these amounts, based on the Default Recoup Arrears Limit settings:

Arrears Limit Option	Option Value	Recoup Amount
Unlimited for Current Deduction	Selected	0
Percent of Current Deduction	50	0
Flat Amount for Current Deduction	100	0
Flat Amount Limit (When No Current Deduction)	200	200

## FAQ: Deduction Priorities and Arrears Processing

Can I set deduction priorities for both Workday-delivered and customer-defined deductions?

For Payroll for Canada and the U.S., yes. You can set priorities for all deductions regardless of who defined them. When adding deductions to the Maintain Deduction Priorities task, consider that Workday doesn't automatically assign higher priorities for Workday-delivered statutory deductions.

Can you define deduction priorities for withholding orders? (CAN, USA)

An employee has a bankruptcy order that requires the processing of all taxes and medical deductions before the bankruptcy deduction. I need Workday to calculate a retirement deduction after the bankruptcy order. How can I configure the arrears process to meet these requirements? (CAN, USA)

For Payroll for the UK, Workday recommends that you only add customer-defined deductions to the Maintain Deduction Priorities task, as the priorities are automatically assigned for Workday-delivered statutory deductions.

For Payroll for Australia, Workday recommends that you only add customer-defined deductions to the Maintain Deduction Priorities task, as Payroll for Australia automatically assigns priorities for Workday-delivered statutory deductions.

You can add a withholding order to the Maintain Deduction Priorities task but you can't track or recoup arrears. You can, however, configure Workday to take partial deductions. When you process a withholding order that you've added as deduction priority, Workday:

- Calculates a withholding order amount based on a worker's disposable earnings. When a worker has multiple withholding orders, Workday uses the priorities from the Override Priority Withholding Order task to determine how to distribute the disposable earning amount.

Example: Workday calculates a bankruptcy deduction of 50 based on the worker's disposable earnings.

- Uses the priorities from the Maintain Deduction Priorities task to determine the priority of the calculated withholding order amount compared to other deductions. If there are insufficient funds for the withholding order amount, Workday takes either a partial deduction, or zero deduction based on the deduction priorities.

Example: The worker has insufficient net pay for the bankruptcy deduction of 50. If you enable partial deductions, Workday deducts up to the amount it can while still respecting the defined net pay for the worker.

Set up deduction priorities:

Order	Deduction
1	All medical deductions (pretax or post-tax)
2	Bankruptcy withholding
3	Retirement deduction
4	Other post-tax deductions

How do I assign deduction priorities to taxes?  
(CAN, USA)

Why does Workday display arrears for a worker after they already paid them?

Use the Maintain Deduction Priorities task to assign priorities to any deductions, including taxes.

The worker paid the arrears externally, such as with a personal check. You can adjust an arrears balance by running:

- Additional manual payments, when you don't want to impact payroll, such as for terminated workers.
  - Adjustment payroll inputs, when you want to process them in payroll, such as for active workers or workers on leave.
- Access the Add Payroll Input for Workers or Run Manual Payment for Worker task, and enter these values:

Option	Description
Special Entry	For payroll input only. Select the check box.
Input Details > Type	Select <i>Arrears Balance</i> .
Input Details > Value	Enter the amount by which you want to adjust an arrears balance. Examples: Enter -100 to reduce an arrears balance by 100. Enter 100 to increase an arrears balance by 100.

- To process a payroll input, from the related actions menu of the pay result, select Pay Calculation > Re-Calculate. To process a manual payment, from the related actions menu of the manual payment pay result, select Pay Calculation > Complete.

## Payroll Accounting Setup

### Setup Considerations: Payroll Accounting

You can use this topic to help make decisions when planning your configuration and use of payroll accounting. 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

Workday Payroll accounting enables you to:

- Automatically generate accounting entries based on payroll results.
- Allocate employee earnings and employer-paid expenses to organizations to determine labor costing.

You can use payroll accounting either:

- Directly with Workday Financial Management.
- Through an integration with a third-party financial system.

## Business Benefits

Payroll accounting provides a streamlined process that automatically generates accounting entries after each payroll calculation, which helps ensure that your accounting data and financial statements are up to date. Automated processing for period-end accruals and currency conversions also reduce the amount of manual effort needed for managing accounting.

Payroll accounting also provides:

- Custom balancing dimensions, providing flexibility in how you analyze and balance payroll journals.
- Reports that make it easy to verify accounting results and quickly identify journal errors.
- Security options, such as journal summarization and segmented security that enable you to ensure the confidentiality of payroll data.

## Use Cases

- Generate accounting journals based on payroll results.
- Configure alternative costing rules for salary caps. Example: You can split a professor's pay among different cost centers and funds.
- Make accounting adjustments to your payroll journal lines. Example: You can split a worker's base pay to a different cost center after posting your journal lines.
- Use intercompany accounting to manage costs within multiple companies across an organization.
- Summarize journal lines and restrict access to employee-level details from payroll journals.
- Track start and end dates for grants.
- Validate payroll effort expenditures within the scope of a funding agreement and confirm that you're billing correctly.

## Questions to Consider

Questions	Considerations
Which types of ledger accounts do you use on your balance sheet and income statements?	You can configure different ledger account types for balance sheets and income statements.  Although Workday Payroll uses only asset, liability, and expense account types, Workday recommends that you set up all available account types as you can't modify your ledger setup once you generate accounting.
What company ledger accounts does your company have?	When creating account sets, you can create a dedicated account set for your company ledger accounts for payroll. You can create a parent

Questions	Considerations
	<p>(chart of account) account set that includes one or more child sets. Workday recommends that you create a parent account that you assign to the company with a child set. This enables you to:</p> <ul style="list-style-type: none"> <li>Swap out the child account if you need to revisit the chart of account.</li> <li>Attach multiple child account sets.</li> </ul> <p>You can't change an account set once you've attached it to a company.</p> <p>When defining ledger accounts, you can restrict them to a specific company or company hierarchy.</p>
How do you want post payroll transaction journals in company ledger accounts?	<p>Within each account set, you can create rules that direct where to post:</p> <ul style="list-style-type: none"> <li>Payroll commitments.</li> <li>Payroll deductions.</li> <li>Payroll earnings.</li> <li>Payroll expenses.</li> <li>Payroll forward accruals.</li> <li>Payroll net pay.</li> </ul> <p>You can also define default ledger accounts for these posting types to identify transactions that don't meet a posting rule. Workday posts anything not meeting a posting rule to a default account to the ledger.</p> <p>Workday generates accounting journals automatically for these posting types, and recommends that you specify a default ledger account for them:</p> <ul style="list-style-type: none"> <li>Intercompany payables.</li> <li>Intercompany receivables.</li> <li>Retained earnings.</li> </ul> <p>After you configure posting rules, you can change them, but you can't apply the changes retroactively to completed payroll periods. To modify account posting in prior periods, create manual journals.</p>
What ledgers do you use?	<p>You can create different types of ledgers, such as actuals, commitment, and obligation. You can only have 1 actuals ledger type per company.</p> <p>You can't change the ledger setup after generating accounting.</p>
What are your fiscal and ledger schedules?	<p>Regardless of whether you use Workday Financial Management, you must create:</p> <ul style="list-style-type: none"> <li>Fiscal schedules and posting intervals.</li> <li>Ledger years and periods.</li> </ul>

Questions	Considerations
	<p>You can't change a fiscal schedule once you assign it to a company.</p> <p>You must open a ledger period to generate payroll accounting results. You can open ledger periods in advance of generating the results.</p> <p>You can configure forward accruals to manage when a payroll period extends beyond the closing of a financial period. Workday uses forward accruals to estimate payroll accrual and fringe based on payroll result proration settings.</p>
Do you need to manage accounting across multiple related companies?	<p>You can split a worker's costing allocation across multiple organizations by enabling intercompany accounting. When you configure intercompany accounting, you can:</p> <ul style="list-style-type: none"> <li>• Cost a portion of a worker's pay to multiple companies.</li> <li>• Budget payroll expenses across an entire organization.</li> </ul> <p>You can't disable intercompany accounting after you have completed payroll processing and created journals.</p>
What detail do you want to see in journal lines?	<p>By default, Workday displays the detail of each journal line, based on your worktag configurations. You can enable journal summarization for an in-progress payroll to ensure that confidential payroll data isn't included in financial journals. Reducing the quantity of payroll journal lines by summarizing them can also improve performance in reporting. Once you enable it, journal summarization isn't effective until the next pay cycle. Workday runs journal summarization automatically after you've completed your payroll and settlements.</p> <p>Workday recommends you summarize journal lines at least by cost centers to improve performance.</p> <p>When you enable journal summarization after generating payroll journals:</p> <ul style="list-style-type: none"> <li>• You can't retroactively remove employee details from the generated journals.</li> <li>• Only an implementer can disable it.</li> </ul>
What accounting date do you want to use in journal lines for off-cycle payments?	<p>By default, Workday uses the period end date as the accounting date in journal lines. For off-cycle payments, you can set the payment date as the accounting date in journal lines for the entire tenant.</p> <p>Note: Payroll Payment Journals use the payment date as the accounting date by default.</p>

Questions	Considerations
	<p>The accounting date determines which ledger period to post the journal lines to. If this date falls within an open ledger period, Workday posts the journal lines to this period. If the ledger period is closed, Workday posts the journal lines to the next open ledger period.</p>
<p>How do you track and balance operational transactions?</p>	<p>You can define keywords, called worktags, that you can assign to transactions that track information according to business purposes. You can then use worktags as a dimension to balance your operational transactions. Once you enable worktag balancing, you can't disable or change it.</p> <p>When you define a balancing worktag, Workday autobalances journal lines associated with the worktag.</p>
<p>How do you want to allocate payroll costs when determining labor costing?</p>	<p>You can create costing allocation rules to determine how Workday assigns payroll costs among different organizations and locations.</p> <p>When configuring how to cost different transactions, you can define condition rules based on various criteria, such as organization types or worktags.</p> <p>Workday provides default costing allocations based on a worker's supervisory organization. You can override default costing instructions by assigning cost allocations to specific:</p> <ul style="list-style-type: none"> <li>• Workers.</li> <li>• Restricted positions.</li> <li>• Employee earnings.</li> <li>• Employer-paid expenses.</li> <li>• Employer-paid deductions.</li> <li>• Fringe benefit recovery (CAN, FRA, UK, USA).</li> </ul> <p>When determining costing rules, you can configure the <i>Assign Costing Allocation</i> business process to:</p> <ul style="list-style-type: none"> <li>• Set up approval routing for approval by other groups, such as HR administrators.</li> <li>• Assign alternate costing rules for salary caps.</li> <li>• Restrict a costing to a specific position or staffing event.</li> </ul>
<p>Who do you want to manage costing allocations?</p>	<p>When you have multiple administrators managing costing allocations, you can add custom validations to prevent or warn users from submitting costing allocations with invalid worktag combinations.</p>

Questions	Considerations
	Example: You can set a critical condition when an administrator tries to allocate worker costs to a region that doesn't match the cost center.

## Recommendations

- Use journal summarization to summarize payroll journals at least by cost center to ensure efficient reporting and improve performance. Summarized journals enhance security as they don't contain employee-level data.
- Identify and troubleshoot journals with errors using the Fix Operational Journals With Errors task.
- Verify the balances of default accounts, and make any ledger corrections after calculating payroll. If you don't define default accounts for specific payroll transaction types, you can still complete payroll, but you must correct any operational journals before the next calculation.
- Review account posting rules for possible rule consolidations and to ensure you've prioritized the most common rules.
- Add a default ledger account to prevent journals from going into error status.
- Enable Always Reverse Operational and Noncontrolling Interest Journals on the Edit Tenant Setup - Financials task.
- If you use Smart Calculation on the Run Pay Calculation task, consider running the Run Pay Accounting task to ensure that your accounting is up to date before running the Run Pay Complete task.
- If running large jobs before the weekly maintenance window, consider if you have enough time to complete them. If they don't complete, you might cause irreparable issues.

## Requirements

- Set up and define the worktags that you want to configure in your costing allocations or worktag balancing.
- Make the company a required data element when initiating intercompany transactions with other companies. This helps ensure that companies are within the same account set.

## Limitations

- You can't disable intercompany accounting after you complete payroll processing and have created journals.
- After you enable primary worktag balancing, you can't disable or change it, but you can change or disable additional worktag balancing.
- You might not be able to adjust a payroll result completed before enabling primary worktag balancing if the original result didn't contain the worktag balancing dimension.
- Workday doesn't convert currency for arrears, commitments, fringe benefit actuals, obligations, and pay balances.
- Workday only supports the USD currency while creating salary caps.
- Payroll web services don't respect related worktag functionality.

## Tenant Setup

On the Maintain Payroll Accounting Options task, you can:

- Charge payroll expenses between multiple companies.
- Configure start and end dates for grant costing within a processing pay period.
- Create forward accruals and reversals for fringe benefit expenses.
- Display details for commitment journals to review and update data.
- Enable cost allocations for employee-paid deductions.

- Enable labor costing proration when allocations change midperiod.
- Enable salary over the cap for payroll accounting.
- Exclude negative result lines to avoid inflated numbers on your payroll actual journal.
- Set the payment date as the accounting date in journal lines for off-cycle payments.
- Set the transaction budget date as the pay period payment date after processing on-cycle payments.
- Use the primary position attributes when evaluating account posting rules.

## Security

You can configure segmented security based on pay components to limit which pay components an initiator can access when creating payroll accounting adjustments.

To view the full list of security domains for payroll, access the Domain Security Policies for Functional Area report and select a Payroll functional area.

Domains	Considerations
<i>Process: Period End</i> in the Common Financial Management functional area.	Users can open the ledger period to generate payroll accounting results.
<i>Process: Run Batch Payroll Accounting</i> in the Core Payroll functional area.	Users can generate new accounting entries without recalculating payroll.
<i>Process: Run Batch Calculations (Pay Calculation)</i> in the Core Payroll functional area.	Users can run payroll and payroll accounting calculations.
These domains in the Core Payroll functional area: <ul style="list-style-type: none"> <li>• <i>Reports: Pay Calculation Results (Results - Security based on Pay Component Security)</i></li> <li>• <i>Reports: Pay Calculation Results for Organization (Accounting Results)</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Accounting Results)</i></li> <li>• <i>Reports: Pay Calculation Results for Worker (Results)</i></li> </ul>	Users can create and edit payroll accounting adjustments.
<i>Set Up: Ledger and Book</i> in the Common Financial Management functional area.	Users can define: <ul style="list-style-type: none"> <li>• Ledgers.</li> <li>• Ledger account types.</li> <li>• Ledger years and ledger periods.</li> </ul>
<i>Set Up: Payroll - Company Specific (Accounting)</i> in the Core Payroll functional area.	Users can: <ul style="list-style-type: none"> <li>• Create account posting rules.</li> <li>• Create account sets.</li> <li>• Create fiscal schedules.</li> <li>• Define which account sets, account posting rules, and fiscal schedules to use.</li> <li>• Enable journal summarization.</li> </ul>
<i>Set Up: Payroll - Pay Group Specific</i> in the Core Payroll functional area.	Users can define rules for forward accruals on period schedules.
<i>Set Up: Tenant Setup - Payroll</i> in the System functional area.	Users can set tenant-wide options for payroll accounting.

## Business Processes

Business Processes	Considerations
<i>Assign Costing Allocation</i>	<p>You can configure this business process to allocate costing for a worker. You can also add it as a subprocess on other business processes to ensure you assign costing.</p> <p>Example: You require costing allocation for the <i>Add Additional Job</i> business process.</p>
<i>Create Payroll Accounting Adjustments</i>	<p>You can use this business process to configure:</p> <ul style="list-style-type: none"> <li>Cost center corrections.</li> <li>Distribution percentages.</li> <li>Net zero changes to payroll accounting for cost allocations for 1 or more pay periods.</li> </ul>

## Reporting

Reports or Dashboards	Considerations
All Earnings and Employee Deductions Costing Allocations	View all cost allocations that you configure for earnings and employee-paid deductions.
All Employer Paid Expense Costing Allocations	View all cost allocations defined for employer-paid expenses.
All Fringe Benefit Recovery Costing Allocations	View all cost allocations defined for fringe benefit recovery.
<ul style="list-style-type: none"> <li>Pay Calculation Results for Group of Workers</li> <li>Pay Calculation Results for Worker</li> </ul>	Verify pay calculation results from the past year.
Payroll Accounting by Company/Period	Verify created or posted entries to each ledger account for a company, including debit, credit, and net amounts.
Payroll Accounting by Period/Pay Group	Verify line items in the accounting entries by specifying the periods and pay groups.
Payroll Accounting Transactions Preventing Period Closure	Identify open payroll accounting transactions for a ledger period.
View Account Posting Rule Set	View and update all account posting rule sets and update the rule sets.

## Integrations

Web Services	Considerations
<i>Assign Costing Allocation</i>	Enables you to assign a large number of costing allocations.
<i>Get Payroll Accounting Options</i>	Enables you to retrieve payroll accounting configurations.
<i>Get Worker Costing Allocations</i>	Enables you to retrieve costing information from a worker or position restriction.

Web Services	Considerations
<i>Put Account Posting Rule Set</i>	Enables you to update or create new account posting rule sets.
<i>Put Account Set</i>	Enables you to create ledger accounts and organize them into accounts sets. You can also designate an account set as a chart of account.
<i>Put Company Accounting Details</i>	Enables you to add or update accounting details for an existing company.
<i>Put Cost Center</i>	Enables you to add or update information on cost centers.
<i>Put Payroll Accounting Options</i>	Enables you to add or update payroll accounting configurations.

## Connections and Touchpoints

Features	Considerations
Financial Management	<p>Regardless of whether you use Financial Management, you must configure and regularly maintain accounting configurations related to payroll transactions.</p> <p>Payroll Accounting shares these configurations with Financial Management:</p> <ul style="list-style-type: none"> <li>• Account posting rules.</li> <li>• Account sets.</li> <li>• Company currency.</li> <li>• Fiscal schedules.</li> <li>• Journal summarization.</li> <li>• Worktag balancing.</li> </ul> <p>When you use Financial Management in addition to Workday Payroll, you can also track start and end dates through Grant Management.</p>
Human Capital Management	<p>These types of changes to a worker's situation can impact costing allocations:</p> <ul style="list-style-type: none"> <li>• Default organization assignments.</li> <li>• Hire.</li> <li>• Position change.</li> <li>• Termination.</li> <li>• Worker events.</li> </ul> <p>Workday can calculate new costing allocations based on these changes.</p>
Grant Management	<p>You need a separate Grants Management license to be able to create and use awards in Workday.</p> <p>If you have Grants Management with Payroll Accounting, you can:</p>

Features	Considerations
	<ul style="list-style-type: none"> <li>• Create salary caps. Assign the salary cap to an award line with a grant before you configure payroll costing allocations.</li> <li>• Use the grant start and end date feature.</li> </ul>
Work-Study	<p>Work-Study enables you to maintain funds and employment for students with financial need. You can assign and manage standard work-study funding from award assignment automatically through payroll processing. Predefined work-study costing rules allow payroll accounting to account for work-study funding. You can identify the pay groups that include work-study workers so that Workday can efficiently process work-study pay.</p>

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.

### Other Impacts

When you create accounting journals, Workday converts transaction currency into the company currency after net pay validation.

When you set pay groups and company accounting to different currencies, Workday calculates payroll in the pay group currency and passes the results to accounting in both currencies. Currency revaluations can lead to unrealized exchange gains or losses when you produce financial statements for ledger accounts with transactions in foreign currencies.

#### Related Information

##### Concepts

[Concept: Reviewing Payroll Accounting](#) on page 831

##### Tasks

[Steps: Set Up Labor Costing](#) on page 540

[Steps: Set Up Payroll Accounting](#) on page 442

##### Examples

[Reference: Edit Tenant Setup - Payroll](#)

## Setup Considerations: Payroll Intercompany Accounting

You can use this topic to help make decisions when planning your configuration and use of intercompany accounting. 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

Intercompany accounting enables you to cost a portion of a worker's pay to multiple companies. You can also budget payroll expenses across an organization.

## Business Benefits

Intercompany accounting enables you to:

- Reduce post-payroll reclassification adjustments.
- Maintain tax reporting to 1 company while costing to multiple reporting companies.
- Manage payroll costing within an organization.
- Maintain accurate accounting across multiple companies.
- Perform intercompany settlements.

## Use Cases

You can use intercompany accounting to split a worker's costing allocation when your organization operates business with 2 or more distinct but related companies. Examples:

- A hospitality organization.
- An entertainment organization.
- A university with a teaching hospital.
- A governmental consortium.
- A multi-brand retail group.

## Questions to Consider

Question	Considerations
How does enabling the intercompany accounting feature affect tax reporting?	Tax reporting doesn't change when you enable intercompany accounting feature. Tax reporting always follows the tax ID associated with a worker's position.
How can you restrict cost centers to specific companies in Workday?	You can use the Create Cost Center task to restrict cost centers to specific companies. Workday validates the configured company and cost center rules while costing to multiple companies.

## Recommendations

Intercompany accounting has a significant impact on payroll journals. Depending on your use case, Workday recommends that you assess intercompany accounting journal lines before you complete payroll. Once you enable intercompany accounting and complete payroll processing, you can't disable it.

## Requirements

Before enabling intercompany accounting, set up the required company to initiate intercompany transactions with other companies using the Edit Company Intercompany Profile task. The companies listed on this task have the same account set.

## Limitations

An end user can't enter a costing company directly in Time Tracking. Costing functionality follows the standard rules for costing time tracking entries.

Workday Payroll doesn't support currency conversion for intercompany accounting.

## Tenant Setup

To use intercompany accounting, access the Maintain Payroll Accounting Options task and select the Intercompany Accounting - Enable check box in the General tab.

## Security

Users with security enabled for these domains can set up intercompany accounting:

Domains	Considerations
<i>Set Up: Tenant Setup - Payroll domain in the System functional area.</i>	Enables users to access the Edit Tenant Setup - Payroll task.
<ul style="list-style-type: none"> <li><i>Set Up: Payroll - Company Specific (Accounting) domain in the Core Payroll functional area.</i></li> <li><i>Set Up: Company Accounting domain in the Common Financial Management functional area.</i></li> </ul>	Enable users to access the Edit Company Intercompany Profile task.

## Business Processes

Business Process	Considerations
<i>Assign Costing Allocation</i>	When you enable intercompany accounting, Workday prompts you for a costing company when you launch the <i>Assign Costing Allocation</i> business process. You can also initiate the Assign Costing Allocation task as a subprocess of several other business processes. Example: <i>Add Additional Job</i> .
<i>Create Payroll Accounting Adjustments</i>	Workday prompts you for a costing company when you launch the <i>Create Payroll Accounting Adjustments</i> business process. You can also initiate the Create Payroll Accounting Adjustments task as a subprocess of the <i>Effort Certification</i> business process.

## Reporting

To review accounting lines including the costing company for a specific pay period and pay group, run the Payroll Accounting by Period/Pay Group report.

## Integrations

No impact.

## Connections and Touchpoints

Workday provides a costing company context on:

- Actuals
- Accounting adjustments
- Costing allocations
- Costing for grant begin and end dates for award (CAN, FRA, UK, USA)
- Effort certification
- Employee deductions
- Employer paid expenses
- Fringe benefits
- Fringe benefit recovery (CAN, FRA, UK, USA)

- Forward accruals
- On-demand payments
- One-time payments
- Manual payments
- Payroll input
- Period activity pay
- Salary over the cap (CAN, FRA, UK, USA)

Workday also includes payroll originating transaction types when you settle intercompany items.

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.

## Setup Considerations: Payroll Forward Accruals

You can use this topic to help make decisions when planning your configuration and use of payroll forward accruals. 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 They Are

Payroll forward accruals provide you the ability to estimate payroll costs through the end of the financial reporting period for pay periods spanning multiple financial reporting periods. Example:

- Financial reporting period: 2020-12-01 to 2020-12-31
- Pay period: 2020-12-14 to 2020-12-27

Workday estimates payroll expenses that occur between 2020-12-28 and 2020-12-31.

### Business Benefits

Payroll forward accruals enable you to:

- Reduce manual calculations.
- Close financial periods before you've completed payroll.
- Report accurate financials.

### Use Cases

You can use forward accruals to calculate:

- Earnings
- Employer Paid Taxes
- Employer Paid Benefits
- Fringe Benefit Expense

## Questions to Consider

Questions	Considerations
Can you exclude the earnings that you don't want to accrue?	You can use the Exclude from Forward Accrual check box from the Non-Effective Dated tab on the Create Earning or Edit Earning task.
Can you update forward accruals configuration for a pay period with completed payroll results?	You can't update the forward accrual configuration for on-cycle payments, when a pay period has completed payroll results. To update in-progress payroll results, use these tasks: <ul style="list-style-type: none"> <li>Run Pay Accounting.</li> <li>Run Payroll Fringe Benefits Accounting, if you accrue fringe benefits (CAN, FRA, UK, USA).</li> </ul>
How do you include employer-paid benefits in your forward accruals?	To ensure that you include employer-paid expenses in forward accruals, you must: <ul style="list-style-type: none"> <li>Add <i>Employer Paid Benefits</i> to the Employer Paid Benefits pay component group.</li> <li>Use the same Employer Paid Benefits pay component group to calculate relevant run categories.</li> </ul>
Can you exclude employer-paid expenses that you don't want to accrue?	You can use the Maintain Payroll Accounting Options task to exclude specific employer-paid benefits or taxes.
What account posting rules do you need to configure?	You can configure any of these account posting rules to use a different ledger account and resulting worktag for the debit forward accrual journals: <ul style="list-style-type: none"> <li>Payroll Earnings</li> <li>Payroll Expense</li> <li>Fringe Benefit Expense (CAN, FRA, UK, USA)</li> </ul> You can configure these account posting rules and use the <i>Forward Accrual</i> dimension for the credit forward accrual journals: <ul style="list-style-type: none"> <li>Payroll Forward Accrual</li> <li>Fringe Benefit Recovery (CAN, FRA, UK, USA)</li> </ul>

## Recommendations

Workday recommends you to set up forward accruals at the beginning of a fiscal year. You can configure forward accruals when you set up period schedules.

## Requirements

Workday requires you to create and open the current and next ledger year periods.

## Limitations

You can't forward accrue:

- Retro earnings.
- Hours.
- Payroll accounting adjustments.
- Off-cycle payments (On-demand additional, On-demand replacement, and manual).

You can't use midperiod costing for forward accruals.

## Tenant Setup

You can use the Maintain Payroll Accounting Options task to:

- Enable forward accruals for fringe benefit expense.
- Disable forward accrual costing to worker defaults when employer-paid statutory taxes over allocate.

## Security

Domains	Considerations
<ul style="list-style-type: none"> <li>• <i>Set Up: Payroll - Pay Group Specific</i> domain in Core Payroll functional area.</li> <li>• <i>Set Up: Payroll Interface</i> in the Payroll Interface functional area.</li> <li>• <i>Set Up: Pay On-Demand</i> in the Core Payroll functional area</li> <li>• <i>Set Up: Period Schedule</i> in the Projects functional area.</li> <li>• <i>Set Up: Time Tracking</i> domain in Time Tracking functional area</li> </ul>	<p>Enables access to the Create Period Schedule or Edit Period Schedule task to set up :</p> <ul style="list-style-type: none"> <li>• Period schedules.</li> <li>• Forward accruals.</li> <li>• Pay on-demand.</li> <li>• Time tracking.</li> </ul>
Security: <i>Set Up: Payroll (Calculations - Payroll Specific)</i> in Core Payroll functional area.	<p>Enables access to theses tasks:</p> <ul style="list-style-type: none"> <li>• Create Earning or Edit Earning</li> <li>• Create Pay Component Group</li> <li>• Maintain Payroll Accounting Options</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Set Up: Accounting Rules</i> in the Common Financial Management functional area.</li> <li>• <i>Set Up: Payroll - Company Specific (Accounting)</i> in the Core Payroll functional area.</li> </ul>	<p>Enables access to the View Account Posting Rules Set report.</p>

## Business Processes

No impact.

## Reporting

You can run the View Period Schedule report to verify the forward accruals configuration for all the pay periods you've scheduled.

## Integrations

You can use these web services to load or retrieve period schedules:

- *Put Period Schedule*
- *Get Period Schedules*

## Connections and Touchpoints

When you enable forward accruals for fringe benefit expenses, Workday uses the payroll commitment rules that you've configured to calculate the fringe benefit forward accruals.

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

[Set Up Payroll and Time Tracking Period Schedules](#) on page 153

[Steps: Create Forward Accruals for Fringe Benefit Expense \(CAN, USA\)](#) on page 462

## Setup Considerations: Worktag Balancing for Payroll

You can use this topic to help make decisions when planning your configuration and use of worktag balancing for payroll. 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

You can use worktag balancing to manage and track operational transactions, and to balance operational journals.

With worktag balancing, you can balance transactions and journals based on 1 or more types of worktags:

- Company.
- Optional worktags.
- Organizational types.
- Primary worktags.
- Worktags with financial balancing rules.

You can set up rules to determine which balancing worktags to apply to the offset side of the operational transaction journal.

### Business Benefits

You can use worktag balancing to balance all transactions and journals by company, eliminating manual processing and balancing efforts.

### Use Cases

You can use worktag balancing to balance transactions and journals by:

- Organization type, such as cost center
- Primary worktag, such as fund.
- Optional worktag, such as project.

## Questions to Consider

Question	Considerations
How do you want to assign worktag balancing for payroll journals?	<p>You can configure to assign a balancing worktag to:</p> <ul style="list-style-type: none"> <li>The deductions portion and net accumulation of gross-to-net payroll, including forward accruals.</li> <li>Fringe benefit charges (CAN, FRA, UK, USA).</li> </ul> <p>You can set up which worktag to use by:</p> <ul style="list-style-type: none"> <li>Creating transaction rules.</li> <li>Defining which worktags to use for your tenant.</li> </ul>
Do you have retroactive transactions?	Enabling worktag balancing doesn't trigger retroactive processing.
Do you want to require all transactions to have the worktag?	<p>In worktag balancing, you can set up:</p> <ul style="list-style-type: none"> <li>Optional worktags.</li> <li>Primary worktags, which are required on all transactions.</li> </ul> <p>You can only have 1 primary worktag that's always required on a transaction.</p> <p>You don't need to set up primary worktags in order to use optional worktags.</p> <p>Workday requires transactions to balance based on the worktags you specify for your tenant.</p>
Do you have bank accounts for your worktag balancing?	You can specify fund worktag balancing values for bank account transfers. If the values are different, Workday generates <i>Due To</i> and <i>Due From</i> entries for the Bank Account Transfers operational journal.
What kind of transactions do you have?	<p>Workday balances all transactions that generate accounting. If you define a primary worktag dimension, it's required on all transactions.</p> <p>You can use optional worktag balancing for accounting results for these transactions:</p> <ul style="list-style-type: none"> <li>Commitments and obligations.</li> <li>Forward accruals.</li> <li>Fringe benefit actuals (CAN, FRA, UK, USA).</li> <li>Fringe commitments and obligations (CAN, FRA, UK, USA).</li> <li>Liquidations.</li> <li>Payroll actuals.</li> </ul>
Do you have a large volume of data for payroll?	Payroll actuals and commitment accounting produce a large volume of data. Enabling balancing worktags will increase the data volume

Question	Considerations
	and can impact performance. For each optional balancing worktag, weigh the benefit against the performance impact of creating another credit for each debit.
Do you have costing allocations?	These costing allocations supersede the optional balancing worktag: <ul style="list-style-type: none"> <li>• Earning and employee deduction.</li> <li>• Employer paid expense.</li> <li>• Fringe benefit recovery (CAN, FRA, UK, USA).</li> </ul>
How do you want to use worktags to balance your fringe benefit actuals? (CAN, FRA, UK, USA)	You can either: <ul style="list-style-type: none"> <li>• Set up fringe benefit actuals so the worktags balance by inheriting values from the operational side of the transaction.</li> <li>• Set up a rule on the Worktag Balancing Transaction Rule Set task for transactions to specifies which balancing worktag to use. Generate due to and due from accounting journal entries, creating balanced books. Example: If you balance by fund, the rule enables you to settle and receive payments for a group of funds using a single specified fund.</li> </ul>
Do you have payroll actuals?	You can set up worktag balancing rules for payroll accruals on the primary and optional balancing worktags.

## Recommendations

- Close the books for the current fiscal year and enable worktag balancing once the new fiscal year starts.
- Complete all in-progress transactions and settle payments before you enable worktag balancing, such as:
  - Administration expense.
  - Commitments.
  - Facilities.
  - Forward accrual.
  - Fringe benefit (CAN, FRA, UK, USA).
  - Obligations.
  - Payroll accruals.
  - Payments.
- Consider making Primary Worktag Balancing a required Position Assignment option.
- Consider whether the benefit of Optional Worktag Balancing is worth the performance impact of creating additional journal lines.
- For worker-related journals, consider enabling Default Related Worktags from Worker's Organization Assignments in the Maintain Worktag Type Precedences task if you want default worktags to come from a worker.

## Requirements

After you enable worktag balancing, Workday balances all transactions that generate accounting. You're required to have primary balancing worktag on all transactions.

If you have Expenses, ensure the ledger account balance nets to zero before you load beginning balance journals.

## Limitations

- You can only select up to 5 worktag types for optional worktag balancing.
- You can't change your primary balancing worktag once you balance your journals.
- Once you enable worktag balancing, you can't disable it or change the worktag balancing type.
- You might not be able to adjust a payroll result that completed prior to enabling primary worktag balancing. If the original result did not have the worktag balancing dimension, the journal will contain errors.

## Tenant Setup

You can use the Maintain Worktag Balancing Configuration task to set up tenant level configurations, such as:

- Worktag type.
- Transaction rule.
- Company.
- Optional balancing worktag.

## Security

The *Set Up: Worktag Balancing* domain on the Common Financial Management functional area enables you to set up worktag balancing configurations and rules.

## Business Processes

No impact.

## Reporting

Reports	Considerations
<ul style="list-style-type: none"> <li>• Find Journal Lines</li> <li>• Payroll Commitment Summary</li> <li>• View Journal</li> </ul>	View and verify worktag balancing on your journals.
<ul style="list-style-type: none"> <li>• Balance Sheet Retained Earnings Reconciliation Summary</li> <li>• Cash to Bank Account Balances Reconciliation Exception Summary</li> <li>• Event Account Summary Report</li> <li>• Income Statement Retained Earnings Reconciliation Summary</li> <li>• Payroll Commitment to Commitment Reconciliation</li> </ul>	Verify various balances by worktag or worktag hierarchy.
Financial Statement - Balance Sheet	Verify that the retained earning lines carry the balancing worktag value. Workday filters the retained earnings data by the selected worktag.

## Integrations

No impact.

## Connections and Touchpoints

Features	Considerations
Expenses	If you use Expenses, ensure the ledger account balance nets to zero before you load beginning balance journals.
Financial Management	Workday Payroll shares primary and optional worktags with Financial Management. If you use Financial Management, you must set up financial rules for worktags during initial setup.
Payroll History	You can't modify historical transactions after enabling payroll balancing worktag and closing all periods. If you later reopen a period for adjustment, add new transactions as opposed to changing historic details.

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

#### Concepts

[Concept: Worktag Balancing for Payroll](#) on page 447

#### Examples

[Steps: Configure Worktag Balancing for Journals](#)

[Define Worktag Balancing Rules for Payroll Accrual](#)

[Define Worktag Balancing Rules for Fringe Benefit Actuals Transactions](#)

## Steps: Set Up Payroll Accounting

### Prerequisites

- Understand your company implementation for payroll and how it affects your account sets, posting rules, and ledgers.
- Review setup considerations for:
  - Payroll accounting without Financial Management.
  - Payroll accounting with Financial Management.
  - Intercompany accounting.

### Context

Set up all the payroll accounting elements required to pass payroll expenses to Workday Financial Management, including accounts, account posting rules, fiscal schedules, and ledger types.

If you have set up some or all of your financial and payroll accounting components, you can view each configured element to verify the setup.

When completed, you can process on-cycle and off-cycle payrolls to:

- Generate payroll accounting entries.
- Review payroll accounting results.

- Correct any posting and ledger period errors.

## Steps

1. (Optional) Access the Maintain Payroll Accounting Options task.

Select:

- Off-Cycle - Use Payment Date as Accounting Date to set up journal entry lines for off-cycle payments to use the payment date instead of the period end date.
- Budget Date - Use Period Schedule Payroll Payment Date to set up payroll and fringe benefit transactions so that the transaction budget date uses the pay period payment date instead of the pay period end date. You can set it for all payroll commitments and actuals journals.
- Intercompany Accounting - Enable.

Security: *Set Up: Tenant Setup - Payroll* domain in the System functional area.

2. Access the Maintain Ledger Account Types task.

Define ledger account types for payroll. Although Workday Payroll uses only asset, liability, and expense account types, Workday recommends that you set up all available account types in the Balance Sheet and Income Statement sections.

Security: *Setup: Ledger and Book* domain in the Common Financial Management functional area.

3. Access the Create Account Set task.

Define an account set for payroll. You can use the Edit Account Set task to edit existing account sets, or the View Account Set report to view them.

Security: *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.

[See Set Up Account Sets.](#)

4. Access the Create Account Posting Rule Set task.

Within an account set, you can define ledger accounts for each account posting type used by payroll:

- *Payroll Commitment*
- *Payroll Deduction*
- *Payroll Earnings*
- *Payroll Expense*
- *Payroll Forward Accrual*
- *Payroll Net Pay*

For payroll earnings and expenses, you can direct a forward accrual to accounts other than payroll actuals by using *Forward Accrual* for both the Dimension and Value.

Any resulting worktags that you create for payroll account posting rules display as optional journal dimensions that you can select after enabling journal summarization.

Security: *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.

[See Set Up Account Posting Rules.](#)

5. (Optional) Access the Maintain Payroll Journal Options task.

Select Summarize Payroll Journals to consolidate payroll journals before sending results to the ledger. You can summarize journals to improve financial reporting and restrict visibility to journal entry details. Optional summary dimensions that you select display on summarized journals in addition to automatic summary dimensions.

You can enable journal summarization for an in-progress payroll. However, journal summarization won't be effective until the next pay cycle. Once you enable journal summarization, only an implementer can disable it.

Security: *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.

[See: Reference: Tenant Configuration Guidelines for Payroll Journals](#)

**6. Set Up Fiscal Schedules and Years.**

Define fiscal schedules and posting intervals for payroll accounting.

**7. Access the Edit Company Accounting Details task.**

Specify the account set, the account posting rule set, and the fiscal schedule you just defined. You can't change these settings after you post payroll accounting results.

**Security:** *Set Up: Payroll - Company Accounting* domain in the Common Financial Management functional area.

**Security:** *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.

**8. Access the Maintain Ledger Types task.**

Define at least 1 ledger type. *Actuals* is required, and you can have only 1 *Actuals* ledger type per company. You can define *Commitment* and *Obligations* to make them available for selection when creating company ledgers.

**Security:** *Set Up: Ledger and Book* domain in the Common Financial Management functional area.

**9. Create Ledgers.**

Select a company and *Actuals* ledger type, and optionally enable the *Commitment* and *Obligations* ledger types.

**10. Access the Create Ledger Year and Ledger Periods task.**

Define ledger years and periods for each company ledger.

**Security:** *Set Up: Ledger and Book* domain in the Common Financial Management functional area.

**11. Access the Update Ledger Period Status task.**

Open the ledger period to generate payroll accounting results. You can open ledger periods anytime in advance. Set the ledger period Status to *Open*.

**Security:** *Process: Period End* domain in the Common Financial Management functional area.

## Result

When you complete a payroll, Workday generates on-cycle and off-cycle pay calculations and sends payroll results to payroll accounting.

## Next Steps

Each new fiscal year:

- Create the new ledger year and periods.
- Set the new ledger period Status to *Open*.

Related Information

### Concepts

[Concept: Ledger Account Restriction by Company](#) on page 449

[Setup Considerations: Payroll Intercompany Accounting](#) on page 432

### Examples

[Reference: Edit Tenant Setup - Payroll](#)

## Open Ledger Periods for a New Fiscal Year

### Prerequisites

Have Professional Services set up payroll accounting for you.

## Context

Open ledger periods for the new fiscal year so that the accounting process can create payroll journal entries.

## Steps

1. Access the Create Ledger Year and Ledger Periods task.

Security: *Set Up: Ledger and Book* domain in Common Financial Management functional area.

Create the ledger year and periods.

2. Access the Update Ledger Period Status task.

Security: *Process: Period End* domain in Common Financial Management functional area.

Set the status of each ledger period to *Open*.

Related Information

### Examples

[FAQ: Journal Errors](#)

## Steps: Control Visibility of Pay Components on Payroll Accounting Adjustments

## Context

Enhance security for your sensitive data by creating segmented security to define which roles can create payroll accounting adjustments for specific pay components.

Workday applies segmented security to the Pay Components prompt on the Create Payroll Accounting Adjustments task. The security group only impacts the pay components that the initiator can access on the initiation step of the *Create Payroll Accounting Adjustments* business process. Workday doesn't restrict access to pay components when:

- Adjustments are *Sent Back* by a reviewer during the *Payroll Accounting Adjustments* business process.
- Payroll accounting adjustments are initiated as a subprocess of an *Effort Certification* business process.

## Steps

1. Access the Create Pay Component Security Segment task.

Create a security segment for the pay components you want to restrict.

Security:

- *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
- *Set Up: Maintain Payroll Interface* domain in the Payroll Interface functional area.

Example: Name the security segment and select the Pay Components: *Base Pay* and *Holiday Pay*.

2. [Create Segment-Based Security Groups](#)

Create a security group to identify who can view the pay components from the security segment.

3. [Edit Domain Security Policies](#)

Edit the *Reports: Pay Calculation Results (Results - Security based on Pay Component Security)* domain security policy in the Core Payroll functional area. In the Security Groups field, replace the security groups with your new segmented security group.

4. [Activate Pending Security Policy Changes](#).

## Next Steps

Use the All Pay Components Security Segments report to view the pay component security segments you created.

### Related Information

#### Examples

[Example: Control Visibility of Earning and Deduction Results](#) on page 805

## Steps: Set Up Payroll Accounting Adjustments

### Prerequisites

Set up payroll accounting.

### Context

You can configure Workday to enable users to adjust accounting.

### Steps

- Configure the *Create Payroll Accounting Adjustments* business process and security policy in the Core Payroll functional area.

[See Steps: Configure Business Process Definitions](#).

(Optional) You can create conditional steps for routing rules and alerts using these fields:

- Change Reason Code
- Date Requested
- Days Since Initiated

- [Edit Domain Security Policies](#).

Configure these domains in the Core Payroll functional area for the initiator:

- Reports: Pay Calculation Results for Worker (Results)*
- Reports: Pay Calculation Results for Pay Group (Accounting Results)*
- Reports: Pay Calculation Results for Organization (Accounting Results)*
- Reports: Pay Calculation Results (Results - Security based on Pay Component Security)*
- Set Up: Payroll (Calculations - Payroll Specific)*

- (Optional) Include a questionnaire in the business process to capture supporting information about the adjustment, and then display the completed questionnaire on an approval step.

- Create a questionnaire.

- Add the *Complete Questionnaire* step to the *Create Payroll Accounting Adjustments* business process, using the Edit Business Process task.

Workday recommends that you attach only 1 questionnaire.

- (Optional) For Payroll for the U.S., make the questionnaire response viewable in the approval step, using the Business Process > Configure Supporting Information related action.

- Add the security groups on the approval or review steps of the *Create Payroll Accounting Adjustments* business process to the *Questionnaire Results* domain.

[See Concept: Questionnaires](#).

- (Optional) For Payroll for the U.S., to make payroll accounting adjustments for effort certification quicker and more accurate, add a Create Payroll Accounting Adjustments for Effort Certification action step to the *Effort Certification* business process.

This step initiates the *Create Payroll Accounting Adjustments* business process.

[See ..../education-and-government/grants-management/effort-certification/dan1370796772837.dita](#).

## Related Information

### Tasks

[Create Payroll Accounting Adjustments](#) on page 853

### Examples

[Create Business Process Condition Rules](#)

[Edit Business Process Security Policies](#)

[Edit Business Processes](#)

## Concept: Worktag Balancing for Payroll

Workday uses worktags to manage and track operational transactions, and to balance operational journals.

You can use these types of balancing worktags for payroll:

- Company.
- Primary balancing worktag.
- Worktags with financial balancing rules.
- Organization types configured as balancing worktags.
- Optional balancing worktags.

### Worktags in Payroll Transactions

#### Accounting Journal

You can autobalance journal lines with a balancing worktag. You can also specify a balancing worktag for the journal to generate additional due to and due from entries if the worktags on the line fails to balance. The payroll transactions don't use a financial balancing rule because they already create entries on both sides of the transaction.

If you don't set up a worktag to balance with worktag balancing you haven't specified a header worktag, Workday displays an error message on your journal lines and doesn't submit the journal.

### Optional Balancing Worktags

Optional balancing worktags:

- Automatically generates offsetting journal entries for payroll accounting commitment and obligation transactions.
- Works with or without a primary financial balancing worktag.
- Doesn't require journals to balance in these dimensions, and these worktags are optional on a transaction.
- Doesn't trigger retroactive processing.

The Optional Balancing Worktag field displays in these commitment accounting transactions:

- Payroll Commitments
- Payroll Commitment Adjustments
- Payroll Commitment Liquidations
- Payroll Obligations
- Payroll Obligation Adjustments
- Payroll Obligation Liquidations

The Optional Balancing Worktag field displays in these operational journals for commitment accounting:

- Fringe Benefit Commitments Journal
- Fringe Benefit Obligations Journal
- Payroll Commitments Journal
- Payroll Commitment Liquidation Journal
- Payroll Obligations Journal
- Payroll Obligation Liquidation Journal

Related Information

### **Concepts**

[Concept: Worktags for Payroll Calculations](#) on page 302

### **Tasks**

[Steps: Enable Worktags for Cost Allocations](#) on page 547

### **Examples**

[Concept: How Transactions Get Balancing Worktags](#)

[Steps: Define Custom Worktags](#)

[Configure Worktags for Transactions](#)

[Steps: Configure Worktag Balancing for Journals](#)

## **Concept: Currency Conversion**

Workday Payroll converts currency after net pay validation. When you set pay groups and company accounting to different currencies, Workday calculates payroll in the pay group currency and passes the results to accounting in both currencies. The results are then available for reporting.

Workday doesn't convert currency for:

- Arrears.
- Commitments.
- Fringe benefit actuals.
- Obligations.
- Pay balances.
- Payroll intercompany accounting.

Currency revaluations can lead to unrealized exchange gains or losses when you produce financial statements for ledger accounts with transactions in foreign currencies. Review the Foreign Currency Revaluation report for any currency valuation changes.

### **Setup**

Workday handles conversion once you set up the:

- Currency for a new company using the Create Company task.
- Pay groups using the Create Pay Group task.

To switch a foreign pay group from the company currency to their local currency, you can:

- Create a new pay group using the Create Pay Group task.
- Select the country of the foreign pay group.

### **Payroll Results**

- During payroll calculation, Workday uses the default currency rate type as of the pay period end date for currency conversions.

- From a worker's Payroll Result > View, you can click the:
  - Actuals tab to view journals lines for each ledger account.
  - Payment tab to view whether there are different currencies for payments and pay groups for each payroll payment.
- By default, payslips display the currency elected by the worker.

## Maintenance

For managing currency rate types and currency conversion rates, use the:

- Maintain Currency Rate Types task to set a default and manage currency rate types.
- Edit Company Accounting Details task to override the default currency rate type by company.
- Maintain Currency Conversion Rates task to manage currency conversion rates.

Related Information

### Tasks

[Set Up Pay Groups](#) on page 174

### Reference

[FAQ: View Payroll Results](#) on page 843

### Examples

[Concept: Company Currency](#)

[Maintain Currency Conversion Rates](#)

[Maintain Currency Rate Types](#)

[Review Foreign Currency Revaluation](#)

## Concept: Ledger Account Restriction by Company

When you create an account set with 1 or more ledger accounts restricted by company or company hierarchy, Workday applies the restrictions to these operational journals:

- Commitments and obligations for both payroll and fringe benefits (CAN, FRA, UK, USA).
- Commitments and obligations for payroll (AUS).
- Forward accruals.
- Payroll accounting adjustments.
- Payroll actuals and fringe benefit actuals (CAN, FRA, UK, USA).
- Payroll actuals (AUS).

Before setting any ledger account restrictions, you need to use the [View Account Posting Rule Set](#) report to review the account posting rules. Correct any invalid company and ledger account combinations.

During payroll processing, Workday validates whether each ledger account is valid for the company. If an invalid ledger account is used, the journal is created in *Error* status.

Invalid ledger account errors can occur when:

- Account posting rules assign a ledger account to a company that is invalid.
- An existing journal is rerun after creating or editing ledger account restrictions.

Related Information

### Examples

[Troubleshooting: Payroll Accounting and Commitment Journals with Errors](#) on page 846

## Reference: Worktag Balancing by Rule or Inherited Value

Workday requires balancing rules for some financial transaction worktag types, but not for others. In the absence of rules, a worktag inherits its values. Some worktags enable you to select or edit the value.

### Operational Journal Transactions with Optional Worktag Balancing

Optional balancing worktags inherit the rules set for the primary balancing worktag and can display on these transactions:

Areas	Transactions
Payroll Accounting	<ul style="list-style-type: none"> <li>• Accounting Journal</li> <li>• Payroll Accrual</li> <li>• Payroll Forward Accrual</li> <li>• Payroll Third-Party Payment Journal</li> </ul> <p>For Payroll for Canada, France, the UK, and the U.S.:</p> <ul style="list-style-type: none"> <li>• Fringe Benefit Actuals</li> </ul>
Payroll Commitment Accounting	<ul style="list-style-type: none"> <li>• Payroll Obligations</li> <li>• Payroll Obligation Adjustment</li> <li>• Payroll Commitments</li> <li>• Payroll Commitment Adjustments</li> </ul> <p>For Payroll for Canada, France, the UK, and the U.S.:</p> <ul style="list-style-type: none"> <li>• Payroll Liquidation</li> <li>• Payroll Obligation Liquidations</li> <li>• Payroll Commitment Liquidations</li> </ul>
Fringe Benefit Accounting	<p>For Payroll for Canada, France, the UK, and the U.S.:</p> <ul style="list-style-type: none"> <li>• Fringe Benefit Commitment</li> <li>• Fringe Benefit Commitment Adjustment</li> <li>• Fringe Benefit Commitment Liquidation</li> <li>• Fringe Benefit Obligation</li> <li>• Fringe Benefit Obligation Adjustment</li> <li>• Fringe Benefit Obligation Liquidation</li> </ul>
Bank operational transactions	<ul style="list-style-type: none"> <li>• Ad Hoc Bank Transaction</li> <li>• Bank Account Transfer</li> <li>• Prenote Payment</li> </ul>
Settlement operational transactions	<ul style="list-style-type: none"> <li>• Ad Hoc Payment</li> <li>• Payment Return</li> <li>• Payroll Settlement</li> </ul>

### Payroll Transactions That Always Inherit Worktag Values

These payroll transactions always inherit worktag values:

Areas	Transactions
Fringe Benefit Commitments	For Payroll for Canada, France, the UK, and the U.S.: <ul style="list-style-type: none"> <li>• Fringe Benefit Commitment Adjustment</li> <li>• Fringe Benefit Commitment Liquidation</li> </ul>
Fringe Benefit Obligations	For Payroll for Canada, France, the UK, and the U.S.: <ul style="list-style-type: none"> <li>• Fringe Benefit Obligation Adjustment</li> <li>• Fringe Benefit Obligation Liquidation</li> </ul>
Payment Return	<ul style="list-style-type: none"> <li>• Payroll Commitment</li> <li>• Payroll Commitment Adjustment</li> <li>• Payroll Commitment Liquidation</li> </ul>
Payroll Obligation	<ul style="list-style-type: none"> <li>• Payroll Obligation Adjustment</li> <li>• Payroll Third-Party Payment</li> <li>• Payroll Settlement</li> </ul> For Payroll for Canada, France, the UK, and the U.S.: <ul style="list-style-type: none"> <li>• Payroll Obligation Liquidation</li> </ul>

## Payroll Commitments

### Setup Considerations: Payroll Commitment Accounting (CAN, USA)

You can use this topic to help make decisions when planning your configuration and use of payroll commitment accounting. 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

Payroll commitment accounting is a budget management process that enables you to project fiscal-year compensation and fringe benefits for filled and unfilled positions accurately.

#### Business Benefits

Payroll commitment accounting enables you to:

- Manage payroll expenditures.
- Prevent overspending budgets.
- Predict cash flow.
- Perform financial and resource planning.
- Administer appropriations and obligations.

- Manage reserved funding and grants.

## Use Cases

You can use payroll commitment accounting when your organization needs to continually track, compare, and report on whether budgeted funds can support actual payroll expenditures. Example: A budget manager at a research university needs to reserve budgeted funds to cover payroll and fringe benefit expense for current employees, as well as potential new hires, in the upcoming fiscal year.

## Questions to Consider

Questions	Considerations
Do you have a business need to create commitments for multiple future years?	You can create commitments up to 5 future fiscal years for each base fiscal year.
Do you want to check your budget while creating commitment adjustments?	You can select Enable Budget Check on the Edit Budget Check Options task to enable budget checking as part of the <i>Create Payroll Commitment Adjustment</i> subprocess.
Do you have a pay period that spans 2 fiscal years?	You can configure fiscal year proration on the Edit Company Payroll Commitment Options task. It enables you to prorate payroll commitments, obligations, and related fringe that spans 2 fiscal years.

## Recommendations

- Close commitments as part of your standard year-end closing process to ensure current and future year commitments liquidate.
- Run commitment adjustments frequently to keep commitments data up to date.
- Set up and prioritize your Fringe Benefit Commitment Rules.
- Ensure you don't delete payroll periods if you have already generated commitments for those periods.
- To maximize performance:
  - Consider running commitment adjustments based on Business Process instead of All Positions.
  - Create only the necessary number of future fiscal years.
  - Ensure you select Enable Salary Over the Cap and Enable Journal Details on the Commitments tab of the Maintain Payroll Accounting Options task only if required.

## Requirements

To enable the salary over the cap feature for payroll commitments, you must also enable the feature for payroll accounting.

## Limitations

- Payroll commitment accounting currently only supports USD and CAD currency.
- Payroll commitment accounting supports only 2 open base fiscal years per company.

## Tenant Setup

You can select tenant-wide configurations on the Maintain Payroll Accounting Options task to determine whether to:

- Enable salary over the cap for payroll commitments transactions including initial commitments, commitment adjustments, and liquidations.
- Enable initial commitments and adjustments processes to respect the override frequency on an earning.
- Display detailed commitment data in your finance journals.
- Include payroll forward accruals for budgetary control.
- Include fringe basis on fringe benefit expense to identify earning pay components on journal lines that relate to fringe benefit expense.

## Security

Domains	Considerations
<i>Set Up: Position Commitment Accounting</i> in the Core Payroll functional area.	Enables users to configure: <ul style="list-style-type: none"> <li>• Payroll commitment rules.</li> <li>• Payroll commitments for multiple base fiscal years.</li> </ul>
<i>Set Up: Tenant Setup - Payroll</i> in the System functional area.	Enables access on the Maintain Payroll Accounting Options task so that you can select the Use Earning Frequency Overrides check box.

## Business Processes

Business Process	Considerations
<i>Create Initial Payroll Commitments</i>	You can calculate initial payroll commitments once for each company at the beginning of the fiscal year.
<i>Create Payroll Commitment Adjustments</i>	You can use the <i>Check Budget (Staffing)</i> business process to automate commitment adjustments when you add it as a step in position-related business processes, such as: <ul style="list-style-type: none"> <li>• Hire</li> <li>• Change Default Compensation</li> <li>• Close Job Requisition</li> </ul>

## Reporting

Report	Considerations
<i>Payroll Commitment Summary</i>	Displays initial payroll commitments, subsequent liquidations, and adjustments.
<i>Payroll Commitments by Company and Fiscal Period</i>	Displays the summary of payroll commitments for a specific company and fiscal year.
<i>View Fringe Benefit Commitment Rule</i>	Displays your configured rules for the fringe benefit percentage brackets of payroll commitments.

## Integrations

No impact.

## Connections and Touchpoints

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.

Features	Considerations
HCM	Workday updates the payroll commitments data to reflect HCM activities, such as: <ul style="list-style-type: none"> <li>• New hires.</li> <li>• Terminations.</li> <li>• Reorganizations.</li> <li>• Compensation changes.</li> <li>• Costing allocation changes.</li> <li>• Budget updates.</li> </ul>
Financial Accounting	Payroll commitment requires you to set up ledgers and fiscal schedules. Financial accounting generates commitment, obligation, and liquidation journals.
Budgets	Create initial commitments and adjustments.
Payroll Accounting	Depending on your use case, these features have significant impact on how the system processes payroll commitments when you enable them: <ul style="list-style-type: none"> <li>• Intercompany accounting.</li> <li>• Use period schedule payment date as budget date.</li> </ul>

### Related Information

#### Concepts

[Concept: Payroll and Fringe Benefit Liquidations \(CAN, USA\)](#) on page 471

[Concept: Fiscal Year Proration with HCM Event \(CAN, USA\)](#) on page 469

#### Tasks

[Configure Payroll Commitment Options \(CAN, USA\)](#) on page 459

## Steps: Process Payroll Commitment Accounting (CAN, USA)

### Prerequisites

- [Create Position Budgets](#).
- [Steps: Set Up Job Requisitions for Commitments and Obligations](#).
- Configure commitment accounting to control positions.
- Review [Setup Considerations: Payroll Commitment Accounting](#).

### Context

Payroll commitment accounting enables you to track and control payroll costs for filled and unfilled positions.

Workday Payroll enables you to:

- Initiate payroll commitments for filled and unfilled jobs in the fiscal year. It includes position management staffing and filled jobs in job management staffing.

- Liquidate and create actuals for payroll and fringe benefits.

You can make adjustments throughout the fiscal year based on events such as compensation and costing allocation changes.

If you implement Workday Payroll in the middle of the fiscal year and upload payroll data for the first part of the year, you must liquidate payroll commitments for the uploaded period before using payroll accounting.

## Steps

1. Access the Create Fringe Benefit Commitment Rule task to define percentage brackets for the fringe benefit portion of payroll commitments using fringe benefit commitment rules.

You can:

- Create a rule based on job family and cost center.
- Resolve fringe benefit commitment rules for filled (obligations) and unfilled (commitments) positions.
- Apply the commitment rules to multiple company and year combinations.

[See Example: Set Up 2-Tier Fringe Benefits Based on Salary for Earnings \(CAN, USA\)](#) on page 472 and [Example: Set Up Earnings with Different Fringe Benefit Percentages Based on Different Rules \(CAN, USA\)](#) on page 474.

2. (Optional) [Enable Earning Frequency Override \(CAN, USA\)](#) on page 456.

Enable the earning frequency override so you can adjust payroll commitment accounting to align with the payroll actual calculations.

3. [Create Payroll Commitment Rules \(CAN, USA\)](#) on page 457.

Configure rules for payroll commitments and fringe benefit commitments. You can define fringe benefit percentages for earnings.

4. [Create Initial Payroll Commitments \(CAN, USA\)](#) on page 460.

Initiate payroll commitments with the *Create Initial Payroll Commitments* business process.

5. [Configure Payroll Commitment Options \(CAN, USA\)](#) on page 459.

Add and open a new base fiscal year. Create multiyear commitments and configure fiscal year proration options.

6. (Optional) Access the View Payroll Commitment Rule report to copy the payroll commitment rule for the current fiscal year and modify it for the following year.

From the related actions menu of the commitment rule, select Payroll Commitment Rule > Copy.

Security: *Set Up: Position Commitment Accounting* domain in the Core Payroll functional area.

7. Access the Run Pay Calculation task.

Liquidate payroll and fringe benefits and calculate payroll and fringe benefit actuals.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

## Next Steps

Use the View Company Payroll Commitment Options report to close payroll commitments for the fiscal year. Workday liquidates commitments for use in future fiscal years, and you can no longer make further commitment adjustments for the year.

Related Information

### Concepts

[Concept: Position Control](#)

[Concept: Payroll and Fringe Benefit Liquidations \(CAN, USA\)](#) on page 471

[Concept: Fringe Benefit Actuals \(CAN, USA\)](#) on page 467

[Concept: Adjust Payroll Commitments \(CAN, USA\)](#) on page 466

**Tasks**

**Steps:** Set Up Period Activity Pay

**Steps:** Set Up Position Budgets

**Reference**

Reference: Position Control Terminology

Reference: Payroll Commitment Reports (CAN, USA) on page 477

## Enable Earning Frequency Override (CAN, USA)

**Prerequisites**

- [.../human-capital-management/compensation/components-elements-and-eligibility-rules/dan1370796534048.dita](#)
- Security: *Set Up: Compensation General* domain in the Core Compensation functional area.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
- Security: *Set Up: Tenant Setup - Payroll* domain in the System functional area

**Context**

An earning frequency override enables you to align payroll commitments with payroll actuals when you've based your budgeted amounts on an annualization factor that isn't equal to your scheduled pay periods. For example, you might base your budget on a factor of 26.1 while your institution has 26 pay periods. This can help you comply with state or union regulations.

Workday applies the override frequency value to calculate commitments when:

- The earning frequency override value is different than the position pay period frequency value.
- The pay group on the frequency type uses the same earning as the override frequency type.

**Steps**

1. (Optional) Review your payroll configuration to determine whether commitments that drive the earning need to follow the same rules as payroll.
  - a) Access the Maintain Frequencies task and review the commitment frequency.
  - b) Access the Edit Earning task and review the earning.
2. Access the Maintain Payroll Accounting Options task.
3. From the Commitments section, select the Use Earning Frequency Override check box.
4. Access the Edit Earning task.
5. Select Override Frequency in the Calculation Details section and select the frequency.

**Example**

An institution employs a worker at a base annual salary of 50,000. The institution budgets for and pays the employee's salary based on an annualization factor of 26.1, but payroll commitments calculates their pay based on a factor of 26:

- Budgeted Amount:  $1915.71 \text{ per pay period} * 26.1 = 50,000.31$
- Commitments Processed:  $1923.08 \text{ per pay period} * 26 = 50,000.08$

Budget-to-actuals reporting will be incorrect, showing an over-committed amount of 189.02 annually.

Creating a bi-weekly earning override frequency for the worker's salary will align the commitments amount with the budgeted amount.

## Create Payroll Commitment Rules (CAN, USA)

### Prerequisites

- Configure commitment accounting to control positions.
- Create fringe benefit commitment rules.
- Security: *Set Up: Position Commitment Accounting* domain in the Core Payroll functional area.
- [Set Up Payroll and Time Tracking Period Schedules](#) on page 153

### Context

You can configure payroll commitment rules for both filled and unfilled positions indicating which compensation elements and plans are for salary, hourly, and allowance plans.

You can specify corresponding earnings as a worktag for accounting purposes.

Workday recommends that you update your payroll commitment rules at the beginning of the fiscal year.

### Steps

- Access the Create Payroll Commitment Rule task.
- Create all payroll periods for the period schedules within the fiscal years you want to run commitments.
- As you complete the Payroll tab, consider:

Option	Description
Earning	<p>Workday maps earnings available for selection to compensation elements or compensation plans (salary plans, hourly plans, or allowance plans).</p> <p>If you have workers who have activity pay assignments, select the activity pay earning.</p> <p><b>Note:</b></p> <p>Only include earnings for compensation components that are subject to commitments accounting budgeting.</p> <p>For hourly plans, include an earning only if it's a primary component of base compensation. Don't include any hourly earnings that rely on occasional time entry, such as PTO, sick pay, or jury duty. Workday evaluates any hourly earnings by applying all scheduled hours per week for the position, which overstates occasional hourly plans. (For similar reasons, commitments doesn't support unit-based plans, because no concept of scheduled units exists.)</p> <p>Select the Use Weekly Hours check box for the Hourly frequency on the Maintain Frequencies task as a best practice. If you clear this check box, Workday might treat part-time, hourly workers as full-time.</p> <p>When the compensation for a position comes from a compensation element enabled</p>

Option	Description
	for academic pay, Workday generates commitments and obligations only for the months within the distribution plan period that are in the selected fiscal years.
Behavior	<p>Select the type of commitment to apply this earning to, or leave empty to apply it to all types.</p> <p>You can have earning contribute only to:</p> <ul style="list-style-type: none"> <li>• Payroll commitments and obligations, excluding fringe benefits calculations.</li> <li>• Fringe benefit actuals, excluding both commitments and obligations.</li> <li>• Fringe commitment and actuals. Workday generates payroll commitments and obligations for this earning only to support fringe commitments. It isn't posted to financial journals.</li> </ul> <p>You can update earnings associated with <i>Fringe Benefit Actuals Only</i> any time throughout the fiscal year.</p>
Compensation Elements for Earning Compensation Plan for Compensation Elements	<p>Select the compensation element and compensation plan associated with the earning.</p> <p>Workday calculates commitments or obligations for positions that have the selected compensation element and plan assigned.</p>

4. As you complete the Fringe Benefit tab, consider:

Option	Description
> Base Amount YTD <= Cap Amount YTD	Enter the minimum and maximum amounts for the salary ranges.
Default Fringe Percent	<p>Enter the percent to use when no fringe benefit rule matches the earning.</p> <p>Enabling the calculation of Fringe Benefit Actuals on one-time payments increases the actuals reported, which can reveal discrepancies when you compare plans to actuals.</p>

#### Related Information

##### Tasks

[Create Frequencies](#)

[Steps: Configure Commitment Accounting to Control Positions](#)

[Steps: Manage Academic Pay](#)

[Steps: Set Up Position Budgets](#)

# Configure Payroll Commitment Options (CAN, USA)

## Prerequisites

Set up payroll commitment rules.

Security: *Set Up: Position Commitment Accounting* domain in the Core Payroll functional area.

## Context

When creating initial payroll commitments, you can use these optional steps to configure:

- Commitments for multiple base fiscal years.
- Up to 5 future fiscal years for each base fiscal year.
- Fiscal year proration options.

All commitments post to the base fiscal year. When you close your current base fiscal year, Workday liquidates all commitments for the base fiscal year and future fiscal years.

When you close commitments for a base fiscal year, Workday creates:

- Debit entries for transactions that have a future year dimension.
- Credit entries to balance debit entries, using the rules that you've set up for primary and optional worktag balancing.

When the final pay period of a fiscal year crosses into the next fiscal year, and you have fiscal year proration configured, Workday prorates the obligation and commitment balances:

- For the current fiscal year, Workday creates a sub-period that begins on the pay period start date and ends on the fiscal year end date.
- For the following fiscal year, Workday creates a sub-period that begins on the fiscal year start date and ends on the pay period end date.

When you complete payroll for the final full pay period of the current fiscal year, Workday prorates and liquidates the amounts in the first sub-period at the end of the fiscal year.

## Steps

1. Access the Edit Company Payroll Commitment Options task.
2. As you complete the task, consider:

Option	Description
Base Fiscal Year	Identify the fiscal year in which to post the resulting transactions. The year must be in Open status. Example: Both your prior and new base fiscal years are open as you prepare to close out the prior fiscal year. You select your new fiscal year.
Future Year Count	The number of future fiscal year commitments you want to create.
Future Year Worktag Dimensions	Select the worktag dimensions that you want to use for future year commitments and obligations. Don't select any if you want to create commitments and obligations for all dimensions.

Option	Description
Fiscal Year Proration	<p>Select how to prorate commitments, obligations, and related fringe for periods crossing a fiscal year.</p> <p>You can prorate earnings based on:</p> <ul style="list-style-type: none"> <li>The Calculation Proration settings on the Edit Earning task.</li> <li>Your forward accrual setup on the Edit Period Schedule task.</li> </ul> <p>Earnings proration applies to any type of earnings established in your payroll commitment rules. Use the Create Payroll Commitment Rule task to set up rules. Fiscal year proration applies after the earning proration and doesn't override it.</p> <p>When you enable Fiscal Year Proration and select the Include Payroll Forward Accruals for Budgetary Control check box in the Edit Tenant Setup – Payroll task, Workday automatically includes your configured forward accruals and forward accruals reversals in:</p> <ul style="list-style-type: none"> <li>Automatic budget creation from commitment data.</li> <li>Budget check reporting.</li> <li>Position budget check.</li> </ul>

## Result

Workday displays entries for each future fiscal year in the base fiscal year journal.

## Next Steps

Set up commitment rules for each future fiscal year.

Related Information

### Concepts

[Concept: Multiyear Commitments \(CAN, USA\)](#) on page 467

### Tasks

[Create Payroll Commitment Rules \(CAN, USA\)](#) on page 457

[Steps: Set Up Proration](#) on page 284

[Set Up Payroll and Time Tracking Period Schedules](#) on page 153

## Create Initial Payroll Commitments (CAN, USA)

### Prerequisites

- Create payroll commitment rules.
- Select Create Commitments and Create Obligations on the Create Ledger task.
- Configure the *Create Initial Payroll Commitments* business process and security policy in the Core Payroll functional area.

## Context

You can calculate initial payroll commitments once for each company at the beginning of the fiscal year.

You can't cancel or rescind the initial creation of the payroll commitments, but you can send it back to the person who created the event and submit to recalculate.

Workday continues to calculate commitments for frozen job requisitions.

## Steps

1. (Optional) Configure Workday to post commitments to your finance journals in a detailed, nonaggregated form.  
In the Commitments section on the Maintain Payroll Accounting Options task, select the Enable Journal Details check box.  
Security: *Set Up: Tenant Setup - Payroll* domain in the System functional area.
2. Access the Create Initial Payroll Commitments task.
3. (Optional) Select the Exclude Completed Payroll Periods check box to prevent Workday from creating commitments, obligations, and related fringe benefit data for previously completed payroll periods.  
You can use this option for midyear implementations so that you don't impact budget creation, budget checking, and annual commitment reporting. Workday recommends using the Create Position Budgets task to ensure that you accurately generate position budgets for payroll periods.  
Example: You complete a payroll run in June 2018, and then create initial payroll commitments in July 2018. You select the check box so your run doesn't include your June commitment data.
4. Click Submit to launch the *Create Initial Payroll Commitments* business process.

## Result

The business process creates:

- Initial payroll and fringe benefit commitments and obligations.
- Detail data per pay period.
- Consolidated journal and journal entry lines.
- Consolidated journal and journal entry lines for each costing company, when you enable intercompany accounting.

When you run subsequent commitment adjustments using the Create Payroll Commitment Adjustments task, you can view the journal details for these data sets:

- Fringe Benefit Commitment Adjustment
- Fringe Benefit Obligation Adjustment
- Payroll Commitment Adjustment
- Payroll Obligation Adjustment

You can also view multiple companies with their journal details, when you enable intercompany accounting.

Note: Workday doesn't calculate fringe commitments or obligations for any period with negative YTD earnings.

## Next Steps

If the reviewer sends back the initial commitments, resubmit either Calculate Payroll and Fringe Benefits Initial Commitments or Fringe Benefits and Initial Commitments ONLY from the task in My Tasks.

Process payroll to liquidate commitments and obligations and to create fringe benefit actuals.

**Related Information****Concepts**

[Concept: Payroll and Fringe Benefit Liquidations \(CAN, USA\)](#) on page 471

[Concept: Fringe Benefit Actuals \(CAN, USA\)](#) on page 467

**Tasks**

[Edit Business Processes](#)

[Steps: Set Up Position Budgets](#)

**Reference**

[Reference: Payroll Commitment Reports \(CAN, USA\)](#) on page 477

## Steps: Create Forward Accruals for Fringe Benefit Expense (CAN, USA)

**Prerequisites**

- Configure commitment accounting to control positions.
- Create fringe benefit commitment rules.
- Create payroll commitment rules.

**Context**

You can create forward accruals and reversals for fringe benefit expense to eliminate the need for manual fringe benefit forward accrual calculations and to ensure accurate fiscal reporting. When a payroll period spans multiple financial reporting periods, Workday estimates fringe benefit expense through the end of a financial reporting period.

**Steps**

1. Access the [Maintain Payroll Accounting Options](#) task.

Select the [Enable Forward Accruals for Payroll Fringe Benefit Expense](#) check box in the Forward Accrual section.

[Security: Set Up: Tenant Setup - Payroll](#) domain in the System functional area.

2. Access the [Create Period Schedule](#) or [Edit Period Schedule](#) task to set up forward accruals for individual pay periods.

[See Set Up Payroll and Time Tracking Period Schedules](#) on page 153.

3. Run Pay Calculation.

When you enable fringe forward accruals after running initial pay calculation for a pay period, you must recalculate payroll for all the workers in that pay period. Workday doesn't apply fringe forward accruals to in-progress or completed payroll periods.

[See Calculate On-Cycle Payroll](#) on page 651.

**Result**

From the Payroll Results of a worker, navigate to the Other Accounting tab to view the *Fringe Benefit Forward Accrual* Type of journal. You can further click View Journal to view all the fringe benefit expense and recovery transactions along with reversal journals.

## Automate Payroll Commitment Adjustments (CAN, USA)

**Prerequisites**

- Create initial payroll commitments.

- Configure the *Create Payroll Commitment Adjustments* business process and security policy in the Core Payroll functional area.

## Context

Set up budget check options to:

- Perform budget checking.
- Enable the review step.

You can use the *Check Budget (Staffing)* business process to automate commitment adjustments when you add it as a step in position-related business processes, such as:

- Hire
- Change Default Compensation
- Close Job Requisition

## Steps

- Select Business Process > Edit Definition from the related actions menu of the *Create Payroll Commitment Adjustments* business process definition.

- As you complete the task, consider:

Option	Description
Order	Enter an alphanumeric character to establish the order in which you want to execute the steps. We recommend using letters, because Workday sorts sequentially, not numerically. Example: 10 sorts before 2. Configure this step to complete before the Complete Payroll Commitment Adjustments (Job) step.
Type	Select <i>Action</i> .
Specify	Select <i>Review Payroll Commitment Adjustments</i> .

- Click OK.
- Select Enable Budget Check on the Edit Budget Check Options task to enable budget checking as part of the *Create Payroll Commitment Adjustment* subprocess.

## Result

When you perform the position-related task, Workday launches the parent business process and then the *Create Payroll Commitment Adjustments* business process. Workday then recalculates commitments for:

- All pay periods for the related positions not yet liquidated.
- In-progress payroll periods for the fiscal year.

Workday liquidates the payroll and fringe benefits when you process subsequent payrolls.

Related Information

### Concepts

[Concept: Adjust Payroll Commitments \(CAN, USA\) on page 466](#)

### Tasks

[Create Initial Payroll Commitments \(CAN, USA\) on page 460](#)

[Set Control Options for Position Budgets](#)

[Review Position Budget Check Results](#)

[Edit Business Processes](#)

[Steps: Check Position Budgets](#)

## Schedule Payroll Commitment Adjustments (CAN, USA)

### Prerequisites

- Configure the *Create Initial Payroll Commitments* business process and security policy in the Core Payroll functional area.
- Create initial payroll commitments.
- Security: Process: Position Commitment Accounting* domain in the Core Payroll functional area.

### Context

When you run a payroll commitment adjustment, Workday recalculates all pay periods not yet liquidated as well as in-progress payroll periods for the fiscal year.

You can schedule payroll commitment adjustments to run on a specified schedule without needing to incorporate the *Check Budget* step on impacted business processes. If you frequently process ad hoc payroll commitment adjustments, Workday recommends scheduling your adjustments to reduce the need to run them manually.

### Steps

- Access the Payroll Commitment Adjustment Scheduler task.
- Select a Run Frequency.
- As you complete the Scheduler Criteria tab, consider:

Option	Description
All Positions for All Completed Business Processes	Select to include all positions from all business processes that impact commitment accounting since the last commitment adjustment or from the initial commitment run of the fiscal year.
Completed On/After Completed Prior To/On	Specify the completion date range of an event that is effective within the fiscal year and impacts payroll commitment accounting.
Business Processes	Select 1 or more position-based business processes. Example: <ul style="list-style-type: none"> <li><i>Add Additional Job</i></li> <li><i>Assign Costing Allocation</i></li> <li><i>Assign Pay Group</i></li> </ul> If you don't select any business processes, the task runs on all displayed business processes.
Rescinded/Corrected Business Processes Only	Select to increase performance by restricting the subset of events.
Positions	Select to run commitment adjustments on specific positions.
All Positions	Select to run commitment adjustments on all positions.  To include any positions retroactively closed or vacated on or before the fiscal year start date, run a commitment adjustment on All Positions

Option	Description
	within 60 days of creating initial commitments for the fiscal year.

4. As you complete the Schedule tab, consider:

Option	Description
Priority	Setting a higher priority can reduce potential queuing.

#### Related Information

##### Concepts

[Concept: Adjust Payroll Commitments \(CAN, USA\) on page 466](#)

##### Tasks

[Create Initial Payroll Commitments \(CAN, USA\) on page 460](#)

##### Reference

[Manage Scheduled Future Processes](#)

[2023R2 What's New Post: Schedule Payroll Commitment Adjustments](#)

## Adjust Payroll Commitments Ad Hoc (CAN, USA)

### Prerequisites

- Create initial payroll commitments.
- Configure the *Create Initial Payroll Commitments* business process and security policy in the Core Payroll functional area.

### Context

You can adjust payroll commitments on an ad hoc basis when you:

- Don't want to add the Check Budget step on staffing or payroll business processes.
- Have processes that you've rescinded or corrected.
- Make an adjustment for the last fiscal year while running current commitments.
- Make a mass change.

Note: The *Create Payroll Commitment Adjustments* business process doesn't perform budget checks; it only updates commitments and obligations.

### Steps

1. Access the Create Payroll Commitment Adjustments task.
2. As you complete the task, consider:

Option	Description
All Positions for All Completed Business Processes	Select to include all positions from all business processes that impact commitment accounting since the last commitment adjustment or from the initial commitment run of the fiscal year.
Completed On/After Completed Prior To/On	Specify the date range of an event that has an effective date within the fiscal year, for which Workday calculates adjustments.
Business Processes	Select a business process that is based on position, such as:

Option	Description
	<ul style="list-style-type: none"> <li>• <i>Add Additional Job.</i></li> <li>• <i>Assign Costing Allocation.</i></li> <li>• <i>Assign Pay Group.</i></li> </ul> <p>If you don't select a business process, the task runs on all supported business processes.</p>
Rescinded/Corrected Business Processes Only	Select to increase performance by restricting the subset of events.
Positions	Select to run commitment adjustments on specific positions.
All Positions	Select to run commitment adjustments on all positions.  To include any positions retroactively closed or vacated on or before the fiscal year start date, run a commitment adjustment on All Positions within 60 days of creating initial commitments for the fiscal year.

3. (Optional) Click Schedule Adjustments to open the Payroll Commitment Adjustment Scheduler task and configure commitment adjustments to run on a set schedule.

## Result

When you run the *Create Payroll Commitment Adjustment* business process, Workday recalculates all pay periods not yet liquidated as well as in-progress payroll periods for the fiscal year.

## Next Steps

If the reviewer sends back the initial commitments, resubmit either Calculate Payroll and Fringe Benefits Initial Commitments or Fringe Benefits and Initial Commitments ONLY from the task in My Tasks.

Related Information

Reference

[Reference: Payroll Commitment Reports \(CAN, USA\)](#) on page 477

## Concept: Adjust Payroll Commitments (CAN, USA)

Once you initiate payroll commitments and obligations for a company and fiscal year, you can't cancel or rescind them. For pay periods that are in progress or not yet liquidated, account for changes by making adjustments such as:

- Changes in compensation.
- Fringe benefits.
- Terminations.
- Leaves of absence.

You can adjust commitments as often as necessary by:

- Automating them as part of position-related business processes.
- Performing ad hoc or bulk payroll commitment adjustments using a stand-alone business process.

Workday liquidates any backdated transactions that missed liquidation in prior processes when you:

- Run Pay Calculation

- Create Payroll Commitment Adjustments

Example: You add a backdated event to a period where commitment processing is complete.

When you run subsequent commitment adjustments using the Create Payroll Commitment Adjustments task, Workday creates these commitment adjustments:

Obligations:

- Payroll Obligation Adjustment
- Fringe Benefit Obligation Adjustment

Commitments:

- Payroll Commitment Adjustment
- Fringe Benefit Commitment Adjustment

Related Information

#### Tasks

[Automate Payroll Commitment Adjustments \(CAN, USA\) on page 462](#)

[Adjust Payroll Commitments Ad Hoc \(CAN, USA\) on page 465](#)

## Concept: Fringe Benefit Actuals (CAN, USA)

Fringe benefits are a form of benefit sometimes offered in addition to a worker's wages or salary such as tuition assistance, company vehicles, or company phones. Fringe benefit actuals are the values posted to the Fringe Benefit Journal after you complete a pay calculation. Workday bases fringe benefit actuals on the percentage you specify in your fringe commitment rules.

If you configure fringe benefits on your payroll commitment rules, then Workday automatically calculates fringe benefit actuals based on a worker's actual earnings each time you run a regular on-cycle or off-cycle pay calculation. Workday records the calculated value on the Additional Pay Components tab of a worker's payroll result. The Fringe Benefit Journal that you can access from the Other Accounting tab displays the journal lines and worktags associated with the fringe benefit actuals.

You create a payroll commitment rule that places a 5% fringe benefit on workers' hourly pay if their earnings are between \$1000 and \$5000. Workday uses the formula: *Earning Amount × Fringe Percent* to determine fringe benefit actuals.

Pay Component	Amount	Fringe Percent	Fringe Benefit Value
Base Pay - Hourly	\$2,500	5%	\$125

## Concept: Multiyear Commitments (CAN, USA)

Multiyear Commitment Processing

When you run commitments, Workday calculates both the base fiscal year and future fiscal years.

Future year commitments post in the ledger associated with the base fiscal year (accounting date), with the budget date indicating the period or subperiod end date.

Workday includes future year commitments in commitment adjustments.

Workday performs budget checking for the budget year that contains the business process event date.

Closing Multiyear Commitments

When you close the base fiscal year, Workday:

## Liquidating Multiyear Commitments

- Liquidates any previously unliquidated commitment transactions for the base fiscal year and future fiscal years.
- Prevents further commitment adjustments for the year.

When you run the close and liquidation process, Workday:

- Creates liquidation entries for all previously unliquidated commitments and obligations in the base fiscal year and for all future fiscal years.
- Liquidates the closed base fiscal year so debit and credit totals are zero.

Liquidations include:

- Future year transactions.
- All liquidation journals with a Created status.

When the final pay period of a fiscal year crosses into the next fiscal year, and you have fiscal year proration configured, Workday prorates the obligation and commitment balances:

- For the current fiscal year, Workday creates a sub-period that begins on the pay period start date and ends on the fiscal year end date.
- For the following fiscal year, Workday creates a sub-period that begins on the fiscal year start date and ends on the pay period end date.

When you complete payroll for the final full pay period of the current fiscal year, Workday prorates and liquidates the amounts in the first sub-period at the end of the fiscal year.

## Liquidation Status Updates

- During the liquidation process, the liquidation journal status updates to In Progress.
- A successful liquidation update the liquidation journal status to Posted and the base fiscal year status to Closed.
- Liquidations in error update the liquidation journal status to Error.

## Liquidation Errors

Liquidation errors are commonly caused by missing:

- Balancing dimensions.
- Ledger accounts.
- Ledger periods.

## Error Correction

When you encounter an error during closing, correct the problem and then restart the close. To correct:

- Journals in error, access the Fix Operational Journals with Errors task.

- Missing accounts, add the missing account using the Create Account Posting Rule Set task.
- Missing open ledger periods, set the base fiscal year status to Open.
- Payroll commitment adjustments in Created status, wait until the closing process fully completes.
- Incomplete final payroll periods for the year (last payroll end date that falls within the fiscal year) wait until the closing process completes. Complete all payroll periods with an end date within the base fiscal year before closing.

#### Real-Time Budget Check

When you run a business process, such as *Request Compensation Change*, you can run the *Real Time Budget Check* business process to see any budget impacts on your multiyear commitments.

- When 1 base fiscal year is open and the business process effective date is within it, Workday checks only that year.
- When 2 base fiscal years are open, Workday checks only the one that includes the business process effective date.

#### Future Fiscal Years in Reports

Workday includes future fiscal years in:

- Commitment reports, such as the Payroll Commitments by Company and Fiscal Period report.
- Budget reports.

#### Related Information

##### Tasks

[Configure Payroll Commitment Options \(CAN, USA\)](#) on page 459

## Concept: Fiscal Year Proration with HCM Event (CAN, USA)

Workday prorates commitments and obligations when a pay period spans 2 fiscal years. You can enable either the Earnings Proration or Forward Accrual Proration options on the Edit Company Payroll Commitment Options task. Workday will calculate existing earnings proration before applying fiscal year proration.

When an HCM event such as *New Hire* or *Compensation Change* occurs within a prorated subperiod, Workday uses these Calculation Proration options from the Edit Earning task to calculate proration within that subperiod:

- *Prorate Using Days Worked*
- *Prorate Using Calendar Days*
- *Prorate Using Annual Working Days*

When the final pay period of a fiscal year crosses into the next fiscal year, and you have fiscal year proration configured, Workday prorates the obligation and commitment balances:

- For the current fiscal year, Workday creates a sub-period that begins on the pay period start date and ends on the fiscal year end date.
- For the following fiscal year, Workday creates a sub-period that begins on the fiscal year start date and ends on the pay period end date.

When you complete payroll for the final full pay period of the current fiscal year, Workday prorates and liquidates the amounts in the first sub-period at the end of the fiscal year.

### Example: Forward Accrual Proration Using Calendar Days

A budget manager needs to prorate a worker's earnings for a pay period that spans 2 fiscal years. The budget manager:

- Sets up forward accruals using the Edit Period Schedule task.
- Enables the *Forward Accrual Proration* option on the Edit Company Payroll Commitment task.
- Selects Prorate Using Calendar Days option on the Edit Earning task.

An HR administrator makes a compensation change to the worker's earnings for the same pay period.

Field	Result
Fiscal Year	7/1/19 - 6/30/20
Final pay period for 2019	6/26/19 - 7/9/19
Forward accrual - Days to accrue	3
Forward accrual - Days in basis	14
Calendar days for full pay period	10
Worker's earning for pay period	4000
Compensation change on 7/4/19	5000

Workday calculates earnings for the prorated subperiods based on forward accrual as:

Subperiods	Result
Subperiods pay (6/26/19 - 6/30/19)	(Days to accrue/ Days in basis) x Earnings: (3/10) x 4000 = 1200
Subperiods pay (7/1/19 - 7/9/19)	((Days in Basis - Days to accrue)/ Days in basis) x Earnings: (7/10) x 4000 = 2800

Workday then calculates prorated obligation as:

Description	Result
Calendar days in subperiod (7/1/19 - 7/3/19) before compensation change	3
Calendar days in subperiod (7/4/19 - 7/9/19) after compensation change	6
Total calendar days in subperiod	9
Prorated obligation before compensation change (7/1/19 - 7/3/19)	[(Days in subperiod before compensation change)/Calendar days in full subperiod] x [Subperiod pay amount]: (3/9) x 2800 = 933.33
Prorated obligation after compensation change (7/1/19 - 7/3/19)	[(Days in subperiod after compensation change)/Calendar days in full subperiod] x [Subperiod

Description	Result
	pay amount after compensation change]: $(6/9) \times [(7/10) \times 5000] = 2,333.33$

#### Related Information

##### Tasks

[Configure Payroll Commitment Options \(CAN, USA\)](#) on page 459

## Concept: Payroll and Fringe Benefit Liquidations (CAN, USA)

Every time you run a regular pay calculation, Workday calculates and automatically liquidates payroll commitments and fringe benefits.

They're liquidated for the current period and pay group you're processing plus any prior periods not yet liquidated for the pay group. The amount liquidated is the amount originally committed for the pay period.

When you run the Create Payroll Commitment Adjustments task, Workday automatically liquidates any backdated transactions that missed liquidation in prior processes.

When you enter an Accounting Date Override value for a pay period on the Edit Period Schedule task and then Run Pay Calculation, Workday uses the accounting override date for that pay period on all liquidation journals for commitments, obligations, and related fringes.

When you also configure a Fiscal Year Proration value on the Edit Company Payroll Commitment Options task, Workday uses the accounting override date on the liquidation journals for the first subperiod of the fiscal year.

You can view and cancel liquidations:

#### View Liquidation Results

Run Pay Calculation changes journals and journal entry lines to the status of *Created*. Run Pay Complete changes journals and journal entry lines to a status of *Posted*.

You can see liquidation results by clicking View on the Payroll Commitment Summary report on the Payroll Commitment Details tab.

#### Cancel Liquidations

#### Run Pay Cancel:

- Removes the liquidated date-time stamp for all payroll commitment data.
- Deletes the journal line entries related to fringe benefit liquidations.

Cancel Pay Complete rolls back the journal entry line statuses for fringe benefits to *Created*.

## Concept: Fringe Basis Worktag (CAN, USA)

*Fringe Basis* worktags enable you to identify earning pay components on separate journal lines that relate to fringe benefit expenses for payroll:

- Actuals
- Commitments
- Obligations

This worktag makes reporting and auditing payroll actuals and commitments transactions easier.

When you enable *Fringe Basis* worktags, Workday:

- Creates a separate fringe benefit journal line for each earning pay component.
- Adds *Fringe Basis* worktags to the fringe benefit journal lines associated with fringe expenses.

You can enable the worktag and run the Create Payroll Commitment Adjustment task to regenerate unliquidated fringe benefit and obligation journals.

### **Example**

Payroll admin Meredith runs a pay calculation for a worker with 2 earning pay components with different fringe rates:

- Earning 1: \$5,000 with a fringe rate of 25%.
- Earning 2: \$1,000 with a fringe rate of 7.5%.

To identify the earning pay components on separate journal lines rather than as an aggregate on a single journal line, Meredith enables the *Fringe Basis* worktag. Workday calculates the fringe benefit expense on separate journal lines for each earning:

- Fringe benefit expense for earning 1:  $\$5,000 \times 25\% = \$1,250$ .
- Fringe benefit expense for earning 2:  $\$1,000 \times 7.5\% = \$75$ .

Workday displays the *Fringe Basis* worktag on each of these journal lines to identify the earning pay component associated with the fringe expense.

Related Information

#### **Concepts**

[2021R2 What's New Post: Fringe Basis Worktag](#)

#### **Reference**

[Reference: Edit Tenant Setup - Payroll](#)

## **Example: Set Up 2-Tier Fringe Benefits Based on Salary for Earnings (CAN, USA)**

This example illustrates how you can apply different fringe benefit percentages to different salary tiers.

#### **Context**

You want to set 2 salary bands for fringe benefits on academic positions with earnings up to and over 60,000. You can apply these fringe benefits to the position earnings and position restrictions of the cost center for your company's CEO and Chief Human Resources Officer (CHRO):

- Lower salary band: 25%.
- Higher salary band: 20%.

#### **Prerequisites**

Create a CEO and CHRO cost center and cost center hierarchy.

Create these earnings:

- Base Pay - Academic
- Communication Device Allowance
- Housing Allowance

Create these compensation plans:

- Communication Device Allowance Plan

- Housing Allowance
- Academic Salary Plan

Set up FY 2020 - 2021 - Academic Year fiscal year.

Security: *Set Up: Position Commitment Accounting* domain in the Core Payroll functional area.

## Steps

1. Access the Create Fringe Benefit Commitment Rule task.
2. Enter *Tiered Benefits* in the Description field.
3. Select these values in the Rule Conditions grid:

And/Or	Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
<i>And</i>	<i>Cost Center Hierarchies for Fringe Commitments</i>	<i>any in the selection list</i>	<i>Value specified in this filter</i>	<i>Cost Center Hierarchy</i>

4. Click OK.
5. Access the Create Payroll Commitment Rule task.
6. Select Alma Mater University (USA) for the Company.
7. Select FY 2020 - 2021 - Academic Year for the Fiscal Year.
8. Enter these values on the Payroll tab:

Earning	Behavior	Compensation Elements for Earning	Compensation Plan for Compensation Elements
<i>Base Pay - Academic</i>	Leave blank to apply to commitments, obligations, and fringe benefits.	<i>Base Pay - ACP - Academic Pay Enabled</i>	<i>Academic Salary Plan</i>
<i>Housing Allowance</i>	Leave blank to apply to commitments, obligations, and fringe benefits.	<i>Housing Allowance - Academic Pay Enabled</i>	<i>Housing Allowance Plan</i>
<i>Communication Device Allowance</i>	Leave blank to apply to commitments, obligations, and fringe benefits.	<i>Communication Device Allowance - Academic Pay Enabled</i>	<i>Communication Device Allowance Plan</i>

9. Enter these values on the Fringe Benefit tab:

> Base Amount YTD	<= Cap Amount YTD	Default Fringe Percent	Fringe Benefit Rule	Fringe Percentage
<i>0.00</i>	<i>60,000.00</i>	<i>22</i>	<i>CEO and CHRO Cost Center</i>	<i>25</i>
<i>60,000.01</i>	<i>800,000.00</i>	<i>17</i>	<i>CEO and CHRO Cost Center</i>	<i>20</i>

10. Click OK.

11.Click Done.

## Result

The initial payroll commitment results for a position in the higher salary band that receives all allowances are:

Pay Component	Amount	Fringe Percent	Fringe Benefit Amount
Base Pay Academic	7,000.00	20%	\$1,400.00
Housing Allowance	500.00	20%	\$100.00
Communication Device Allowance	150.00	20%	\$30.00

The initial payroll commitment results for a position in the lower salary band that receives all allowances are:

Pay Component	Amount	Fringe Percent	Fringe Benefit Amount
Base Pay Academic	6,000.00	25%	1,500.00
Housing Allowance	500.00	25%	125.00
Communication Device Allowance	150.00	25%	37.50

## Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

[Create Organization Hierarchies](#)

## Example: Set Up Earnings with Different Fringe Benefit Percentages Based on Different Rules (CAN, USA)

### Context

You want a 20% fringe benefit on teaching pay earnings for the positions and position restrictions in the lower salary band of the CEO and CHRO cost center. You also want to provide a 10% fringe benefit for housing allowances and a 10% fringe benefit for communication device allowances.

### Prerequisites

Create a CEO and CHRO cost center.

Create these earnings:

- Base Pay - Academic
- Communication Device Allowance
- Housing Allowance

Create these compensation plans:

- Academic Salary Plan
- Communication Device Allowance Plan
- Housing Allowance

Security: *Set Up: Position Commitment Accounting* domain in the Core Payroll functional area.

## Steps

1. Access the Create Fringe Benefit Commitment Rule task.
2. Enter *Teaching Benefits* in the Description field.
3. Enter these values on the Rule Conditions grid:

And/Or	Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
<i>And</i>	<i>Earning for Fringe Commitments</i>	<i>in the selection list</i>	<i>value specified in this filter</i>	<i>Base Pay - Academic</i>
<i>And</i>	<i>Organizations for Fringe Commitments</i>	<i>any in the selection list</i>	<i>value specified in this filter</i>	<i>CEO and CHRO</i>

4. Click OK.
5. Create another rule and enter *Teaching Allowances* in the description field.
6. Enter these values on the Rule Conditions grid:

And/Or	Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
<i>And</i>	<i>Earning for Fringe Commitments</i>	<i>in the selection list</i>	<i>value specified in this filter</i>	<i>Communication Device Allowance</i> <i>Housing Allowance</i>

7. Click OK.
8. Access the Create Payroll Commitment Rule task.
9. Select *Alma Mater University (USA)* for the Company.
10. Select *FY 2018 - 2019 - Academic Year* for the Fiscal Year.
11. Enter these settings on the Payroll tab:

Earning	Behavior	Compensation Elements for Earning	Compensation Plan for Compensation Elements
<i>Base Pay - Academic</i>	Leave blank to apply to commitments, obligations, and fringe benefits.	<i>Base Pay - ACP - Academic Pay Enabled</i>	<i>Academic Salary Plan</i>
<i>Communication Device Allowance</i>	Leave blank to apply to commitments, obligations, and fringe benefits.	<i>Communication Device Allowance - Academic Pay Enabled</i>	<i>Communication Device Allowance Plan</i>
<i>Housing Allowance</i>	Leave blank to apply to commitments, obligations, and fringe benefits.	<i>Housing Allowance - Academic Pay Enabled</i>	<i>Housing Allowance Plan</i>

12. Enter these settings on the Fringe Benefit tab:

> Base Amount YTD	<= Cap Amount YTD	Default Fringe Percent	Fringe Benefit Rule	Fringe Percent
0.00	60,000.00	25%	<i>Teaching Benefit</i>	20%
			<i>Teaching Allowances</i>	10%

### Result

These are the initial payroll commitment results for a position that receives these allowances for the CEO and CHRO cost center:

Pay Component	Amount	Fringe Percent	Fringe Benefit Amount
Base Pay - Academic	\$6,000.00	20%	\$1,200.00
Communication Device Allowance	\$150.00	10%	\$15.00
Housing Allowance	\$500.00	10%	\$50.00

Related Information

#### Tasks

[Create Organization Hierarchies](#)

[Steps: Create Earnings on page 229](#)

[Create Salary Plans](#)

[Create Allowance Plans](#)

## Example: Set Up Fringe Commitment Without Fringe Actuals (CAN, USA)

This example illustrates how to set up fringe commitment without fringe actuals.

#### Context

Tanisha needs to set up fringe commitments for budgeting. She prefers to use cost actuals for employer-paid benefits rather than fringe actuals because it's more accurate in this case.

#### Prerequisites

[Security: Set Up: Position Commitment Accounting domain in the Core Payroll functional area.](#)

#### Steps

- Access the Create Fringe Benefit Commitment Rule task and enter these settings:

Option	Description
Description	<i>Generate fringe commitments without creating fringe actuals</i>
And/Or	<i>And</i>
Source External Field or Condition Rule	<i>Run Category</i>
Relational Operator	<i>is not empty</i>

Option	Description
Comparison Type	<i>Value specified in this filter</i>

2. Access the Edit Payroll Commitment Rule task and enter these settings:

Option	Description
Payroll Commitment Rule for Edit	<i>500.4 Global Modern Services - 2020 - Public Sector Schedule</i>
Fringe Benefit Rule	<i>Generate fringe commitments without creating fringe actuals</i>
Fringe Percent	0

Order the Fringe Benefit Rule as the first row for each salary range.

3. Create payroll commitment or adjustments.

See [Steps: Process Payroll Commitment Accounting \(CAN, USA\)](#) on page 454.

## Result

When you calculate payroll for periods within the fiscal year, Workday doesn't generate fringe actual accounting. Commitment and obligation fringe balances for the period liquidate as expected.

## Reference: Payroll Commitment Reports (CAN, USA)

Report	Description
View Fringe Benefit Commitment Rule	Lists the condition rules you created for fringe benefits. You can also find them on the Fringe Benefits tab of the View Payroll Commitment Rule report.
View Payroll Commitment Rule	The Payroll tab displays earnings and their associated compensation elements and compensation plans for the company and fiscal year.  The Fringe Benefits tab displays: <ul style="list-style-type: none"><li>• Base and cap amounts YTD.</li><li>• Default fringe percent.</li><li>• Fringe benefit rule for the company and fiscal year.</li></ul>

Report	Description
Payroll Commitments by Company and Fiscal Period	<ul style="list-style-type: none"> <li>• Displays the summary of payroll commitments for a specific company and fiscal year.</li> </ul> <p>The Summary by Ledger Account tab displays similar data for the review step used in these business processes:</p> <ul style="list-style-type: none"> <li>• <i>Create Initial Payroll Commitments</i></li> <li>• <i>Create Payroll Commitment Adjustments</i></li> </ul> <p>For adjustments, it adds a list of Positions with Payroll Commitment Adjustments.</p> <p>The Position Details tab displays all of the positions that Workday considered and the adjustments it found. Example: Workday might have tried to calculate 10 positions, but only 3 of them had adjustments.</p> <p>The adjustments display the total number of position restrictions for which accounting entries were generated, broken down by commitments and obligations. You can also see detail for each adjusted position and the numbers by pay period.</p> <ul style="list-style-type: none"> <li>• Stand-alone report: You can filter to display the information you want such as: payroll and fringe benefit liquidations or fringe benefit actuals.</li> </ul>
Payroll Commitment Summary and Details	<p>Displays initial payroll commitments, subsequent liquidations, and adjustments.</p> <p>Payroll Commitment Summary displays:</p> <ul style="list-style-type: none"> <li>• The current incumbent (if any) fiscal year.</li> <li>• Business process.</li> <li>• Calculation date and time.</li> <li>• Completion date and time.</li> <li>• Accounting date.</li> </ul> <p>You can click View to see Payroll Commitment Details. The payroll commitment details include accounting data for a specific position restriction, including all calculations applied for the position restriction. When you enable intercompany accounting, a costing company is available and creates journals for each company.</p> <p>The Details tab provides information for the position restriction for each pay period, such as:</p> <ul style="list-style-type: none"> <li>• The incumbent.</li> <li>• The liquidation date (if it's liquidated).</li> <li>• Costing worktags.</li> </ul> <p>The Deltas tab displays adjustments by pay period.</p>

Report	Description
	<p>The Commitment Accounting Details tab displays journal entry lines aggregated for the fiscal year, including journal type, such as:</p> <ul style="list-style-type: none"> <li>• Payroll versus fringe.</li> <li>• Commitment versus obligation.</li> </ul> <p>You can select the View Journal prompt to navigate to its associated journals for a summary view of the data. Example: <i>Fringe Benefit Obligation - 07/01/2014</i> or <i>Payroll Obligation - 07/01/2014</i>. If you don't have access to the journal, the prompt doesn't display.</p> <p>The Liquidation Accounting Details tab displays only if liquidations exist. It displays journals and journal entry lines aggregated by pay period.</p>
Payroll Commitment Adjustment Event Details	Displays all position details and the account summary for a commitment adjustment that is in progress or completed.
View Payroll Results	<p>The Additional Pay Components tab of View Payroll Result displays fringe benefit actuals.</p> <p>The Accounting Results - Fringe Benefits tab displays journal lines and associated worktags.</p>

## FAQ: Payroll Commitments Fiscal Year-End (CAN, USA)

When can I perform initial payroll commitments for the fiscal year?

You can run initial payroll commitments at the beginning of the fiscal year. Complete the prerequisites before you create initial payroll commitments. See [Create Initial Payroll Commitments \(CAN, USA\)](#) on page 460.

How do I close payroll commitments for the fiscal year?

1. Access the View Company Payroll Commitment Options task.
2. Select the company.
3. Find the base fiscal year that you want to close.
4. Click the Close button in the Change Status column.
5. Select the Confirm check box and click OK.

Do I have to complete all payrolls in the fiscal year before closing commitments?

Yes, incomplete payroll periods can't exist in the base fiscal year before closing commitments.

If I choose not to close commitments at the fiscal year-end, can I close at a later date?

To close commitments for a base fiscal year, the final ledger period for that year must be in open status. If you've closed the final ledger period, you need to reopen in order to close commitments for that year.

If I only want commitments for the base year when I create initial commitments, can I change the commitments options in future periods?	Yes, you can change commitment options to include future year commitments later. However, your changes will only reflect in pay periods processed after you make the changes.
Can I run the Create Initial Payroll Commitments task after the first payroll of the year?	Yes, when you run the next on-cycle payroll, liquidations corresponding to the preceding payrolls of the fiscal year generate and post.
Is there a limit to the number of base fiscal years that can be open simultaneously?	No, there's no limit to the number of base fiscal years that can be in open status simultaneously. However, Workday recommends that you close commitments as part of your standard year-end closing process. Otherwise, future year commitments will remain unliquidated.

## Payslips

### Setup Considerations: Payslips

You can use this topic to help make decisions when planning your configuration and use of payslips functionality. 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

The payslips feature enables you to generate hard copy or printable PDF payslips that you can view in Workday.

You can configure payslips to display:

- Pay components, such as earnings, benefits, taxes, deductions, and absence plans.
- Company logo.
- Section labels.
- Signatures.

Workday delivers reports and business form layouts that you can use to create payslips.

For Payroll for Canada, Ireland, the UK, and the U.S., you can use 1 of these options:

- Report Designer layout, also known as Business Intelligence and Reporting Tools (BIRT). You can modify or customize payslip layouts in Workday Studio Report Designer.
- XSLT layouts, which you can use but not customize.

For Payroll for Australia and France, you can only use the Report Designer layout.

#### Business Benefits

Workday delivers country-specific configuration, making it easier for you to set up and print payslips.

You can also:

- Break down Fair Labor Standards Act (FLSA) earning by work week and display year to date (YTD) hours by earning, for ease of reviewing your data (USA).
- Enable overflow on Report Designer payslips so workers can view complete details of their pay components (CAN, IRL, UK, USA).
- Schedule a time to generate PDFs of Report Designer payslips for current or terminated workers.
- Translate payslips based on worker's preferred language.
- Combine payslips to simplify gross-to-net amounts for workers with multiple jobs at related companies (USA).
- View payslips conveniently on mobile devices.

## Use Cases

You can use the payslips feature to:

- Add and modify messages to display on the payslips (AUS, FRA, IRL, UK).
- Display or hide payslips from certain workers or for certain pay periods.
- Import and display external payslips.
- Set up options for how and when workers can view and print their payslips.

## Questions to Consider

Question	Considerations
Do you want to add a company logo or signatures to your payslips?	You can use the Configure Business Form Layout task to upload images for your logo and signatures.
What are the margins and size of the payslips?	Page size: 8.5 in x 11 in.  Page margins: <ul style="list-style-type: none"> <li>• Top: 0.10 in</li> <li>• Right: 0.50 in</li> <li>• Bottom: 0.12 in</li> <li>• Left: 0.50 in</li> </ul>
How do you create a custom payslip layout? (CAN, UK, USA)	You can copy the latest delivered payslip layout and customize it using Workday Studio Report Designer. You can find the latest layouts on Community.
Do you need to hide or display payslips?	You can: <ul style="list-style-type: none"> <li>• Use the Hide or Display Payslips for Group of Workers task or the Hide Payslip from Worker task.</li> <li>• Select Disable Payslip Viewing (Online Version) in Self-Service on the Edit Tenant Setup - Payroll task to hide all online payslips.</li> </ul>
Do you need to control the time when payslips are visible to workers? (USA)	You can override the default time in the worker's time zone that determines when a payslip is visible. <ul style="list-style-type: none"> <li>• Use the Create Payroll Action Reason task or the Edit Payroll Action Reason task.</li> <li>• Select the Payroll Visibility Time Override field to enter the desired time in the</li> </ul>

Question	Considerations
	worker's time zone to make off-cycle payslips visible.
How do you want your workers to receive their payslips?	<p>You can use the Company Payroll Printing Options task to:</p> <ul style="list-style-type: none"> <li>Always print payslips for terminated workers.</li> <li>Enable workers to print their own payslips.</li> <li>Enable workers to select either electronic PDF or paper copy for their payslips.</li> </ul> <p>You can override printing options or set the delivery method of printed payslips for individual workers using the Payslip Delivery task.</p>
Do you have a large number of workers who view PDF payslips? (AUS, CAN, IRL, UK, USA)	<p>You can use the Schedule BIRT Payslip Pre-Print task to generate PDFs of Report Designer payslips during quiet hours. It reduces the processing load on your tenant during peak hours. To minimize processing time, select the <i>Smart Print Payslips</i> option to generate PDFs only for workers who are historically more likely to view them in that format.</p> <p>Note: After you implement Workday Payroll or add a new pay group, it takes 2 months to establish worker viewing trends. During that time, the <i>Smart Print Payslips</i> option generates PDFs for all workers.</p>
What pay components do you need to include on your payslip?	<p>You can use the Maintain Payroll Payslip Configuration task to configure pay components, absence plans, and additional options.</p> <p>You can add new earnings, deductions, and field name overrides on these tasks:</p> <ul style="list-style-type: none"> <li>Create Earnings</li> <li>Create Deduction</li> </ul>
Do you have a large amount of absence data to process?	You can calculate and save absence data when you complete payroll to improve performance when printing and viewing payslips. Otherwise, Workday must recalculate the absence balance each time you or a worker prints or views a payslip.
Does your organization belong to a company relationship or employ workers with multiple jobs at related companies? (USA)	You can use the Maintain Payroll Payslip Configuration task to combine payslips. Combining payslips simplifies how workers with multiple jobs at related companies view their gross-to-net amounts by aggregating their earnings onto a single payslip.
Is your organization located in Oregon or the District of Columbia? (USA)	Specify your EIN or FEIN in the Edit Company State and Local US Tax Reporting task. If a payroll result has an associated Oregon or District

Question	Considerations
	of Columbia worktag, Workday displays the EIN or FEIN on the payslip for that result.

## Recommendations

When you're customizing payslips, you can use the latest layouts on Community.

When you use delivered payslip layouts or new features, create a new effective-dated payslip configuration to ensure that previous payslip layouts are unchanged.

For optimized performance, check to see if Workday-delivered business form layouts work for your Report Designer payslips before creating custom designs.

For Payroll for France, print hard copy payslips and disable self-service payslip viewing for all workers.

For Payroll for the U.S., to ensure workers see their payslips, leave payslip printing or viewing enabled if you also enable Smart Print Payslip on the Schedule BIRT Payslip Pre-Print task.

## Requirements

If you're using Report Designer (BIRT), select Print Payslips Using Report Designer Layout in Self-Service on the Edit Tenant Setup - Payroll task.

## Limitations

- You can add only 1 company logo on the delivered payslips layout (AUS, CAN, IRL, UK, USA).
- You can only print multiple payslips for 1 worker at a time.
- Workday only supports overflow on Report Designer payslips.
- You can no longer customize XSLT payslip layouts in Workday (CAN, FRA, IRL, UK, USA).

## Tenant Setup

You can select tenant-wide configurations on the Edit Tenant Setup - Payroll task to:

- Hide Print or View payslip buttons for all workers on their payslips report.
- Enable Report Designer (BIRT).
- Select a business form layout for payslips.
- Enable administrators or workers to print multiple payslips.
- Save absence balances when payroll completes to avoid calculating them each time someone views or prints a payslip.
- Save absence balances only for workers who receive pay by check or who print their payslips instead of for all workers.

You can use the Edit Tenant Setup – System task to select *.rptdesign* as an allowed file type for uploading Report Designer files to Workday.

## Security

Domains	Considerations
<i>Process: Payslip Bulk Print</i> in the Core Payroll functional area.	Users secured to this domain can access the preprinting functionality for payslips.
<i>Process: Run Batch Calculations (Pay Calculation)</i> in the Core Payroll functional area	Users secured to this domain can access the Persist Absence Data for Payslips task to calculate and save absence values.

Domains	Considerations
<ul style="list-style-type: none"> <li><i>Reports: Pay Calculation Results for Worker (Payslips)</i> in Core Payroll functional area.</li> <li><i>Reports: Results for Worker (Pay Calculation) - CAN</i> in the CAN Payroll functional area.</li> <li><i>Reports: Results for Worker (Pay Calculation) - IRL</i> in the IRL functional area.</li> <li><i>Reports: Results for Worker (Pay Calculation) - USA</i> in the USA Payroll functional area.</li> <li><i>Reports: Results for Worker (Pay Calculation) - AUS</i> in the AUS Payroll functional area.</li> </ul>	Users secured to these domains can view or print all payslip details and display or hide payslips.
<ul style="list-style-type: none"> <li><i>Self-Service: Payroll (My Payslips)</i> in the Core Payroll functional area.</li> <li><i>Self-Service: Payroll Interface</i> in the Payroll Interface functional area.</li> </ul>	<p>Users secured to these domains can:</p> <ul style="list-style-type: none"> <li>View their current and past payslips.</li> <li>Change their payslip printing election.</li> </ul> <p>You can provide terminated workers access to their payslips by configuring the <i>Self-Service: Payroll (My Payslips)</i> domain security policy to include these security groups:</p> <ul style="list-style-type: none"> <li><i>Terminée As Self</i></li> <li><i>Terminée Self-Service</i></li> </ul>
<i>Set Up: Payroll (Reporting)</i> in the Core Payroll functional area.	Users secured to this domain can configure payroll payslips.
<ul style="list-style-type: none"> <li><i>Set Up: Payroll - FRA</i> in the FRA Payroll functional area.</li> <li><i>Set Up: Payroll (Reporting)</i> in the Core Payroll functional area.</li> <li><i>Worker Data Payroll (Company Specific) - FRA</i> in the FRA Payroll functional area.</li> </ul>	Users secured to these domains can add, edit, and delete payslip messages for Payroll for France.
<ul style="list-style-type: none"> <li><i>Set Up: Payroll IRL</i> in the IRL Payroll functional area.</li> <li><i>Set Up: Payroll (Reporting)</i> in the Core Payroll functional area.</li> <li><i>Worker Data: Payroll - IRL</i> in the IRL Payroll functional area.</li> </ul>	Users secured to these domains can add, edit, and delete payslip messages for Payroll for Ireland.
<ul style="list-style-type: none"> <li><i>Set Up: Payroll - UK</i> in the UK Payroll functional area.</li> <li><i>Set Up: Payroll (Reporting)</i> in the Core Payroll functional area.</li> <li><i>Worker Data Payroll (Company Specific) - UK</i> in the UK Payroll functional area.</li> </ul>	Users secured to these domains can add, edit, and delete payslip messages for Payroll for the UK.
<ul style="list-style-type: none"> <li><i>Set Up: Payroll - AUS</i> in the AUS Payroll functional area.</li> <li><i>Set Up: Payroll (Reporting)</i> in the Core Payroll functional area.</li> <li><i>Worker Data Payroll (Company Specific) - AUS</i> in the AUS Payroll functional area.</li> </ul>	Users secured to these domains can add, edit, and delete payslip messages for Payroll for Australia.
<i>Set Up: Payroll (Reporting)</i> in the Core Payroll functional area.	Users secured to these domains can configure the Company Payroll Printing Options task.

Domains	Considerations
<ul style="list-style-type: none"> <li><i>Set Up: Settlement</i> in the Banking and Settlement functional area.</li> </ul>	
<i>Set Up: Tenant Setup - Payroll</i> and <i>Set Up: Tenant Setup - System</i> in the System functional area.	Users secured to this domain can access the tenant setup for payroll and system.
<i>View: Maintain Payroll Interface</i> in the Payroll Interface functional area.	Users secured to this domain can view the Payslips for Worker report.

You're responsible for testing and validating that security domain settings meet your business needs.

## Business Processes

For Payroll for Canada, Ireland, the UK, and the U.S.:

Business Process	Considerations
<i>On Demand Event</i>	You can create a separate payslip or payroll check for workers using this business process.
<i>Termination</i>	<p>You can give terminated workers their final pay and payslip on the day of termination or any other day. When you add the <i>On Demand Event</i> business process to the <i>Termination</i> business process, you enable other Workday administrators such as HR partners to:</p> <ul style="list-style-type: none"> <li>Generate on-demand pay calculations.</li> <li>Review final payslips for terminated workers.</li> </ul>

## Reporting

Reports or Dashboards	Detail
<i>Payslips for Worker</i>	For Payroll for Australia, Canada, Ireland, the UK, and the U.S., you can use this report to view all payslips for a specific worker.
<i>View Payroll Payslip Aggregations</i>	<p>You can view a detailed report on each of these items and how they interrelate:</p> <ul style="list-style-type: none"> <li>Country.</li> <li>Payslip group.</li> <li>Reports under pay components.</li> <li>Pay components to aggregate.</li> </ul>
<i>Payslip to Print - GBR</i>	For Payroll for the UK, you can copy this standard report to a custom report, enabling you to customize your own Report Designer payslips layout.
<i>Payslip to Print - AUS</i>	For Payroll for Australia, you can copy this standard report to a custom report, enabling you to customize your own Report Designer payslips layout.

Reports or Dashboards	Detail
Payslip to Print - Report Design	For Payroll for Canada and the U.S., you can copy this standard report to a custom report, enabling you to customize your own Report Designer payslips layout.
Payslip to Print - FRA	For Payroll for France, you can copy this standard report to a custom report, enabling you to customize your own Report Designer payslips layout.
Payslip to Print - IRL	For Payroll for Ireland, you can copy this standard report to a custom report, enabling you to customize your own Report Designer payslips layout.
FRA Pay Calculation Results - Payslip View	For Payroll for France, you can use this report to view the pay calculation results on payslips
Pay dashboard	You can use the Compare Periods worklet on this dashboard to compare 2 payslips from any pay periods.

## Integrations

- You can enable workers or administrators to access payslips in an external payroll system directly from Workday through the Create External Payroll Vendor task or the *Import External Payslips* integration.
- You can use the *Get Payroll Payslips* web service to export worker payslip data based on payment group, date, or printing options.
- For Payroll for the U.S., you can override the time and choose the time of the day payslips are visible to workers when you use the Payslip Visibility Time Override Reference field on the *Put Payroll Action Reason* and the *Get Payroll Action Reason* web services.

## Connections and Touchpoints

Customize Report Designer payslips using Workday Studio Report Designer.

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: Guidelines for Storing Time Off Balances](#)

### Tasks

[Steps: Set Up Custom Report Designer Payslips](#) on page 501

[Steps: Set Up Import External Payslips Integration](#)

### Reference

[Reference: Line Item Limits for Printed Payslips](#) on page 522

[Reference: Edit Tenant Setup - Payroll](#)

[Workday Community: Workday Report Design for Payslip Printing and Bulk Check Printing - France](#)

[The Next Level: Payslips](#)

[The Next Level: Localised UK Payslip](#)

## Steps: Set Up Payslips

### Prerequisites

Review setup considerations for payslips.

### Context

On your payslips, you can:

- Set up the fields you want to display.
- Configure the layout based on how you want to display your fields.
- Select printing options, such as generating printable PDFs or hard copies.

### Steps

1. Configure payslips for your country: [Define Payslips or Define Payslips \(FRA\)](#).
2. Create a Report Designer layout for your payslips using a Workday-delivered or custom solution.  
See:
  - [Steps: Set Up Standard Report Designer Payslips on page 500](#).
  - [Steps: Set Up Custom Report Designer Payslips on page 501](#).
3. Configure payslip printing and delivery options.  
See [Steps: Set Up Payslip Printing Options on page 503](#).

Related Information

### Concepts

[Setup Considerations: Payslips on page 480](#)

## Define Payslips

### Prerequisites

For Payroll for Australia:

- Security:
  - *Set Up: Payroll - AUS domain* in the AUS Payroll functional area.
  - *Set Up: Payroll (Reporting) domain* in the Core Payroll functional area.
  - *Worker Data Payroll (Company Specific) - AUS domain* in the AUS Payroll functional area.

For Payroll for Canada and the U.S.:

- Security: *Set Up: Payroll (Reporting) domain* in the Core Payroll functional area.

For Payroll for Ireland:

- Security:
  - *Set Up: Payroll IRL domain* in the IRL Payroll functional area.
  - *Set Up: Payroll (Reporting) in the Core Payroll functional area.*
  - *Worker Data: Payroll (Company Specific) - IRL* in the IRL Payroll functional area.

For Payroll for the UK:

- Security:
  - *Set Up: Payroll - UK* domain in the UK Payroll functional area.
  - *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.
  - *Worker Data Payroll (Company Specific) - UK* domain in the UK Payroll functional area.

## Context

This topic provides instructions for defining payslips for these countries:

- Payroll for Australia
- Payroll for Canada
- Payroll for Ireland
- Payroll for the UK
- Payroll for the U.S.

For defining payslips for Payroll for France, see [Define Payslips \(FRA\)](#) on page 495.

Make sure that the payslip meets the consolidated requirements for all regions within the country. If you use Workday Payroll in more than 1 country, you need to have a separate payslip configuration for each country.

You can include up to 7 configurable sections on payslips. Workday automatically includes additional sections for pay period dates and worker information.

Retroactively updating prior completed results by making configuration updates to these tabs might cause incorrect information to display on payslips:

- Sections (Payroll for Australia, Canada, and the U.S.).
- Printing (Payroll for Australia, Canada, and the U.S.).
- Combine Payslips (Payroll for the U.S.).

## Steps

1. Access the Maintain Payroll Payslip Configuration task and select the country for the configuration.  
You can set up countries in the Edit Tenant Setup - Payroll task.
2. As you complete the task, consider:

Update Existing Effective Date	Select to update an existing payslip configuration, then select the configuration date it takes effect.
Add New Effective Date	Select to create a new payslip configuration, effective on the date you enter.
Effective Date	Displays the effective date of the configuration that you're editing.
Inactive	Select the check box to deactivate the current payslip configuration and use an earlier configuration.
Hide Payslips	Select the check box to prevent displaying Workday Payroll generated payslips when you import externally generated payslips through an integration based on the External Payroll Documents template.  When you select the check box, Workday doesn't display payslips with payment dates after the effective date.

	<p>To upload external payroll documents, see <a href="#">Steps: Set Up External Payroll Documents Integration for Workday Payroll</a>.</p> <p>When you use the Hide or Display Payslips for Groups of Workers task, Workday overrides this Hide Payslips check box configuration.</p>
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3. On the Sections tab, consider:

Option	Description
Payslip Group	<p>Each payslip group represents a separate section of the payslip. You can include each section once.</p> <p>Sections display on the payslip in a predefined order.</p>
Label	<p>You can display your own label for a section instead of the payslip group name.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Label <i>Deductions</i> as Post Tax Deductions.</li> <li>• Label <i>Employee Taxes</i> as Statutory Deductions.</li> <li>• Label <i>Earnings or Deductions</i> as Pre Tax Deductions.</li> </ul>
Payslip Calculation(s)	<p>Identify the groups of calculations to report in each section (or Payslip Group).</p> <ul style="list-style-type: none"> <li>• <i>Deductions</i>: Pay component groups defined with a usage of deductions.</li> <li>• <i>Earnings or Deductions</i>: Pay component groups defined with a usage of earnings or deductions.</li> <li>• <i>Employee Taxes</i>: Pay component groups defined with a usage of deductions.</li> <li>• <i>Earnings</i>: Pay component groups defined with a usage of earnings.</li> <li>• <i>Employer Paid Benefits</i>: Pay component groups defined with a usage of deductions.</li> <li>• <i>Absence Plans</i>: Time off plans.</li> <li>• <i>Subject or Taxable Wages</i>: Pay accumulations and Pay component-related calculations (Workday Owned).</li> </ul> <p>For Payroll for the UK:</p> <ul style="list-style-type: none"> <li>• To display <i>PAYE</i> instead of <i>PAYE (Federal)</i>, add the <i>GBR Statutory Taxes (EE)</i> PCG to the Employee Taxes payslip group instead of Deductions.</li> <li>• If you're using the Workday-delivered <i>Payslip (GBR)</i> business layout form, you can display <i>PAYE</i> instead of</li> </ul>

Option	Description
	<p><i>PAYE (Federal)</i>. Add the <i>GBR Statutory Taxes (EE)</i> PCG to the Employee Taxes payslip group instead of Deductions. You don't need to do this if you're using the <i>Payslip (GBR) - Localised</i> business layout form.</p>
<b>Related Calculation(s)</b>	<p>If you select multiple related calculations and multiple values exist for the same pay component, Workday displays the sum of the values.</p> <p>Example: Select <i>Hours (prorated)</i> and <i>Hours (unprorated)</i>.</p> <p>For the <i>Earnings</i> payslip group only.</p> <p>In the <i>Earnings</i> section of the payslip:</p> <ul style="list-style-type: none"> <li>To include an <i>Hours</i> column, for Related Calculation(s) 1 select the related calculations that return the hours associated with the earnings.</li> <li>To include a <i>Rate</i> column, for Related Calculation(s) 2 select the related calculations that return the rates associated with the earnings.</li> </ul> <p>If different earnings use different related calculations, select all that apply.</p>
<b>Additional Configuration(s)</b>	<p>For Payroll for Canada, Ireland, the UK, and the U.S.:</p> <ul style="list-style-type: none"> <li>For the <i>Earnings</i> payslip group, you can add Hours Worked column to the Current and YTD Totals section of the payslip. Workday calculates the hours worked based on the pay component group related calculations that you select from the Include in Hours Worked prompt.</li> <li>For the <i>Absence Plan</i> payslip group, you can select multiple time off plans to hide accrued and available values on the Absence Plan section of payslips. Workday populates the available time off plans from the Payslip Calculation(s) column.</li> </ul> <p>For Payroll for Australia, for the <i>Absence Plan</i> payslip group, you can select multiple time off plans to hide accrued and available values on the Absence Plan section of payslips. Workday populates the available time off plans from the Payslip Calculation(s) column.</p>
<b>Exclude from Totals</b>	<p>Applies to these payslip groups:</p>

Option	Description
	<ul style="list-style-type: none"> <li>• <i>Deductions</i></li> <li>• <i>Earnings or Deductions</i></li> <li>• <i>Employee Taxes</i></li> </ul> <p>Select the check box to exclude this payslip group from the Current and YTD Totals section of the payslip.</p> <p>Example: Select Exclude from Totals for the <i>Post Tax Deductions</i> payslip group. The Current and YTD Totals section of the payslip doesn't include a Post Tax Deductions column.</p>

4. On the Printing tab, consider:

Option	Description
Report Designer Layout for Payslips in Self-Service	<p>(Optional) Select the country-specific Report Designer layout for self-service.</p> <p>Available after you enable Print Payslips Using Report Designer Layout in Self-Service on the Edit Tenant Setup - Payroll task.</p> <p>When workers view their printable PDF payslips from self-service, Workday uses the layout configured for their country. If you don't configure a layout for a specific country, Workday uses the layout specified by the Report Designer Layout prompt on the Edit Tenant Setup – Payroll task.</p>
Enable Overflow	<p>Select the check box to view all lines on each section of the payslip.</p> <p>Note: Select the Print Payslips Using Report Designer Layout in Self-Service check box on the Edit Tenant Setup – Payroll task to use the Enable Overflow check box.</p> <p>If you select the check box, and process several retro calculations, run a test print to see how the actual payslips will display. When retro occurs for multiple pay periods and multiple pay components, there can be many rows for each pay component, leading to potential confusion for workers.</p> <p>When you don't select the check box, you can only view limited lines on each section of the payslip:</p> <ul style="list-style-type: none"> <li>• Earnings: 11 lines</li> <li>• Employee Taxes: 11 lines</li> <li>• Pre Tax Deductions: 6 lines</li> <li>• Post Tax Deductions: 6 lines</li> <li>• Employer Paid Deductions: 6 lines</li> <li>• Payment Information: 3 lines</li> <li>• Withholding Elections: 3 lines</li> </ul>

Option	Description
Display Worker Address	Select the check box to include the employee address on standard payslips or custom payslip layouts that use the Payslip Employee Address and Payslip Address Indicator report fields.
Display YTD Hours by Earning	Select the check box to display year to date (YTD) hours by earning on payslips.
Breakout FLSA Earnings by Workweek	For Payroll for the U.S., select the check box to have FLSA earnings broken out by FLSA workweek on U.S. payslips.
Aggregate FLSA Adjustments	For Payroll for the U.S., to display the aggregated FLSA rate and amount on payslips, enter the relevant FLSA earnings from the prompt. When entered, Workday combines the identical FLSA earnings lines based on the pay component, pay period, and hours.
Aggregate Retro Result Lines by Pay Component	Select the check box to combine the retro result lines for earnings and deductions based on identical pay components. When you select the check box, Workday displays the aggregation of hours and amounts to include the full (inclusive period), starting with the first day of the first pay period through the last day of the last period, on the payslip.
Display Pay On-Demand Earning	<p>For Payroll for the U.S., select the check box to display pay on-demand earning for on-cycle and off-cycle payslips.</p> <p>To display the pay on-demand offset deduction as memo earning for on-cycle and off-cycle payslips, Workday recommends that you:</p> <ul style="list-style-type: none"> <li>• Create a new memo earning code.</li> <li>• Use the Display Pay On-Demand Earning configuration.</li> </ul>
Show Absence Balances for All Eligible Positions	<p>For Payroll for Canada, Ireland, the UK, and the U.S.; select the check box to display absence balances on payslips based on position eligibility for position-based time off plans:</p> <ul style="list-style-type: none"> <li>• When you select the check box, Workday sums together the absence balances for all eligible positions. You need to add a new time off plan in the Maintain Payroll Payslip Configuration task prior to Pay Complete for the absence balance to show.</li> <li>• When you don't select the check box, Workday displays the absence balances for only the processing position.</li> </ul>

Option	Description
	<p>For Payroll for the U.S., for workers with multiple jobs in different companies that have a single legal entity relationship:</p> <ul style="list-style-type: none"> <li>When you select the check box, Workday sums together absence balances for all eligible positions. It displays the sum on the payslip for position-based time off plans for both the managing company and its related company.</li> <li>When you don't select the check box, Workday displays absence balances for only the processing position on the payslip. Specifically regarding the position-based time off plans for both the managing company and its related company.</li> </ul>

5. (Optional) For Payroll for the U.S., on the Combine Payslips tab, consider:

Option	Description
Rule Type	<p>Select a rule type to determine how to combine your payslips. For either rule type to apply, you must complete payroll results before the day you have payslips set to display for a pay group.</p> <p>Report Under Header Company:</p> <ul style="list-style-type: none"> <li>Displays the header company name, address, and phone number on payslips.</li> <li>Doesn't combine payroll results.</li> </ul> <p>Combine Payslips:</p> <ul style="list-style-type: none"> <li>Displays the header company name, address, and phone number on payslips.</li> <li>Combines payroll results from header and related companies into 1 payslip based on identical pay groups.</li> <li>Aggregates YTD and historical lines based on identical pay components.</li> </ul> <p>None of the above:</p> <ul style="list-style-type: none"> <li>Doesn't display header company in Company Information.</li> <li>Doesn't combine payroll results.</li> </ul>
Enable View Pay Details for Self-Service	<p>Select the check box to display the View Pay Details column on the Payslips section of profiles for employee self-service users. Workers can view the details of all the payroll results used to create payslips for both Report Under Header Company or Combine Payslips rule types.</p>

Option	Description
Combine Payslips Label	To notify workers that they're viewing a combined payslip, enter a label to display under the company name on a payslip.
Header Company	Enter the name of the designated header company. This company name displays on a combined payslip.
Related Companies	Enter the companies related to the header company. Payroll results from these companies will combine with the results from the header company when you select the Combine Payslips rule type.

6. On the Pay Component Override Names (Non-Effective Dated) tab, you can rename the Workday-owned pay components on payslips.

You can also exclude any worktags associated with the pay components (such as tax authority or withholding order number) from payslips.

These overrides display only on payslips. The payroll results continue to display the pay component name along with the tax authority or withholding order number.

Note: To override the name of an earning or deduction, enter the name in the Default Payslip Name field on the Create/Edit Earning task or the Create/Edit Deduction task.

7. (Optional) For Payroll for Australia, Ireland, and the UK, access the Create Payslip Messages task.

You can add messages to display on hard copy payslips based on: Company, Employee, Location, Pay Group, Pay Period, and Run Category. You can use the Edit Payslip Messages or Delete Payslip Messages task to modify these custom messages.

Note: Workday displays existing messages for Payroll for the UK in the Edit Payslip Messages and Delete Payslip Messages tasks. Workday recommends that you check you're working with messages for the correct country. Editing or deleting a message affects all historic occurrences of the message in any existing payslips stored in Workday.

In addition, we recommend you use the Edit Delivered Business Form Layout task when you add a message to the *Payslip (AUS)*, *Payslip (GBR)*, *Payslip (GBR) - Localised*, or *Payslip (IRL)* form. Select the Apply Report Design separately to each row check box.

## Result

The configuration determines the components set on these reports:

- Payslip to Print - AUS
- Payslip to Print - GBR
- Payslip to Print - IRL
- Payslip to Print - Report Design (CAN and USA)

If you use the Earnings or Deductions custom fields on the Payslip to Print reports, Workday doesn't support using these custom fields on other reports (custom or Workday-owned), even if you copy the Payslip to Print report to create them.

- Workday displays *Regular* or *Base Pay* first in the Earnings section of the payslip.
- Earnings recalculated by the retro pay calculation process include a plus sign; the previous amount has a minus sign.
- Deduction differences calculated by the retro pay calculation process display at the end of the applicable section, either Earnings or Deductions, Deductions, or Employer Paid Benefits. Each retro difference displays separately along with the beginning and ending dates of the source period.

- Workday reports the current and year-to-date (YTD) balance for each item in a payslip group.
- For time off plans, payslips report:
  - Time-off units accrued for the current period.
  - Units used.
  - Available units.
- For workers with too many payslip lines to fit in a section, Workday recommends that you enable Report Designer for payslips. It enables you to configure overflow or display the sum of the overflow in a single-line item.
- XSLT payslips total the overflow and display the sum in a single-line item called Details Not Displayed.
- If you view payslips online, all line items will display.

## Next Steps

You can:

- Set up a standard or custom Report Designer payslip layout.
- Print your worker's payslips based on your selected payslips layout.
- Enable workers to view their payslips in Workday and print their payslips based on your selected layout.
- View your worker's payslips on the Payslips for Worker report.

For Payroll for the U.S., for organizations in the District of Columbia or Oregon, specify your EIN or FEIN on the Edit Company State and Local US Tax Reporting task. Workday displays the EIN or FEIN on payslips for payroll results associated with District of Columbia or Oregon worktags.

Related Information

### Concepts

[Concept: View FLSA Payroll Results](#) on page 1021

### Tasks

[Steps: Set Up Checks and Advices for Printing](#)

[Steps: Set Up ADP Check Print Integration](#)

[Steps: Set Up Payroll for Tip Wages and Taxes \(USA\)](#) on page 1071

### Reference

[Reference: Line Item Limits for Printed Payslips](#) on page 522

[Reference: FLSA Reports \(USA\)](#) on page 1036

[Reference: Edit Tenant Setup - Payroll](#)

[2021R1 What's New Post: Aggregate FLSA Adjustments on Payslips](#)

[2021R1 What's New Post: Upload External Payroll Documents for Workday Payroll](#)

[2021R2 What's New Post: Aggregate Retro Result Lines by Pay Component on Payslips](#)

## Define Payslips (FRA)

### Prerequisites

Set up pay components and pay aggregations.

Security:

- *Set Up: Payroll - FRA* domain in the FRA Payroll functional area.
- *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.
- *Worker Data Payroll (Company Specific)* - FRA domain in the FRA Payroll functional area.

## Context

This topic provides instructions for defining payslips for Payroll for France. To define payslips for other countries, see [Define Payslips](#) on page 487.

You can include several configurable sections on worker payslips, plus 2 sections on a payslip annex. Example: *Gross, Post Taxable Net*.

In addition to the configurable sections, Workday automatically includes sections on the payslip for:

- Worker information.
- Pay period dates.
- Employer and collective agreements.

Define which calculations to display in each section and what labels to use.

If you use Workday Payroll in more than 1 country, you need to have a separate payslip configuration for each country.

The payslip configuration determines the content of:

- The Summary tab of a payroll result.
- The FRA Pay Calculation Results - Payslip View report.
- The hard copy payslips.

## Steps

1. Access the Maintain Payroll Payslip Configuration task and select France.

You can set up France in the Edit Tenant Setup - Payroll task.

2. As you complete the task, consider:

Option	Description
Hide Payslips	<p>Select the check box to prevent displaying Workday Payroll generated payslips when you import externally generated payslips through an integration based on the External Payroll Documents template.</p> <p>When you select the check box, Workday immediately stops displaying payslips.</p> <p>To upload external payroll documents, see: <a href="#">Steps: Set Up External Payroll Documents Integration for Workday Payroll</a>.</p> <p>When you use the Hide or Display Payslips for Groups of Workers task, Workday overrides this Hide Payslips check box configuration.</p>

3. On the Sections tab, consider:

Option	Description
Payslip Group	<p>Each payslip group represents a separate section of the payslip. You can include each section once.</p> <p>These sections display on a payslip in a predefined order.</p> <ul style="list-style-type: none"> <li>• <i>Gross</i></li> <li>• <i>Deduction – Health Insurance</i></li> <li>• <i>Deduction – Work Accident</i></li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>• <i>Deduction – Pension</i></li> <li>• <i>Deduction – Family</i></li> <li>• <i>Deduction - Unemployment Fund</i></li> <li>• <i>Deduction – Other Contributions</i></li> <li>• <i>Deduction – Collective Agreements</i></li> <li>• <i>Deduction – CSG non Taxable, CRDS and CSG Submitted to Tax</i></li> <li>• <i>Deduction – Deduction Exemptions</i></li> <li>• <i>Deduction – Optional Social Contributions</i></li> <li>• <i>Post Taxable Net</i></li> <li>• <i>Absence Plans</i></li> </ul> <p>You can also define 1 annex with 2 separate sections. Example: <i>Annex 1, Annex 2</i>. The annex displays on a separate page from the payslip.</p>
<b>Label</b>	<p>You can display your own label for a section instead of the payslip group name.</p> <p>This override is available in the payslip report but isn't visible in the Summary tab of the payroll results.</p>
<b>Payslip Calculation(s)</b>	<p>Identify the groups of calculations to report in each section (or Payslip Group).</p> <ul style="list-style-type: none"> <li>• For <i>Gross</i>, select <i>FRA Adds to Gross</i> and <i>FRA Subtracts from Gross</i>.</li> <li>• For all deduction payslip groups, select the corresponding pay component group. Example: For <i>Deduction - Health Insurance</i>, select <i>FRA Payslip - Health Insurance [FRA]</i></li> <li>• For <i>Deduction – CSG non Taxable, CRDS and CSG Submitted to Tax</i>, select <i>FRA Payslip - CRDS and CSG Submitted to Tax [FRA]</i> and <i>FRA Payslip - CSG non Taxable [FRA]</i></li> <li>• For <i>Deduction – Deduction Exemptions</i>, select <i>FRA Payslip - Adds to Total Deduction Exemptions [FRA]</i> and <i>FRA Payslip - Subtracts from Total Deduction Exemptions [FRA]</i>.</li> <li>• For <i>Post Taxable Net</i>, select <i>FRA Payslip - Other Net Pay Components [FRA]</i>.</li> <li>• For <i>Absence Plans</i>, select a time off plan.</li> <li>• For <i>Annex 1</i> and <i>Annex 2</i>, select <i>FRA Payslip Annex 1</i> and <i>FRA Payslip Annex 2</i>.</li> </ul> <p>By default, Workday doesn't display any pay components that have a value of zero on the payslip. To display related calculations when a pay component has a value of zero, access the</p>

Option	Description
	Maintain Earnings and Deductions Reporting Order task and select Allow display on payslip when equal to 0.
Related Calculation(s)	If you select multiple related calculations and multiple values exist for the same pay component, Workday displays the sum of the values.  Example: Select <i>Hours (prorated)</i> and <i>Hours (unprorated)</i> .  Select related calculations to display in additional columns.  If using a related calculation from an earning or deduction, select the related earning or deduction in the Payslip Calculation(s) column.  Example: In a <i>Deduction</i> section of the payslip: <ul style="list-style-type: none"> <li>• Select <i>Taxable Wages</i> in the Related Calculation(s) 1 column to display the salary basis used in the deduction calculation.</li> <li>• Select <i>Rate</i> in the Related Calculation(s) 2 column to display the rate used in the deduction calculation.</li> </ul> If different pay components use different related calculations, select all that apply.

4. On the Printing tab, consider:

Option	Description
Report Designer Layout for Payslips in Self-Service	Workday Payroll for France recommends that you disable payslip viewing in self-service for all workers.

5. On the Pay Component Override Names (Non-Effective Dated) tab, you can rename the Workday-owned pay components on payslips.

When you create a custom report based on the Payslip to Print - FRA standard report to create a payslip layout, you can display aggregated pay components on the payslip. See [Steps: Set Up Custom Report Designer Payslips](#) on page 501.

To configure an aggregated line, define an Override Payslip Name that:

- Is identical for all pay components to be aggregated.
- Contains characters between square brackets.

On the payslip, Workday displays the text between square brackets as the payslip name for aggregated pay components.

These overrides display only on payslips. The payroll results continue to display the pay component name.

Note: To override the name of an earning or deduction, enter the name in the Default Payslip Name field on the Create/Edit Earning task or the Create/Edit Deduction task.

6. Under Totals, define the totals to display on the payslip

Option	Description
Order	Use the arrows to define the order in which the totals display on the payslip.
Payroll Aggregation	Select one of these pay aggregations: <ul style="list-style-type: none"> <li>• Pay component group.</li> <li>• Pay accumulation.</li> <li>• Pay balance.</li> </ul> Note: For the Totals grid, each Payroll Aggregation item needs a monthly total and yearly total. Example: <i>FRA Taxable Net [FRA]</i> and <i>FRA YTD Taxable Net (Payment Date) [FRA]</i> .
Payslip Override Name	Enter an alternative name to display on the payslip. Example: <i>Net Imposable</i> and <i>Net Imposable Annuel</i> .

7. (Optional) Access the Create Payslip Messages task. You can add messages to display on hard copy payslips based on: Company, Employee, Location, Pay Group, Pay Period, and Run Category. You can use the Edit Payslip Messages or Delete Payslip Messages task to modify these custom messages.

Note: Workday displays existing messages for Payroll for France in the Edit Payslip Messages and Delete Payslip Messages tasks. Workday recommends that you check you're working with messages for the correct country. Editing or deleting a message affects all historic occurrences of the message in any existing payslips stored in Workday.

In addition, we recommend you use the Edit Delivered Business Form Layout task when you add a message to the *Payslip (FRA)* form. Select the Apply Report Design separately to each row check box.

## Result

The configuration determines the components set on the Payslip to Print - FRA standard report.

- Workday displays earnings and deductions configured for each payslip group.
- Below the impacted pay component, you can see differences calculated by the retro pay calculation process on 1 row per retro period.
- Depending on your setup, you can display:
  - In the *Gross* section: Deductions for time off taken during the pay period.
  - In the *Absence* section: Absence Balances, including time off units taken during the period, and remaining balance.

## Example

### Next Steps

To define the order to display earnings and deductions inside each payslip group, access the Maintain Earnings and Deductions Reporting Order task.

You can:

- Set up a standard or custom Report Designer payslip layout.
- Print your worker's payslips based on your selected payslips layout.

## Related Information

### Concepts

[Concept: Pay Component Aggregation for Payslips \(FRA\) on page 510](#)

[Concept: Earning and Deduction Payslip Display Order \(FRA\) on page 509](#)

### Tasks

[Steps: Set Up ADP Check Print Integration](#)

### Reference

[Reference: Edit Tenant Setup - Payroll](#)

[2021R1 What's New Post: Upload External Payroll Documents for Workday Payroll](#)

[2021R2 What's New Post: Aggregate Retro Result Lines by Pay Component on Payslips](#)

## Steps: Set Up Standard Report Designer Payslips

### Prerequisites

Configure payslips.

### Context

You can use these Workday-delivered business form layouts and standard reports to generate Report Designer payslips, including for country-specific layouts:

Country	Business Form Layout	Report
Australia	<i>Payslip (AUS)</i>	<a href="#">Payslip to Print - AUS</a>
France	<i>Payslip (FRA)</i>	<a href="#">Payslip to Print - FRA</a>
Ireland	<i>Payslip (IRL)</i>	<a href="#">Payslip to Print - IRL</a>
UK	<ul style="list-style-type: none"> <li>• <i>Payslip (GBR)</i></li> <li>• <i>Payslip (GBR) - Localised</i></li> </ul>	<a href="#">Payslip to Print - GBR</a>
U.S. and Canada	<i>Payslip (Report Design)</i>	<a href="#">Payslip to Print - Report Design</a>

You can configure your standard business form layout to include:

- Your company logo.
- Up to 2 signatures (CAN and USA).
- The payslip configurations for overflow, address, YTD hours by earning, breakdown of FLSA earnings by work week, and absence balances (USA).
- The payslip configurations for overflow, address, YTD hours by earning, and absence balances (CAN, IRL and UK).

### Steps

1. Select the Print Payslips Using Report Designer Layout in Self-Service check box and a payslip layout for the tenant default.

If you don't select a layout, Workday automatically sets the tenant payslip layout to Payslip (Report Design).

See [Reference: Edit Tenant Setup - Payroll](#).

2. (Optional) Access the Maintain Payroll Payslip Configuration task.

To generate payslips for countries that require different layouts, select the country-specific layout from the Report Designer Layout for Payslips in Self-Service prompt on the Printing tab to override the tenant default.

For Payroll for Australia, Canada, Ireland, the UK, and the U.S., when workers print payslips from self-service, Workday uses the layout configured for the country of their pay group.

**Security:** *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.

3. (Optional) for Payroll for Australia, Canada, Ireland, the UK, and the U.S., add and print company logo on payslips.

When you use the Print button on a worker's profile, Workday adds the company logo that you've configured using this method:

- Access the Configure Business Form Layout task. In the Token Substitution grid, attach the relevant image for *company\_logo*.
- Security: *Custom Report Administration* domain in the System functional area.

When you use the Print icon on payslips, Workday adds the company logo that you've configured using this method:

- Access the Edit Tenant Setup - System task. In the Information section, select an existing image or Create Tenant Logo to attach the relevant image.
- *Set Up: Tenant Setup - System* domain in the System and Customer Central functional areas.

**Note:**

The recommended image size for company logos is 120 x 55.

4. (Optional), for Payroll for France, [Define Bank Accounts](#).

For hard copy payslips, assign the layout to the company bank accounts that you use to process payroll payments.

## Result

For Payroll for Australia, Canada, Ireland, the UK, and the U.S., you can generate payslips with Report Designer layouts using the:

- Print button on the worker profile.
- Schedule BIRT Payslip Pre-Print task.

For Payroll for France, you can generate payslips with Report Designer layouts using the Schedule BIRT Payslip Pre-Print task.

## Next Steps

[Set up payslip printing options](#).

[Related Information](#)

[Reference](#)

[The Next Level: Localised UK Payslip](#)

## Steps: Set Up Custom Report Designer Payslips

### Prerequisites

- Configure payslips.
- On the Edit Tenant Setup - System, enable *.rptdesign* files for uploading, *.properties* files to translate static text in your Report Designer layouts, and print payslips using Report Designer layout.
- Download and install Workday Studio, including Report Designer.

- Familiarize yourself with the Workday Studio documentation and tutorials for Report Designer.

## Context

You can use Report Designer in Workday Studio to configure the business form layouts that you use to generate printable payslips. You can:

- Change the font, content, and other display options.
- Configure multiple logos.
- Specify an order for pay components, such as placing zero amounts at the bottom of the list.
- List earnings by position with separate hours, rate, and amount (AUS, CAN, UK, and USA).
- List retro differences as a net amount (CAN, UK, and USA).
- List information about collective agreements (AUS).
- List taxable wages for all taxes, such as federal, OASDI, Medicare, state, local, or SDIT (USA).

## Steps

1. **[Copy Reports](#)**.

To create a custom report and configure the data elements, copy the relevant Payslip to Print standard report for your country:

- Payslip to Print - AUS
- Payslip to Print - FRA
- Payslip to Print - GBR
- Payslip to Print - Report Design (CAN and USA)

Share your custom report with anyone authorized to access the report data source.

If you use the Earnings or Deductions custom fields in the Payslips to Print report, Workday doesn't support using the custom fields in other reports (custom or Workday-delivered), even if you copy the Payslips to Print report to create them.

2. Download the Workday-delivered Report Designer payslip layout you want to customize. See:

[Workday Community: Payroll Payslip \(AUS\)](#).

[Workday Community: Payroll Payslip and Advice Configurations \(UK\)](#).

[Workday Community: Payroll Payslip, Check, and Advice Configurations \(CAN and USA\)](#).

[Workday Community: Payroll Payslip Printing and Bulk Check Printing \(FRA\)](#).

3. Modify the payslip layout in Workday Studio.

See [Example: Create a Report Design with Multiple Data Sets](#).

4. **[Upload a Business Form Layout and Attach It to a Custom Report](#)**.

Upload your custom Report Designer payslip layout and attach it to the custom report. You can upload images on each token. In the Token Name field:

For Payroll for Australia, Canada, the UK, and the U.S., enter *company\_logo* or signature.

For Payroll for France, enter *LogoImg\_{Company Name}* or signature name.

5. (Optional) Access the Configure Business Form Layout task.

When you configure the layout delivered in Community, you can add a different logo for each company. You can upload an image for each token.

Security: *Custom Report Administration* domain in the System functional area.

6. Enable Report Designer layouts and select your custom payslip layout.

See [Reference: Edit Tenant Setup - Payroll](#).

7. (Optional) Access the Maintain Payroll Payslip Configuration task.

When generating payslips for countries that require different layouts, select the country-specific layout from the Report Designer Layout for Payslips in Self-Service prompt on the Printing tab to override the tenant default.

When workers in Canada, the UK, and the U.S. print payslips from self-service, Workday uses the layout configured for the country of their pay group.

**Security:** *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.

8. (Optional) For Payroll for France, [Define Bank Accounts](#).

For hard copy payslips, assign your layout to the company bank accounts that you use to process payroll payments.

## Result

For Payroll for Australia, Canada, the UK, and the U.S., you generate payslips with Report Designer layouts using the:

- Print button on the worker profile.
- Schedule BIRT Payslip Pre-Print task.

For Payroll for France, you can generate payslips with Report Designer payslips using the Schedule BIRT Payslip Pre-Print task.

## Next Steps

For Payroll for Australia, Canada, the UK, and the U.S., to view your custom payslip for a worker, access a worker profile with a completed pay result. Select Pay > Payslips and click Print. The worker's address doesn't display on the printable payslip until the pay result is complete.

[Related Information](#)

### Tasks

[Set Up Share Options for Custom Reports](#)

### Reference

[Reference: Edit Tenant Setup - Payroll](#)

## Steps: Set Up Payslip Printing Options

### Context

You can set up options to view and print payslips for your company, including:

- Printing bulk payroll.
- Setting worker self-service options.
- Printing paper copies of worker payslips (pay advice).

For Payroll for Canada, Ireland, the UK, and the U.S., you can enable workers to access a paperless version of their payslip or print a hard copy. You can configure payroll printing options for your company to:

- Display legal or preferred names on paychecks and payslips.
- Hide some or all payslips.
- Give workers the ability to override company print option settings and receive printed payslips.

## Steps

1. Access the Company Payroll Printing Options task.

As you complete the Payslip Printing Details section, consider:

Option	Description
Employee Name	<p>Specify whether to print employees' Legal or Preferred names on pay checks and payslips.</p> <p>For Payroll for Canada, France, and the U.S., you can configure employees' name format options on the Edit Tenant Setup - System task.</p> <p>For Payroll for Australia, Ireland, and the UK, you can configure employees' legal names on the Edit Tenant Setup - System task.</p>
Always Print Paper Copy for Terminated Employees (CAN, IRL, UK, USA)	<p>Select to print a paper copy of payslips, during your next pay run, for all employees terminated:</p> <ul style="list-style-type: none"> <li>• Before the pay period end date.</li> <li>• On the last day of their pay period.</li> </ul> <p>This option overrides other company and employee settings that disable payslip printing.</p>

For Payroll for France, don't enter any details in the Turn Payslip Printing Off section.

For Payroll for Canada, Ireland, the UK, and the U.S, as you complete the Turn Payslip Printing Off section, consider:

Option	Description
For All Employees	Select the check box to turn off bulk payslip printing for employees receiving direct deposit. Employees will receive electronic versions of their payslips.
Based on Pay Run Groups and/or Pay Group Based on Locations Based on Run Categories	<p>Enter values for these fields to turn off payslip printing for specific employees. Example:</p> <ul style="list-style-type: none"> <li>• <i>Semi-monthly U.S Pay Run Group.</i></li> <li>• <i>New York.</i></li> <li>• <i>Regular.</i></li> </ul> <p>Workday evaluates the values and turns off payslip printing for employees in a <i>Semi-Monthly U.S Pay Run Group</i>, and are located in <i>New York</i>, and belong to the <i>Regular</i> run category.</p> <p>You can only enter values when you disable the For All Employees check box.</p>
Allow Employee to Override through Self-service	Select the check box to enable workers to change their payslip printing election. It

Option	Description
	enables your employee to override the For All Employees check box.

Security: *Set Up: Payroll (Reporting)* domain in Core Payroll functional area.

2. (Optional) You can override your setting options to print payslips for a worker on the Payslip Delivery task.

You can configure a delivery method, such as FedEx or UPS, to mail a worker's payslips.

3. (Optional) Configure payslip options for absence balances, PDFs, and enable or disable online viewing.

See Reference: [Edit Tenant Setup - Payroll](#).

Changes to these settings also impact the mobile applications for payslips.

Workday Payroll for France recommends that you disable payslip viewing in self-service for all workers.

4. (Optional) For Payroll for Australia, Canada, Ireland, the UK, and the U.S., hide the Payslip Printing Details grid on the Payslips report on the worker profile.

Create [Intersection Security Groups](#) to exclude specific workers from accessing payslip details. [Edit Domain Security Policies](#) by including the intersection security group in the *View: Payroll (Payslip Printing Elections)* domain in the Core Payroll functional area.

Example: The Payslip Printing Details grid isn't applicable on the Payslips report to workers who belong to the Payroll Interface pay group. You can create intersection security groups that exclude the Payroll Interface pay group and apply them in the domain security policy for payslips.

5. (Optional) For Payroll for Australia, Canada, Ireland, the UK, and the U.S., access the [Print Multiple Payslips for a Worker](#) on page 507 task.

## Next Steps

You can preprint payslips using Report Designer layouts in bulk, which pregenerates printable PDF payslips. You can use the *Get Payroll Pre-Printed Payslips* web service to export workers' preprinted payslips for bulk printing.

For Payroll for Canada, Ireland, the UK, and the U.S., workers who receive:

- Paper copies of their payslips, use the Print Advices Work Area task to print their payslips.
- Electronic copies of their payslips, use the Payslips for Worker report to view the printable PDF.

For Payroll for Australia, workers receive electronic copies of their payslips, use the Payslips for Worker report to view the printable PDF.

For Payroll for France, you can print paper copies of your Report Designer payslips by splitting payslips into separate batch files and using the Print Advices Work Area task.

Related Information

### Concepts

[Concept: ADP Check Print Integration](#)

### Tasks

[Steps: Set Up Checks and Advices for Printing](#)

[Set Up Year-End Tax Document Printing Options for Workers](#) on page 950

# Preprint Report Designer Payslips in Bulk

## Prerequisites

- Set up Report Designer payslips. For standard Report Designer payslips, see [Steps: Set Up Standard Report Designer Payslips](#) on page 500 and for custom Report Designer payslips, see [Steps: Set Up Custom Report Designer Payslips](#) on page 501.
- Settled payroll results.
- Security: *Process: Payslip Bulk Print* domain in Core Payroll functional area.
- Workday Payroll for France recommends that you disable payslip viewing in self-service for all workers. Hide self-service payroll options in the Payslips section of the Edit Tenant Setup – Payroll task.

## Context

Each time you or a worker prints a Report Designer payslip, Workday generates a new PDF. A large volume of requests in a short period of time can negatively impact the performance of your tenant. To avoid potential performance impact, you can schedule Workday to preprint payslip PDFs in bulk at a time when usage is low. You can also use preprinting to make payslips available for exporting and archiving.

Example: Schedule payslip PDFs to print at night so Workday generates the PDFs at a time of low usage.

## Steps

1. Access the Schedule BIRT Payslip Pre-Print task.
2. On the Schedule BIRT Payslip Pre-Print tab, give the request a name and complete all required fields. Select all pay groups to print for everyone at a company.
3. Optional: For Employees to Process, consider:
  - Smart Print Payslips helps minimize processing time by only generating PDF payslips for workers who have historically viewed them.

After you enable Smart Print Payslips, Workday generates PDFs for all workers for 2 months to establish viewing trends. After 2 months, Workday stops generating PDF payslips for workers who don't historically view them. To ensure these workers can still access their payslips, don't select Disable Payslip Printing (Business Form) or Disable Payslip Viewing (Online Version) on the Edit Tenant Setup - Payroll task.

- Print All Payslips generates payslips for all workers.

For Payroll for France, Workday recommends selecting the Print All Payslips option.

4. On the Schedule tab, set the scheduled date, time, and time zone.

## Result

Workday begins generation of the PDF payslips at the scheduled time. You can use *Request Name* to identify the payslip preprint batch on the Process Monitor report.

## Next Steps

After Workday generates the PDF payslips, you can use the *Get Payroll Pre-Printed Payslips* web service to export the payslips for archiving, printing, or other purposes.

# Print Multiple Payslips for a Worker

## Prerequisites

Enable 1 or both of these options in the Edit Tenant Setup - Payroll task under Payslips :

- Enable for Administrator
- Enable for Self-Service

## Context

This topic provides instructions to print multiple payslips for these countries:

- Australia
- Canada
- Ireland
- The UK
- The U.S.

To enable this feature, the worker (current or terminated) must have more than 1 payslip. You or the worker can click the Print Multiple Payslips button to:

- Access filter options.
- Retrieve payslips.
- Select the payslips to print to a single PDF.

Workday generates a new PDF of your selected payslips each time you run Print Multiple Payslips. The PDF doesn't combine preprinted payslips.

You can see the Print Multiple Payslips button:

- On the Payslips tab of worker profiles.
- On the Payslips for Worker task.
- When viewing a single payslip.

Workers can see the Print Multiple Payslips button:

- On their My Payslips task.
- Pay > Payslips.
- View Profile > Payslips.
- When viewing a single payslip.

Example: You select a worker with more than 1 payslip and click Pay tab > Payslips tab. Click Print Multiple Payslips to access the Print Multiple Payslips for Worker task. In the task, set filters to retrieve payslips by date range, then select from the results to print the payslips to a PDF.

## Steps

1. Click the Print Multiple Payslips button.
2. Set filter criteria to retrieve payslips. As you complete the task, consider:

Option	Description
Worker	You can search for payslips for the worker or select a different worker.
Payment From Date	Select the beginning of the date range from which to retrieve payslips. For faster

Option	Description
	processing, select the narrowest date range that meets your needs.
Payment To Date	Select the end of the date range. For faster processing, select the narrowest date range that meets your needs.
Exclude Net Zero Payslips	Select to omit any payslips where the worker has no pay.

3. Payslip results display sequentially by date. For faster processing, select specific payslips you want to print. Review the Count of Payslips Selected to Print to confirm the payslips you're printing.
4. (Optional) You can click Notify Me Later to have the result sent to My Reports.

## Result

Workday generates a PDF showing the selected payslips in chronological order.

# Hide Payslips from Workers

## Prerequisites

- Payroll for the pay group and period is complete or is in progress with at least 1 completed result.
- Security: *Reports: Pay Calculation Results for Worker (Payslips)* domain in Core Payroll functional area.

## Context

You can hide:

- All online payslips by selecting the Disable Payslip Viewing (Online Version) in Self-Service check box on the Edit Tenant Setup - Payroll task.

For Payroll for France, Workday recommends that you disable payslip viewing in self-service for all workers.

- A worker's payslip by viewing the payroll result and selecting Pay Result > Hide Payslip from Worker from the related actions menu.
- Workday generated payslips by selecting the Hide Payslips check box on the Maintain Payroll Payslip Configuration task, if you use third-party payroll payslips.
- Workday generated payslips for a group of workers for a specific pay period, using the Hide or Display Payslips for Group of Workers task.

## Steps

1. Access the Hide or Display Payslips for Group of Workers task.
2. Select a Period and Pay Run Groups and/or Pay Group Details for the payslips you want to hide.
3. Select Hide Payslips from the Action section.
4. From the Processing section, consider:

Option	Description
Criteria	<p>Select:</p> <ul style="list-style-type: none"> <li>• <i>Off Cycle Results</i> to hide payslips with completed off-cycle results.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>• <i>Zero Gross and Net Pay</i> to hide only payslips with a gross and net of zero (on-cycle and off-cycle results).</li> </ul>
Type	For <i>Off Cycle Results</i> , select <i>Manual Payment</i> or <i>On Demand Payment</i> .
Reasons	Select a reason for the payment.

You can skip the Processing section to hide all payslips with completed on-cycle or off-cycle results.

#### Related Information

##### Reference

[Reference: Edit Tenant Setup - Payroll](#)

## Concept: Earning and Deduction Payslip Display Order (FRA)

You can display these sections on the payslip, in this order:

- *Gross*
- *Deductions*
- *Post Taxable Net*
- *Absence*
- *Tax*

You can also display up to 2 sections on an annex, a separate page after the payslip.

Within each payslip group, Workday displays, in this order:

- All earnings and deductions in the order defined on the Maintain Earnings and Deductions Reporting Order task.
- Any earnings or deductions without a defined reporting order, in alphabetical order.

You define this order for earnings and deductions:

Calculations	Payslip Group
<i>Base salary</i>	<i>Gross</i>
<i>Mileage Allowance [FRA]</i>	<i>Post Taxable Net</i>
<i>Paid vacation</i>	<i>Gross</i>

Workday displays these sections on the payslip:

Sections	Calculations
<i>Gross</i>	<ul style="list-style-type: none"> <li>• <i>Base salary</i></li> <li>• <i>Paid vacation</i></li> </ul>
<i>Post Taxable Net</i>	<ul style="list-style-type: none"> <li>• <i>Mileage Allowance</i></li> <li>• <i>CRDS</i></li> <li>• <i>URS CSG Submitted to Tax</i></li> </ul>
<i>Tax</i>	<ul style="list-style-type: none"> <li>• <i>Monthly net amount for exempted overtime hours</i></li> <li>• <i>Monthly taxable net amount</i></li> </ul>

Sections	Calculations
	<ul style="list-style-type: none"> <li>• Year-to-date amount for exempted overtime hours</li> <li>• Year-to-date amount for income tax withholding</li> <li>• Year-to-date taxable net amount</li> </ul>

*CRDS* and *URS CSG Submitted to Tax* are included in the *Gross* payslip group, but with no defined order, so Workday displays them in the *Post Taxable Net* section. We display the *Tax* section on the summary page.

Workday:

- Applies the predefined order of each payslip group.
- Uses the defined earning and deduction order within each payslip group.
- Lists any pay components without an order, alphabetically after all other pay components.
- Uses the *Override Payslip Name* and the *Default Payslip Name* when determining alphabetical order.
- Displays related calculations when a pay component has a value of zero only when you select *Allow display on payslip when equal to 0* on the Maintain Earnings and Deductions Reporting Order task.

## Concept: Pay Component Aggregation for Payslips (FRA)

You can aggregate several pay components on 1 line in a payslip using Report Designer by defining a print layout based on the *Payslip to Print - FRA* standard report.

When pay components from the same payslip group share a Default Payslip Name or Override Payslip Name with characters in square brackets, Workday:

- Aggregates the amounts from each pay component on 1 line.
- Uses the text between the square brackets as the display name on the payslip.

Workday doesn't aggregate pay components in the Summary tab on the View Payroll Results report. You can view the payslip display name in the Grouping column.

### Related Calculations on the Payslip

On the Maintain Payroll Payslip Configuration task, you can define 2 sets of related calculations in a payslip group:

- Related Calculation(s) 1
- Related Calculation(s) 2

Workday only displays related calculations when the pay result for the calculation defined in the Related Calculation(s) 1 prompt is identical for each pay component. Example: The *Taxable Wages* amount is the same for each pay component.

When displaying related calculations for aggregated pay components, Workday displays the:

- Shared value for calculations defined in the Related Calculation(s) 1 prompt.
- Sum of all values for the calculations defined in the Related Calculation(s) 2 prompt.

### Employer and Employee Deductions

When aggregating pay components, Workday still displays values from:

- Pay components with a Code ending in *\_ER* in the Employer column of the payslip.
- All other pay components in the Employee column of the payslip.

### Example

You define these deductions in the same payslip group:

Pay Component	Code	Default payslip Name	Calculation	Taxable Wages (Related Calculations 1)	Rate (Related Calculations 2)
Pay Component 1 - ER	PC_1_ER	[Group]	Taxable Wages * Rate (120)	3000	4%
Pay Component 1 - EE	PC_1_EE	[Group]	Taxable Wages * Rate (90)	3000	3%
Pay Component 2 - ER	PC_2_ER	[Group]	Taxable Wages * Rate (60)	3000	2%
Pay Component 2 - EE	PC_2_EE	[Group]	Taxable Wages * Rate (30)	3000	1%

Workday displays 1 line on the payslip:

Description	Taxable Wages	Employee - Rate	Employee - Amount	Employer - Rate	Employer Amount
Group	3000	4	-120	6	-180

Workday:

- Groups together all 4 deductions, but separates employee from employer deduction amounts.
- Displays the value of taxable wages, defined as Related Calculations 1, because the calculated value is identical for all pay components.
- Displays the sum of employee rates, defined as Related Calculations 2.

Related Information

#### Tasks

[Steps: Create Deductions](#) on page 234

[Define Payslips \(FRA\)](#) on page 495

[Steps: Create Earnings](#) on page 229

## Concept: Display Absence Balances for Multiple Positions (USA)

To display absence balances on payslips based on position eligibility, select the Show Absence Balances for All Eligible Positions check box under the Payslips Printing tab on the Maintain Payroll Payslip Configuration task.

This example illustrates how Workday displays absence balances for an employee with multiple jobs in different companies that have a single legal entity relationship.

Mike has 2 positions at Global Modern Services (USA):

- Executive Assistant, Sales & Marketing (Primary)
- Travel Coordinator

He also has a Travel Coordinator position at Green Planet Solutions (USA). Global Modern Services has a single legal entity relationship with Green Planet Solutions.

Time off balance in days:

Time Off Plan	Position	Accrued in Period	Time Off Paid in Period	Ending Period Balance
Sick Leave (Position-based)	Executive Assistant, Sales & Marketing (Primary) (GMS)	5	1	4
Vacation (Position-based)	Travel Coordinator (GMS)	3	2	1
Vacation (Position-based)	Travel Coordinator (GPS)	3	1	2

When you select the check box:

Workday sums together and displays absence balances for all eligible positions on the payslip for position-based time-off plans for both the managing company and its related company. You need to add a new time off plan in the Maintain Payroll Payslip Configuration task prior to Pay Complete for the absence balance to show.

Global Modern Services (USA):

Absence Plans	Accrued	Reduced	Balance
Sick Leave	5	1	4
Vacation	6	3	3

Green Planet Solutions (USA):

Absence Plans	Accrued	Reduced	Balance
Sick Leave	5	1	4
Vacation	6	3	3

When you don't select the check box:

Workday displays absence balances for only the processing position on the payslip for position-based time-off plans for both the managing company and its related company.

Global Modern Services (USA):

Absence Plans	Accrued	Reduced	Balance
Sick Leave	5	1	4

Green Planet Solutions (USA):

Absence Plans	Accrued	Reduced	Balance
Sick Leave	5	1	4

Workday displays absence balances for only the primary position on the payslip for position-based time-off plans for both the managing company and its related company.

Global Modern Services (USA):

Absence Plans	Accrued	Reduced	Balance
Sick Leave	5	1	4

Green Planet Solutions (USA):

Absence Plans	Accrued	Reduced	Balance
Sick Leave	5	1	4

## Related Information

### Concepts

[Concept: Single Legal Entities \(USA\)](#) on page 1305

### Tasks

[Steps: Set Up a Single Legal Entity \(USA\)](#) on page 1303

[Steps: Set Up Payroll for Multiple Jobs](#) on page 589

## Concept: Combined Payslips (USA)

Workday enables you to combine payslips for workers who hold positions at 2 or more related companies. Combining payslips for these workers simplifies how they view their multiple gross-to-net earnings and helps support company relationships.

Selecting the Combine Payslips rule type under the Maintain Payroll Payslip Configuration task enables you to combine payroll results for workers who hold positions at multiple related companies. For their results to combine, these workers must be in the same pay group with the same:

- Country
- Currency
- Period schedule

Complete their payroll results before the day that you have payslips set to display for their pay group.

When you select the Combine Payslips rule, Workday:

- Displays the header company name in the company information section.
- Combines the worker's payroll results in these payslip sections:
  - Absence Plans
  - Current and YTD Total
  - Earnings with the same rates
  - Employee Taxes
  - Pre-tax Deductions
  - Post-tax Deductions
  - Taxable Wages
- When the worker's tax elections are identical across related companies, displays them in the Withholding section. When a worker's tax elections aren't identical, Workday displays Multiple Elections Exist in the Withholding section.

### **Example**

Molly works for both Green Planet Solutions and Global Modern Services and belongs to the same pay group in both companies. Molly receives 2 separate payslips that display earnings from each company.

#### Green Planet Solutions

Description	Dates	Hours	Rate	Amount	YTD
Base Pay	01/01/2022 - 01/31/2022	0.00	0.00	4,800.00	4,800.00
Holiday Pay	01/01/2022 - 01/31/2022	8.00	30.00	240.00	240.00

#### Global Modern Services

Description	Dates	Hours	Rate	Amount	YTD
Base Pay	01/01/2022 - 01/31/2022	0.00	0.00	4300.00	4,300.00
Holiday Pay	01/01/2022 - 01/31/2022	8.00	25.00	200.00	200.00

As payroll admin, you decide to combine payslips for workers at Green Planet Solutions and workers at the subsidiary, Global Modern Services. During the next pay period, Molly earns the same amount of base pay and holiday pay from both jobs. They receive a single payslip that combines earnings with the same rate.

#### Green Planet Solutions

Description	Dates	Hours	Rate	Amount	YTD
Base Pay	02/01/2022 - 02/28/2022	0.00	0.00	9,100.00	18,200.00
Holiday Pay	02/01/2022 - 02/28/2022	8.00	30.00	240.00	
Holiday Pay	02/01/2022 - 02/28/2022	8.00	25.00	200.00	880.00

As a salaried employee at both companies, Molly's hourly rate is zero. The amount and YTD totals for base pay combine across the 2 positions. The amounts for holiday pay don't combine because of the different

rates. However the YTD total is the combined total for all the holiday pay between both pay periods. Molly's payslip displays Green Planet Solutions in the company information section because that's the designated header company.

#### Related Information

##### Tasks

[Define Payslips](#) on page 487

[Set Up Pay Groups](#) on page 174

##### Reference

[2022R1 What's New Post: Combine Payslips](#)

## FAQ: Payslips Management and Administration

- [What are the requirements for making payslips available to workers through self-service?](#) on page 515
- [How can I export payslips?](#) on page 516
- [How can I improve performance when I mass generate payslips?](#) on page 516
- [How can I improve performance when I save absence data for payslips?](#) on page 516
- [The automatic job to persist payslip balances stopped, or didn't run at all. Can I start it manually?](#) on page 516
- [Which delivered reports can I copy from the Pay dashboard?](#) on page 516
- [When are payslips visible to administrators?](#) on page 516
- [How can I display hidden payslips? \(AUS, CAN, IRL, UK, USA\)](#) on page 516
- [Can we produce payslips in Canadian French? \(CAN\)](#) on page 517
- [What is the difference between payslips and pay checks in Workday? \(CAN, FRA, USA\)](#) on page 517
- [What's the difference between an online payslip and a printable PDF payslip image? \(CAN, IRL, UK, USA\)](#) on page 517
- [How can I view old payslips for a worker who transferred from a Workday Payroll pay group to a Payroll Interface pay group? \(CAN, UK, USA\)](#) on page 517
- [How can I view old payslips for a worker who transferred from a Workday Payroll pay group to a Payroll Interface pay group? \(FRA\)](#) on page 517
- [How do I create an annex for a payslip? \(FRA\)](#) on page 517
- [Can nonpayroll admins terminate a worker and generate a payslip to pay them on the termination day? \(USA\)](#) on page 518

What are the requirements for making payslips available to workers through self-service?

Workday Payroll for France recommends that you don't make payslips available to workers through self-service. For all other countries:

1. Clear the restrictions on the Edit Tenant Setup - Payroll task for viewing online payslips or printable PDF versions.
2. The domain security policy for *Self-Service: Payroll (My Payslips)* must include *Self-Service - Worker* as a security group type and *Employee As Self* as a security group with *View* and *Modify* permissions.
3. When creating a pay group, complete the Days from Payment Date to Display Payslip field for the worker's pay group and run category.

How can I export payslips?

Access the Schedule BIRT Payslip Pre-Print task to generate persistent PDFs of payslips in bulk. You can then use the *Get Payroll Pre-Printed Payslips* web service to export the payslips for archiving, printing, or other purposes.

How can I improve performance when I mass generate payslips?

By default, Workday calculates absence values each time anyone prints or views a payslip. When you generate a large number of payslips with absence data, you can improve performance by calculating and saving absence values in advance. You can either:

- Select the Following Pay Complete check box on the Edit Tenant Setup - Payroll task. Workday then calculates and saves absence values when you complete payroll.
- Access the Persist Absence Data for Payslips task to calculate and save absence values.

How can I improve performance when I save absence data for payslips?

You can improve the performance of the job that saves absence data for payslips by limiting it to workers who either receive a printed check or who typically print their payslips. Select the Only for Workers With Check Payments or Payslip Printing Enabled check box on either:

- The Edit Tenant Setup - Payroll task.
- The Persist Absence Data for Payslips task.

The automatic job to persist payslip balances stopped, or didn't run at all. Can I start it manually?

Yes. Access the Persist Absence Data for Payslips task when the automatic job fails to run.

Which delivered reports can I copy from the Pay dashboard?

You can only copy the Compare My Pay Periods standard report.

When are payslips visible to administrators?

For Payroll for Australia, Canada, Ireland, the UK, and the U.S., they're available immediately after calculating payroll. Payroll results don't need to be complete for payslips to be viewable.

For Payroll for France, you can view a draft version of a payslip immediately after calculating payroll. Calculations don't need to be complete.

To print the official French version of a payslip, payroll calculations must be complete and settled.

After printing an official French version at least once, you can view a nonofficial copy of the payslip in the worker payroll result.

For a worker:

1. Navigate to the payroll result that you want to display.
2. From the related actions menu of the payroll result, select Pay Result > Hide Payslip from Worker.
3. Clear Hide Payslip from Worker check box.

How can I display hidden payslips? (AUS, CAN, IRL, UK, USA)

Can we produce payslips in Canadian French? (CAN)

What is the difference between payslips and pay checks in Workday? (CAN, FRA, USA)

What's the difference between an online payslip and a printable PDF payslip image? (CAN, IRL, UK, USA)

How can I view old payslips for a worker who transferred from a Workday Payroll pay group to a Payroll Interface pay group? (CAN, UK, USA)

How can I view old payslips for a worker who transferred from a Workday Payroll pay group to a Payroll Interface pay group? (FRA)

How do I create an annex for a payslip? (FRA)

For a group of workers:

1. Access the Hide or Display Payslips for Group of Workers task.
2. Select the Display Payslips option from the Action section.
3. Use Processing section to specify applicable criteria.

Yes. Workday uses the worker's preferred language for the pay advice in the top half of the payslip. A worker can set this using the Change Preferences task.

Payslips are:

- Accessible on mobile devices.
- Available for workers to view or print in Workday.
- Configurable to be displayed or hidden from workers.

Pay checks:

- Aren't available for workers to print.
- Aren't available on mobile devices.
- Can include pay advices.

The information is identical; however, because of space limitations, the PDF version might have fewer lines of detail within each section than the online payslip. When there are too many line items for a section, the PDF version sums the items not listed with a *Details Not Displayed* line. See the line item limits reference for printed payslips.

1. Access the Pay Calculation Results for Group of Workers report for the worker's former pay group.
2. Find the row with the worker's payroll result.
3. From the related actions menu of the worker's payroll result, select Payroll Result > View Payslip.
  
1. Access the Pay Calculation Results for Group of Workers report for the worker's former pay group.
2. Find the row with the worker's payroll result.
3. From the related actions menu of the worker's payroll result, select Payroll Result. The Summary tab displays the payslip information.
4. Click Print Copy Payslip to view a copy of the payslip.
  
1. Access the Maintain Payroll Payslip Configuration task.

## 2. Add a row and select:

- *Annex 1 or Annex 2* in the Payslip Group column.
- The deductions or earnings to display on the annex in the Payslip Calculations column.

When you print a payslip, Workday generates a payslip annex.

Can nonpayroll admins terminate a worker and generate a payslip to pay them on the termination day? (USA)

Yes. You can decentralize processing when you configure the *On Demand Event* business process and add it to the *Termination* business process.

### Related Information

#### Tasks

[Set Up Pay Groups](#) on page 174

[Steps: Set Up Decentralized Processing for On-Demand Payments \(USA\)](#) on page 1125

[Preprint Report Designer Payslips in Bulk](#) on page 506

#### Reference

[Reference: Edit Tenant Setup - Payroll](#)

## FAQ: Content of Payslips

- [Which worker address does Workday use on payslips?](#) on page 518
- [Can you report a deduction or earning on payslips under a different name?](#) on page 519
- [How can I view or print a worker's payslip?](#) on page 519
- [How can I display legal names on payslips? \(CAN, IRL, UK, US\)](#) on page 519
- [Do reversals display on payslips? \(CAN, UK, US\)](#) on page 519
- [How can I view payroll results for multiple workers in the payslip format? \(FRA\)](#) on page 519
- [Why does my worker's payslip say Provisoire or Duplicata on it? \(FRA\)](#) on page 520
- [Do on-demand payments display on payslips? \(FRA\)](#) on page 520
- [How can I display time off dates on payslips? \(FRA\)](#) on page 520
- [On the Summary page of French pay results, which pay components display in the Worker column? Which display in the Employer column? \(FRA\)](#) on page 520

Which worker address does Workday use on payslips?

Workday uses the first address found for the worker using this hierarchy.

Address Type	Usage
Home (Primary)	Mailing
Home	Mailing
Work (Primary)	Mailing
Work	Mailing
Home (Primary)	
Work (Primary)	
Business Location	

Can you report a deduction or earning on payslips under a different name?

Example: When a worker has a *Home (Primary)* address with a usage of *Mailing*, Workday uses this address. If not, it looks for a *Home* address with a usage of *Mailing*.

Note: You can manage usage labels in the Map to prompt of the Maintain Address Usages task.

Yes. To use an alternate name:

- For any earning or deduction, enter the name in the Default Payslip Name field using the Create/Edit Earning task or the Create/Edit Deduction task.
- For a Workday-owned earning or deduction, access the Maintain Payroll Payslip Configuration task to assign an Override Payslip Name.

How can I view or print a worker's payslip?

For Payroll for Australia, Canada, Ireland, the UK, and the US, navigate to the worker pay result and select Payroll Result > View Payslip or Print Payslip Image from the related actions menu of the pay result.

You can use the Payslips for Worker report for completed payroll results.

For Payroll for France, navigate to the worker pay result. The Summary tab displays the payroll results in the same format as the payslip.

To print or reprint a hard copy of a worker's payslip, you can use the Print Advices Work Area.

To print a copy or draft of the worker payslip, click 1 of these buttons on the Summary tab of worker payroll results:

- Print Payslip Draft
- Print Payslip Copy

Workday recreates the payslip each time you print a copy or draft from the Summary tab. You'll see differences from the official payslip if you have modified elements that aren't effective dated, such as absences or the *rptdesign* model.

How can I display legal names on payslips? (CAN, IRL, UK, US)

Access the Company Payroll Printing Options task to specify whether workers' legal or preferred names display on pay checks and payslips.

Do reversals display on payslips? (CAN, UK, US)

No. Reversed payments don't display on payslips. Nor do they display on combined payslips (USA only).

How can I view payroll results for multiple workers in the payslip format? (FRA)

Access the FRA Pay Calculation Results - Payslip View report to view payroll results in the payslip format configured on the Maintain Payroll Payslip Configuration task.

Why does my worker's payslip say Provisoire or Duplicata on it? (FRA)

You can display pay components that aren't on the payslip by adding them to the *FRA Payslip View - Extended* pay component group. In the FRA Pay Calculation Results - Payslip View report, select Extended View to view the additional pay components.

Do on-demand payments display on payslips? (FRA)

Use the Print Check Work Area or Print Advices work area to print or reprint official payslips.

When you print a payslip from a worker pay result, the payslip displays:

- *Provisoire* if you haven't yet printed an official version through the Print Check Work Area.
- *Duplicata* if you've already printed an official version through the Print Check Work Area.

How can I display time off dates on payslips? (FRA)

On-demand replacement payment results display with on-cycle payroll payments. Workday generates a separate payslip for on-demand additional results.

Workday uses the same payslip configuration and layout for on-demand additional payslips as for regular payslips. However, for on-demand additional payments, Workday displays Bulletin de Paie Complementaire as the heading.

To display time off dates for absences not associated with *FRA Days* or *FRA Hours*:

1. Access the earning or deduction for the time off.
2. In the Related Calculations grid, on the row for the time off, select *FRA Payslip - Displayed Time Off Dates* from the Groups prompt.

Workday recommends that you associate absences with *FRA Days* in order to include absences when calculating:

- Rates based on hours for absences in days.
- Partial day absences for adjusted seniority and social security ceiling calculations.
- The Employer column of the payslip displays all pay components with a Code ending in *\_ER*.

On the Summary page of French pay results, which pay components display in the Worker column? Which display in the Employer column? (FRA)

- The Worker column displays all other pay components.

For 2 components to be displayed on the same line, they must have the same code except for `_EE` and `_ER` endings.

## FAQ: Payslips for a Worker

The questions in this topic are applicable only to these countries:

- Canada
- Ireland
- The UK
- The U.S.
- [How can workers view their payslips? on page 521](#)
- [Can workers view payslips imported from an external third-party system? on page 521](#)
- [Can terminated workers use My Payslips to view their online payslips? on page 521](#)
- [When are payslips visible to workers through My Payslips? on page 521](#)
- [How can workers select whether to receive electronic or paper copy of payslips? on page 522](#)

How can workers view their payslips?

Workers can view their payslips in the:

- My Payslips report.
- Pay worklet.
- Benefits and Pay Hub.
- Pay dashboard.
- Worker profile, when they select Pay > Payslips.

Can workers view payslips imported from an external third-party system?

Yes. On the My Payslips report, workers can view:

- Workday-generated payslips listed under Payslips.
- Payslips imported from an external third-party system listed under External Payslips. PDF versions are available.

Workers can also view their payslips from their worker profile, by selecting Pay > Payslips.

Can terminated workers use My Payslips to view their online payslips?

Yes, if you configure the domain security policy for *Self-Service: Payroll (My Payslips)* and *Self-Service: Benefits and Pay Hub* to include *Terminée Self Service* as a security group type, and *Terminée As Self* as a security group.

When are payslips visible to workers through My Payslips?

The Days from Payment Date to Display Payslip option determines when payslips are visible for completed payroll results. To view or edit this setting for a pay group:

1. Access the View Pay Group report.
2. Select Organization > Edit Organization from the related actions menu of the pay group.

How can workers select whether to receive electronic or paper copy of payslips?

To enable workers to select whether to receive electronic or paper copy of payslips:

- Access the Company Payroll Printing Options task.
- Select the Allow Employee to Override through Self-service check box.

Workers can select Payroll > Change Payslip Printing Election from the related actions menu of their worker profile.

## Reference: Line Item Limits for Printed Payslips

The information in this topic is applicable only to these countries:

- Canada
- France
- Ireland
- The UK
- The U.S.

There's a maximum number of earnings, deductions, or other detailed line items that Workday can list in each section of an employee's hard copy payslip. When the number of items exceeds the limit, Workday sums the employee's overflow items in the last line without showing the detail.

Note: Limits apply to Workday-delivered solutions for hard-copy payslips only. The online version includes all lines of detail.

Payslip Section	XSLT - Total Number of Line Items	Report Designer - Total Number of Line Items
Absence Plans	3	N/A
Earnings	11	11
Employee Taxes	11	11
Employer Paid Benefits	6	6
Payment Information	3	3
Pre Tax/Post Tax Deductions	6	6
Taxable Wages	7	7
Withholding Elections	<ul style="list-style-type: none"> <li>• 5 (CAN)</li> <li>• 3 (USA)</li> </ul>	<ul style="list-style-type: none"> <li>• 5 (CAN)</li> <li>• 3 (USA)</li> </ul>
Additional Details (IRL, UK)	4	4

Example: John has 14 earnings to report and the limit for earnings is 11. His payslip lists the first 10 earnings in detail and the sum of the 4 remaining earnings on line 11.

Related Information

**Tasks**

[Define Payslips](#) on page 487

# Compliance

## Steps: Set Up Local Minimum Wage Rates (USA)

### Context

You can set up local minimum wage rates to:

- Help you comply with the government regulations of local counties and cities.
- Calculate income withholding orders (IWOs) and help you determine pay rates and disposable earnings for IWO deductions.

### Steps

1. Map the local minimum wage rate to the location of a business site.
  - a. Access the View Location report.
  - b. On the Business Site tab, click Edit to select an authority from the Local Minimum Wage Authority prompt.

Security: *Location: View* domain in the Organizations and Roles functional area.

2. (Optional) If there are multiple minimum wage rates, access the Record US Withholding Order for Worker task for a creditor garnishment or state tax levy IWO to override the set local minimum wage rate for the worker's location.

On the Local Minimum Wage tab:

- a. Select the Use Override Rate check box.
- b. Enter a local minimum wage rate in the Local Minimum Wage Amount field.

Security: *Worker Data: Payroll (Income Withholding Orders) - USA* domain in the USA Payroll functional area.

Workday compares the local, federal, and state minimum wage rate and uses the highest rate for the IWO calculation if the Use Override Rate check box is:

- Checked.
- Unchecked and there's a set local minimum wage authority.

### Result

Workday displays the set local minimum wage rate for the worker's primary job location on creditor garnishment and state tax levy IWOs.

## Concept: Statutory Compliance (USA)

### Taxes

Workday Payroll for U.S. supports employer withholding obligations by performing the following tax calculations – including tax rates, wage and payment limits, and allowances:

#### Federal Taxes

- Federal Income Tax Withholding
- FICA (OASDI/Medicare - Employee and Employer Paid)

- Unemployment Insurance – (Employee and Employer Paid)
- Unemployment Insurance Credit Reduction (Employer Paid)
- Employee Reported Tips [USA]
- Additional Medicare Tax
  
- State Taxes
- State Income Tax Withholding (including multistate withholding rules)
- Unemployment Insurance – Employer Paid
- Federal Unemployment Insurance Credit Reduction (Employer Paid)
- Advanced Earned Income Credit (Indiana and Wisconsin)
- Special State Taxes
  
- Local Taxes
- City Withholding (including multicity withholding rules)
- County Withholding
- School District Withholding
- Special Locality Taxes

### **Calculations for Federal, State, and City Tax Withholding**

To calculate tax withholding amounts for a pay period, Workday:

- Determines taxable wages for the period.
- Annualizes the amount.
- Calculates the tax based on the annualized amount.
- Deannualizes the tax result.

### **Involuntary Withholding Orders/Garnishments**

Workday Payroll for U.S. supports these types of garnishment calculations:

- Bankruptcy orders
- Creditor garnishments
- Federal Administrative wage garnishments
- Federal student loans
- Federal tax levies
- State tax levies
- Support orders (including lump sum)
- Wage assignments

For each type, Workday calculates:

- Disposable earnings.
- Limits.
- Allocation methods at federal and state level.

### **Minimum Wage**

Workday delivers and maintains federal, state, and local minimum wage values. Use these reports to view minimum wage data:

Report	Description
All Payroll Authority Minimum Wages	Displays minimum wage for each local and state tax authority and the federal minimum wage.
Payroll Authority Minimum Wages	Displays minimum wages for a state and local tax authority.

### Payroll Compliance Update Reporting

You can use the Payroll Compliance Update Documentation report to look up Workday-delivered compliance updates (since 2014/08/01) by:

- Country.
- Type.
- Tax year.
- Delivery date range.
- Deductions.
- Tax authorities.

### Verification of Legal Obligations

Workday Payroll for U.S. is designed to assist you generally in the withholding of taxes and other amounts required by law. However, you should independently verify your withholding and remittance obligations required by the various jurisdictions in which you operate.

## Concept: Statutory Compliance (CAN)

### Taxes

Workday Payroll for Canada supports employer withholding obligations by performing these tax calculations, including tax rates, wage and payment limits, and allowances:

#### Federal Taxes

- Canadian Pension Plan (CPP) - Employee and Employer Paid
- Canadian Pension Plan Second Contribution (CPP2) - Employee and Employer Paid
- Employment Insurance (EI) - Employee and Employer
- Federal Income Tax
- Federal Income Tax T4A- Retirement Compensation Arrangement
- Goods and Services (GST)
- Quebec Pension Plan (QPP) - Employee and Employer (includes a mid-year employee move to Quebec when the employee meets the CPP wage base limit)
- Quebec Pension Plan Second Contribution (QPP2) - Employee and Employer (includes a mid-year employee move to Quebec when the employee meets the CPP2 wage base limit)

## Province Taxes

- Payroll and Health Tax
  - Health Tax (Ontario and British Columbia)
  - Health and Post-Secondary Education Tax - Employer Paid (Manitoba, Newfoundland and Labrador)
  - Quebec Health Services Fund
  

The provincial education and health taxes exclude TD1-IN exempt wages.

- Province Income Tax
- Province Income Tax (Quebec)
- Province Payroll Tax (Nunavut and Northwest Territories)
- Province Income Tax T4A - Retirement Compensation Arrangement
- QC Commission des normes du travail
- Quebec Compensation Tax
- Quebec Parental Insurance Plan - Employee and Employer Paid
- Quebec Province Workers Compensation
- Quebec Workforce Skills Development Recognition Fund
- Sales Tax
  - Province Premiums Tax (PPT)
  - Retail Sales Taxes (RST)
  - Harmonized Sale Tax (HST)
  - Quebec Sales Taxes (QST)
- Worker's Compensation

## Involuntary Withholding Orders and Garnishments

Workday Payroll for Canada supports these types of involuntary withholding order and garnishment calculations:

- Family maintenance.
- Federal tax levies.
- Garnishments.
- Provincial tax levies.
- Wage assignments.

Workday includes disposable earnings limits, fee limits, and allocation methods at both the federal and provincial level.

## Minimum Wage

Workday delivers and maintains minimum wage values for all provinces. Use these reports to view minimum wage data:

Report	Description
All Payroll Authority Minimum Wages	Displays the minimum wage for each province and the federal minimum wage.

Report	Description
Payroll Authority Minimum Wages	Displays minimum wages for a province.

### Payroll Compliance Update Reporting

You can use the Payroll Compliance Update Documentation report to look up Workday-delivered compliance updates (since 2014/08/01). You can filter by country, type, tax year, delivery date range, deductions, and tax authorities.

### Verification of Legal Obligations

Workday Payroll for Canada is designed to assist you generally in the withholding of taxes and other amounts required by law. However, you should independently verify your withholding and remittance obligations required by the various jurisdictions in which you operate.

## Concept: Statutory Compliance (UK)

### PAYE

Workday Payroll for the UK supports employer statutory obligations by performing these tax calculations.

#### Tax

Support for payments of tax includes:

- Calculation of free pay and additional taxable pay.
- Rules regarding payments after leaving.
- Scotland, Wales, and Rest of UK tax regimes.

To calculate a worker's tax deduction amount for a pay period, Workday determines the worker's taxable pay:

- Year to Date (YTD) for cumulative tax calculations.
- Period to Date (PTD) for Week 1/Month 1 tax calculations.

#### National Insurance

Workday Payroll for the UK supports the calculation of Employee and Employer Class 1 National Insurance (NI) contributions, including:

- NI categories A, B, C, D, E, F, H, I, J, K, L, M, N, S, V, X, and Z
- Standard NI.
- Director's NI standard annual cumulative method.

An employee who is a director at the beginning of the tax year has an annual earnings period for that tax year, even if they cease to be a director before the tax year

ends. The annual earnings period runs from 6 April to 5 April.

Workday also supports these mid-year events:

- A newly appointed director.
- A worker becomes a director.
- A director changes their NI category.
- Director's NI alternative method is supported for FPS purposes. Check directors' NI for each period, or when they leave or at year-end, and adjust the record accordingly.
- Payments After Leaving.

To calculate employee's and employer's NI deduction amounts for a pay period, Workday determines the employee's Nitable pay:

- Year to Date (YTD) for Director's NI standard annual cumulative method calculations.
- Period to Date (PTD) for standard Director's alternative method calculations.
- Apprenticeship Levy is also calculated and accounted for within the EPS.

#### Student and Postgraduate Loans

Workday Payroll for the UK supports calculation of worker student and postgraduate loan deductions, including interaction with court orders, to ensure that they are:

- Prioritised correctly.
- Not deducted when active court orders (such as those for Council Tax) prohibit it.

To calculate worker student and postgraduate loan deduction amounts for a pay period, Workday determines the Nitable Pay Period to Date (PTD).

#### Court Orders

Workday Payroll for the UK supports these types of court order calculations, including court order fees and correct prioritisation when a worker has more than 1 active court order:

- Attachment of Earnings Order in respect of Council Tax (Priority)
- Attachment of Earnings Order in respect of Council Tax (Priority) for Wales, from 1st April 2022
- Attachment of Earnings Order in respect of Fines (Priority)
- Attachment of Earnings Order in respect of Maintenance (Priority)
- Deduction from Earnings Order (Priority)
- Attachment of Earnings Order (Non Priority)
- Earnings Arrestment
- Current Maintenance Arrestment
- Conjoined Earnings Arrestment
- Direct Earnings Attachment
- Debt Arrangement Scheme

## Statutory Payments

Workday Payroll for the UK supports calculation and payment of these statutory payments:

- Statutory Adoption Pay (SAP)
- Statutory Maternity Pay (SMP)
- Statutory Neonatal Care Pay (SNCP)
- Shared Parental Pay (ShPP)
- Statutory Parental Bereavement Pay (SPBP)
- Statutory Paternity Pay (SPP)
- Statutory Sick Pay (SSP)

## Pensions Auto-Enrolment

Workday Payroll for the UK supports Pensions Auto-Enrolment requirements, enabling you to:

- Identify staging and re-enrolment dates.
- Define pension schemes used for auto-enrolment.
- Perform worker assessment within the payroll calculation.
- Enrol workers into the auto-enrolment pension scheme and deduct associated pension contributions.
- Apply postponement at the employer or worker level.

## Payroll Compliance Update Reporting

You can use the Payroll Compliance Update Documentation report, or the Payroll Compliance Updates Dashboard, to view Workday-delivered compliance updates (issued since 14th March 2015) by:

- Country.
- Type.
- Tax year.
- Delivery date range.
- Earnings and deductions.
- Applies to.

## Verification of Legal Obligations

Workday Payroll for the UK is designed to assist you generally in the deduction of taxes and other amounts, and the payment of statutory elements required by law. However, you should independently verify your statutory obligations required by HMRC and other bodies.

## Concept: Statutory Compliance (FRA)

### Statutory Contributions

Workday Payroll for France supports employer and employee obligations by providing these statutory contribution calculations. Workday supports:

- The calculation of statutory rates, contribution bases, and limits.
- The application of contribution bases following a yearly progressive regularization.

### URSSAF

Workday supports employer and employee statutory calculations for workers classified as these URSSAF types of personnel:

- 100 - General Plan.
- 112 - General Case Pension Contributions Exempted.

- 172 - General Plan Without Disability and Pension Contributions Including Civil Servants on Secondment. (For privately employed civil servants.)
- 180 - General Plan without pension contributions. (For impatriates who don't contribute to a pension plan.)
- 336 - Medical Jobs 30% Reduced Rate.
- 346 - Medical Health Center Staff.
- 726 - Apprentice.
- 727 - Apprentice Alsace/Moselle.
- 863 - Company Board Members.

Workday also supports:

- Additional contributions for workers in Alsace Moselle.
- Contributions on the employer portion of partial activity indemnities, during COVID special measures.
- Contributions on stock options and free shares.
- CSG exemptions and additional contribution calculations for nonresident workers.
- CSG on replacement income.
- Reductions in CSG and CRDS on replacement income.
- Reductions on illness contributions for Alsace Moselle and nonresident workers.
- Employee contribution exemptions for apprentices.
- Family allowance and illness, maternity, invalidity, and death additional contributions.
- Individual standard deductions (déduction forfaitaire spécifique).
- Other taxes collected by URSSAF, such as FNAL, CSG/CRDS, social lump sum tax, and mobility payment contributions.
- Specific taxable bases for workers contributing to a transportation paid vacation fund.
- Wage guarantee scheme and unemployment insurance contributions.
- Bonus/penalty eligibility and rate.
- APEC contributions.
- Retirement, CET, and CEG contributions for AGIRC-ARRCO.
- Exemptions for trainees, and contribution calculations for wages over the exemption limit.

Pôle Emploi

AGIRC-ARRCO

Exemptions

- General Contribution Reductions (URSSAF, AGIRC-ARRCO) for workers noneligible to Pôle Emploi contributions.
- General Contribution Reductions extended to URSSAF, AGIRC-ARRCO, and Pôle Emploi for regular workers.
- Impact of PERCO employer matches on exemption limits.
- Income tax withholding.
- Apprenticeship tax, including supplementary contributions.
- Construction effort tax.
- Contribution and tax exemptions for overtime hours.
- Contributions and taxes on days transferred to PERCO accounts.
- Contributions for expatriates and nonresident workers.
- Contributions in excess of social contributions, and taxable net based on healthcare funds, contingency contributions, and additional retirement fund contributions.
- Full-time retirement contributions for part-time workers.
- Salary tax, including specific taxable wages and rates for overseas departments, and salary tax reductions for multiple activity sectors. Applies by default to expatriates.
- Taxes and social contributions for termination allowances.
- Training tax.

## **Withholding Orders**

Workday Payroll for France supports these types of withholding orders:

- Alimony Pension.
- Administrative Seizure.
- Debt.

When managing withholding orders Workday supports:

- Disposable earnings calculations.
- Limit increases by dependents.
- Prioritization when a worker has more than 1 active withholding order.
- RSA limits.

## **Déclaration Sociale Nominative**

Workday Payroll for France supports the generation of these types of Déclaration Sociale Nominative (DSN) reports for supported pay and statutory calculations:

- Monthly.
- Termination.
- Absence.

- Return from absence.

## **Statutory Payments**

Workday Payroll for France supports the calculation of these statutory payments:

- Statutory compensation at the end of a fixed-term contract.
- Transportation allowances, including calculations for Paris-area transportation fees and mileage allowances.

## **Payslips**

Workday Payroll for France enables you to include all elements required by legislation on payslips.

## **Payroll Compliance Update Reporting**

You can use the Payroll Compliance Update Documentation report or the Payroll Compliance Updates Dashboard to view Workday-delivered compliance updates (issued since March 12, 2016).

## **Verification of Legal Obligations**

Workday Payroll for France is designed to assist you generally in the calculation of taxes and other amounts, and the payment of statutory elements required by law. However, you should independently verify your statutory obligations required by URSSAF and other bodies.

# **Concept: Statutory Compliance (AUS)**

## **PAYG**

Workday Payroll for Australia supports employer statutory obligations by performing these tax calculations.

Tax

Support for payment of tax includes:

- Calculation of taxable earnings.
- Calculation of PAYG Withholding

To calculate a worker's tax deduction amount for a pay period, Workday determines the worker's:

- Tax scale to be applied based on the workers tax details (TFN declaration)
- Taxable pay Year to Date (YTD) for cumulative tax calculations.

## **Superannuation**

Workday Payroll for Australia supports superannuation, enabling you to:

- Record a worker's superannuation fund choice.
- Pay superannuation to workers without a recorded fund choice, using a default fund.
- Calculate the amount of superannuation guarantee and voluntary superannuation to pay to a worker.
- Define superannuation eligibility for your organization.

## **Single Touch Payroll**

Workday Payroll for Australia supports Phase 2 of Single Touch Payroll:

- Disaggregation of gross.

- Tax File Number declarations.
- Employment and payment types
- Reporting of superannuation liability and salary sacrifice.
- Reporting of child support deductions.

### **Verification of Legal Obligations**

Workday Payroll for Australia is designed to assist you generally in the deduction of taxes and other amounts, and the payment of statutory elements required by law. However, you should independently verify your statutory obligations required by the ATO and other bodies.

## **Concept: Statutory Compliance (IRL)**

### **PAYE**

Workday Payroll for Ireland supports employer statutory obligations by performing these tax calculations.

#### Tax

Support for payment of tax includes:

- Calculation of taxable earnings.
- Calculation of Local Property Tax (LPT)
- Calculation of Pay Related Social Insurance (PRSI)
- Calculation of Universal Social Charge (USC)

To calculate a worker's tax deduction amount for a pay period, Workday determines the worker's:

- Tax scale to be applied based on the workers tax details
- Taxable pay Year to Date (YTD) for cumulative tax calculations.

### **Pensions Auto-Enrolment**

Workday Payroll for Ireland supports Pensions Auto-Enrolment requirements, enabling you to:

- Identify staging and re-enrolment dates.
- Define pension schemes used for auto-enrolment.
- Perform worker assessment within the payroll calculation.
- Enrol workers into the auto-enrolment pension scheme and deduct associated pension contributions.
- Apply postponement at the employer or worker level.

### **Verification of Legal Obligations**

Workday Payroll for Ireland is designed to assist you generally in the deduction of taxes and other amounts, and the payment of statutory elements required by law. However, you should independently verify your statutory obligations required by the Revenue and other bodies.

## **Reference: Payroll Compliance Updates Dashboard**

The Payroll Compliance Updates dashboard gives you quick visual insight into the compliance updates that are most important to you. You can quickly identify whether a compliance update potentially impacts your employees and take appropriate action, such as:

- Alerting employees.

- Spot-checking payroll results.
- Being ready to answer questions.

Its drillable worklets enable you to understand the details of what is changing without guesswork or the need to run weekly reports with various criteria.

You can configure the Payroll Compliance Updates dashboard to display 3 worklets:

- Delivered Last Week
- Effective Next Month with Employee Impact
- Other Updates Delivered Last Week or Effective Next Month

They're secured to the *Set Up: Payroll (Taxes View)* domain in the Core Payroll Functional area.

For Payroll for Canada, France, the UK, and the U.S., when you want to research compliance-related data (such as tax rates, wage and payment limits, allowances, and minimum wages) a navigation menu makes these reports easier to access.

#### Set Up

You can set up the Payroll Compliance Updates dashboard from the Edit button on the Maintain Dashboards task.

You can set defaults for the dashboard prompts and select which worklets to display. On the Prompts section, we recommend these default settings.

- Country:

Default Type	Default Value
<i>Determine default value at runtime</i>	<i>Payroll Supported Default Country</i> The country or countries set up in Edit Tenant Setup - Payroll.

- Effective as of Date:

Workday bases *delivered last week* and *effective next month* on the As Of date.

Default Type	Default Value
<i>Determine default value at runtime</i>	<i>Today</i>

You can change the Workday prepopulated reports for the menu navigation on the Menu section.

#### Worklets

Worklet	Description
Delivered Last Week	This worklet displays: <ul style="list-style-type: none"> <li>• Tax and withholding order-related updates delivered in the last 7 days for Payroll</li> </ul>

Worklet	Description
	<p>for Canada, France, and the U.S.</p> <ul style="list-style-type: none"> <li>• Tax and court order-related updates delivered in the last 7 days for Payroll for the UK.</li> </ul> <p>Drill into each segment of the donut chart and select View Details to see the updates delivered last week for the update group.</p> <p>Click View More to see all updates delivered last week.</p> <p>These reports display the Approximate Employees Impacted with the updates having the highest number of employees sorted to the top. The Applies To field specifies the tax authority or category being rolled up to the Group.</p>
Effective Next Month with Employee Impact	<p>This worklet displays updates that are effective in the next month when the update group has at least 1 compliance update with an estimated potential impact to your employees for upcoming:</p> <ul style="list-style-type: none"> <li>• Tax and withholding order-related updates for Payroll for Canada, France, and the U.S.</li> <li>• Tax and court order-related</li> </ul>

Worklet	Description
	<p>updates for Payroll for the UK.</p> <p>Workday presents the data as a column chart, which displays the Maximum of Approximate Employees Impacted for each effective date and update group.</p> <p>Drill into each column and select View Details to see the updates effective in the next month for the update group.</p> <p>Click View More to see all updates, including ones that have an approximate number of employees impacted of zero.</p> <p>These reports display the Approximate Employees Impacted with the updates having the highest number of employees sorted to the top. The Applies To field specifies the tax authority or category being rolled up to the Group.</p>
Other Updates Delivered Last Week or Effective Next Month	<p>For Payroll for Canada and the U.S.:</p> <ul style="list-style-type: none"> <li>This worklet displays minimum wage and lookup table-related updates that were delivered in the last 7 days or effective in the next month.</li> <li>Drill into each segment of the donut chart and</li> </ul>

Worklet	Description
	<p>select View Details to see the updates for the update type (lookup table or minimum wage) and update group.</p> <ul style="list-style-type: none"> <li>Click View More to see all lookup table and minimum wage updates.</li> </ul> <p>For Payroll for France and the UK:</p> <ul style="list-style-type: none"> <li>This worklet displays lookup table-related updates that were delivered in the last 7 days or effective in the next month.</li> <li>Drill into each segment of the chart and select View Details to see the lookup table updates for the update group.</li> <li>Click View More to see all lookup table updates.</li> </ul>

## Concepts

These concepts affect what Workday displays in the worklets.

Concept	Description
<i>Update group</i>	<p>Workday summarizes diverse compliance updates into groups.</p> <p>For Payroll for Canada, separate groups exist for federal and each province. Example: If compliance updates exist for British Columbia Province</p>

Concept	Description
	<p>Income Tax and British Columbia Workers Compensation, they roll up to a British Columbia group.</p> <p>For Payroll for the UK, separate groups exist for federal, each region, and each NI category. Example: Separate update groups exist for NI category A and NI category M.</p> <p>For Payroll for the U.S., separate groups exist for federal and each state. Example: If compliance updates exist for 5 Pennsylvania cities, 2 Pennsylvania school districts, and Pennsylvania state withholding, they roll up to a Pennsylvania group.</p> <p>You can drill into the segments or columns of the worklet charts to see what they comprise.</p>
<i>Approximate Employees Impacted</i>	<p>For this estimate, Workday looks at payroll results that have a period start date, end date, or payment date in the last 30 days based on the As Of date, regardless of the payroll result status. This is an estimate of potentially impacted employees only.</p>

#### Related Information

#### Concepts

[Setup Considerations: Payroll Tax Setup \(USA\) on page 1156](#)

#### Tasks

[Steps: Set Up Dashboards and Landing Pages](#)

[Steps: Set Up Payroll Taxes \(USA\) on page 1162](#)

## Reference

[A Day in the Life: Payroll Admin](#)

## Reference: Global Library

When adding on another Workday product area or expanding into new countries or regions, use the Global Library report to view sample configurations and common compliance requirements.

The Global Library report is a preconfigured profile of 2 types of configurations:

- Workday delivered and maintained statutory guidance configurations. Example: State minimum wages, tax calculations, withholding and court order data, address and name formats.
- Sample configurations. On the sample configuration tabs, you'll see a description of how to implement them.

The Global Library report is also available as a menu item from these Workday-delivered dashboards:

- Pay Cycle Command Center
- Payroll Compliance Updates

When you click View Library for that country or country region, the Global Library reports display under these product areas:

Product Area	Reports	Security Domain
Contact Information	<ul style="list-style-type: none"> <li>• Basic Address Format</li> <li>• Address Region</li> <li>• Address Subregions</li> <li>• Extended Address Format</li> <li>• Postal Code Validations</li> <li>• Name Components</li> <li>• International Phone Code</li> </ul>	<i>Set Up: Contact Info, IDs, and Personal Data</i>
Personal Data	<ul style="list-style-type: none"> <li>• Ethnicity</li> <li>• Marital Status</li> <li>• Religion</li> <li>• Military Status</li> <li>• Visa Types</li> <li>• Disabilities</li> <li>• National ID Types</li> </ul>	<i>Set Up: Contact Info, IDs, and Personal Data</i>
Staffing	<ul style="list-style-type: none"> <li>• Local Termination Reasons</li> <li>• Job Classifications</li> </ul>	<i>Set Up: Staffing</i>
Time Off and Leave	Time off and Leave	One of these domains: <ul style="list-style-type: none"> <li>• <i>Set Up: Time Off (General)</i></li> <li>• <i>Set Up: Leave of Absence</i></li> </ul>
Time Off and Leave	Holiday Calendars	<i>Set Up: Calendar</i>
Time Tracking	Time Tracking Library	<i>Set Up: Time Tracking</i>
Payroll	Minimum Wages	<i>Set Up: Payroll (Minimum Wages View) - USA</i>

Product Area	Reports	Security Domain
Payroll	<ul style="list-style-type: none"> <li>Multistate Withholding Rules</li> <li>Tax/Allowance Data (Current)</li> <li>Compliance Updates (Last 2 Years)</li> </ul>	<i>Set Up: Payroll (Taxes View)</i>
Payroll	Withholding/Court Order Data (Current)	<i>Set Up: Payroll (Income Withholding Orders)</i>

You can use the Configure Profile Group task to configure which reports display in the product areas.

This information isn't a source of record for regulatory requirements. Verify requirements for the regions in which you operate.

Note: These reports only display if Workday has uploaded the relevant information for the country.

Your company is expanding and will have workers in Australia. You want to know what time off and leave sample configurations Workday offers for a starting point.

1. Select Australia for the Country.

The Global Library report returns all configurations for Australia.

2. On the Australia row, click View Library.
3. On the Time Off and Leave tab, you'll see sample configurations and a description of how to implement them.

Related Information

#### Tasks

[Steps: Set Up Profiles and Profile Groups](#)

## Labor Costing

### Steps: Set Up Labor Costing

#### Prerequisites

If you use worktags, configure them before you set up labor costing. Use the Maintain Worktag Usage report to review and verify your worktags. Workday represents organization types and locations as worktag types. Examples:

- Business units.
- Cost centers.
- Custom organizations.
- Funds.
- Gifts.
- Grants.
- Locations.
- Programs.
- Projects.
- Regions.

## Context

Use these steps to allocate earnings and expenses to your defined organizations and locations (worktags).

## Steps

1. [Edit Business Processes](#) and configure *Assign Costing Allocation*.

Use *Assign Costing Allocation* on its own or as a subprocess of the *Hire* or *Termination* business processes.

2. [Steps: Set Up Approval Routing for Costing](#) on page 543.

3. [Create Condition Rules for Costing](#) on page 544.

4. (Optional) Configure *Assign Costing Allocation* to display estimated annual compensation.

See [Embed Related Worklets in Business Processes](#).

As you complete the task, consider:

Field	Description
Name	Select <i>Estimated Annual Compensation</i> .
Field	Select <i>Position for Assign Costing Allocation</i> .

5. (Optional) [Set Up Custom Validations for Assigning Costing Allocations](#) on page 545.

6. Enable worktags that you can use in costing instructions.

See: [Steps: Enable Worktags for Cost Allocations](#) on page 547.

7. (Optional) Access the [Maintain Payroll Accounting Options](#) task:

- a) On the Costing tab, select the [Enable Mid Period Costing](#) checkbox.

Workday prorates costing allocation by the proration type on the pay component. Costing always prorate regardless of pay component proration.

- b) Select the [Require Position](#) checkbox.

Workday requires you to select Position for the *Assign Costing Allocation* task or web service, so you can allocate costs for positions on leave.

This requirement can prevent you from completing the *Leave of Absence* business process for worker leaves. To work around this restriction, add a step condition logic to the *Leave of Absence* business process to skip costing for worker leaves.

- c) On the General tab, select the [Intercompany Accounting - Enable](#) checkbox.

When enabled, you can charge payroll expenses between multiple companies within an organization. See: [Setup Considerations: Payroll Intercompany Accounting](#) on page 432.

- d) Select [Allocate New Pay Liability Based on Earning Proration](#) to enable net pay liability allocation to create multiple actuals journal lines consistent with the distribution of the earnings paid to the worker.

Note: You cannot enable this feature if the [Intercompany Accounting - Enable](#) checkbox is selected.

- e) Select [Allocate Net Pay Liability - Exclude Negative Result Lines](#) to exclude negative earnings when calculating the earnings-based proration for net pay liability allocation, preventing inflated distributions or miscalculations.

Note: You cannot enable this feature if you have not enabled [Allocate Net Pay Liability](#).

- f) On the Costing tab, select the [Display Costing Allocation Event Number](#) checkbox.

When enabled, Workday assigns an ID number to completed costing allocation events and displays it in various reports. In addition, Workday retroactively assigns ID numbers to past costing allocation events with a completed status. This ensures more efficient tracking

and auditing. It also supports linking these events with their associated Pay Accounting Reallocation journal entries.

- g) For Payroll for the U.S., if your organization uses salary over the cap, select the checkboxes to enable the feature in the Grants/Awards and Commitments sections.
8. [Create Salary Caps \(USA\)](#) on page 1148.

You can create salary caps only when you enable the salary over the cap feature for payroll accounting on the [Edit Tenant Set Up - Payroll](#) task.

9. Optional: (Optional) Use these options to review a worker's default costing allocations:

- The Organization Assignments tab on the View Supervisory Organization report (*Manage Supervisory Organization* domain in the Organization Assignments functional area). This report displays default cost allocations that workers inherit from the supervisory organization.
- The Pay option on a worker's profile. Select Costing Allocations. The default costing allocations displayed on the worker's profile take precedence over allocations inherited from the supervisory organization.

- 10.(Optional) Override default costing instructions by assigning cost allocations to specific:

- Earnings: [Set Up Cost Allocations for Earnings](#) on page 264.
  - Employee-paid deductions: [Set Up Cost Allocations for Employee Deductions](#) on page 266.
  - Employer-paid expenses: [Define Cost Allocations for Employer-Paid Expenses](#) on page 559.
- Workday allocates employer-paid expenses based on the allocation of employee gross earnings.
- Fringe benefit recovery (CAN, FRA, UK, USA): [Define Cost Allocations for Fringe Benefit Recovery](#) on page 560 .
  - Workers:
    - [Define Cost Allocations for a Worker](#) on page 550 .
    - [Define Cost Allocations for a Worker as Part of a Staffing Event](#) on page 553 .
  - Restricted (unfilled) positions: [Define Cost Allocations for Position Restrictions](#) on page 556

## Result

Workday allocates payroll costs according to the costing rules you've configured.

For Payroll for Canada and Payroll for the U.S., when you use multiple jobs functionality, journal entry lines include a position worktag and costing worktags. For worker-based pay components, Workday includes the worktag for the processing position, unless you select a position when entering payroll input.

## Next Steps

Review the distributions on these reports:

- [Pay Calculation Results for Worker](#) (Actuals tab of View Payroll Result)
- [Payroll Accounting by Period/Pay Group](#)
- [Payroll Accounting by Company/Period](#)

## Related Information

### Concepts

[Concept: Allocation of Payroll Costs](#) on page 566

[Concept: Costing Allocations Priority](#) on page 574

### Examples

[Reference: Edit Tenant Setup - Payroll](#)

[Reference: Organization Types and Subtypes](#)

## Steps: Set Up Approval Routing for Costing

### Prerequisites

Security: *Set Up: Payroll* domain in Core Payroll functional area.

### Context

You can configure the *Assign Costing Allocation* business process to route cost allocation approval requests to:

- Administrative security groups, such as HR administrators and partners.
- Selected role-based (constrained) security groups, such as cost center managers and fund managers.

When an allocation requires approval from a role-based security group, Workday notifies the role, such as cost center managers in the proposed organizations. If you allocate costs to multiple organizations that have the same manager, Workday sends 1 approval request to that manager. When cost allocations change, the approval request goes to the roles in all proposed organizations.

Example: You allocate costs for a position evenly between cost center 1 and cost center 2. When you update these costing allocations and split them between cost centers 1 and 3, the managers of cost centers 1 and 3 receive an approval request.

### Steps

1. **Edit Business Process Security Policies.**

On the *Assign Costing Allocation* business process, add security groups to either the:

- *Approve* action.
- *Review Costing Allocation Event Review Start* action step.

2. **Edit Business Processes.**

Add security groups to either of these steps on the *Assign Costing Allocation* business process:

- *Approve*
- *Review Costing Allocation Event Review Start*

3. **(Optional) Configure Questionnaires and Questions.**

- a) Add the *Complete Questionnaire* step to the *Assign Costing Allocation* business process using the Edit Business Process task. Workday recommends that you attach only 1 questionnaire.
- b) (Optional) For Payroll for the U.S., make the questionnaire response viewable in the approval step. See: [View Questionnaire Responses in Approval Steps](#).
- c) Add security groups on the approval or review steps of the *Assign Costing Allocation* business process to the *Questionnaire Results* domain.

### Example

You configure the *Assign Costing Allocation* business process to route approval requests to HR administrators and fund managers:

- 34% to fund 001 (the default fund)
- 33% to fund 002 (entered as a costing override)
- 33% to fund 003 (entered as a costing override)

When each fund has a different manager, Workday sends an approval notification to each of the 3 fund managers and to every HR administrator. However, if 1 person manages both funds 002 and 003, they would receive only 1 approval request.

If you update the allocations for funds 002 and 003 to 40% and 26% respectively, Workday notifies the managers for all 3 funds. If you later update the allocations to 0% for fund 001, 50% for fund 002 and 50% to fund 003, Workday notifies only the managers of funds 002 and 003.

#### Related Information

#### Examples

[Concept: Business Processes](#)

## Create Condition Rules for Costing

### Prerequisites

Security: *Manage: Business Process Definitions* domain in the System functional area.

### Context

Creating condition rules improves the accuracy and control of the approval process for assigning cost allocations. You can create condition rules on the steps of the *Assign Costing Allocation* business process to validate:

- *Costing Allocation Proposed Organizations*
- *Costing Allocation Proposed Organization Type (Aggregate)*

When the condition rules on your *Assign Costing Allocation* business process are true, Workday:

- Stops the business process.
- Displays a critical error or warning.
- Saves the process for revision.

You can then correct the invalid organizations and rerun the business process.

### Steps

1. Access the *Assign Costing Allocation (Default Definition)* business process.
2. From the related actions menu of the initiation step or an action step, select Business Process > Maintain Step Conditions.
3. Confirm the Effective Date and Workflow Step.
4. Add a row in the Validation Conditions grid and from the Rule prompt, select Create Condition Rule.
5. As you create the condition rule, consider:

Option	Description
Description	Workday displays this text as a message when the business process runs and the conditions you specify are true.
Source External Field or Condition Rule	To validate: <ul style="list-style-type: none"> <li>• Worktag values, select <i>Costing Allocation Proposed Organizations</i>.</li> <li>• Type of organization (such as a region, cost center, or project), select <i>Costing Allocation Proposed Organization Type (Aggregate)</i>.</li> </ul>
Relational Operator	Select an operator to evaluate the worktag or organization type against the comparison value.

Option	Description
Comparison Value	Select a value for the worktag or organization type.

6. Add other rows with *And* or *Or* conditions as required.

## Result

The rule you created displays as a validation on the Assign Costing Allocation business process in these fields:

- If for an entrance condition (on an initiation step).
- Validation for an exit condition (on an action step).

## Example

You're an administrator in Cost Center A, and Cost Center A must not allocate Gift 1 and Grant 1 together. You create a condition rule as the exit condition on the workflow action step of the *Assign Costing Allocation (Default Definition)* business process.

In the Description field, enter *Gift 1 and Grant 1 can't be allocated together*.

And/Or	Source External Field or Condition Rule	Relational Operator	Comparison Value
<i>And</i>	<i>Costing Allocation Proposed Organizations</i>	<i>any in selection list</i>	<i>Gift 1</i>
<i>And</i>	<i>Costing Allocation Proposed Organizations</i>	<i>any in selection list</i>	<i>Grant 1</i>

When you click OK, Workday displays the rule in the Validation field.

When the Assign Costing Allocation business process runs with *Gift 1* and *Grant 1* in the Costing Override field, Workday displays your description in a critical or warning message: *Gift 1 and Grant 1 can't be allocated together*. The business process stops, and Workday saves it for you to correct.

Related Information

### Examples

[Concept: Step Conditions](#)

[Create Business Process Condition Rules](#)

## Set Up Custom Validations for Assigning Costing Allocations

### Prerequisites

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

### Context

You can set up validations to prevent or warn users from entering and submitting costing allocations with invalid worktag combinations.

Validations apply when you use the Assign Costing Allocation task, or the *Assign Costing Allocation* business process alone or as a subprocess part of another business process. Workday validates new costing allocations and existing allocations when you update them.

## Steps

1. Access the Maintain Payroll Costing Validations report.
2. Click New Validation at the appropriate Severity level:
  - *Critical*: Prevents users from submitting invalid requests. Workday saves these requests so that users can revise them.
  - *Warning*: Alerts users but doesn't prevent submission and approval.
3. As you complete the task, consider:
 

Option	Description
Description	Enter text to display when the business process runs and the conditions you specify are true.
Category	Assign a category to make the validation rule easier to find later. You can create <i>Custom Validation Rule</i> categories using the Maintain Condition Rule Categories task.
Derived Logic	Select the statement you defined for the rule conditions. It displays when you save a new rule.

4. As you complete the Rule Conditions grid, consider:

Field	Description
And / Or	When 2 or more conditions exist, specify how they relate to each other.
( )	Use parentheses to indicate precedence for 3 or more statements with a combination of <i>And</i> and <i>Or</i> conditions. Example: <i>(A and B) or C</i> .
Source External Field or Condition Rule	Select: <ul style="list-style-type: none"> <li>• <i>Costing Allocation Proposed Organizations</i> to validate worktag values.</li> <li>• <i>Costing Allocation Proposed Organization Type (Aggregate)</i> to validate use of a particular type of organization worktag, such as region, cost center, or project.</li> </ul>
Comparison Value	Based on the Comparison Type, select a comparison field or enter a value to compare to the source.

## Result

When a validation meets the:

- *Warning* conditions, Workday displays *Warning: [the validation description]*.
- *Critical* conditions, the costing allocation is incomplete and the error message displays.

## Example

You want to create a warning message to display when an administrator tries to allocate worker costs to the *Cost Center: 10000 Office of CEO* and selects a region other than *Region: North America*.

1. Access the Maintain Payroll Costing Validations report.
2. Click New Validation for a warning.
3. Enter *Change the Region to North America or select a different Cost Center* for the description.

- In the Rule Conditions grid, enter these values:

And/Or	Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
	<i>Costing Allocation Proposed Organizations</i>	<i>any in selection list</i>	<i>Value specified in this filter</i>	<i>Cost Center: 10000 Office of CEO</i>
<i>And</i>	<i>Costing Allocation Proposed Organizations</i>	<i>none in the selection list</i>	<i>Value specified in this filter</i>	<i>Region: North America</i>

- Access the Assign Costing Allocation task.

- In the Worktags column, select *Cost Center: 10000 Office of CEO* and *Region: Australia*.

Workday displays your message, *Warning: Change the Region to North America or select a different Cost Center.*

## Steps: Enable Worktags for Cost Allocations

### Prerequisites

#### Security:

- Set Up: Enable Worktags* domain in the Worktags functional area.
- Set Up: Organization* domain in the Organizations and Roles functional area.

### Context

You can make these worktags available for use in costing allocations:

- Business units.
- Cost centers.
- Custom organizations (when they don't have other organizations as members).
- Funds.
- Grants.
- Locations.
- Programs.
- Gifts.
- Projects.
- Regions.

Regardless of whether you've enabled them, you can always select the worktags when entering payroll input, or running off-cycle payments.

### Steps

- Maintain Organization Types.

You can select the organization type to edit, or create up to 10 custom organization types for payroll costing. Select *Use as Financial Worktag* to configure payroll costing worktags.

- Access the Maintain Payroll Accounting Options task.

On the Costing tab, select the *Enable Related Worktags* check box to configure allowed and required related worktag functionality for costing allocations.

Security: *Domain NameSet Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### 3. Configure Worktags for Transactions.

You can add or update the *Payroll Costing Allocation* transaction worktags that you want to enable as primary or additional worktags. When you configure the worktag as a balancing worktag, you must set them up as required for payroll costing allocation.

For Payroll for Canada and the U.S., making the Location worktag available has no effect on taxation. Local, state, and provincial taxes are based on a worker's location or position location, not on the location specified in costing allocations.

### 4. Configure Related Worktags.

You can configure how to use related worktags on the Assign Costing Allocation task.

Note: The Assign Costing Allocation web service processes worktags in the order that you define in the Maintain Worktag Type Precedences task. The Assign Costing Allocation task doesn't.

### 5. Set Up Account Posting Rules.

You can configure account posting rules to assign ledger accounts to operational journal lines for your company.

## Result

The assign costing allocation Primary Worktag Types display in separate columns on these business processes:

- Add Job.
- Change Job.
- Create Position.
- Edit Position.
- Hire Employee.
- Request Leave of Absence.
- Start International Assignment.
- Terminate Employee.

All other payroll costing allocation subprocess display Primary Worktag Types and Additional Worktag Types alphabetically in 1 column.

### Related Information

#### Concepts

[Concept: Worktag Balancing for Payroll](#) on page 447

## Example: Using Costing Company Override Rules

### Prerequisites

- Configure any worktag types under the Payroll Costing Allocation section of the Maintain Worktag Usage task. For this example, configure *Cost Center* and *Location*. See: [Steps: Enable Worktags for Cost Allocations](#). Worktags you configure populate the Dimension field on the Maintain Payroll Costing Company Overrides task.
- Define Intercompany Profiles.
- Enable Restricted to Companies on the Edit Cost Center task. When enabled and you choose Cost Center as a value on the Maintain Payroll Costing Company Overrides task, you limit what populates the Costing Company field.
- Set up Intercompany Accounting on the Maintain Payroll Accounting Options task. See: [Setup Considerations: Payroll Intercompany Accounting](#) on page 432.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area. See: [Steps: Enable Functional Areas and Security Policies](#).

## Context

Your worker, John, has these default organizational assignments:

- Primary Company: GMS-1
- Cost Center: CC-1, Fund 1

You want to allocate some of John's time to a different cost center, so you apply CC-2 as a worktag override to 1 of John's time block entries. In order for CC-2 to override the default cost center (CC-1) when you approve John's time entry, you configure override rules using the Maintain Payroll Costing Company Overrides task.

Use this task to configure override rules for time blocks to automatically match costing companies with worker time entries or run payroll accounting adjustments for intercompany time tracking errors. Workday evaluates the costing company override rules that you configure (and the full set of worktags, including worker defaults and any entered as overrides on the worker's time block) sequentially, and then determines whether the rule matches a worker's time entry.

## Steps

1. Access the Maintain Payroll Costing Company Overrides task.
2. Using the task, you configured these override rules.

Rule 1	
<i>Costing Company: GMS-2</i>	Select the costing company you want to apply the override rule to, which is assigned to the worker's time block (in this example it's GMS-2). Only active companies as of the override rules' effective date display.
<i>Dimension: Cost Center</i>	You created the <i>Cost Center</i> worktag on the Maintain Worktag Usage task, so you can select it in the Dimension prompt.
<i>Values: CC-2</i>	Since you selected <i>Cost Center</i> as the dimension, only cost centers display as values.

Rule 2	
<i>Costing Company: GMS-3</i>	
<i>Dimension: Location</i>	You created the <i>Location</i> worktag on the Maintain Worktag Usage task, so you can select it in the Dimension prompt.
<i>Value: LocA</i>	Since you selected <i>Location</i> as the dimension, only locations display as values.

## Result

You approve the time entry for John where you applied the CC-2 cost center as a worktag override. Workday evaluates the override rules you configured. Rule 1 matches the worktag override applied to the time entry, *Cost Center - CC-2*. Workday stops evaluating the rules and applies Rule 1 to the time entry, overriding John's default cost center, which is CC-1. The approved time entry displays the full set of worktags: CC-2 and Fund1.

### Related Information

#### Examples

[2023R2 What's New Post: Costing Company Overrides](#)

## Define Cost Allocations for a Worker

### Prerequisites

- Enable worktags for cost allocations. See: [Steps: Enable Worktags for Cost Allocations](#).
- Configure the *Assign Costing Allocation* business process and security policy in the Core Payroll functional area.

### Context

Workday processes costing allocations for a worker when you calculate payroll using the Run Pay Calculation task.

You can specify default allocations for 1 or all of a worker's earnings across:

- Cost Centers.
- Projects.
- Grants.
- Other organization types.
- Locations.

For Payroll for Canada, Payroll for the UK, and Payroll for the U.S., if you enable the multiple jobs functionality from the Position Setup Options field on the Edit Tenant Setup - HCM task, workers can have cost allocations that differ by position.

You can view the costing allocations you defined by accessing the All Workers Costing Allocations report. See: [View Worker Cost Allocations](#).

For Payroll for the U.S., if you enable Salary Over the Cap and assign a Grant worktag subject to a Sponsor Salary Cap to a costing allocation, Workday evaluates earnings in the pay component group to determine the covered amount. When a portion of the earning exceeds the cap, Workday displays an action button in the Salary Over the Cap column.

Note:

You can't rescind an assigned costing allocation once it has been used in a journal calculated after 09-20-2025 and with a status of Created, Error, or Posted. If you want to make changes to an existing costing allocation that you can no longer rescind, you can update the allocation from the Proposed Costing Allocations tab.

### Steps

1. Access the Assign Costing Allocation task.
2. In the Include Existing Costing Allocations section, select the From and To dates.
3. As you complete the Worker Costing section, consider:

Option	Description
Position	<p>Applies the allocation instructions only to the selected position. You can select a past, present, or future position. When you enable Require Position on the Edit Tenant Setup - Payroll task, Workday displays:</p> <ul style="list-style-type: none"> <li>• The worker's processing position for workers in Canada and the U.S.</li> <li>• The worker's primary position for workers in Australia, France, and the UK.</li> </ul>

Option	Description
Earning	<p>Applies the allocation instructions only to the selected earning. You can select from all earnings or earnings associated with the worker (or position) compensation plans.</p> <p>When you leave Earning blank, the allocation instructions apply to all earnings for the worker or their position.</p>

4. Click OK.

5. As you complete the task, consider:

Option	Description
Copy Costing Allocation	Workday doesn't copy attachments when copying a costing allocation.
Start Date End Date	Dates can't overlap past or future costing allocation intervals.
Default (As of Start Date)	When you don't enter Costing Override values, Workday uses the worktag values for the worker's assigned organizations to allocate costs for their earnings.
Required with no Default (Must have Costing Override)	When a worktag is Required under Payroll Costing Allocation on the Maintain Worktag Usage task but a worker has no organization default, you must select a Costing Override value from the Additional Worktags field.
Costing Company	Enter a costing company to assign costing allocations. The Costing Company column is only available when you select the Intercompany Accounting - Enable check box in the Payroll Accounting section on the Edit Tenant Setup - Payroll task.
Worktags	<p>Select a value for each worktag listed in the Required with no Default (Must have Costing Override) field. Example: If business unit and program are the required worktags, you must select values for both.</p> <p>You can also select values for:</p> <ul style="list-style-type: none"> <li>Worktags listed in the Default (As of Start Date) column. When you select a value, Workday removes the default value from the display field.</li> <li>Any worktag that's enabled for payroll costing.</li> </ul> <p>If you have set up related worktags, Workday adds the one you select and its related worktags. You can remove any you don't want.</p>

Option	Description
	You can only select 1 of these worktags as an override: <i>Project</i> , <i>Project Plan Phase</i> , or <i>Project Plan Task</i> .
Distribution Percent	You can add rows to split the costing allocation for the salary over cap portion. The sum of all rows must equal 100%.

6. (Optional) For Payroll for the U.S., if the action button appears in the Salary Over the Cap column, click the action button to access the salary over cap suballocation amount and organizational defaults. As you complete the grid, consider:

Option	Description
Costing Company	Enter a costing company to assign costing allocations. The Costing Company column is only available when you select the Intercompany Accounting - Enable check box in the Payroll Accounting section on the Edit Tenant Setup - Payroll task.
Worktags	You can edit the worker's organizational default worktags on the salary over cap suballocation. You can't edit the Grant worktag associated with the salary over cap award.
Distribution Percent	You can add rows to split the costing allocation for the salary over cap portion. The sum of all rows must equal 100%.

## Allocations for a Worker

### Allocations for a Worker with Multiple Positions (CAN, USA)

Enter cost allocations for Ben:

- To allocate 34% of his earnings to his default cost center.
- To split the rest evenly between cost centers 0002 and 0003.

Default (As of Start Date)	Costing Override	Distribution Percent
Cost Center: 0001	No entry	34
	<i>Cost Center: 0002</i>	33
	<i>Cost Center: 0003</i>	33

Jean has 2 positions, each belonging to a different cost center:

- Researcher, cost center 0001
- Professor, cost center 0002

You want to allocate 50% of her earnings to cost center 0003.

Access the Assign Costing Allocation task for her researcher position and enter:

Default (As of Start Date)	Costing Override	Distribution Percent
Cost Center: 0001	No entry	50
	<i>Cost Center: 0003</i>	50

Now, access the Assign Costing Allocation task for her professor position and enter:

Default (As of Start Date)	Costing Override	Distribution Percent
Cost Center: 0002	No entry	50
	<i>Cost Center: 0003</i>	50

For her researcher position:

- 50% of her earnings will go to cost center 0001.
- 50% of her earnings will go to cost center 0003.

For her professor position:

- 50% of her earnings will go to cost center 0002.
- 50% of her earnings will go to cost center 0003.

Related Information

#### Concepts

[Concept: Salary Over Cap Costing \(USA\) on page 1152](#)

#### Examples

[Concept: Worktags](#)

[Reference: Default Organization Assignments](#)

## Define Cost Allocations for a Worker as Part of a Staffing Event

### Prerequisites

- Enable worktags for cost allocations. See: [Steps: Enable Worktags for Cost Allocations](#).
- Add the *Assign Costing Allocation* business process as a step in your staffing business processes, such as *Hire* or *Termination*.
- Configure the *Assign Costing Allocation* business process and security policy in the Core Payroll functional area.

### Context

As a step in the hiring process or another staffing event, you can allocate 1 or more worker earnings across:

- Cost Centers.
- Projects.
- Grants.
- Other organization types and locations.

For Payroll for Canada, the UK, and the U.S., if you enable multiple jobs on your Workday tenant, workers can have cost allocations that differ by position.

The costing hierarchy for employee earnings overrides the cost allocations you specify for an employee's earnings or their position.

## Steps

- When you receive an automated notice requesting you to assign costing allocations to a worker as part of the hiring process or staffing event, select:

Option	Description
Include Existing Allocations	Revise the cost allocations using the From and To date filters and reload the data using Refresh Costing Allocation. By default, the From field is the current date.
Costing Allocation Level	Identify which earnings to allocate: <ul style="list-style-type: none"> <li><i>Worker</i>: all the worker's earnings</li> <li><i>Worker, Position, and Earning</i>: a selected earning for the worker's position</li> <li><i>Worker and Earning</i>: a selected earning for the worker</li> <li><i>Worker and Position</i>: all earnings for the worker's position</li> </ul>
Earning	When the Costing Allocation Level is <i>Worker, Position, and Earning</i> or <i>Worker and Earning</i> , select from all earnings or the earnings belonging to the worker's (or position's) compensation plans.

- (Optional) Select the Copy Position Restriction Costing Allocation check box to modify position restrictions for the employee's position.

This check box is available for *Worker and Position* allocations, only if you:

- Use the Position Management staffing model.
- Are allocating costs as part of the *Hire* business process.

- As you complete the task, consider:

Option	Description
Copy Costing Allocation	Workday doesn't copy attachments when copying a costing allocation.
Start Date End Date	Dates can't overlap past or future costing allocation intervals.
Default (As of Start Date)	When you don't enter Costing Override values, Workday uses the worktag values for the worker's assigned organizations to allocate costs for their earnings.
Required with no Default (Must have Costing Override)	When a worktag is Required under Payroll Costing Allocation on the Maintain Worktag Usage task but a worker has no organization default, you must select a Costing Override value from the Additional Worktags field.
Costing Company	Enter a costing company to assign costing allocations. The Costing Company column is only available when you select the Intercompany Accounting - Enable check box

Option	Description
	in the Payroll Accounting section on the Edit Tenant Setup - Payroll task.
Worktags	<p>Select a value for each worktag listed in the Required with no Default (Must have Costing Override) field. Example: If business unit and program are the required worktags, you must select values for both.</p> <p>You can also select values for:</p> <ul style="list-style-type: none"> <li>Worktags listed in the Default (As of Start Date) column. When you select a value, Workday removes the default value from the display field.</li> <li>Any worktag that's enabled for payroll costing.</li> </ul> <p>If you have set up related worktags, Workday adds the one you select and its related worktags. You can remove any you don't want.</p> <p>You can only select 1 of these worktags as an override: <i>Project</i>, <i>Project Plan Phase</i>, or <i>Project Plan Task</i>.</p>
Distribution Percent	You can add rows to split the costing allocation for the salary over cap portion. The sum of all rows must equal 100%.

## Example

### Allocations for a Worker

Enter cost allocations for Ben:

- To allocate 34% of his earnings to his default cost center.
- To split the rest evenly between cost centers 0002 and 0003.

Default (As of Start Date)	Costing Override	Distribution Percent
Cost Center: 0001	No entry	34
	Cost Center: 0002	33
	Cost Center: 0003	33

### Related Information

#### Examples

Concept: [Worktags](#)

## Define Cost Allocations for Position Restrictions

### Prerequisites

- Enable worktags for cost allocations. See: [Steps: Enable Worktags for Cost Allocations](#).
- Configure the *Assign Costing Allocation* business process and security policy in the Core Payroll functional area.

### Context

You can define how to allocate earnings for a particular position, or position restriction, across:

- Cost centers.
- Projects.
- Grants.
- Other organization types and locations.

Workers hired into the position inherit the allocations by default. Workers already in the position inherit the allocations only if they have no worker-specific allocations defined for a:

- Worker, position, and earning.
- Worker and earning.
- Worker and position.
- Worker.

The cost allocations you specify for a position restriction are subject to the costing hierarchy for employee earnings. You can access the All Position Restrictions Costing Allocations report to view all cost allocations defined for positions.

For Payroll for the U.S., if you enable Salary Over the Cap and assign a Grant worktag subject to a Sponsor Salary Cap to a costing allocation, Workday evaluates earnings in the pay component group to determine the covered amount. When a portion of the earning exceeds the cap, Workday displays an action button in the Salary Over the Cap column.

#### Note:

You can't rescind an assigned costing allocation once it has been used in a journal calculated after 09-20-2025 and with a status of Created, Error, or Posted. If you want to make changes to an existing costing allocation that you can no longer rescind, you can update the allocation from the Proposed Costing Allocations tab.

### Steps

1. Access the Assign Costing Allocation task.
2. In the Include Existing Costing Allocations section, select the From and To dates.
3. As you complete the Position Restrictions Costing section, consider:

Option	Description
Effective Date	Controls the positions available for selection.
Position Restrictions	You can select any position, filled or unfilled, that is available as of the Effective Date.

4. Click OK.

5. As you complete the task, consider:

Option	Description
Copy Costing Allocation	Workday doesn't copy attachments when copying a costing allocation.
Start Date End Date	Dates can't overlap past or future costing allocation intervals.
Default (As of Start Date)	When you don't enter Costing Override values, Workday uses the worktag values for the worker's assigned organizations to allocate costs for their earnings.
Required with no Default (Must have Costing Override)	When a worktag is Required under Payroll Costing Allocation on the Maintain Worktag Usage task but a worker has no organization default, you must select a Costing Override value from the Additional Worktags field.
Costing Company	Enter a costing company to assign costing allocations. The Costing Company column is only available when you select the Intercompany Accounting - Enable check box in the Payroll Accounting section on the Edit Tenant Setup - Payroll task.
Worktags	<p>Select a value for each worktag listed in the Required with no Default (Must have Costing Override) field. Example: If business unit and program are the required worktags, you must select values for both.</p> <p>You can also select values for:</p> <ul style="list-style-type: none"> <li>Worktags listed in the Default (As of Start Date) column. When you select a value, Workday removes the default value from the display field.</li> <li>Any worktag that's enabled for payroll costing.</li> </ul> <p>If you have set up related worktags, Workday adds the one you select and its related worktags. You can remove any you don't want.</p> <p>You can only select 1 of these worktags as an override: <i>Project</i>, <i>Project Plan Phase</i>, or <i>Project Plan Task</i>.</p>
Distribution Percent	You can add rows to split the costing allocation for the salary over cap portion. The sum of all rows must equal 100%.

6. (Optional) For Payroll for the U.S., if the action button appears in the Salary Over the Cap column, click the action button to access the salary over cap suballocation amount and organizational defaults. As you complete the grid, consider:

Option	Description
Costing Company	Enter a costing company to assign costing allocations. The Costing Company column

Option	Description
	is only available when you select the Intercompany Accounting - Enable check box in the Payroll Accounting section on the Edit Tenant Setup - Payroll task.
Worktags	You can edit the worker's organizational default worktags on the salary over cap suballocation. You can't edit the Grant worktag associated with the salary over cap award.
Distribution Percent	You can add rows to split the costing allocation for the salary over cap portion. The sum of all rows must equal 100%.

### Position Restriction Costing Allocation

#### Allocations for a Worker with Multiple Positions (CAN, USA)

You want to allocate costs for employees hired into position 5000 to 3 cost centers. Allocate 34% to the default cost center for the worker's organization assignment, and split the rest evenly between cost centers 0002 and 0003. Enter:

Default (As of Start Date)	Costing Override	Distribution Percent
Cost Center: 0001	No entry	34
	<i>Cost Center: 0002</i>	33
	<i>Cost Center: 0003</i>	33

Jean has 2 positions, each belonging to a different cost center:

- Researcher, cost center 0001
- Professor, cost center 0002

You want to allocate 50% of her earnings to cost center 0003.

Access the Assign Costing Allocation task for her researcher position and enter:

Default (As of Start Date)	Costing Override	Distribution Percent
Cost Center: 0001	No entry	50
	<i>Cost Center: 0003</i>	50

Now, access the Assign Costing Allocation task for her professor position and enter:

Default (As of Start Date)	Costing Override	Distribution Percent
Cost Center: 0002	No entry	50
	<i>Cost Center: 0003</i>	50

For her researcher position:

- 50% of her earnings will go to cost center 0001.
- 50% of her earnings will go to cost center 0003.

For her professor position:

- 50% of her earnings will go to cost center 0002.
- 50% of her earnings will go to cost center 0003.

## Related Information

### Concepts

[Concept: Salary Over Cap Costing \(USA\) on page 1152](#)

### Examples

[Concept: Worktags](#)

[Reference: Edit Tenant Setup - HCM](#)

## Define Cost Allocations for Employer-Paid Expenses

### Prerequisites

Enable worktags for cost allocations.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

### Context

You can specify how to allocate employer-paid expenses for a selected pay group across:

- Cost centers.
- Projects.
- Grants.
- Other organization types and locations.

These expenses add to labor costs, such as employer-paid taxes and benefits, but they don't add to gross or net pay.

The cost allocations you specify for a pay group and company are:

- Subject to the costing hierarchy for employer-paid expenses.
- Applied specifically to either debit or credit lines of corresponding journal entries.

### Steps

1. Access the Edit Employer Paid Expense Costing Allocation task.

- a) Select a Pay Group.
- b) If applicable, select a Company and an Employer Paid Expense.

Note: You can assign costing allocations only to Workday-owned employer paid expenses.

2. Enter Debit or Credit allocations, or both.

- To allocate 100% of the employer-paid expenses to the same worktag values, enter instructions in 1 row.
- To distribute the allocations, enter multiple rows.

As you complete the task, consider:

Field	Description
Start Date End Date	If an allocation exists, enter its End Date. New costing allocation dates can't overlap past or future instructions.
Costing Company	Enter a company to cost specific employer-paid expenses. The Costing Company column is available only when you select the Intercompany Accounting - Enable check box

Field	Description
	in the Payroll Accounting section on the Edit Tenant Setup - Payroll task.
Costing Override Worktag	<p>Select a value for at least 1 of the worktags listed in the Required (Override At Least One) column; Workday removes the worktag from that column.</p> <p>When you've enabled worktag balancing, enter a value for the balancing worktag.</p> <p>You can also select additional worktags that you've enabled for payroll costing.</p> <p>When you've set up related worktags, Workday adds the one you select and its related worktags. You can remove any you don't want.</p> <p>You can only select 1 of these worktags as an override: <i>Project</i>, <i>Project Plan Phase</i>, or <i>Project Plan Task</i>.</p>
Distribution Percent	The sum of all rows must equal 100%.

## Result

When rounding is necessary, Workday adjusts the last allocation.

Workday displays the allocated amounts on the Actuals tab of the View Payroll Results page.

## Next Steps

To view allocations for employer-paid expenses, access the All Employer Paid Expense Costing Allocations report.

Related Information

### Concepts

[Concept: Default Allocation of Employer-Paid Expenses](#) on page 577

### Examples

[Concept: Worktags](#)

## Define Cost Allocations for Fringe Benefit Recovery

### Prerequisites

Enable worktags for cost allocations.

Security: Set Up: Payroll (*Calculations - Payroll Specific*) domain in the Core Payroll functional area.

### Context

The instructions in this topic are applicable only for these countries:

- Payroll for Canada
- Payroll for France
- Payroll for the UK
- Payroll for the U.S.

You can specify how to allocate the recovery of fringe benefits for a selected pay group to:

- Grants.
- Projects.
- Other costing dimensions.

## Steps

1. Access the Edit Fringe Benefit Recovery Costing Allocation task.
  - a) Select a Pay Group.
  - b) If applicable, select a Company.
2. If an allocation exists, enter its End Date.
3. To define a new costing allocation, click Add.
4. Enter the Start Date and optional End Date for the new allocation. Dates can't overlap past or future instructions.
5. To allocate 100% of the employer-paid expenses to the same worktag values, enter instructions in a single row. To distribute the allocations, enter multiple rows.

Field	Description
Costing Company	Enter a company to allocate costing for fringe benefit recovery. The Costing Company column is only available when you select the Intercompany Accounting - Enable check box in the Payroll Accounting section on the Edit Tenant Setup - Payroll task.
Costing Override Worktag	Select a value for at least one of the worktags listed in the Costing Override Worktag column. If you have set up related worktags, they automatically populate the Costing Override Worktag field for you to consider using. You can also select additional worktags enabled for payroll costing. If you enable worktag balancing, the balancing worktag isn't available for a costing override, but added to journal lines based on your worktag balancing rules for fringe benefits. You can only select one of these worktags as an override: <i>Project</i> , <i>Project Plan Phase</i> , or <i>Project Plan Task</i> .
Distribution Percent	The sum of all rows must equal 100%.

6. If the total distribution percent is less than 100%, add a row to allocate a percentage of costs to another combination of worktag values.
7. Use the arrows in the Order column to control the order in which to allocate costs.

## Result

Workday displays the allocated amounts on the Journal Lines tab of View Operational Accounting Details. When rounding is necessary, Workday adjusts the last allocation.

## Next Steps

Access the All Fringe Benefit Recovery Costing Allocations report, to view allocations for fringe benefit recovery.

### Related Information

#### Tasks

[Steps: Enable Worktags for Cost Allocations](#) on page 547

#### Examples

Concept: Worktags

## Configure Costing for Specific Employer-Paid Expense

### Prerequisites

Security: *Set Up: Payroll (Calculations – Payroll Specific)* in the Core Payroll functional area.

### Context

You can:

- Cost applicable employer-paid expenses to the worker's assigned costing allocations.
- Cost 100% of all applicable employer-paid expenses to the worker's organization defaults.
- Exclude specific earnings from the applicable employer-paid expense costing distribution.
- Set earnings-based costing rules for employer-paid expenses based on specific conditions or exclude specific earnings from applicable employer-paid expense costing.

### Steps

1. Access the Edit Employer Paid Expense Costing Allocation Defaults task.
2. Enter the Pay Group, Company, and Employer Paid Expense.  
You can enter only 1 employer-paid expense per pay group and company.
3. As you complete the task, consider:

Option	Description
Start Date	Enter a start date that falls within the date range of a processing pay period or subperiod.
End Date	(Optional) Enter an end date.
Costing Allocation Defaults	Select from: <ul style="list-style-type: none"> <li>• Worker's Assigned Costing</li> <li>• Worker's Organization Assignment</li> <li>• Position Restrictions Costing</li> <li>• Earnings Based Costing</li> </ul>
Exclude Earnings	Enter specific earnings that you want to exclude from the employer-paid costing distribution.  Exclude Earnings is available only if you select Earnings Based Costing as your costing allocation default.
Earnings Based Costing Options	If you select Earnings Based Costing in Costing Allocation Defaults, you can configure these options.

Option	Description
	<p>Conditions</p> <ul style="list-style-type: none"> <li>• Sum of Payroll Earnings is Zero</li> <li>• No Earning Lines</li> </ul> <p>Costing Allocation Type</p> <ul style="list-style-type: none"> <li>• Position Restrictions Costing</li> <li>• Worker's Assigned Costing</li> <li>• Worker's Organizational Assignment</li> </ul>

## Result

Workday processes costing rules depending on the configuration you select.

If you don't configure costing allocation rules, Workday automatically costs employer-paid expenses to earnings proration. If no earnings proration exists, Workday costs employer-paid expenses to a worker's organization assignment.

## Example

### Default from Worker's Costing Allocations

When a payroll administrator selects Default from Worker's Costing Allocations, Workday evaluates payroll result lines and uses:

1. Worker + Position level costing allocations for all position-based, employer-paid deductions.
2. Worker level costing allocations for employer-paid deductions that aren't position-based.
3. A worker's organization defaults if the worker doesn't have assigned costing allocations.

The payroll administrator at Global Modern Services uses the Default from Worker's Costing Allocations option. They cost 50% of a *Medical - AETNA - ER [USA]* employer-paid expense (\$200) to Cost Center 1, Fund 1. They cost 50% to Cost Center 2, Fund 2, which comes from the worker's assigned costing allocation.

Distribution %	Costing	Expense Distribution
50%	Cost Center 1, Fund 1	100
50%	Cost Center 2, Fund 2	100
Total		200

### Default from Worker's Organization Assignment

The payroll administrator at Global Modern Services uses the Default from Worker's Organization Assignment option. They cost 100% of *Medical - AETNA - ER [USA]* employer-paid expense (\$500) to the worker's default organization assignment. Workday applies the costing rule and distributes the employer-paid expense as:

Earning	Gross	Distribution %	Costing	Expense Distribution
Base Pay	5000	0%	Cost Center 1, Fund 1	
Spot Bonus	2000	0%	Cost Center 2, Fund 2	
Car Allowance	1000	0%	Cost Center 3, Fund 3	
		100%	Cost Center 4, Fund 4 (Worker's Default Organization)	500
Total				500

### Exclude Earnings

The payroll administrator at Global Modern Services uses Exclude Earnings option to exclude *Spot Bonus* from the employer-paid expense costing distribution. Workday applies the costing rule and distributes the employer-paid expense as:

Earning	Gross	Distribution %	Costing	Expense Distribution
Base Pay	5000	83%	Cost Center 1, Fund 1	416.67
Spot Bonus	2000	-	Cost Center 2, Fund 2	-
Car Allowance	1000	17%	Cost Center 3, Fund 3	83.33
Total	6000	100%		500

### Next Steps

Use the View All Employer Paid Expense Costing Allocation Defaults report to review any configured defaults.

## Set Up Retro Costing for Payroll Accounting

### Prerequisites

Security: Set Up: Payroll (*Calculations - Payroll Specific*) domain in the Core Payroll functional area.

### Context

You can automatically update retro result lines to reflect the costing rules, budget date, and payroll attributes of a retro pay period instead of the current period.

You can select earnings to exclude from retro costing when you want to keep the costing as the current period.

You can configure retro pay amounts to charge either over or under a salary cap grant when you run retro payroll calculations, reducing the number of payroll accounting adjustments you need to run and improving

the accuracy of your billing. You can configure retro lines specific to salary cap grants to cost fully over or under the cap for certain job families, job family groups, and job profiles.

## Steps

1. Access the Maintain Payroll Accounting Options task.
2. Select the Enable Retroactive Costing check box.
3. (Optional) From the Earnings to Exclude from Retro Costing prompt, select 1 or more earnings to exclude from the calculation.

## Result

When you run the Run Retro Pay Calculation task, Workday pulls in all incomplete retro events. When you complete the next pay calculation, Workday automatically updates retro result lines to reflect your costing rules.

## Example

### Retroactive Costing

In July, a worker receives a bonus pay of 1,000 that is retroactive to January. Their cost center in January was CC100. In March, they moved to a different department and their cost center changed to CC500. When you select the Enable Retroactive Costing check box and run a retro pay calculation for the bonus pay, Workday applies the costing from the retro pay period instead of the current period, which is July. Their bonus is charged to cost center CC100.

### Related Information

#### Concepts

[Concept: Retro Payroll Accounting](#) on page 930

## View Worker Cost Allocations

### Prerequisites

Security: *Worker Data: Payroll (Costing Override)* domain in the Core Payroll functional area.

### Context

The All Workers Costing Allocations report enables you to view workers' past, present, and future cost allocations. You can also view cost allocations for workers with multiple jobs as well as who initiated and approved costing allocation events.

## Steps

1. Access the All Workers Costing Allocations report.
2. (Optional) To view all costing allocations for a worker with multiple jobs, filter the Worker column to select a specific worker and display all of their positions.
3. (Optional) To view cost allocations for a specific worker:
  - a. Click the worker's name to access the worker profile.
  - b. Click Pay > Costing Allocation to view present and future costing allocations.
  - c. Click View All Costing Allocations to view all past, present, and future costing allocations for the worker.

4. (Optional) To view details for a costing allocation event, including who initiated it and who approved it:
  - a. From the worker's related actions menu, select Worker History > View Worker History by Category.
  - b. Click Payroll.
5. (Optional) To view worker cost allocations where the award line company isn't the same as the payroll company, access the Grant Multi Company Audit for Worker Costing Allocations report.

## Concept: Allocation of Payroll Costs

### Workday Default Allocations

- [Workday Default Allocations](#) on page 566
- [Allocations Based on Pay Period End Date](#) on page 567
- [Proration and Midperiod Changes to Cost Allocations](#) on page 568
- [Rounding](#) on page 568
- [Reversals](#) on page 568
- [Multiple Positions](#) on page 568
- [Getting Cost Allocation Data](#) on page 569
- [Rescinding an Assigned Costing Allocation](#) on page 569

This table displays how Workday automatically allocates different types of payroll costs and which types you can reallocate.

Payroll Cost Type	Default Allocation	Reallocate?
Employee earnings in the <i>Adds to Gross</i> or <i>Adds to Net</i> pay component group.	<p>To the:</p> <ul style="list-style-type: none"> <li>• Cost centers, projects, grants, and other organization types associated with the worker's supervisory organization.</li> <li>• Worker's location, if you enabled location worktags for payroll costing.</li> </ul> <p>If you use the Change Organization Assignments task to change a worker's cost center, fund, or other organization type, Workday allocates earnings to those organizations instead.</p> <p>For workers with multiple positions, Workday allocates the earnings to the organization assignments associated with their supervisory organization.</p>	Yes
Employer-paid expenses  The taxes and benefits that add to labor costs, but not to a worker's gross or net pay. Workday identifies them as additional pay components or in additional pay component groups for the run category.	<p>Based on the distribution of workers' gross pay earnings.</p> <p>(CAN, USA) For workers with multiple positions, Workday allocates expenses for worker-based pay components to the processing position.</p> <p>(AUS, FRA, UK) For workers with multiple positions, Workday allocates expenses</p>	Yes

Payroll Cost Type	Default Allocation	Reallocate?
	for worker-based pay components to the primary position.	
Employee deductions	(CAN, USA) To the cost centers, projects, grants, and other organization types associated with the supervisory organization of the worker's processing position.  (AUS, FRA, UK) To the cost centers, projects, grants, and other organization types associated with the supervisory organization of the worker's primary position.	Yes
Net pay	(CAN, USA) To the cost centers, projects, grants, and other organization types associated with the supervisory organization of the worker's processing position.  (AUS, FRA, UK) To the cost centers, projects, grants, and other organization types associated with the supervisory organization of the worker's primary position.	No
Fringe benefit expenses	(CAN, FRA, UK, USA) Based on the distribution of the worker's gross pay earnings.	No
Fringe benefit recovery	(CAN, FRA, UK, USA) According to the balancing worktag, when you enable worktag balancing.	Yes

### Allocations Based on Pay Period End Date

Workday applies the allocation instructions in effect on the pay period end date to the entire period. You can apply them to the mid period by selecting the Enable Mid Period Costing check box on the Maintain Payroll Accounting Options task.

When an instruction spans pay periods, the available values are the ones in effect on the end date of the last pay period included in the instruction's start and end dates.

Example 1: The current pay period is June 8 to June 14, and Ernesto has these worker overrides:

- Row 1: June 1 - June 10
- Row 2: June 11 - June 20
- Row 3: June 21 - June 30

Workday applies the instructions for the row 2 override because it includes the June 14 pay period end date.

Example 2: The current pay period is January 1 to January 31. Amanda has worker overrides for January 10 to January 15. Because the pay period end date falls outside of the override dates, Workday applies the Default Organizational Assignments. For a February 15 allocation end date, Workday would apply the allocation instructions to the January pay period.

## Proration and Midperiod Changes to Cost Allocations

When you select Enable Mid Period Costing on the Maintain Payroll Accounting Options task and change costing allocations midperiod, Workday prorates costs for earnings and deductions.

Workday uses the earning's proration method when you select Prorate Using Days Worked or Prorate Using Calendar Days while creating or editing an earning. Workday doesn't support midperiod costing with the Prorate Using Annual Working Days proration method, and uses calendar days instead. When you don't select a proration method for an earning, Workday prorates costs based on calendar days.

Workday always prorates deductions based on calendar days.

When Workday Payroll passes costs to Workday Financials, it also passes the end date of the costing allocation as the budget date.

Workday recognizes midperiod costing allocation changes for these organizations:

- Business Unit
- Cost Center
- Custom Organizations
- Fund
- Grant
- Location
- Program
- Project Plan Phase
- Region

Changes to a worker's Default Organizational Assignments don't cause costed earnings proration.

Forward accruals use the costing allocations in effect on the period end date.

## Rounding

When you allocate costs across multiple organizations, Workday calculates the final distribution using the formula: *Total Calculated Value of Pay Component - Sum of All Instances Prior to Final Instance = Final Distribution Amount*, and rounds the result to the nearest penny.

Example: Base pay of 1225 distributes across 3 cost centers. Workday applies the formula to instance 3:

Cost Center	Distribution Percent	Amount Allocated to Cost Center
200	33.33	$1225 \times 33.33 = 408.29$ (rounded to nearest penny)
300	33.33	$1225 \times 33.33 = 408.29$ (rounded to nearest penny)
400	33.34	$1225 - (408.29 + 408.29) = 408.42$

## Reversals

You can reverse payroll results that include earnings with associated override values. Workday uses the allocation instructions associated with the original results to process the reversal.

Payroll for France doesn't support reversals.

## Multiple Positions

For Payroll for Canada, Payroll for the UK, and Payroll for the U.S., when you enable the multiple jobs functionality from the Position Setup Options field on the Edit Tenant Setup - HCM task, you can define cost allocations for workers based on each of their positions. See: [Define Cost Allocations for Position Restrictions](#) on page 556.

Jean has 2 positions, each belonging to a different cost center:

- Researcher, cost center 0001
- Professor, cost center 0002

You want to allocate 50% of her earnings to cost center 0003. Access the Assign Costing Allocation task for her researcher position and enter:

Default (As of Start Date)	Costing Override	Distribution Percent
Cost Center: 0001	No entry	50
	<i>Cost Center: 0003</i>	<i>50</i>

Now, access the Assign Costing Allocation task for her professor position and enter:

Default (As of Start Date)	Costing Override	Distribution Percent
Cost Center: 0002	No entry	50
	<i>Cost Center: 0003</i>	<i>50</i>

For her researcher position:

- 50% of her earnings will go to cost center 0001.
- 50% of her earnings will go to cost center 0003.

For her professor position:

- 50% of her earnings will go to cost center 0002.
- 50% of her earnings will go to cost center 0003.

## Getting Cost Allocation Data

The *Get Worker Costing Allocation* web service retrieves costing information from a worker or position restriction.

## Rescinding an Assigned Costing Allocation

You can't rescind an assigned costing allocation once it has been used in a journal calculated after 09-20-2025 and with a status of Created, Error, or Posted. If you want to make changes to an existing costing allocation that you can no longer rescind, you can update the allocation from the Proposed Costing Allocations tab.

Related Information

### Tasks

[Steps: Set Up Proration](#) on page 284

### Examples

[Reference: Edit Tenant Setup - Payroll](#)

## Concept: Allocate Net Pay Liability Based on Earning Proration

The Allocate Net Pay Liability Based on Earning Proration feature allows you to generate multiple actuals journal lines for the net pay liability (credit) that align with the distribution of earnings paid to the worker.

This provides the ability to better track and manage the liability associated with payroll net pay and eliminates the need to process post-payroll journal entries to reclassify accounting.

The Allocate Net Pay Liability Based on Earning Proration feature supports:

- Intercompany Accounting

- Journal Summarization
- Multi-position Workers
- Multiple Currency on Single Company Results
- Retroactive Pay Results
- Worktag Balancing

## Actuals Journals

With Allocate Net Pay Liability Based on Earning Proration enabled, you can create multiple journal lines for net pay based on the distribution of earnings.

If you use Worktag Balancing, the net pay, earnings, employee, and employer deductions journal lines (debits and credits) are subject to balancing. The system uses the primary worktag dimension from the Worktag Balancing rule and the optional balancing dimension from the worker's Default Organizational Assignments to create intercompany and/or interworktag payables and receivables journal lines.

Any small rounding differences that occur when calculating net pay journal lines will be added to the largest net pay amount. If there are multiple net pay journal lines that are the same and the largest, the difference will be added to the worktag set based on ascending order.

Workday enters a journal line per prorated earning when you process:

- Payments with earnings proration.
- Manual payments with earnings proration, including negative manual payments.

If there are Adds to Gross (ATG) and Net Pay Only (NPO) earnings on both regular or manual payments, Workday only prorates the net pay journal lines associated with the ATG pay components. NPO pay components display on a separate journal line.

### Example

An employee has a gross pay of \$1000, their proration of earnings is a 30/70 split, and they have a \$100 Employee Deduction. For simplicity, in this example no other deductions apply this pay result.

With this set up, their payroll actuals looks like:

Pay Component	Debit	Credit	Worktags
Earning-Base Pay	300		Fund 1, Cost Center 1
Earning-Base Pay	700		Fund 2, Cost Center 2
Employee Deduction		100	Fund 0, Cost Center 0
Net Pay		900	

With Allocate Net Pay Liability Based on Earning Proration enabled, their payroll actuals would separate the net pay into two separate lines, resulting in payroll actuals that look like:

Pay Component	Debit	Credit	Worktags
Earning - Base Pay	300		Fund 1, Cost Center 1
Earning - Base Pay	700		Fund 2, Cost Center 2
Employee Deduction		100	Fund 0, Cost Center 0
Net Pay		270	Fund 1, Cost Center 1
Net Pay		630	Fund 2, Cost Center 2

## Payments Journals

When Allocate Net Pay Liability Based on Earnings Proration is enabled, multiple net pay liability lines (credits) are created based on the distribution of earnings on the actuals journal. The net pay liability lines (debits) on the Payroll Payment Journals follow the splits from the actuals journals to relieve the liability accounts.

The Payroll Payments Journals will continue to follow the configuration of your cash balancing rule. Workday will still generate any necessary intercompany and/or interworktag payable and receivable journal lines to balance at the bank account level.

Note: Ensure you test all the way through settling payroll and intercompany settlements. You can expect an increase in the time to complete or cancel settlements, especially if your company uses intercompany accounting or worktag balancing.

## Exclude Negative Results Lines

With Allocate Net Pay Liability - Exclude Negative Result Lines enabled, you allow the exclusion of negative earning result lines from the proration calculation and you can eliminate or correct improper prorated distributions.

When you have negative earning lines that decrease the payroll gross, the earnings-based distribution percentages are impacted and this could cause the resulting net pay split amounts to be artificially inflated.

If all earnings on the pay result are negative and excluded, the system uses the worktags from the worker's Default Organizational Assignments to create the journal lines.

### Example

An employee has a gross pay of \$200, including some negative earnings, and they have a \$100 Employee Deduction. For simplicity, in this example no other deductions apply this pay result.

With this set up, their payroll actuals looks like:

Pay Component	Debit	Credit	Worktags
Earning - Base Pay	300		Fund 1, Cost Center 1
Earning - Base Pay	700		Fund 2, Cost Center 2
Earning - Bonus	-800		Fund 3, Cost Center 3
Employee Deduction		100	Fund 0, Cost Center 0
Net Pay		100	

Payroll actuals without Exclude Negative Results would produce a costing proration of:

Earning	Amount	Worktags	Math	Proration
Base Pay	300	Fund 1, Cost Center 1	(300/200)*150%	1.5
Base Pay	700	Fund 2, Cost Center 2	(700/200)*350%	3.5
Bonus	-800	Fund 3, Cost Center 3	(-800/200)*400%	-4
Total	200			

Payroll actuals without Exclude Negative Results enabled would produce:

Pay Component	Debit	Credit	Worktags
Earning - Base Pay	300		Fund 1, Cost Center 1
Earning - Base Pay	700		Fund 2, Cost Center 3
Earning - Bonus	-800		Fund 3, Cost Center 3

Pay Component	Debit	Credit	Worktags
Employee Deduction		100	Fund 0, Cost Center 0
Net Pay		150	Fund 1, Cost Center 1
Net Pay		350	Fund 2, Cost Center 2
Net Pay		-400	Fund 3, Cost Center 3

Payroll actuals with Exclude Negative Results would produce a costing proration of:

Earning	Amount	Worktags	Math	Proration
Base Pay	300	Fund 1, Cost Center 1	(300/1000) * 100% = 0.3	
Base Pay	700	Fund 2, Cost Center 2	(700/1000) * 100% = 0.7	
Total	1000			

Payroll Actuals with Exclude Negative Results enabled would produce:

Pay Component	Debit	Credit	Worktags
Earning - Base Pay	300		Fund 1, Cost Center 1
Earning - Base Pay	700		Fund 2, Cost Center 2
Earning - Bonus	-800		Fund 3, Cost Center 3
Employee Deduction		100	Fund 0, Cost Center 0

Pay Component	Debit	Credit	Worktags
Net Pay		30	Fund 1, Cost Center 1
Net Pay		80	Fund 2, Cost Center 2

## Concept: Costing Allocations Priority

### Costing Hierarchy for Employee Earnings

Workday:

- Evaluates payroll result lines and refers to the hierarchy to determine which rule to apply.
- Applies the first rule found in the hierarchy and obtains the worktags configured at that level.
- Supplements with the worker's default organizational assignments for the position, if available. Otherwise, supplements with the worker's default organizational assignments for the:
  - Processing position for Payroll for Canada and the U.S.
  - Primary position for Payroll for Australia, France, and the UK.

Hierarchy:

1. Worktag overrides entered through payroll input, on-demand payments, and manual payments.
2. Worktag values entered through:
  - Time Tracking.
  - Compensation (one-time payments and period activity payments).
  - Earning for a worker's position.
3. Worker earning (select a worker and an earning on the Assigned Costing Allocations task).
4. Earning (select an earning on the Edit Earning and Employee Deduction Costing Allocations task).
5. Worker's position (select a worker and a position on the Assigned Costing Allocations task).
6. Position restrictions (select a position on the Assigned Costing Allocations task).
7. Worker (select a worker on the Assigned Costing Allocations task).
8. Supervisory organization of a worker's position.
9. If multiple jobs:
  - a. The processing position's supervisory organization for workers in Canada and the U.S.
  - b. The primary position's supervisory organization for workers in Australia, France, and the UK.

10. For Payroll for Canada and the U.S., Worker's organizational assignments based on position.

Workday selects the position from the associated payroll result line, if it exists. Otherwise, Workday uses the position on the payroll result. This position is either:

- The processing position when the Processing Position for Workers with Multiple Jobs feature is enabled.
- The worker's primary position.

11. For Payroll for Australia, France, and the UK, Default Organizational Assignments (for a specific worker).

Scenario (CAN, USA)

John has default organizational assignments for his processing position set as:

- Cost Center - *CC 2600*
- Fund - *Fund 1*
- Location - *San Francisco*

### Scenario (AUS, FRA, UK)

John has default organizational assignments for his primary position set as:

- Cost Center - *CC 2600*
- Fund - *Fund 1*
- Location - *San Francisco*

### Example 1 (CAN, USA)

The payroll administrator enters a worktag override through pay input on the processing position as *Fund 2*.

The resulting costing for John is *CC 2600, Fund 2*, and *San Francisco*, because:

- From the hierarchy, the override instructions entered through pay input have higher priority.
- Workday supplements the worktags *CC 2600* and *San Francisco*, from the default organizational assignments.

### Example 1 (AUS, FRA, UK)

The payroll administrator enters a worktag override through pay input on the primary position as *Fund 2*.

The resulting costing for John is *CC 2600, Fund 2*, and *San Francisco*, because:

- From the hierarchy, the override instructions entered through pay input have higher priority.
- Workday supplements the worktags *CC 2600* and *San Francisco*, from the default organizational assignments.

### Example 2

The payroll administrator enters a:

- Worktag override through pay input on the processing position as *Fund 2* (CAN, USA).
- Worktag override through pay input on the primary position as *Fund 2* (AUS, FRA, UK).
- Costing override for a worker earning as *Fund 3* and *Dallas*.

The resulting costing for John is *CC 2600, Fund 2*, and *San Francisco*, because:

- From the hierarchy, override instructions entered through pay input have priority over the costing override for a worker earning.
- Workday supplements the worktags *CC 2600* and *San Francisco*, from the default organizational assignments.

### Example 3

The payroll administrator enters a costing override for a worker earning as *Fund 3* and *Dallas*.

The resulting costing for the earning is *CC 2600, Fund 3, and Dallas*, because:

- From the hierarchy, the costing override for a worker earning has higher priority.
- Workday supplements the worktag *CC 2600*, from the default organizational assignments.

### **Costing Hierarchy for Employer-Paid Expenses (Debits)**

Workday evaluates payroll result lines for employer-paid expenses (debits) and refers to this hierarchy to determine which rule to apply:

1. Worktag overrides entered through payroll input.
2. Allocations, configured on the Edit Employer Paid Expense Costing Allocation task, defined by:
  - a. Pay group, company, and pay component.
  - b. Pay group and pay component.
  - c. Pay group and company.
  - d. Pay group.
3. Configurations defined using the Edit Employer Paid Expense Costing Allocation Defaults task.
4. Based on the allocation of earnings and applies to employer-paid debits only.
5. (CAN, USA) Worker's organizational assignments based on position, when you don't have earnings in your payroll results. Workday selects the position from the associated payroll result line, if it exists. Otherwise, Workday uses the position on the payroll result. This position is either:
  - The processing position when the Processing Position for Workers with Multiple Jobs feature is enabled.
  - The worker's primary position.
6. (AUS, FRA, UK) Worker's Default Organizational Assignments, when you don't have earnings in your payroll results.

Note: If you've enabled Retroactive Costing, costing for employer-paid expenses associated with retroactive earnings uses the worker's default organization assignments if the employer-paid expense lines don't have a retro subperiod that matches the retro pay period.

### **Costing Hierarchy for Employer-Paid Expense Liabilities (Credits)**

Workday evaluates payroll result lines for employer-paid expense liabilities (credits) and refers to this hierarchy to determine which rule to apply:

1. Default setting for costing overrides on credits, if applicable, on the Edit Employer Paid Expense Costing Allocations task.
2. (CAN, USA) Worker's organizational assignments based on position. Workday selects the position from the associated payroll result line, if it exists. Otherwise, Workday uses the position on the payroll result. This position is either:
  - The processing position when the Processing Position for Workers with Multiple Jobs feature is enabled.
  - The worker's primary position.
3. (AUS, FRA, UK) Worker's default organizational assignments.

### **Costing Hierarchy for Employee-Paid Deductions**

Workday evaluates payroll result lines for employee-paid deductions and refers to this hierarchy to determine which rule to apply:

1. Worktag overrides entered through payroll input.

When worktag balancing is on, Workday gets the balancing worktag from the worktag balancing rule set.

2. Employee deduction (for all workers).

3. Supervisory organization of the worker's position.

4. (CAN, USA) Supervisory organization of the worker's processing position (if multiple jobs).

5. (AUS, FRA, UK) Supervisory organization of the worker's primary position (if multiple jobs).

6. (CAN, USA) Worker's organizational assignments based on position. Workday selects the position from the associated payroll result line, if it exists. Otherwise, Workday uses the position on the payroll result. This position is either:

- The processing position when the Processing Position for Workers with Multiple Jobs feature is enabled.
- The worker's primary position.

7. (AUS, FRA, UK) Default Organizational Assignments (for a specific worker).

Related Information

### Concepts

[Concept: Allocation of Payroll Costs](#) on page 566

### Examples

[Reference: Edit Tenant Setup - Payroll](#)

## Concept: Default Allocation of Employer-Paid Expenses

### Overview

Workday automatically allocates the costs of employer-paid expenses, based on the allocation of the earnings that constitute an employee's gross pay.

Workday uses the formula:  $(Earnings Allocated to a Cost Center / Sum of All Earnings) \times Expense Amount$ . To adjust for rounding, it calculates the last expense distribution using the formula:  $Expense Amount - Sum of All Prior Expense Distributions = Final Expense Distribution Amount$ . The last distributed instance of an expense can be based on any of the employee's regular earnings. There's no way to select which distributed instance receives the rounding adjustment.

### Example

John receives base pay of 1000 and commission of 1000. Using an earning override, Workday splits his base pay among 3 cost centers: CC 1, CC 2, and CC 3. No overrides exist for commission, so Workday assigns it to CC 1, the default cost center for his organization.

Workday allocates his base pay and commission as follows:

Default Cost Center	Earning	Earning Level Overrides and Splits	Amount Distributed to Each Cost Center
CC 1	Base Pay = 1000	• 30% to CC 1	• 300 to CC 1

Default Cost Center	Earning	Earning Level Overrides and Splits	Amount Distributed to Each Cost Center
		<ul style="list-style-type: none"> <li>• 30% to CC 2</li> <li>• 40% to CC 3</li> </ul>	<ul style="list-style-type: none"> <li>• 300 to CC 2</li> <li>• 400 to CC 3</li> </ul>
CC 1	Commission = 1000	No override	1000 to CC 1

John also has an employer-paid insurance expense of 80. To distribute the expense, Workday applies the formulas to come up with this distribution:

Cost Center	Earnings Allocated To Cost Center	Sum of All Earnings	Expense Amount	Calculation Result
CC 1	300 Base Pay + 1000 Commission = 1300	2000	80	$(1300 / 2000) \times 80 = 52$
CC 2	300 Base Pay	2000	80	$(300 / 2000) \times 80 = 12$
CC 3	400 Base Pay	2000	80	$80 - (52 + 12) = 16$

### Exclude Negative Result Lines

When calculating employer-paid expense, Workday prorates the amounts based on the allocation of earnings. When the gross value of these earnings gets close to zero due to negative payroll result lines, the amounts allocated to the employer-paid expense might inflate but the calculation remains the same.

To avoid the inflated numbers, Workday enables you to exclude these negative result lines for your employer-paid expense default costing. You can use the **Employer Paid Expense Default Costing - Exclude Negative Result Lines** option on the **Edit Tenant Setup – Payroll** task.

#### Example

When gathering earning Payroll Result Lines values to prorate across employer expenses, you can exclude negative result lines. Workday uses this

formula (*Earnings Allocated to a Cost Center / Sum of All Earnings*)  $\times$  *Expense Amount*.

In the example, there are 4 earning lines allocated to cost centers. We calculate the distribution based on the Workday formula and use 1200 as the employer-paid expense amount.

Default Cost Center	Actual Payroll Gross	Distribution Percent	Employer-Paid Expense Amount
CC 1	-9000	Excluded	
CC 2	7500	$7500/10000 = 75\%$	$1200 \times 75\% = 900$
CC3	2500	$2500/10000 = 25\%$	$1200 \times 25\% = 300$
CC3	-6000	Excluded	
Total	10,000	100%	1200

#### Related Information Tasks

[Define Cost Allocations for Employer-Paid Expenses](#) on page 559

## Concept: Forward Accruals Costing for Employer-Paid Statutory Taxes

When a payroll result has a sum of earnings contributing to forward accruals that's larger than the total gross, the calculations used to determine the forward accrued employer-paid expense (ER) amounts can over allocate the accrual value.

Workday uses the formula: ER Amount \* (Days to Accrue / Days in Basis) \* (Earnings Forward Accrued / Gross). When (Earnings Forward Accrued / Gross) > 1, then over allocation can occur. The over allocation happens when the payroll result includes a relatively large negative value for an earning excluded from forward accrual.

#### Example

John has default organizational assignments set as CC0, Fund0. The initial total gross amount is \$10,000. When John is on sabbatical leave that reduces his pay, and results in negative earnings of \$6000. The total gross amount now is \$10,000.00 - \$6,000.00 = \$4,000.00.

Employer-Paid Statutory Tax: OASDI (ER 6.2%) calculated on the total gross amount of \$4,000 = \$248.00.

Earnings contributing to the gross amount of \$4,000:

- Base Pay: \$8,000.00 (Cost to CC1, Fund1)
- Additional Pay: \$2,000.00 (Cost to CC2, Fund2)

- Sabbatical Reduction: - \$6,000.00 (Cost to CC3, Fund3)

While calculating forward accruals for inflated employer-paid statutory taxes, Workday provides flexibility to costing with the Disable Forward Accrual Costing to Worker Defaults when Employer Paid Statutory Taxes Over Allocate check box in the Payroll Costing section on the Edit Tenant Setup - Payroll task.

When you select the check box:

Workday costs all employer-paid statutory taxes based upon the earning proration.

Costing allocation and distribution of employer-paid statutory taxes across earnings:

- Base Pay: \$8,000.00 (Cost to CC1, Fund1) = 200%
- Additional Pay: \$2,000.00 (Cost to CC2, Fund2) = 50%
- Sabbatical Pay: - \$6,000.00 (Cost to CC3, Fund3) = -150%

Employer-paid OASDI of \$248 applied across earnings:

- OASDI-ER (Cost to CC1, Fund1) = 200% \* 248.00 = \$496.00
- OASDI-ER (Cost to CC2, Fund2) = 50% \* 248.00 = \$124.00
- OASDI-ER (Cost to CC3, Fund3) = -150% \* 248.00 = - \$372.00
- Total OASDI-ER: \$248.00

Forward accrual calculation (Days to Accrue = 5, Days in Basis = 20):

- OASDI-ER (Cost to CC1, Fund1) = 496.00 \* 0.25 = \$124.00
- OASDI-ER (Cost to CC2, Fund2) = 124.00 \* 0.25 = \$31.00
- OASDI-ER (Cost to CC3, Fund3) = -372.00 \* 0.25 = - \$93.00
- Total OASDI-ER Accrued: \$62.00

Workday charges OASDI-ER of \$124.00 to CC1, Fund1 resulting in over allocation when compared to the total forward accrual of \$62.00.

When you don't select the check box:

Workday continues to cost all employer-paid statutory taxes 100% to worker defaults.

- OASDI-ER (Cost to CC0, Fund0) = \$248.00
- Total OASDI-ER: \$248.00

## Related Information

### Examples

[Set Up Period Schedules for Time Tracking](#)

## Concept: Current Accounting

The Current Accounting tab on pay results enables you to view all of the changes and adjustments that impacted the result, including changes that were entered after you completed a pay period and subsequent adjustments after the original journal lines.

The Current Accounting tab:

- Displays any transactions that impact the pay result in the future, like retro, payroll accounting adjustments, and payroll accounting reallocation.
- Includes these journal types:
  - Actuals.
  - Payroll Accounting Adjustments.
  - Retroactive Payroll Actuals.
- Excludes journal lines with canceled statuses and these journal lines:
  - Intercompany and interworktag.
  - Reversing lines originating from Payroll Accounting Adjustments.
  - Retro actuals for earnings excluded from retro costing.

### Payroll Accounting Adjustments (PAA)

For Payroll Accounting Adjustments (PAA), adjustments that include retroactive pay display on the Current Accounting tab for the period where the PAA processed.

Example: You process a PAA in a March 2024 pay result, and that March 2024 pay result includes retro pay from January and February 2024. The PAA lines only display on the March 2024 pay result on the Current Accounting tab.

### Retroactive Payroll Actuals

If you've enabled retro costing (using the Enable Retro Costing check box on the Maintain Payroll Accounting Options task), you can view the results of retroactive pay with the original results on the Current Accounting tab after you process payroll.

### Source and Target Periods

Workday defines the source and target periods for a gross-to-net retro pay result:

Source Period

The original payroll result period that the gross-to-net retro impacts.

Target Period

The period when the retro is paid or where the payroll result with a gross-to-net retro change exists.

The Target Period Result column displays on the Current Accounting tab when:

- You enabled retro costing (using the Enable Retro Costing check box on the Maintain Payroll Accounting Options task).
- Retro journal lines exist for the pay result.

### Example

You process a retroactive bonus payment for a worker on a monthly pay period for \$1,000. The original, or source period, for the bonus was March 2024. You process the retro payment in the current, or target,

period of September 2024. You select the Enable Retroactive Costing check box on the Maintain Payroll Accounting Options task.

The retro earning, retro employee deductions, and any retro employer paid deductions display in the Current Accounting tab on the worker's March 2024 pay result. The Target Period Result column displays a link to the pay period in which the retro was processed.

If you didn't select the Enable Retroactive Costing check box on the Maintain Payroll Accounting Options task, the retro earning, retro employee deductions, and any retro employer paid deductions display in the Current Accounting tab on the worker's September 2024 pay result.

## Concept: Costing Allocation Sources for Journal Lines

You can view all of the costing allocations that generated an earnings journal line on a pay result for these journals:

- Actuals
- Current Accounting
- Forward Accruals

When you view these journals, the Costing Source column displays:

- The applied costing allocation rule that generated the earnings journal line.
- Only for journals calculated on or after September 20, 2025.

Users need access to one of these security domains (on the *Journal Line* business object) to view the Costing Source column on pay results:

- *Process: Journals - View*
- *Process: Run Batch Payroll Accounting*
- *Reports: Pay Calculation Results for Worker (Results)*
- *View: Organization Journals*

Click on the link to view the details on the View Costing Allocation page. If your company configured them, costing allocations associated with these features display:

- Intercompany Accounting
- Salary Over the Cap (SOC)

These costing allocations display only if you enabled Salary Over the Cap when payroll processed for the related journal line, even if the feature is now not enabled.

- Questionnaires, if you configured them on the *Assign Costing Allocation* business process.

Worktag columns display dynamically and reflect the setup you configured using the Maintain Worktag Usage task for Payroll Costing Allocation.

### Primary Worktag Types

Worktags you defined as primary display in their own dedicated column.

Example: You define *Cost Center* as a primary work tag. The Cost Center column displays on the View Costing Allocation page.

If you didn't define any primary worktags, any additional worktags display in the Worktags column.

### Additional Worktag Types

Worktags you defined as additional display in the same column.

Example: You define *Fund* and *Company* as additional worktag types. *Fund* and *Company* both display in the Additional Worktags column.

# Multiple Jobs

## Setup Considerations: Payroll for Multiple Jobs

The setup considerations in this topic are applicable only to these countries:

- Payroll for Canada
- Payroll for the UK
- Payroll for the United States

You can use this topic to help make decisions when planning your configuration and use of payroll for multiple jobs. 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

Multiple jobs, also referred to as additional jobs or multiple positions, enables you to pay workers that occupy more than 1 position at the same time.

For Payroll for Canada and the U.S., Workday uses 1 of the worker's positions as the default for payroll processing. You determine whether the processing position is:

- Always use the primary position, or
- Use a position override, based on the values of selected position-based attributes.

Workday uses the processing position to:

- Determine tax authorities for payroll calculation.
- Display in the header of pay results.
- Evaluate accounting configuration for labor costs.

### Business Benefits

Payroll for multiple jobs in Workday enables you to pay an employee with more than 1 position efficiently by reducing manual effort. Workday supports each position having different:

- Business titles.
- Companies (CAN, USA).
- Cost centers.
- International assignments (CAN, USA).
- Job profiles.
- Locations (CAN, USA).
- Managers.

- Pay rates.
- Scheduled hours.
- Supervisory organizations.

For Payroll for Canada and the U.S., using a position override to determine the processing position can:

- Improve clarity on pay results and reports.
- Reduce accounting adjustments.
- Base taxes and accounting entries on position attributes that are meaningful to your business.

## Use Cases

Efficiently pay workers:

- Whose positions are in different companies.
- Whose rate of pay varies by position.
- Whose work is charged to varying cost centers based on the hours worked.
- Who work in multiple departments with the same department manager.
- Whose work locations are in different provinces of employment (CAN).
- Whose work locations are in different state tax authorities (USA).

## Questions to Consider

Questions	Considerations
How can you pay workers with positions in different companies? (CAN, USA)	If the multiple jobs are in multiple companies, you can separate by company: <ul style="list-style-type: none"> <li>• Tax elections.</li> <li>• Withholding orders.</li> </ul> You can also pay workers' retro differences from companies other than their current primary company, excluding workers on international assignments. You can pay retro differences in 1 or more pay periods with on-demand additional payments, reducing manual effort when you enter payments. Workday only calculates retro differences for workers with positions in multiple companies when they have pay results in those companies.
How can you process workers' taxes based on their position locations? (CAN, USA)	Workers who have jobs in different companies or pay groups will receive multiple pay results. Set up position override rules so Workday calculates each result based on the position being paid. <p>Note: For Payroll for the U.S., a worker's State Unemployment Insurance (SUI) Authority is always based on the location of the primary position. Certain local taxes also follow the SUI state.</p> For workers whose positions are in the same pay group and company, Workday calculates taxes based on the processing position.
How can you allocate pay to each position? (CAN, USA)	When you need to allocate some of the worker's pay to an additional job, use position-based pay components. If you don't use a position-based

Questions	Considerations
	pay component, Workday defaults all money and costing to the default processing position. When you use a position-based pay component, Workday applies actuals to the cost center of the worker's secondary position. However, all credit entries, such as taxes, are costed to the processing position for the result. When the primary and secondary positions have separate gross-to-net results (Example: the positions are in different companies), then both the debits and credits will be costed to the cost center of the worker's secondary position. Workday assigns position-based earnings and deductions to the worker's position when the earnings or deductions don't come from payroll input. Example: The earning comes from compensation.
Will you need to change positions or companies midperiod? (CAN, USA)	Workday prorates payroll results in response to midperiod changes in a worker's job or company. When a worker has multiple jobs, Workday applies pay component proration. When calculating subperiod results for a worker with multiple jobs, Workday prorates both position and worker-based pay components.
When can I start an additional job? (UK)	A worker can start an additional job at any time within a pay period. Workday applies pay component proration. When calculating subperiod results for a worker with multiple jobs, Workday prorates both position- and worker-based pay components.
How can you track time or time off through a third-party system?	You can create an integration from Workday to the third-party system to load the position for each employee. The integration includes the position number and resolves in payroll.
How does Workday process pay for a worker with 1 job but different pay rates dependent on the task, such as a server/bartender?	When the worker has different rates for the same pay component, Workday splits them on the payslip. Workday doesn't split the payslip by the position worktag when: <ul style="list-style-type: none"> <li>• The worker has the same rate across both jobs.</li> <li>• You split the payroll results with a position worktag.</li> </ul>
How many additional jobs can a worker have in Workday?	There's no limit to the number of positions a worker can have. For Payroll for the UK, all the positions must be in the same company and pay group.
How can you include steps for other administrators when they add jobs?	You can configure the <i>Add Additional Job</i> business process to include steps such as change organization assignments, approvals, reviews, and assign pay groups.

Questions	Considerations
Do you have workers who are in multiple pay groups? (CAN, USA)	You can have workers in multiple pay groups with multiple jobs. Assign a worker to each pay group when you add an additional job to their profile.
How can you pay a worker for additional jobs after the jobs end?	You can add criteria to your run category that enable you to pay workers for an additional job after it ends. (CAN, USA) Use pay inputs to pay a worker after an additional job has ended. (UK)
When can Workday process retro differences for multiple jobs? (UK)	For workers with multiple jobs or positions in the same company and same pay group, Workday processes retro differences.
How does Workday track time against different salary-based positions?	As a non time entry worker (salary-based), the worker's salary flows from compensation to payroll and you can assign a position-based earning code.
How does Workday pay workers on leave?	Workday considers the type of leave when determining which pay components to process for workers with a status of <i>On Leave</i> . If the worker has multiple jobs, the status that prevails is that of the: <ul style="list-style-type: none"> <li>• Payroll processing position. (CAN, USA)</li> <li>• Primary position. (UK)</li> </ul>

## Recommendations

We recommend you determine if an earning or deduction is position-based or worker-based before you set it up. You can't change an earning or deduction after it's been used.

Workday recommends that you don't create worker-based pay components for workers with multiple jobs when you want the eligibility to reference an attribute from the position.

For Payroll for Canada and the U.S., when you set up the rules that determine payroll processing position, select an effective date that's after the end date of any pay periods that are completed, in progress, or opened for off-cycle payments. Changing the rules midperiod can impact other on-cycle calculations, FLSA calculations in the U.S., and result in unsupported retro.

## Requirements

Configure your tenant to support multiple jobs with the Position Setup Options field on the Edit Tenant Setup - HCM task.

Create categories and reasons for additional jobs with the Maintain Event Categories and Reasons task.

You can't add an additional job until a worker has a primary job.

## Limitations

Workday only supports multiple jobs for:

- Payroll for Canada.
- Payroll for the U.S.
- Payroll for the UK.

For Payroll for Canada, Workday doesn't support multiple jobs for statutory holiday pay.

## For Payroll for Canada and the U.S.:

- You can't give additional jobs to contingent workers.
- When a worker's positions are in the same pay group and company, Workday applies taxes to the worker's processing position even when they only have time worked in a different position.
- Workday ignores payroll limit overrides based on a worker's position when it's not the processing position.

## For Payroll for the UK:

- If a worker:
  - Has an additional position, all positions must share the same NI category.
  - Is deemed as within IR35, and has an additional position, all positions for the worker are deemed as within IR35.
- Workday applies taxes to the worker based on the worker's payroll ID even when they only have time worked in an additional position.

## Tenant Setup

You can configure your tenant to support multiple jobs or positions in the Position Setup Options field on the Edit Tenant Setup - HCM task.

## For Payroll for Canada and the U.S.:

- Set up the rules to determine the payroll processing position.
- When you select Enable Retro Processing in Primary Pay Group on the Edit Tenant Setup - Payroll task, Workday pulls all retro differences into a worker's primary pay group, regardless of their processing position.

## Security

When a worker holds multiple positions, role-based access to that worker's personal and position data depends on the Access Rights to Multiple Job Workers setting on the role-based security group.

If you set the role-based security group to Role has access to the positions they support, workers can still see the results for the pay group they don't have access to, but can't take any action.

Example: Sarah has a primary position in the U.S. at Company 1, Pay Group A that Mark manages. Sarah also has a secondary position in the U.S. at Company 2, Pay Group B that Susan manages. When you select this option:

- Mark can view and access Sarah's payroll result details for Company1, Pay Group A. Mark can view the gross-to net details for Company 2, Pay Group B; but can't take any action.
- Susan can view and access Sarah's payroll result details for Company 2, Pay Group B. Susan can view the gross-to-net details for Company 1, Pay Group A; but can't take any action.

Users of Payroll for Canada and the U.S. with access to the *Set Up: Payroll* domain in the Core Payroll functional area can configure the rules that determine a worker's default payroll processing position.

## Business Processes

Business Process	Considerations
<i>Add Additional Job</i>	Configure the business process and security policy in the Staffing functional area.
<i>End Additional Job</i>	Configure the business process and security policy in the Staffing functional area.
<i>Switch Primary Job</i>	Configure the business process and security policy in the Staffing functional area. You can

Business Process	Considerations
	use <i>Switch Primary Job</i> as a stand-alone business process or as a subprocess for <i>Add Additional Job</i> or <i>Change Job</i> .
<i>End Jobs</i>	Configure the business process and security policy in the Staffing functional area.

## Reporting

Reports or Dashboards	Considerations
All Absence Balances	View all absence balances for workers with multiple jobs and where they are in use based on your tenant configuration.
Audit- Workers with Multiple Jobs having Different Organization Assignments	View workers in Canada and the U.S. who have multiple jobs in different organizations. Use to identify workers who might be in more than 1 pay group.
Pay Calculation Results for Worker	View detailed pay results for a worker's positions. When you create position-based pay components, the report lists result lines with the position, pay group, and company. Workday doesn't report results by position on payslips.
View Payroll Other Tax Authorities	See whether a local tax authority in the U.S. follows the SUI tax authority.

## Integrations

To include an additional job in Workday Payroll Interface integration output, associate the job with a pay group.

## Connections and Touchpoints

Payroll for multiple jobs interacts with these Workday product areas:

Product Area	Considerations
Absence	You can define position-based time off plans. Position-based plans, balances, and limits apply to a position. You define eligibility rules, time off validations, and position-based accrual calculations. You can also define these rules to apply to the worker's primary position or across all positions instead. Worker-based plans have balances and limits that apply to the worker. Typically, eligibility rules, time off validations, and accrual calculations are based on the worker's primary position.
Benefits	You can set up benefit eligibility based on information pulled from the employee's primary job or 1 or more of the additional jobs.
HCM	Workday Payroll uses the positions configured in HCM. You can add or end additional jobs or

Product Area	Considerations
	<p>switch primary jobs with these business processes in the Staffing functional area:</p> <ul style="list-style-type: none"> <li>• Add Additional Job</li> <li>• Add Additional Job subprocess</li> <li>• Switch Primary Job</li> <li>• End Additional Job</li> <li>• End Jobs</li> </ul> <p>You can also validate hiring restrictions in the supervisory organizations to make sure you can use them with the <i>Additional Job</i> business processes.</p>
Time Tracking	<p>Workday tracks time against the different positions or jobs. When a worker has multiple positions, Workday displays an additional prompt on the Enter Time task to select which position to log time against. There's also a setting on the worker's Time Entry Template that you can enable to create separate approval events for each position. The time entry calendar includes an additional Position field when a worker has multiple jobs. Workday passes the worker's position to payroll with the time block information.</p>

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

##### Concepts

[Concept: Multiple Jobs and Proration](#) on page 290

[Concept: Conditions for Switching a Primary Job](#)

[Concept: Security Roles for Switching a Primary Job](#)

[Concept: Pay for Workers on Leave](#) on page 133

[Concept: Pay for Terminated Workers](#) on page 135

[Concept: Display Absence Balances for Multiple Positions \(USA\)](#) on page 511

##### Tasks

[Steps: Set Up Multiple Jobs for Benefit Eligibility](#)

[Create Role-Based Security Groups](#)

##### Reference

[2022R2 What's New Post: UK Multiple Positions](#)

[2022R2 What's New Post: Processing Position for Workers with Multiple Jobs](#)

[2023R1 What's New Post: Records of Employment \(ROEs\) for Workers with Multiple Jobs](#)

## Steps: Set Up Payroll for Multiple Jobs

### Prerequisites

Configure your tenant to support multiple jobs in the Position Setup Options field on the Edit Tenant Setup - HCM task.

## Context

The instructions in this topic are applicable only for these countries:

- Payroll for Canada
- Payroll for the UK
- Payroll for the U.S.

For Payroll for Canada and the U.S., configure Workday to pay employees for multiple jobs, also referred to as multiple positions. You can use Workday to pay all of a worker's positions, including positions in different pay groups and companies (in the same country).

Note: Workday doesn't calculate retro differences for workers in Canada or the U.S. with positions in multiple companies when they have no pay results in those companies.

For Payroll for the UK, configure Workday to pay employees for multiple jobs. You can use Workday to pay employees with multiple jobs under the same payroll ID.

## Steps

1. For your payroll country, configure the worker's additional jobs.
  - For Payroll for Canada and the U.S., configure criteria to determine which of a worker's positions to use when calculating payroll. See [Set Up Default Processing Position for Payroll \(CAN, USA\)](#) on page 591.
  - For Payroll for the UK, record the additional job or position. See [Add Additional Jobs](#).
2. Assign a Workday Payroll pay group to each position you want to pay:
  - [Assign Workers to Pay Groups](#) on page 179.
  - [Steps: Set Up Pay Group Automatic Assignments](#) on page 178.

Note: For Payroll for the UK, all jobs or positions for a worker must be in the same pay group. Workday automatically assigns the additional job to the worker's existing payroll ID. See [Assign UK Payroll ID for Worker \(UK\)](#) on page 1527.
3. Create position-based earnings and deductions by assigning them a Calculation Worktag of Position.  
See [Enter Earning or Deduction Calculations](#) on page 246.  
Workday calculates position-based pay components for an employee for each position processed. Results are associated with the company that the position belongs to at the time of processing.
4. (Optional for Payroll for Canada and the U.S.) When a worker belongs to multiple pay groups or companies, prevent Workday from calculating worker-based pay components more than once. Configure eligibility rules with calculations and report fields such as:
  - *Processing Primary Job*
  - Current Processing Company

See [Set Up Pay Component Eligibility](#) on page 243.  
Based on worker eligibility, Workday calculates worker-based pay components once for each pay group per company.
5. Assign Position as a Filter Worktag on pay balances and pay accumulations.
  - [Create Pay Balances](#) on page 326.
  - [Create Pay Accumulations](#) on page 320.
6. (Optional) Enter costing allocation instructions for positions.
  - [Define Cost Allocations for a Worker](#) on page 550.
  - [Define Cost Allocations for Position Restrictions](#) on page 556.

Once you allocate costs by position, journal entry lines generated by the accounting process include a position worktag.

## Next Steps

You can view detailed pay results for a worker's positions on the Pay Calculation Results for Worker report. When you create position-based pay components, the report lists result lines with the position, pay group, and company. Workday doesn't report results by position on payslips.

[Related Information](#)

[Concepts](#)

[Concept: Payroll Processing Positions \(CAN, USA\) on page 593](#)

[Reference](#)

[Reference: Edit Tenant Setup - HCM](#)

[2022R2 What's New Post: Processing Position for Workers with Multiple Jobs](#)

## Set Up Default Processing Position for Payroll (CAN, USA)

### Prerequisites

Configure your tenant to support multiple jobs in the Position Setup Options field on the [Edit Tenant Setup - HCM](#) task.

[Security: Set Up: Payroll domain in the Core Payroll functional area.](#)

### Context

You can configure criteria to determine which of a worker's positions to use when calculating payroll. Workday assesses the value of the selected attributes in priority order to select the default processing position.

### Steps

1. Access the [Maintain Payroll Processing Position Rules](#) task.
2. Enter an effective date that's on or after today's date.

You can't update rules that are already in effect.

To prevent unintended changes to in-progress pay results or retro payroll, Workday recommends you to set the effective date after the end date of any periods that are:

- Completed.
- In progress.
- Opened for off-cycle payments.

3. Complete the task:

Option	Description
Use primary position as the processing position	Workday uses each worker's primary position to process payroll.  For Payroll for Canada, Workday determines provincial tax based on the worker's primary position. You don't need to add the province worktag to a deduction containing a position worktag.
Use position override to determine processing position	For workers whose positions are in the same pay group and company, and therefore paid together, Workday assesses the attributes in the Position Override grid to select the processing position for each worker.

Option	Description
	For workers whose positions are in different companies or pay groups, and therefore paid separately, Workday uses each position as the processing position on its respective result.
Position Override	Select the attributes that you want Workday to evaluate to determine the processing position. Use the Order controls to arrange the attributes in priority order. When the highest-priority attribute has equal values for a worker, Workday checks the remaining attributes.  Position Start Date and Position Entry Moment must always be the last 2 attributes considered.

## Result

When you calculate payroll or retro, Workday determines the default processing position, and uses the information from that position to:

- Display in the result header.
- Calculate taxes.
- Evaluate accounting configuration for labor costs.
- Determine what displays on Canadian pay results for:
  - Location
  - Position
  - Province of Employment
  - Payroll Reference Number
- Calculate employee and employer statutory taxes for Canada.

## Example

You can select Use position override to determine processing position, and configure these position override rules:

Order	Attribute	Selected By
1	Scheduled Weekly Hours	Greatest Value
2	Position Start Date	Earliest Date
3	Position Entry Moment	Earliest Date

Mike has 2 positions in the same company and pay group. Each week, Mike's scheduled to work 32 hours in the primary position and 8 hours in the additional position. Workday uses Mike's primary position as the default processing position for payroll, because that position has the greater number of scheduled weekly hours.

Shelley has 3 positions in the same company and pay group. Shelley's scheduled each week to work 16 hours in the primary and 1 additional position, and 8 hours in the other additional position. Because the scheduled weekly hours are equal for 2 positions, Workday checks the next attribute, Position Start Date, and selects the position Shelley started first as the default processing position.

Steve has 2 positions in different companies, and so receives separate pay results for each position. Workday uses each position as the default processing position on its corresponding pay result.

## Related Information

### Reference

[2022R2 What's New Post: Processing Position for Workers with Multiple Jobs](#)

## Concept: Payroll Processing Positions (CAN, USA)

When you have workers who hold multiple positions, Workday uses 1 position as the default for payroll processing. You can either:

- Always use the primary position as the payroll processing position.
- Use a position override. Workday then selects which position to use by comparing the values of attributes that you configure.

Use the Maintain Payroll Processing Position Rules task to specify how you want to determine the default payroll processing position.

### What the Default Processing Position Controls

The default processing position:

- Displays in the header of pay results.
- Determines the tax authorities used to calculate taxes.
- Evaluates accounting configuration for labor costs.

When you use the primary position as the default processing position, Workday uses each worker's primary position on all pay results.

When you use position override, and a worker's positions:

- Are in the same company and pay group, Workday uses the determined position override on a worker's pay result.
- Are in different companies or pay groups, Workday uses information from each position on the corresponding pay result.

### How Workday Determines the Default Processing Position

You select the attributes that you want Workday to consider, and the priority of each. When you calculate payroll, Workday compares the values of each attribute in priority order with the rules in effect at the end of the pay period or subperiod. If the highest-priority attribute is equal for all positions, Workday checks the remaining attributes for a position to use.

Attributes you can select include:

- Calculated FTE
- Paid FTE
- Position entry moment
- Position start date
- Scheduled weekly hours
- Working FTE

Position start date and position entry moment must be the lowest priority attributes.

### Position Eligibility

When determining a worker's default processing position, Workday considers positions that were:

- In the pay group being processed at any time during the pay period.
- Terminated or ended in an earlier period, but had a pay-through date in the current period.

- Terminated or ended in an earlier period, but had pay input or a one-time payment in the current period.

When the effective date for position rules falls within a pay period, the rules in effect at the end of the period apply to the entire period. However, if a worker has an event that causes gross-to-net proration before the effective date, Workday applies the previous rules to the subperiod that's before the effective date.

### **Gross-to-Net Proration (USA)**

When the location of a worker's processing position changes during the current period, Workday creates subperiods if the new location is in a different state tax authority. Workday also creates subperiods for retro events in the period where the location change took place.

Workday creates subperiods when a worker's primary position changes locations midperiod, even when it's not the processing position. Doing so enables Workday to prorate the worker's State Unemployment Insurance (SUI) taxes and certain Local Other taxes that follow the primary position location.

Workday doesn't create subperiods when the new location is in the same state tax authority as the previous location.

### **Retro Payroll Processing**

Workday supports retroactive changes to a worker's default processing position, but doesn't consider these changes as retro events. When a supported retro event occurs, retro processing rederives the worker's processing position with the rules in effect at the end of the retro period.

Workday doesn't support retroactive changes to a worker's processing position that cause a change to the tax authority in the retro period. Examples:

- Timothy has 2 positions in different tax authorities. You retroactively change a worker's position attribute that's used to determine the processing position when the positions are in different work states. Workday doesn't support retro.
- Clarice has 2 positions, both in the same tax authority. Their additional position is the default processing position. You retroactively increase the scheduled work hours for Clarice's primary position, so that it becomes the default processing position for the retro period. Workday supports retro because the tax authority didn't change.

Retroactive changes to the default processing position could cause a worker to:

- Lose eligibility for a pay component that Workday originally processed in the pay period.
- Gain eligibility for a pay component that Workday didn't originally process.

### **Payroll Accounting**

When you select the position override and have workers with multiple jobs in different companies, Workday:

- Uses the default organization assignments associated with a worker's processing position to allocate worktags to the liabilities and net pay lines of the Payroll Actuals journal.
- Uses a worker's processing position to evaluate payroll deduction and payroll net pay account posting rules.
- Uses a worker's processing position to determine the primary worktag balancing dimension on these transaction types if you have Default by Organization set as the Payroll Balancing Source:
  - Payroll Accruals
  - Fringe Benefit Actuals
- Uses a worker's processing position to determine optional worktag balancing dimensions regardless of the Payroll Balancing Source.

## Related Information

### Concepts

[Concept: Worktag Balancing for Payroll on page 447](#)

[Concept: Allocation of Payroll Costs on page 566](#)

### Reference

[Reference: Edit Tenant Setup - Payroll](#)

[Reference: Supported Retro Events on page 887](#)

[2022R2 What's New Post: Processing Position for Workers with Multiple Jobs](#)

## Example: Payroll Processing Position (USA)

This example illustrates 1 way to configure payroll processing position rules for workers with multiple positions.

### Context

You manage payroll for 2 companies. Some workers have positions in both companies and receive separate pay results for each position. Other workers have 2 positions in the same company and pay group, and receive a single pay result for both positions. You restrict cost centers in your organization to specific companies.

Workday automatically uses information from each worker's primary position for payroll processing. You want Workday to:

- Apply a position's default organization assignments to the liability and net pay lines of the operational journal.
- Calculate state income taxes based on the state where the position is located for workers who receive separate pay results.
- Display the position with the most hours worked on the pay result of workers who receive a single pay result.

Mary McDuffy's positions are in different companies:

Position	Pay Group	Company	Location	Cost Center	Scheduled Weekly Hours	Position Start Date
Software Engineer (Primary)	Monthly Clerical	Global Modern Services	New York, NY	31000 Operations Management	25	2016-03-15
Associate Manager (Additional)	Monthly Clerical	Green Planet Solutions	Newark, NJ	32000 Research and Development	15	2022-08-15

Jeff Kirby's positions are in the same company:

Position	Pay Group	Company	Location	Cost Center	Scheduled Weekly Hours	Position Start Date
Recruiter (Primary)	Executive Monthly	Global Modern Services	New York, NY	31000 Operations Management	20	2017-07-01

Position	Pay Group	Company	Location	Cost Center	Scheduled Weekly Hours	Position Start Date
Management Trainee (Additional)	Executive Monthly	Global Modern Services	Philadelphia, PA	31000 Operations Management	20	2020-02-01

## Steps

1. Access the Maintain Payroll Processing Position Rules task.
2. Select Add New Effective Date.
3. Enter a date that's on or after 11/01/2022.
4. Select Use position override to determine processing position.
5. In the Position Override grid, select criteria in this order:

Option	Description
Scheduled Weekly Hours	Greatest Value
Position Start Date	Latest Date
Position Entry Moment	Latest Date

For workers with positions in different companies or pay groups, Workday doesn't refer to the attributes in the Position Override grid.

## Result

When you calculate payroll for the November 2022 pay period:

- Each of Mary McDuffy's pay results now has its own default processing position. The position displayed on each result, and on her payslips, now matches the position being paid.
- Workday uses New York as the state tax authority for Mary's primary position, and New Jersey as the state tax authority for her additional position.
- Workday calculates state unemployment insurance (SUI) taxes for both positions based on New York, the location of the primary position.
- Workday creates operational journals for each company without errors. Liability and net pay journal lines use the appropriate cost center for each position.

For Jeff Kirby, Workday determines that their scheduled weekly hours are the same for both positions. Workday then checks his start date for each position, and selects his additional position as the processing position for payroll.

- The Management Trainee position displays on his pay result and payslip.
- Workday uses Pennsylvania as the state tax authority, and New York as the SUI tax authority, on his pay result.

## FAQ: Multiple Jobs and Workday Payroll

The questions in this topic are applicable only to these countries:

- Payroll for Canada
- Payroll for the UK
- Payroll for the U.S.

- What happens when a worker's positions are in different pay groups or companies?
- When a worker's additional position ends, does on-cycle processing pay the position?
- Can I enter payroll input for a specific position?
- How are earnings from multiple positions taxed?
- Can I control access to a worker's positions?
- How can I distinguish between a worker's primary position and secondary positions?
- When a worker ends an additional job but is still active in their primary job, does Workday generate zero gross and zero net payroll results for that ended job? (CAN, USA)
- How does Workday determine statutory payments for a worker with multiple positions? (UK)
- How can I calculate statutory holiday pay for a worker with multiple positions? (UK)
- How does Workday determine the FLSA status for a worker with multiple positions? (USA)
- How can I recalculate a worker's FLSA for multiple jobs when there are in-progress payroll results for a pay period? (USA)

What happens when a worker's positions are in different pay groups or companies?

The worker receives a separate:

- Payslip for each pay group processed for the same company.
- T4 and RL-1 from each company (CAN).
- W-2 from each company (USA).

The pay calculation process calculates:

- Position-based pay components for each of a worker's positions.

When processing payroll input, Workday determines which company the position currently belongs to.

- Worker-based pay components once for each of a worker's pay groups per company.
- Fair Labor Standards Act (FLSA) regular rate of pay across all jobs in the same company, except for certain tax relationships (USA).
- Taxes for the authorities associated with the employee's payroll processing position. State unemployment insurance (SUI) taxes are based on the location of the worker's primary position. Certain local taxes also follow the SUI state (USA).
- Provincial tax based on the worker's payroll processing position (CAN).
- Reference number (RP) based on the worker's payroll processing position, whether or not that position is in a different company (CAN).

Note: Workday doesn't calculate retro differences for workers with positions in multiple companies when those companies don't have pay results.

For workers in the same Canadian pay group in different companies, Workday creates 1 payroll result per company. The payroll results display the company reference number. Workday derives the reference number from the information that you configure on the company that the worker's payroll

When a worker's additional position ends, does on-cycle processing pay the position?

processing position is in. To ensure that the Payroll Account Number, which is a combination of the business number and reference number, is correct, configure these for the companies:

- Business number on the Edit Company Tax Details task.
- Reference number on the Edit Company Federal CAN Tax Reporting task.

Note:

Payroll for the UK only supports multiple positions in the same company.

You can configure the run category to continue to pay active workers for an ended additional position.

1. Update the run category of the pay group for the ended additional job.
2. Access the Edit Run Category task.
3. In the Workers to Process section on the General tab, select an *Ended Additional Job* status. Example: *Ended Additional Job with Pay Through Date*.
4. In the Gross/Net section, specify which pay components to calculate.

During an on-cycle run, Workday:

- Processes workers with an ended additional job as active workers.
- Uses the pay component configuration on the General tab.

Can I enter payroll input for a specific position?

Yes. You can select a worker's position when using these tasks:

- Add Payroll Input by Worker
- Run On Demand Payment for Worker
- Run Manual Payment for Worker

When you have position-based earnings or deductions, Workday resolves the input for the selected position. When you have worker-based earnings or deductions, Workday:

1. Resolves the pay component for the worker.
2. Includes the position worktag in the journal entry line.

How are earnings from multiple positions taxed?

To calculate employee and employer statutory taxes for Payroll for Canada, Workday uses the payroll processing position to determine:

- Location
- Payroll Reference Number
- Province of Employment

View the pay result to see the values determined from the payroll processing position:

- Position
- Location
- Payroll Reference Number
- Province of Employment

Note: Based on location province or the Alternate Work Location province if one exists for the worker.

For Payroll for the UK, Workday applies tax details assigned to the worker's payroll ID. The additional position for the worker defaults to the worker's existing payroll ID.

For Payroll for the U.S., Workday applies a worker's company-specific tax elections to their total income from the same company. A worker's payroll processing position determines the relevant state income tax authorities. State unemployment insurance (SUI) taxes are always based on the location of the worker's primary position. Certain local taxes also follow the SUI state. Workers can be exempt from FICA for some positions.

Yes. Security groups determine which positions that a worker can access.

Workday displays a plus sign next to additional positions.

Workday doesn't generate zero gross or zero net payroll results in subsequent pay periods for the additional job. In rare cases, such as in a midperiod leave of absence, Workday might generate a payroll result that doesn't continue into subsequent pay periods.

If a worker has an additional position, Workday includes earnings from all the positions to determine if the worker meets the statutory requirements for statutory pay. If the worker receives statutory pay, this payment defaults to the worker's primary position.

When calculating holiday pay, Workday includes earnings from all the positions to determine the statutory holiday pay payment. This payment defaults to the worker's primary position.

Workday groups according to what you select for Job Exempt on the Edit Job Profile task. When the sum of exempt scheduled hours exceeds the sum of nonexempt scheduled hours, Workday considers the worker exempt for that pay group. When exempt and nonexempt scheduled hours are equal, Workday uses the exemption status of the primary or processing position. This happens whether the job is in the same company or a different company.

Example: Joe and Marlena each have 2 positions in different pay groups and companies. Joe

How can I recalculate a worker's FLSA for multiple jobs when there are in-progress payroll results for a pay period? (USA)

is scheduled to work 10 hours in his exempt primary or processing position and 30 hours in his nonexempt secondary position. Because nonexempt hours exceed exempt hours, he's considered nonexempt. You scheduled Marlena to work 20 hours in her exempt primary or processing position and 20 total hours in her nonexempt secondary positions. Because exempt and nonexempt hours are equal, she's considered exempt.

You can use the Run Pay Calculation task secured to the *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area to calculate all in-progress payroll results for that pay period. If you use the Re-Calculate Result button, Workday considers the number of scheduled hours, and the FLSA status for each of a worker's positions across all companies and calculates pay only on that specific payroll result. Avoid using the button when you have multiple gross-to-nets.

#### Related Information

##### **Concepts**

[Concept: Pay for Terminated Workers on page 135](#)

##### **Tasks**

[Define Cost Allocations for Position Restrictions on page 556](#)

##### **Reference**

[Reference: Payroll Processing Statuses for Run Categories on page 113](#)

[2022R2 What's New Post: Processing Position for Workers with Multiple Jobs](#)

## International Assignment Pay

### Steps: Set Up International Assignment Pay (CAN, UK, USA)

#### **Prerequisites**

- Workers have an international assignment position.
- Workers have an additional Home address in the host country with the usage type *International Assignment*.

Note: You can't use the Alternate Work Location address to support an international assignment.

#### **Context**

When a worker from another country is on international assignment in Canada, the UK, or the U.S., you can set up Workday Payroll to pay them in their host country either:

- Their entire pay.
- Only selected expenses, such as housing allowance. In this scenario, you continue to pay their base pay in their home country, using third-party payroll.

When a worker from Canada, the UK, or the U.S. is on international assignment elsewhere, Workday Payroll requires no additional setup to continue paying them in their home country but has some limitations.

Workday doesn't support certain features for workers who have an international assignment position in the U.S. and U.S. workers on international assignment elsewhere. These features include but are not limited to:

- Federal, state, and local withholding forms.
- Changing tax document printing elections on the My Tax Documents report.
- Fair Labor Standards Act.
- Single Legal Entity Company Relationships.
- Common paymaster company relationships.
- Common pay agent company relationships.
- Income withholding orders.
- Business process step *Complete State and Local Withholding Elections* for workers.
- Exempting military spouses from residence state and local taxes.
- Multiple worksite reporting.

Note: Workday doesn't process retro differences for workers on international assignments because of limitations related to currency conversion and tax implications.

Payroll for Canada doesn't support Record of Employment (ROE) for international assignment pay. You need to issue ROEs for these workers directly through the Service Canada website.

For Payroll for the UK, Workday doesn't report boxes 28 through 31a on your FPS for retro. If your worker has either a start or end date in a previous period, you must run a prior period on-demand calculation.

## Steps

1. [Set Up Pay Groups](#) on page 174.

Create separate pay groups for workers on international assignment in Canada, the UK, and the U.S.

2. Assign workers in international assignment positions to international assignment pay groups.

See:

- [Assign Workers to Pay Groups](#) on page 179.
- [Steps: Set Up Pay Group Automatic Assignments](#) on page 178.

A worker's position in their home country remains assigned to the pay group for their home country.

Ensure that any country-specific earnings are also eligible for the international assignment pay groups.

3. [Define Payment Election Options](#).

Set up Country and Currency options for workers.

- When you pay workers in the host country only, select the host country and currency as the default.
- When you pay workers in the host and home countries, select a default country and currency. Then specify additional country and currency options by Pay Type.

4. (Optional) [Add Worker Federal Tax Elections \(CAN\)](#) on page 1412.

For workers that you pay through compensation in Workday Payroll for Canada, accept the default or enter your provincial tax elections. Workday bases the Canadian provincial tax withholding on the address of their international assignment work location.

5. (Optional) [Steps: Add Worker Tax Elections \(USA\)](#) on page 1245.

For workers that you pay through compensation in Workday Payroll for the U.S., accept the default or enter your federal and state tax elections. Workday uses the worker's:

- Home addresses with an *International Assignment* usage type to determine state and local residence taxation.
- International assignment work location to determine work taxation.

6. (Optional) [Add International Assignment Details \(UK\)](#) on page 602

For workers on assignment to the UK, record their UK international assignment information for inclusion in your FPS submission to HMRC.

7. [Enter Earning or Deduction Calculations](#) on page 246.

Create position-based earnings and deductions by selecting *Position* as the Calculation Worktag.

For workers that you pay through compensation in Workday Payroll for the host country, add the Compensation Element on the earnings.

For workers that you pay in their home country, you can create a deduction to offset the net pay from earnings taxed in the host country.

8. (Optional) [Add Payroll Input for Workers](#) on page 617.

When you pay workers in their home country, you must calculate employer tax liabilities for the host country. You can enter payroll input with an offset deduction for the net amount to produce a zero net check.

## Result

You can run payroll for the international assignment pay group.

### Related Information

#### Tasks

[Add International and Domestic Assignments](#)

[Steps: Set Up Contact Information](#)

[Steps: Set Up International and Domestic Assignments](#)

#### Reference

[The Next Level: PATT Touchpoints with Assignments](#)

## Add International Assignment Details (UK)

### Prerequisites

- Workers have an international assignment position.
- Incoming international assignment workers need an HMRC approved gender - currently either male or female.
- Incoming International Assignment workers need an international assignment address.
- Security: *Worker Data: Payroll (Non-Company Specific)* - UK domain.

### Context

You can record a worker's UK international assignment information for inclusion in your FPS submission. The information you record and send to HMRC counts as the international assignment worker's starter declaration.

Note: Workday only reports the worker's data for the first submission in which they're included.

Workday doesn't report boxes 28 through 31a on your FPS for retro. If your worker has either a start or end date in a previous period, you must run a prior period on-demand calculation.

## Steps

1. Access the Maintain UK International Assignment Worker Details task.
2. Complete the task:

Option	Description
Is this an EPM6 (Modified) Scheme	For EPM6 workers, after you perform your year end calculations, update the year to date balances; make any adjustments using on-demand calculations. Submit the worker's contract end date using the Add Worker UK RTI Details task.
Expected Assignment End Date	Workday doesn't automatically report the international assignment contract end date. Use the Add Worker UK RTI Details task to override and record the worker's contract end date.

## Result

After you record international assignment details for one or more workers, Workday includes their pay details in your FPS submissions. However, there are some additional actions that you may need to take:

- Payroll for the UK can't pay into a non-UK bank account through BACS. If the worker has a UK bank account, ensure their payment elections and payment election options are set to use their UK bank details. If the worker doesn't have a UK bank account, coordinate with your finance department to arrange alternative payment methods for salary and expenses in the UK.
- Retro doesn't support international assignment start and end events. If your worker has either a start or end date in a previous period, you must run a prior period on-demand calculation.
- If the worker hasn't been assigned an appropriate international assignment address, Workday automatically uses the address from their international assignment position when reporting the FPS. Ensure that the worker has an accurate International Assignment address, especially if they intend to live abroad during their assignment.
- If the worker doesn't have an HMRC approved gender, their pay calculation status will result in an error. You must modify their gender record before Workday can complete their pay result and report it to HMRC.

# Payroll Input

## Setup Considerations: Payroll Input

You can use this topic to help make decisions when planning your configuration and use of payroll input. 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

Payroll inputs enable you to add, adjust, or override payroll calculations. You can either:

- Add or subtract an amount from a pay component result.
- Replace a pay component result with a different value.

You can create a one-time input or an ongoing input that reoccurs in each pay period.

## Business Benefits

Payroll inputs increase accuracy in payroll calculations by enabling you to adjust a calculation for an individual worker or several workers at once. You can use payroll input to:

- Incorporate data from external sources, providing more flexibility in your payroll calculations.
- Assign non-numeric data types to your related calculations, including text, date, and boolean.

## Use Cases

- Adjust or provide time or absence information from an external source.
- Adjust historical pay entries.
- Adjust tax calculations and amounts.
- Enter one-time or ongoing earnings and deductions.
- Provide bonus or incentive amounts from external sources.
- For Payroll for Canada, Ireland, the UK, and the U.S.:
  - Enter information about loan repayments.
  - Provide pay rates calculated by an external source.
- For Payroll for France:
  - Add income tax regularizations.
  - Provide IJSS Payment amounts.
  - Provide details on transportation allowances.

## Questions to Consider

Questions	Considerations
How many payroll inputs do you plan to enter?	<p>When you have only a few inputs to make, you can enter them easily through the user interface.</p> <p>When you have more than a few payroll inputs, you can:</p> <ul style="list-style-type: none"> <li>• Use the <i>Import Payroll Input</i> web service to create integrations or use EIBs to mass load payroll inputs.</li> <li>• Create a payroll input workbook to add and modify payroll input in a spreadsheet format. Data you enter in the workbook automatically updates Workday payroll inputs. Payroll inputs you enter in Workday don't automatically update the workbook; to view those updates regenerate the workbook.</li> </ul>
Who will manage payroll inputs?	<p>You can enable:</p> <ul style="list-style-type: none"> <li>• Payroll administrators to add payroll input through tasks, a business process, or EIBs.</li> </ul>

Questions	Considerations
	<ul style="list-style-type: none"> <li>Payroll partners to provide specific data for payroll input, by creating a payroll input workbook. Create a template in which you select which fields a user can enter data for. Then, generate a workbook that payroll partners can use to enter the data. You can also lock and unlock workbooks to prevent data entry at specific times. Example: During a payroll calculation.</li> <li>Nonpayroll administrators to end workers' ongoing payroll inputs as part of a termination.</li> </ul>
How do you want to prevent users from adding payroll input for themselves?	Workday tasks automatically prevent users from adding or editing payments for themselves. Users can only add payroll input for themselves by using a web service. To prevent them from doing so, select the Payroll Web Services - Do Not Allow Add/Update for Worker as Self check box on the Edit Tenant Setup - Payroll task.
Will you want to add to a calculated amount or replace a calculated amount?	<p>To add to a calculated amount, create an adjustment payroll input. Workday continues to display the initial calculation and creates an additional entry to increase or decrease a payment.</p> <p>To completely replace a calculated amount, create an override payroll input. Workday replaces the calculated amount with the payroll input amount.</p>
How do you want to modify information that came from another Workday product area, such as Time Tracking or Absence, or provide information from an external source?	<p>You can create:</p> <ul style="list-style-type: none"> <li>An override payroll input for pay components that rely on payroll inputs for their value.</li> <li>An adjustment payroll input when modifying amounts that come from Workday.</li> </ul> <p>You can use override or adjustment inputs in either case, but adjustment payroll inputs display both the original amount and the adjustment.</p> <p>When you create an adjustment input for a pay component that relies on payroll inputs for its value Workday displays a zero result for the original pay component amount.</p>
Will you want to replace an entire payment?	You can use payroll input to override an earning, deduction, or pay component related calculation (PCRC) amount for a single on-cycle result. To replace an entire payroll result, consider creating an on-demand or manual replacement payment.
Are you adjusting compensation payments?	For adjustments to compensation one-time payments, Workday recommends that you modify the one-time compensation payment.

Questions	Considerations
	<p>Workday sets any associated payroll calculations to <i>Requires Re-Calculation</i>.</p> <p>If you decide to use a payroll input to adjust a one-time payment, enter an adjustment payroll input instead of an override. Also make appropriate modifications to your one-time payments in Compensation.</p>
What data types do you want to use for your payroll inputs?	<p>You can assign 1 of these Input Value Types to a related calculation that you enter through payroll input:</p> <ul style="list-style-type: none"> <li>• Boolean</li> <li>• Date</li> <li>• Text</li> <li>• Numeric</li> </ul> <p>If you select Text, you must also add an Input Value Lookup Table. When creating a related calculation, you can enter a Default Value that is the same data type as the input value type.</p>
Are you adding a payment for a worker who has transferred internationally (CAN, IRL, UK, USA)?	You can create an on-demand trailing payment instead of a payroll input.
Do you need to calculate specific taxes for the payroll input (USA)?	<p>When you activate and configure Tax Location Mapping, Workday determines which taxes to calculate based on location worktags on the payroll input.</p> <p>When you include a location worktag on a payroll input, Workday resolves taxes associated with the location, regardless of the worker's tax election.</p>

## Recommendations

When adding payroll input, specify batch IDs so that you can mass delete the inputs in case of error. After you complete a payroll result that uses a batch ID, you can no longer delete the batch ID.

When adjusting information from Time Tracking or Absence, modify the information at the source instead of using payroll input, and then recalculate payroll. Doing so helps ensure that:

- Future adjustments to the Time Tracking or Absence data don't result in over- or under-payment.
- Absence balances are accurate for payout at termination.
- Other payroll calculations and reports that use the data are also accurate.
- Future retro calculations use the modified values.

For Payroll for Australia, Ireland, and the UK, when adjusting tax-based pay components, be sure to add payroll input for all related PCRCs.

For Payroll for France, to modify statutory contributions, override the PCRCs of Memo deductions instead of modifying the contribution deduction. Overriding Memo deductions enables you to maintain consistent ceilings and gross wages across contribution calculations. Example: To modify the value of AGIRC-ARRCO contributions, override gross wages and ceiling values of the *Memo - Reference Values for AGIRC-ARRCO [FRA]* deduction.

For Payroll for the U.S., when adding payroll input for FLSA, use start and end dates that correspond to the appropriate FLSA period.

## Requirements

You can only process payroll input for workers and pay components that are configured to be included in the payroll process on the General tab of a run category.

To receive a payroll input, workers must also meet the pay component eligibility of the earning or deduction.

Configure the run category to include the appropriate workers and pay components.

Note: Regardless of the configuration on the Nonactive (On Cycle, On Demand Replacement) tab for the run category, Workday processes one-time payroll input for non-active workers.

## Limitations

Once you process a payroll input, you can't override it with a new input. When a worker has multiple override payroll inputs, Workday sums the amounts.

You can't update an existing ongoing payroll input that is in a completed payroll result. To update ongoing payroll inputs, end the existing payroll input and create a new one.

When mass deleting payroll inputs, you must delete each batch corresponding to a batch ID individually. Workday doesn't support multiselect batch deletion.

Retroactive payroll processes don't update existing payroll input amounts. When you create an adjustment payroll input, Workday can adjust the original amount, but not the adjustment payroll input.

## Tenant Setup

You can use the Edit Tenant Setup - Payroll task to:

- Prevent payroll administrators and partners from using web services to add payroll input for themselves.
- Select which end date to suggest on the task for ending workers' ongoing payroll inputs as part of a termination. You can edit the date on the task.

## Security

Domain	Considerations
<i>Drive</i> in the System functional area.	<p>Users can access the Drive interface to view payroll input workbooks.</p> <p>Users with access to this domain can view all data in a workbook shared with them, regardless of other security settings related to the data. They can't edit data in the workbook.</p> <p>Example: Users can see data even if they don't have access rights to payroll input or the specific pay group the workbook is for.</p>
One of these domains in the System functional area:	<ul style="list-style-type: none"> <li><i>Business Process Administration</i></li> <li><i>Manage: Business Process Definitions</i></li> </ul>
<i>Set Up: Payroll (Payroll Input Workbooks)</i> in the Core Payroll functional area.	Users can create, edit, delete, and view payroll input templates.
<i>Worker Data: Payroll (Payroll Input)</i> in the Core Payroll functional area.	Users can add payroll inputs.

Domain	Considerations
	You can't restrict access to payroll inputs by pay component. Ensure that you only provide access to users who understand the impact of payroll inputs on all pay components.
<i>Worker Data: Payroll (Payroll Input Workbooks – Workbook)</i> in the Core Payroll functional area.	Users can generate a payroll input workbook.
<i>Worker Data: Payroll (Payroll Input Workbook – Generate)</i> in the Core Payroll functional area.	Users can add or update payroll inputs in generated workbooks.
<i>Worker Data: Payroll (Payroll Input Workbook – Lock)</i> in the Core Payroll functional area.	Users can lock payroll input workbooks.
<i>Worker Data: Payroll (Payroll Input Workbook – Unlock)</i> in the Core Payroll functional area.	Users can unlock payroll input workbooks.
<i>Worksheets</i> in the System functional area.	<p>Users can view all data in a workbook shared with them regardless of other security settings related to the data. They can't edit data in the workbook.</p> <p>Example: Users can see data even when they don't have access rights to payroll input or the specific pay group the workbook is for.</p>

## Business Processes

Business Processes	Considerations
<i>Request Payroll Inputs</i>	Enables you to submit payroll input requests for workers, which Workday routes for review and approval.
<i>End Payroll Inputs</i>	As a subprocess of the <i>Termination</i> business process, enables you to end workers' ongoing payroll inputs as part of a termination.

## Reporting

Reports or Dashboards	Considerations
Ongoing Payroll Input with Reference ID	Use to gather information required to create an EIB upload that modifies existing ongoing payroll input. Examples: Reference IDs, batch IDs.
Payroll Input by Batch ID	Use to check payroll input uploads by verifying adjustment and override totals for all payroll inputs for a specific batch ID.
Payroll Input Not Processed	Use to identify unprocessed payroll inputs.
Tenant Analyzer	Use the Validations tab on this report to identify that worker eligibility is set correctly for pay components that allow payroll input.
View Payroll Input by Worker(s)	Use to verify the existing payroll inputs for a worker, and view whether the input is used in pay calculation or retro pay calculation results.

Reports or Dashboards	Considerations
Find Payroll Input	<p>Use to easily view payroll inputs. When you run the report, Workday displays these details on each payroll input line:</p> <ul style="list-style-type: none"> <li>• On-Cycle Payroll Result Usage Count</li> <li>• Off-Cycle Payroll Result Usage Count</li> <li>• Retro Payroll Result Usage Count</li> <li>• Input Lines (PCRC and amount)</li> </ul> <p>You can then use various search facets to further filter the payroll input lines and click the View Payroll Input Details mass action button. This generates a detailed report of all the selected payroll inputs.</p> <p>Note: To access the Find Payroll Input report, you must create a security policy for the <i>Reports: Payroll Input</i> domain. In the security policy add the Payroll Administrator security group with View access permission. Run the Activate Pending Security Policy Changes task.</p>

You can use these report data sources when creating custom reports on payroll inputs:

- Pay Calculation Results for Organization, Worker, Period and Date Range (As of Sub Period End Date)
- Payroll Inputs
- Payroll Input for Periods

When creating a custom report, you can retrieve payroll input information for a worker by using the Payroll Inputs with Optional Filters report field on the *Worker* business object.

## Integrations

Web Services	Considerations
<i>Import Payroll Input</i> <i>Submit Payroll Input</i>	Use the <i>Import Payroll Input</i> web service because it's optimized for bulk import. You can also use the <i>Submit Payroll Input</i> web service.
<i>Terminate Employee</i>	Use to end workers' ongoing payroll inputs as part of a termination.

## Connections and Touchpoints

Features	Considerations
Gross-up calculations (CAN, FRA, IRL, UK, USA)	You can use payroll input to provide the net amount for a gross-up earning or deduction.
On-demand payments	<p>When creating an on-demand payment, you can load existing payroll inputs as the payment values.</p> <p>Workday loads all active payroll input for a worker regardless of run category or pay component eligibility.</p>

Features	Considerations
Pay components	<p>You can configure pay components to allow payroll input or not.</p> <p>The worker eligibility of a pay component also determines whether a worker can receive a payroll input. Workday provides several calculations referring to payroll inputs that you can use as eligibility criteria. Examples: <i>Payroll Input (Onetime) Exists for Pay Component</i> and <i>Payroll Input (Ongoing) Exists for Pay Component</i>. Ensure that you select the appropriate eligibility for the payroll inputs you want to process.</p> <p>When a payroll input doesn't resolve or isn't available for input, verify the pay component configuration.</p>
Payroll run categories	<p>The payroll run category determines which pay components to process in a payroll run, including payroll inputs.</p> <p>Workday provides several processing statuses referring to payroll input that you can use to identify workers to process. Example: <i>Terminated with Ongoing Payroll Input</i>.</p>
Retroactive processing	<p>You can process retroactive payroll inputs for earnings and deductions that are configured to recalculate during a retroactive payroll calculation.</p> <p>Retroactive payroll processes don't update existing payroll input amounts. When you create an adjustment payroll input, Workday can adjust the original amount, but not the adjustment payroll input.</p>
Staffing	<p>You can configure the <i>Termination</i> business process to enable nonpayroll administrators to end ongoing payroll inputs.</p>

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.

## Other Impacts

When a period is divided into multiple subperiods, Workday applies these processing rules for payroll inputs:

- For one-time payroll inputs: Workday processes the entire input in the subperiod that has the input end date.
- For ongoing payroll inputs: Workday resolves the input in each subperiod, and applies proration if specified.

For gross-to-net proration, you can set worker eligibility for the pay component to resolve only once per pay period.

## Related Information

### Concepts

[Setup Considerations: Pay for Terminated Workers](#) on page 116

**Reference**

[2023R2 What's New Post: Non-Numeric Payroll Input](#)

## Steps: Set Up Payroll Input

**Prerequisites**

Review setup considerations for payroll inputs.

**Context**

You can add additional payroll information when calculating an on-cycle payroll result for a worker. You can use payroll inputs to:

- Add information that comes from sources other than compensation plans, benefit plans, or absence management.
- Adjust general calculations for an individual worker.

Some payroll input tasks use machine learning recommendations to help you complete the tasks more easily. See [Concept: Intelligent Prompt Recommendations for Payroll](#).

**Steps**

1. Access the Edit Earning or Edit Deduction task for the pay component you want to add pay input for. As you complete these sections, consider:

Section	Description
Worker Eligibility	Verify that the workers targeted to receive payroll input are eligible for the earning or deduction.  To only process the pay component for workers with existing payroll inputs, select <i>Payroll Input Exists for Pay Component (Sub Period)</i> .
Calculation Details	To add payroll input for the pay component amount, select <i>Input Amount Allowed?</i> .
Related Calculations	To add payroll input for a pay component related calculation amount, select <i>Input Allowed?</i> For each related calculation.

When adding payroll input, you can use the Special Entry check box to override the input allowed settings on the pay component.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the Edit Run Category task for your run category.

Configure your run category to:

- Process the workers you're targeting for payroll input.
- Process the pay components with the payroll input.

See [Steps: Set Up Pay Run Categories](#) on page 101.

### 3. Add payroll input values:

- Configure the *Request Payroll Inputs* business process to request and approve payroll inputs. See [Steps: Set Up Request Payroll Inputs Business Process](#).
- [Add Payroll Input for Workers](#) on page 617.
- Add payroll input on the worker's payroll result. See [Concept: Payroll Input on Payroll Results](#).
- Create a workbook to add, update, or delete payroll inputs in real time on a single sheet. See [Steps: Using Payroll Input Workbooks](#) on page 623.
- Create an EIB based on the *Import Payroll Input* web service to mass upload payroll inputs. See [Concept: Data Entry in Payroll Input EIB Spreadsheets](#) on page 628.

Related Information

#### Concepts

[Concept: Retro Payroll Input](#) on page 933

[Concept: Payroll Input and Proration](#) on page 289

[Setup Considerations: Payroll Input](#) on page 603

## Steps: Set Up Request Payroll Inputs Business Process

### Prerequisites

- Review setup considerations for payroll input.
- Security: *Business Process Administration* or *Manage: Business Process Definitions* domain in the System functional area.

### Context

You can set up the *Request Payroll Inputs* business process to enable payroll practitioners to manage payroll input requests for a single or multiple workers, and to review and approve requests. Workday routes requests to reviewers as My Tasks notifications.

Configuring the *Request Payroll Inputs* business process doesn't prevent you from using other Workday-delivered payroll input tasks, such as [Add Payroll Input](#) and [Add Payroll Input by Worker](#).

### Steps

#### 1. Edit Business Process Security Policies.

Configure access for security groups on the *Request Payroll Inputs* business process security policy. Add the same user groups who would normally have access to payroll input tasks and reports. We don't recommend adding groups such as managers or workers.

Workday recommends these security group configurations:

Option	Security Groups
Who Can Start the Business Process Initiating Action	<ul style="list-style-type: none"> <li>Payroll administrator</li> <li>Payroll partner</li> </ul>
Who Can Do Action Steps in the Business Process Action Step	Payroll administrator
Who Can Do Actions on Entire Business Process Approve	Payroll administrator
Who Can Do Actions on Entire Business Process Deny	Payroll administrator
Who Can Do Actions on Entire Business Process View All	<ul style="list-style-type: none"> <li>Payroll administrator</li> </ul>

Option	Security Groups
	<ul style="list-style-type: none"> <li>Payroll partner</li> </ul>

(Optional) You can configure the business process security policy to enable users to attach files to payroll input requests. See [Steps: Enable Attachments on an Individual Business Process](#).

## 2. Edit Business Processes.

- Add the Review Payroll Input Request for Worker task as an action step on the *Request Payroll Inputs* business process definition. If you don't do this, Workday approves the payroll input requests automatically.
- (Optional) Disable My Tasks notifications for payroll input request reviews.

When you have a high volume of requests for review, you can disable sending system notifications by accessing the business process definition. On the Notifications tab, click Maintain System Notifications and select the Disabled check box for steps you don't want to send system notifications for. You'll still be able to access review requests in My Tasks, but you won't receive notifications about them.

## 3. Access the Request Payroll Inputs task to create 1 or more payroll input requests and send them for review.

Workday displays the same fields on the Request Payroll Inputs task as it does for other payroll input tasks.

Only the Request Payroll Inputs task enables you to initiate the *Request Payroll Inputs* business process. You can still use these tasks to add payroll input, but they won't generate a request for approval:

- Add Payroll Input
- Add Payroll Input by Result
- Add Payroll Input by Worker

Note: You can't use the Enterprise Interface Builder to initiate the *Request Payroll Inputs* business process.

## Result

Workday directs the payroll input requests to the appropriate reviewers, who can:

- Approve requests individually and in bulk. See [Concept: Bulk Approve Business Processes](#).
- Deny or edit payroll input requests, but not send them back

When a payroll practitioner submits a payroll input request, Workday creates a business process event but not the payroll input. When a reviewer approves a payroll input request, Workday creates the payroll input and adds it to the payroll calculation for the worker.

## Next Steps

You can view *Payroll Input Requests* business process events on the worker history and on the Find Events report.

You view payroll inputs, but not payroll input requests pending approval, on reports such as Find Payroll Input or View Payroll Input by Worker.

Related Information

### Concepts

[Concept: Payroll Calculations](#) on page 310

### Tasks

[Add Payroll Input for Workers](#) on page 617

### Reference

[2025R1 Feature Release Note: Payroll Input Business Process](#)

## Steps: Set Up End Payroll Inputs for Terminated Workers

### Prerequisites

- Review setup considerations for:
  - Pay for terminated workers.
  - Payroll inputs.
- Set up payroll inputs.

### Context

You can add the *End Payroll Inputs* business process on the *Termination* business process to enable ending ongoing payroll inputs when terminating workers. Workday only runs the *End Payroll Inputs* business process when workers have inputs that both:

- End after the end date of the current pay period.
- Start on or before the workers' termination date.

For terminations that occur prior to the end date of the current pay period, you must manually override the end date using the *Edit Payroll Input* task.

When administrators run the business process, they can also view the workers' payroll inputs with a start date after the termination date.

### Steps

1. (Optional) Access the *Edit Tenant Setup - Payroll* task.

Select the end date to suggest for the *Proposed End Date for Ending Payroll Inputs* on the *End Payroll Inputs* inbox task.

Security: *Set Up: Tenant Setup - Payroll* domain in the System functional area.

2. [Edit Business Process Security Policies](#).

Edit the security policies for these business processes:

Business Processes	Security to Configure
<i>End Payroll Inputs</i>	Add security groups such as HR partners on these action steps: <ul style="list-style-type: none"> <li>• <i>Review End Payroll Inputs by Worker</i></li> <li>• <i>View All</i></li> <li>• <i>Approve</i></li> <li>• <i>Cancel</i></li> <li>• <i>Deny</i></li> </ul>
<i>Termination</i>	Add security groups on the <i>End Payroll Inputs</i> step.

3. Access the *Create Business Process Definition (Default Definition)* task.

From the *Business Process Type* prompt, select *End Payroll Inputs*.

Security: These domains in the System functional area:

- *Business Process Administration*
- *Manage: Business Process Definitions*

#### 4. Edit Business Processes.

On the *End Payroll Inputs* business process definition, either:

- Select the Enable Autocomplete check box to complete the business process without approvals.
- Add 1 row with these values on the Business Process Steps tab:

Order	Type	Group
b	<i>Approval</i>	Select the roles that can approve the business process. You can configure view-only or edit access.

On the *Termination* business process, add the *End Payroll Inputs* action step.

#### Result

When administrators run the *Termination* business process, Workday checks whether workers have ongoing payroll inputs. When they do, Workday sends an Inbox task to the business process initiator to end the inputs. When you enable the *End Payroll Inputs* business process to autocomplete, Workday ends the inputs and sets their end dates as either the:

- Later of the pay through date and the end date of the workers' last completed period.
- Workers' termination date, when you select that date type for your tenant.

When workers have no eligible payroll inputs, Workday skips the *End Payroll Inputs* business process and doesn't display the workers' future-dated inputs. You can find those inputs on the View Payroll Input by Workers report.

After administrators complete or rescind the *End Payroll Inputs* business process, Workday:

- Changes the workers' pay results status to *Requires Re-calculation*.
- Ignores corrections to the *Termination* business process or changes to the payroll inputs you ended with the business process.

#### Next Steps

View the ended payroll inputs on the workers' history.

Recalculate payroll for the workers.

Related Information

#### Concepts

[Setup Considerations: Pay for Terminated Workers](#) on page 116

[Concept: Autocomplete Business Processes](#)

#### Tasks

[Calculate On-Cycle Payroll](#) on page 651

#### Reference

[Reference: Edit Tenant Setup - Payroll](#)

## Set Up Hours Aggregation

#### Prerequisites

Create earnings and deductions with hours-related pay component related calculations (PCRCs).

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Context

Workday can aggregate the hours from daily payroll inputs, and time blocks from Workday Time Tracking, into condensed result lines. Aggregation can improve the performance of payroll calculations and enhance the readability of payroll results.

To enable hours aggregation, you need to select which hours-related PCRCs you want to aggregate.

## Steps

1. Access the Maintain Pay Component Related Calculations for Aggregation task.

On the Pay Input Aggregation tab, Workday displays:

- Hours-related, customer-owned PCRCs.
- PCRCs with the Aggregate check box selected.

2. Select the Aggregate check box for PCRCs you want to aggregate.

3. If you use Workday Time Tracking, select the Time Block Aggregation tab.

Workday displays all pay components with time calculation tags. To enable aggregation for pay components without PCRCs, edit the pay component and add a PCRC.

4. In the Pay Components with PCRCs table, select the Aggregate check box for PCRCs you want to aggregate.

In FLSA calculations, when you use Time Tracking to enter hours; Workday recommends that you always select the Aggregate check box for PCRCs.

## Result

When you calculate payroll, Workday adds together the hours for each worker into a single pay result line.

## Example

This example illustrates daily pay inputs aggregated into a condensed result line for each subperiod:

Pay Component	Sub Period (if different from Pay period)	Related Calculation	Amount	Input Amount
Hourly Pay	2019-01-01 through 2019-01-04	Hours (unprorated)	26.00	8.00
			7.00	
			6.00	
			5.00	
		Rate	20.00	
Hourly Pay	2019-01-05 through 2019-01-11	Hours (unprorated)	17.00	8.00
			9.00	
		Rate	22.00	

## Related Information

### Concepts

Concept: Hours Aggregation on Pay Results on page 630

# Add Payroll Input for Workers

## Prerequisites

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

## Context

You can add payroll inputs to modify data used in an individual worker's payroll calculation. You can either:

- Completely override existing pay component values.
- Adjust an existing value by increasing or decreasing it.

You can create payroll inputs that either:

- Reoccur in every pay period.
- Occur once.

Some payroll input tasks use machine learning prompt recommendations to help you complete the tasks more easily. See [Concept: Intelligent Prompt Recommendations for Payroll](#).

## Steps

1. Access the Add Payroll Input by Worker task.
2. As you complete the Worker Defaults section, consider:

Option	Description
Worker(s)	You can't use the Add Payroll Input by Worker task to add payroll input for yourself.
Batch ID	Enter a batch ID to find and take action on the associated payroll input with ease later.
Start Date	<p>One-time and ongoing entries require a Start Date.</p> <p>Workday doesn't prorate payroll inputs based on the Start Date and End Date. Workday processes the input value in full even when the start and end dates fall in the middle of a period or subperiod.</p> <p>When the pay component you select is an FLSA bonus, enter Coverage Dates to allocate the bonus across the coverage period (USA).</p>
End Date	<p>One-time entries require an End Date.</p> <p>When the pay component you select is an FLSA bonus, enter Coverage Dates to allocate the bonus across the coverage period (USA).</p>
Special Entry	<p>Select to display additional options on the Pay Components prompt, including:</p> <ul style="list-style-type: none"> <li>• Tenanted pay components that you don't configure for payroll input.</li> <li>• Pay components with arrears balances.</li> <li>• Statutory deductions and withholding orders (AUS, CAN, USA).</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Statutory deductions and taxes (FRA, IRL).</li> <li>Statutory deductions and court orders (UK).</li> </ul> <p>Example: Select Special Entry to adjust NI deductions when a worker changes NI categories.</p> <p>Enter the reason for the special entry in the Comment field in the Input grid.</p> <p>Payroll for France doesn't support pay inputs for withholding orders.</p>

Workday uses Worker Defaults on the payroll input for each worker that you select. Example: When paying 10 workers using the same earning, you can select the workers and earning in the Worker Defaults section. When you click OK, you can enter input values for each worker, but Workday populates the pay component.

### 3. Select any Processing Defaults:

Option	Description
One-time	<p>When there are multiple subperiods in a pay period, Workday processes the input in full for the subperiod that includes the pay input End Date.</p>
Ongoing	<p>When there are multiple subperiods in a pay period, Workday resolves the pay component in each subperiod.</p> <p>Workday selects the subperiod that's closest to the pay period end date when the worker has both:</p> <ul style="list-style-type: none"> <li>An ongoing payroll input with no end date for a position-based pay component.</li> <li>A midperiod company transfer.</li> </ul> <p>For terminated workers, Workday applies the payment to the worker's last subperiod when the start and end dates of the payment are after the termination subperiod.</p> <p>For gross-to-net proration, you can set worker eligibility for the pay component to resolve only once per pay period. Workday prorates the amounts to each subperiod only when you set up the pay component for proration.</p> <p>Note: Payroll for Ireland only supports pay component proration.</p>
Override	<p>Overwrites the pay component amount, the pay component related calculations, or both, based on the Input Details section. Use for an initial input or to overwrite any zero values Workday populates.</p>

Option	Description
	Overwrites a payment for the entire period, even when the payroll input Start Date and End Date don't represent the full period.
Adjustment	Creates an additional entry on payroll results to increase or decrease a payment. Each adjustment entry has a separate resolution on payroll results.

4. Enter any Additional Defaults:

Option	Description
Payroll Worktags	<p>Select a worktag value to associate with the input. Examples:</p> <ul style="list-style-type: none"> <li>• NI categories (UK).</li> <li>• Projects for cost allocations (FRA).</li> <li>• Tax authorities (CAN, FRA, USA).</li> <li>• Tax locations (CAN, USA).</li> <li>• Organization types or projects for cost allocations (CAN, UK, USA).</li> <li>• Superannuation (AUS).</li> <li>• Withholding orders (AUS).</li> <li>• PRSI class (IRL).</li> </ul> <p>Although you can add multiple worktags to an input row, you can use each worktag type only once for that input row. Add separate input rows for each worktag.</p> <p>For Payroll for Australia, if you don't provide a worktag for superannuation, Workday will default to the superannuation choice that's effective on the payment date. You can use a worktag to override the default.</p> <p>For Payroll for the U.S.:</p> <ul style="list-style-type: none"> <li>• When you associate a tax authority worktag with payroll input and set up ongoing multiple work jurisdictions (OMWJ) for the worker, Workday doesn't split wages by OMWJ allocations. Workday continues to associate wages with the tax location worktag and tax accordingly.</li> <li>• When you select a payroll tax location or a project related to a payroll tax location, Workday populates the appropriate tax authorities according to the payroll tax</li> </ul>

Option	Description
	<p>mapping. Workday uses the mapping active on the earlier of:</p> <ul style="list-style-type: none"> <li>• The period end date of the payroll period selected.</li> <li>• The pay input end date selected.</li> </ul> <p>When entering off-cycle payroll input for a local other pay component, select the local tax location worktag and remove the state worktag. Example: You create payroll input for the WA: Washington Paid Family and Medical Leave (State Plan) [USA] pay component. You only select the Local Other: WA: Washington paid Family &amp; Medical Leave (State Plan) Washington worktag. You don't include the State: Washington worktag.</p>
Prior Period Tax Adjustment (USA)	<p>You can select the check box, only when you:</p> <ul style="list-style-type: none"> <li>• Enable Negative Tax Withholding for Negative Wages on the Edit Tenant Setup – Payroll task.</li> <li>• Create one-time payroll input for workers in US primary pay group.</li> </ul> <p>When selected, if retro pay input is processed resulting in a negative wage adjustment and you've enabled negative withholding on the Edit Tenant Setup – Payroll task, Workday calculates the taxes to be credited by multiplying the percentage of YTD taxable wages being reversed against the actual YTD tax withheld.</p>

5. Click OK to enter individual payroll input details.
6. As you complete the Input grid, consider:

Option	Description
Position	<p>Required for position-based earnings and deductions. Workday processes the input for the company that the position belongs to at processing time.</p> <p>When a worker changes positions midperiod for an unprorated period, Workday overrides the selected position and uses the one in effect at the period end date.</p> <p>For worker-based earnings and deductions, Workday includes the selected position in journal entry lines as a worktag.</p>
Company	<p>Available for worker-based pay components (CAN, FRA, IRL, UK, USA).</p> <p>When you don't select a company:</p>

Option	Description
	<ul style="list-style-type: none"> <li>Workday calculates the input for each company processed for the worker during the pay run (CAN, IRL, UK, USA).</li> <li>For a withholding order, Workday calculates the input for the company associated with the case number worktag. (CAN, US).</li> <li>For a court order, Workday calculates the input for the company associated with the case number worktag (UK).</li> </ul>
Costing Company	<p>Use to charge this payroll item to a company other than the worker's default company. This column is available when you enable intercompany accounting in your tenant.</p>
Payroll Worktags	<p>To select more than 1 value for the same worktag type and worker, add separate Input rows for each worktag here.</p> <p>Example (CAN, UK, USA): When a worker has 2 loans, add 2 Input rows with these values:</p> <ul style="list-style-type: none"> <li>A worktag of <i>Loan 1</i> and its amount.</li> <li>A worktag of <i>Loan 2</i> and its amount.</li> </ul> <p>When you configure multiple custom worktag types as calculation worktags, enter a value for each of the worktag types in the same row.</p> <p>For Payroll for Canada, when you don't select a province worktag for a taxable earning or pretax deduction, Workday withholds for either:</p> <ul style="list-style-type: none"> <li>The worker's primary work province for compensation.</li> <li>The province of employment for all other taxes.</li> </ul> <p>For Payroll for the U.S., when you don't select a state worktag for a taxable earning or pretax deduction, Workday withholds for the worker's processing position work state.</p> <p>For Payroll for Ireland, when you adjust PRSI pay components and pay component related calculations, you must select a PRSI Class worktag.</p>
Input Details - Type	<p>The type of value you want to record.</p> <p>You can select:</p> <ul style="list-style-type: none"> <li><i>Amount</i> to enter the pay component value.</li> <li>Pay component related calculations.</li> </ul> <p>Example: For a pay component defined as <i>Amount = Rate × Hours</i>, select <i>Rate</i>, <i>Hours</i>, and <i>Amount</i>.</p>

Option	Description
	<p>For adjustment inputs, Workday only resolves pay component related calculations when you select them in this field. Workday resolves all pay component related calculations for override inputs.</p> <p>To adjust an arrears balance, select <i>Special Entry</i> and then <i>Arrears Balance</i> in this field.</p> <p>To provide input for a gross-up earning, select <i>Net Amount (for Gross-Up)</i>.</p> <p>For Payroll for the U.S., to avoid unexpected results for tax reporting, don't select <i>Gross Wages</i> when the payment date is before 2013/01/01. Workday uses <i>Gross Wages</i> for quarterly tax reporting for 2013 and after.</p> <p>For Payroll for Ireland, to adjust insurable weeks for a worker, select the IRL PRSI Employee [IRL] pay component and then <i>IRL Insurable Weeks</i> in this field.</p>
<b>Input Details - Value</b>	The pay component amount and, if applicable, the values of the related calculations that make up the amount.
<b>Attachments</b>	<p>Select or upload any attachments you want to associate with the payroll input. You can configure your custom reports to display the attachments you upload. You can also edit, delete, and purge payroll input attachments.</p> <p>When you delete a payroll input, the attachment file may still exist in Workday. You can't open the file, but we recommend that you don't include Personally Identifiable Information in attachment filenames.</p>

## Result

You can view payroll inputs in the Input report of the Pay profile group on the worker profile. Workday only displays payroll inputs for:

- The past 12 months before the current date.
- The next month from the current date.

Workday updates results with a status of *In Progress* to *Requires Re-Calculation*.

## Next Steps

When the payroll result has a status of:

- *Requires Re-Calculation*, recalculate the payroll results.
- *Complete*, run a retro calculation.

## Related Information

### Tasks

[Set Up Voluntary Deduction Elections](#) on page 347

## Concept: Payroll Input on Payroll Results

Workday enables you to add a payroll input directly on a worker's payroll result using the Add Payroll Input task (secured to the *Worker Data: Payroll (Payroll Input)* domain).

Workday:

- Initially displays a simplified task with only the required and most commonly used fields. Examples: Pay component, run category, value.
- Enables you to expand all details to access a full task view, which includes all payroll input fields.

### Comparison of Payroll Input Tasks

Workday also enables you to add payroll inputs on the user interface using these tasks:

- Add Payroll Input by Result.
- Add Payroll Input by Worker.
- Request Payroll Inputs

The 4 tasks contain the same fields, but they differ in terms of:

- Access: How you find them in Workday.
- Layout: Whether Workday displays all fields or an expandable selection of the most commonly used fields.

	Add Payroll Input	Add Payroll Input by Result	Add Payroll Input by Worker	Request Payroll Inputs
Access	On the worker's payroll result.  Note: To display the task on payroll results, clear the Disable Payroll Results Profile check box on the Edit Tenant Setup - Payroll task.	Related actions from the worker's payroll result.	Global search.	Global search. Accessing the task initiates the <i>Request Payroll Inputs</i> business process.
Layout	Expandable selection of fields.	All fields.	All fields.	All fields.

#### Related Information

##### Tasks

[View Payroll Results](#) on page 785

## Payroll Input Workbooks

### Steps: Using Payroll Input Workbooks

#### Prerequisites

- Set up Drive.
- Set up Worksheets.

- Security: These domains in the Core Payroll functional area:
  - *Set Up: Payroll (Payroll Input Workbooks)*.
  - *Worker Data: Payroll (Payroll Input Workbooks)*.
  - *Worker Data: Payroll (Payroll Input Workbooks - Generate)*.
  - *Worker Data: Payroll (Payroll Input Workbooks - Lock)*.
  - *Worker Data: Payroll (Payroll Input Workbooks - Unlock)*.

Workday recommends that you add only the payroll administrator to the Lock and Unlock domain security policies. This configuration gives them the responsibility and sole privilege to lock and unlock shared workbooks.

## Context

Payroll input workbooks enable you to change or add payroll inputs for a pay group in a familiar, centralized spreadsheet environment. Updates in workbooks also reflect in the worker profiles in real time.

Workday enables you to:

- Configure payroll input templates for specific pay components and valid values.
- Generate workbooks that automatically include existing payroll inputs based on the pay group and date range you select.
- Add, edit, or delete payroll inputs using workbooks.
- Share workbooks with payroll and non-payroll stakeholders for simultaneous collaboration.

Example: Using a shared payroll input workbook, a payroll partner can add monthly payroll inputs for a pay group and collaborate with a payroll administrator to ensure accuracy.

## Steps

1. [Create Payroll Input Templates](#) on page 625.

Example: You can create separate payroll input templates for bonuses, charitable contributions, and wellness reimbursements.

2. [Generate Payroll Input Workbooks](#) on page 626.

When you generate a workbook, it contains the fields defined in the template. It enables you to add, edit, or delete payroll inputs for a specific pay group and date range.

Workday displays a link to the generated workbook and saves it in your Drive.

Example: You can generate a workbook for wellness reimbursements for a USA monthly pay group.

3. Edit workbooks.

The active entry area displays inside a green dashed outline in the workbook. To add new data, you must insert a row.

Example: You can add or change ongoing payroll inputs in a workbook generated for wellness reimbursements for a USA Monthly pay group.

4. (Optional) Share the payroll input workbook for collaboration.

Click Share and select specific users to grant edit or view permissions.

Users receive a Workday notification and (if enabled) an email.

Users can update the workbook simultaneously.

5. (Optional) Select Payroll Input > Lock from the payroll input workbook related action menu to prevent further updates in the entry area.

Once locked:

- You can still edit cells outside the entry area to make notes.
- You can unlock the worksheet to enable changes again in the entry area.
- You can remove workbooks from your Drive only when they're locked.

Security: These domains in the Core Payroll functional area:

- *Worker Data: Payroll (Payroll Input Workbooks - Lock).*
- *Worker Data: Payroll (Payroll Input Workbooks - Unlock).*

#### Related Information

##### Concepts

[Setup Considerations: Payroll Input](#) on page 603

##### Tasks

[Steps: Set Up Payroll Input](#) on page 611

[Steps: Set Up Drive](#)

[Set Up Worksheets](#)

## Create Payroll Input Templates

### Prerequisites

- Set up Drive.
- Set up Worksheets.
- Security: *Set Up: Payroll (Payroll Input Workbooks)* domain in the Core Payroll functional area.

### Context

You can use worksheets to add, edit, or delete payroll inputs in a consolidated sheet. Workday enables you to create and configure templates that best fit your use cases.

With the template, you can:

- Add only the fields that you deem necessary. Workday generates these fields as distinct columns within a workbook.
- Configure hidden fields, required fields, and fields with multiple possible values.
- Specify the pay component to use in the workbook.
- Generate a workbook to create, edit, and delete payroll inputs.
- Generate workbooks multiple times using the same template.

### Steps

1. Access the Create Payroll Input Template task.
2. As you complete the task, consider:

Option	Description
Field	<p>Include the fields you need for your use case. You can select from a variety of fields including:</p> <ul style="list-style-type: none"> <li>• Workday-delivered worktags.</li> <li>• Up to 4 related calculations.</li> </ul> <p>Worksheets don't support custom or related worktags or custom organizations for fields.</p>

Option	Description
	Example: You regularly provide workers with wellness reimbursements. You create a template for Gym Reimbursements. In addition to the 5 required fields, you add <i>Amount</i> and <i>Costing Company</i> .
Label Override	<p>Enter a descriptive label. Otherwise, the default label is the name of the field.</p> <p>Example: Override the <i>Amount</i> field label to <i>Reimbursement Amount</i>, and the <i>Worker</i> field label to <i>Employee</i>.</p>
Valid Value	<p>Only include the valid values that are applicable to that field.</p> <p>Example: Enter your <i>Wellness Reimbursement</i> earning as the Valid Value for the Pay Component field. When you generate a workbook using this template, the only valid value under Pay Component is <i>Wellness Reimbursement</i>.</p>
Display Options	<p>You can hide or make fields required.</p> <p>Note: When the field has multiple valid values, you can't select <i>Do Not Show</i>.</p> <p>Example: Since <i>Wellness Reimbursements</i> is the only valid value for Pay Component, you can select <i>Do Not Show</i> for that field. You can also select <i>Amount</i> as Required.</p>

## Result

You've created a customized template that determines which columns display on a generated workbook.

If you edit the payroll input template, you must generate a new workbook to reflect the changes.

## Next Steps

Review the template carefully before you use it to generate a workbook. Once you generate a workbook, you can't delete the template.

Generate a payroll input workbook.

Related Information

### Tasks

[Steps: Set Up Payroll Input](#) on page 611

[Steps: Set Up Drive](#)

[Set Up Worksheets](#)

## Generate Payroll Input Workbooks

### Prerequisites

- [..../manage-workday/tenant-configuration/content-management/drive/ymp1498691345885.dita](#)
- [..../reporting-and-analytics/worksheets/worksheets-setup/zhb1488304070236.dita](#)

- Create a payroll input template.
- Security: These domains in the Core Payroll functional area:
  - *Worker Data: Payroll (Payroll Input Workbooks)*.
  - *Worker Data: Payroll (Payroll Input Workbooks - Generate)*.

## Context

You can generate a workbook to add, edit, or delete worker payroll inputs in a single worksheet using a template.

With Worksheets for payroll input, you can:

- Generate workbooks populated with existing payroll inputs based on the pay component of the template, the pay group, and the date range.
- Generate blank workbooks that you can use to add new payroll inputs for workers in a pay group.
- Update payroll input data that reflects on the worker profile in real time.
- Collaborate simultaneously with multiple users in a single workbook.

After you edit the workbook, Workday recommends that you lock it before you run the pay calculation.

When you add payroll input on a worker's profile, you must generate a new workbook to reflect the changes.

## Steps

1. Access the Generate Payroll Input Workbook task.
2. As you complete the task, consider:

Option	Description
Pay Group	Select a pay group to determine which workers are available in the generated workbook.  Workday automatically populates workbooks with payroll inputs for workers from this pay group.  You can only select 1 pay group for a workbook.
Start Date/End Date	Select the date range for the workbook.  Workday automatically populates workbooks with payroll inputs that have a start or end date within this date range. Workday also populates with ongoing payroll inputs that have a: <ul style="list-style-type: none"> <li>• Start date before the workbook end date.</li> <li>• End date after the workbook start date.</li> </ul>
Create Blank Input Sheet	Select this check box only when you want to generate a blank worksheet without populating any existing payroll inputs.
Template	Select a template for the payroll inputs that you want to add.  The template configuration determines the pay components and valid values available in the generated workbook.

## Result

Workday displays a link to the generated workbook and saves it in your Drive.

Workday builds a workbook with columns from the template and provides an entry area for the specified pay group and date range. The workbook is now available for you to add, edit, or delete payroll inputs.

## Next Steps

Make the desired changes for the payroll inputs in the Worksheet entry area.

Share workbook with other users.

When you're ready to run the payroll calculation, first lock the workbook to prevent further updates. When you complete the pay calculation, you can no longer edit payroll inputs for completed pay or retro results. You can generate a separate workbook to add new inputs for a noncompleted period.

To prevent users from continuing to use a workbook that you created, you can lock it and remove it from your Drive.

Related Information

### Concepts

[Concept: Managing Workbooks](#)

### Tasks

[Steps: Set Up Payroll Input](#) on page 611

## Concept: Data Entry in Payroll Input EIB Spreadsheets

To add multiple payroll inputs, you can create an EIB based on the *Import Payroll Input* web service. You can then enter data in a spreadsheet that corresponds to the inbound EIB.

These examples illustrate how to complete the EIB spreadsheet for the *Import Payroll Input* web service.

Note: Workday recommends that you use the *Import Payroll Input* web service, because it's optimized for bulk import. This example also applies to EIBs based on the *Submit Payroll Input* web service.

When you create an EIB spreadsheet, if you leave the Run Category ID field blank, the EIB defaults to include all run categories.

### Example: Add New Pay Input

You want to upload a new payroll input for a transportation allowance earning of 50.

Add this row to the EIB spreadsheet:

Spreadsheet Key	Row ID	Payroll Input ID	Earning	Amount
1	1	8000	Transportation allowance	50

If you leave the Payroll Input ID blank, Workday generates a new reference ID when you import the spreadsheet. This new reference ID can cause duplicate input records if you run the same EIB spreadsheet multiple times.

### Example: Modify Existing Pay Input

Global Modern Services terminated an employee on March 15, 2017. You want to end an existing ongoing pay input for transportation allowances for

the terminated worker. The payroll input ID of the existing payroll input is 8000.

You can only modify a pay input end date after it was used in a payroll calculation.

Modify these columns in the EIB spreadsheet for the terminated worker:

Payroll Input ID	Earning	End Date
8000	Transportation allowance	2017-03-15

Ensure that the Payroll Input ID refers to the existing payroll input. When you enter a new payroll input id or leave the Payroll Input ID column empty, Workday creates a new payroll input.

#### Example: Include Related Calculations on Payroll Inputs

You have an earning for hourly pay with related calculations for worked hours and hourly rate. You want to add payroll input for:

- Total pay: 1600.
- Worked hours: 160.
- Hourly rate: 10.

Add these rows to the EIB spreadsheet:

Spreadsheet Key	Row ID	Earning	Amount	Additional Input Details - Row ID	Related Input Calculation	Value
1	1	Hourly Pay	1600	1	Hours	40
1	1			2	Hourly rate	10

#### Example: Include Custom Worktags

You have custom worktags for loan numbers, and want to include loan numbers on the payroll input or off-cycle payment for a loan repayment deduction.

1. Access the Custom Worktag Values report.
2. Select Integration IDs > View IDs from the related actions menu of the loan number worktag. View the reference ID type and ID. Example:

Type	ID
Custom_Worktag_5	ID01

3. Enter these values in the spreadsheet:

Deduction	Custom Worktag 05
Loan repayment	01

## Related Information

### Concepts

[Concept: EIB Spreadsheet Data Entry Guidelines](#)

### Tasks

[Steps: Set Up EIBs Using Templates from Web Service Operations](#)

### Reference

[Workday Community: Import Payroll Input EIB - Inbound](#)

[FAQ: Payroll Input on page 637](#)

## Concept: Hours Aggregation on Pay Results

You can configure Workday to aggregate the hours from these sources into 1 line:

- Pay inputs.
- Workday Time Tracking time blocks.

### Criteria for Aggregation

Workday aggregates hours from pay inputs or time blocks on which all of these attributes are the same:

- Company
- Costing company
- Currency override
- Pay component
- Position
- Rate
- Workers compensation codes
- Worktags

Pay inputs and time blocks that differ in any of these attributes aggregate separately.

#### Example

Robert worked 10 8-hour days this pay period. Daily pay inputs were identical, except for the costing company.

- The 64 hours costed to company A aggregate into 1 result line.
- The 16 hours costed to company B aggregate into another result line.

#### Example

Lindsey worked 10 8-hour days this pay period. She received a compensation increase from 20 to 22 on the sixth day. This proration event creates a separate subperiod and therefore separate result lines:

- 40 hours at the 20 rate aggregate into 1 result line.

- 40 hours at the 22 rate aggregate into another result line.

## Hours That Don't Aggregate

Workday doesn't aggregate:

- Ongoing pay inputs.
- Inputs with more than 1 input line, such as hours and rate.

Adjustments aggregate only with other adjustments. Overrides aggregate only with other overrides.

## Aggregation and Ongoing Multiple Work Jurisdictions (USA)

When you use ongoing multiple work jurisdictions (OMWJ), Workday aggregates input and time block hours according to the allocation percentages.

### Example

Christopher's work jurisdiction allocations are as follows:

- California: 40%
- Oregon: 40%
- Hawaii: 20%

In the current pay period, he has these inputs:

- Input 1 (Monday): 10 hours
- Input 2 (Tuesday): 5 hours

Without aggregation, Christopher has 6 pay result lines:

Pay Component	Worktag	Related Calculation	Amount	Input Amount
Hourly Pay [USA]	California	Hours (unprorated)	4 hours	10
Hourly Pay [USA]	Oregon	Hours (unprorated)	4 hours	10
Hourly Pay [USA]	Hawaii	Hours (unprorated)	2 hours	10
Hourly Pay [USA]	California	Hours (unprorated)	2 hours	5
Hourly Pay [USA]	Oregon	Hours (unprorated)	2 hours	5
Hourly Pay [USA]	Hawaii	Hours (unprorated)	1 hour	5

With aggregation, Christopher has 3 pay result lines:

Pay Component	Worktag	Related Calculation	Amount	Input Amount
Hourly Pay [USA]	California	Hours (unprorated)	6 hours	15
Hourly Pay [USA]	Oregon	Hours (unprorated)	6 hours	15
Hourly Pay [USA]	Hawaii	Hours (unprorated)	3 hours	15

Note: When you enter an override State worktag on a pay input, Workday doesn't aggregate that input with inputs that it allocates according to OMWJ splits.

#### Example

You add another 8-hour pay input for Christopher, with a California override worktag so California tax rates apply to all 8 hours. Workday adds a pay result line for the input and doesn't add it to the OMWJ-allocated California hours.

Pay Component	Worktag	Related Calculation	Amount	Input Amount
Hourly Pay [USA]	California (OMWJ split)	Hours (unprorated)	6 hours	15
Hourly Pay [USA]	Oregon	Hours (unprorated)	6 hours	15
Hourly Pay [USA]	Hawaii	Hours (unprorated)	3 hours	15
Hourly Pay [USA]	California (override worktag)	Hours (unprorated)	8 hours	8

#### Retro Calculations

Workday can aggregate hours for retroactive pay inputs. You can configure hours aggregation on the Effective Dated tab of the pay component. Workday uses the snapshot in effect at the end of the pay period to determine whether to aggregate retroactive pay input for prior periods.

#### Example

The pay component Hourly Pay has 3 effective-dated snapshots:

- 2019-01-01
- 2019-03-15
- 2019-04-01

You add retroactive pay inputs for the monthly pay period 2019-03-01 through 2019-03-31. Workday checks the status of the Aggregate check box for the pay component related calculation in the 2019-03-15 snapshot. When selected, Workday aggregates the hours.

Because Workday aggregates hours when calculating payroll, you won't see aggregated hours on pay results that Workday calculated before you enabled aggregation.

### Rounding in Payroll Calculations

You might see a nominal difference in pay results when you compare unaggregated result lines to result lines that Workday aggregates. Since rounding occurs after Workday completes the calculations, rounding the aggregated result line produces a more precise sum.

#### Example

Pay result lines without aggregation enabled:

Hours	Rate	Total
7.125	15.15000	107.94
7.125	15.15000	107.94
7.125	15.15000	107.94
Sum		323.82

Pay result line with aggregation enabled:

Hours	Rate	Total
21.375	15.15000	323.83
Sum		323.83

#### Related Information

##### Tasks

[Set Up Hours Aggregation](#) on page 615

## Set Up Payroll Input Custom Validations

### Prerequisites

- Ensure that all pay calculations (including off-cycle calculations) are complete before you add a new validation rule. New rules can restrict payroll recalculation.
- Security: *Set Up: Payroll* domain in the Core Payroll functional area.

### Context

You can configure custom validations for payroll inputs, off-cycle validations, or on-demand payments to improve data quality by restricting errors at the point of entry. You can create rules to limit invalid payroll inputs. When you configure a validation without an exception rule, Workday prevents all users from modifying those inputs. Example: You can create an exception rule that allows specific users, such as an employee who has access to create custom validations, to make modifications.

Example: You can create a custom validation that:

- Allows only specific users to create payroll inputs for stock.
- Requires an attachment when creating payroll inputs for certain pay components.
- Requires a Batch ID when the input amount exceeds a certain limit.
- Blocks payment dates from being backdated or set too far in the future.
- Requires an on-demand payment to be a check if the payment date is within 2 days.

- Prevents payment dates from being set on holidays.

## Steps

1. Access the Maintain Custom Validations task.

2. Select either section:

- On Demand Payments
- Payroll Input

3. Click New Validation.

A critical validation restricts users from creating payroll inputs where they lack authorization.

4. In the Description field, enter the error message that you want Workday to display to the user.

Example: You cannot create payroll inputs with this pay component. Workday automatically applies:

- A Payroll Input validation to the Add Payroll Input by Worker, On-Demand Payments, and Manual Payments tasks.
- An On-Demand Payments validation to only the On-Demand Payments task.

Workday does not support these validations for history payments or payroll input template worksheets.

## Result

Workday applies the custom validation rules you configure, which improves data quality by restricting invalid payroll inputs and on-demand payments. When a user's input initiates a critical validation, Workday prevents them from completing the action.

## Example

### Payroll Input Custom Validation

- You can create a custom validation that allows only specific users to create payroll inputs for stock.
- You can create a custom validation that requires an attachment when creating payroll inputs for certain pay components.
- You can create a custom validation that requires a Batch ID when the input amount exceeds a certain limit.

### On-Demand Payment Validation

- You can create a custom validation that prevents payment dates from being back-dated or set too far in the future.
- You can create a custom validation that requires an on-demand payment to be a check if the payment date is within 2 days.
- You can create a custom validation that prevents payment dates from being set on holidays.

## Related Information

### Concepts

[Concept: Payroll Calculations](#) on page 310

[Setup Considerations: Payroll Input](#) on page 603

[Setup Considerations: Earnings and Deductions](#) on page 218

### Tasks

[Add Payroll Input for Workers](#) on page 617

[Create On-Demand Additional Payments](#) on page 693

## Example: Include Workday and Company-Specific Deductions in EIB Spreadsheets

This example illustrates how to include both Workday and company-specific deductions in an EIB spreadsheet when uploading payroll input or off-cycle payments.

### Context

You want to upload payroll input in the form of either payroll input or off-cycle payments for these pay components:

- A parking deduction (a deduction your company created).
- A withholding order employer fee (a Workday-owned deduction).

You need to add a large number of inputs, so you use an EIB based on a spreadsheet to upload the inputs. You want to use 1 spreadsheet to add input for both the Workday-delivered and company-specific deductions.

### Prerequisites

Create an inbound EIB:

- For payroll inputs, base the EIB on the *Import Payroll Input* web service.
- For off-cycle payments, base the EIB on the *Import Payroll Off-cycle Payment* web service.

Create a deduction for parking fees with a code of *WE\_PARK*.

Security:

- *Integration Build* domain in the Integration functional area.
- *My Reports* domain in the System functional area.

### Steps

1. Access the View Integration System task and select the integration system for your inbound EIB.
  - a) Select Template Model > View from the related actions menu.
  - b) Navigate to the Payroll Input Data+ or Off cycle Input Data+ section and select Edit Template Model Area.
  - c) In the Column Details grid, select the Separate Type Column check box in the row with the Deduction label.
  - d) Click OK and Done to return to the template model.
  - e) From the related actions menu, select Template Model > Generate Spreadsheet Template.
2. Access the My Reports task to download the Excel file spreadsheet template.  
Keep the template in its original *XML Spreadsheet 2003* format.
3. Add a row for each input:

Spreadsheet Key	Row ID	Deduction - ID Type	Deduction-ID Value	Amount
1	1	<i>Deduction_Code</i>	<i>WE_PARK</i>	25
2	2	<i>Workday_Deduction</i>	<i>WdWOFER</i>	50

You can identify deduction ID types and values on the Integration IDs report.

4. Complete the remaining fields for the payroll input or off-cycle payment.

## Next Steps

Launch the EIB spreadsheet upload.

Related Information

### Concepts

[Concept: EIB Spreadsheet Data Entry Guidelines](#)

[Concept: Worktags for Payroll Calculations on page 302](#)

### Tasks

[Steps: Set Up EIBs Using Templates from Web Service Operations](#)

### Reference

[Import Payroll Input EIB - Inbound](#)

## Example: Add Payroll Input for Multiple Workers

This example illustrates how to add different payroll input amounts for multiple workers.

### Context

You want to pay Marianne, Thomas, and Julia quarterly bonus for February to April results. You want to pay the bonus through a separate check using a specific Bonus run category. Since your employees receive varying bonus amounts for each quarter, you want to set up the bonus as a one-time payroll input. For this quarter:

- Marianne receives 75% of a 5000 target.
- Thomas receives a flat bonus amount of 1500.
- Julia receives a flat bonus amount of 2000.

### Prerequisites

Create an earning named *Quarterly Bonus* that is eligible for payroll input, with *Target* and *Percentage* related calculations.

Security:

- Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
- Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.
- Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

### Steps

- Access the Add Payroll Input by Worker task.
- Select these options:

Option	Description
Worker(s)	<i>Marianne, Thomas, Julia</i>
Start Date	<i>February 1</i>
End Date	<i>April 30</i>
Pay Component	<i>Quarterly Bonus</i>
Processing Defaults	<i>One-Time Override Specific Run Category</i>

Option	Description
Run Category	<i>Bonus</i>

3. Click OK.
4. In the Input grid, enter these values:

Worker	Input Details - Type	Input Details - Value
Marianne	<i>Target</i>	5000
	<i>Percentage</i>	75
Thomas	<i>Amount</i>	1500
Julia	<i>Amount</i>	2000

### Result

When you run a pay calculation for the April pay period for the bonus run category, Workday processes the payroll inputs for the 3 workers. For Marianne, Workday uses the target and percentage inputs to calculate the final bonus amount.

## FAQ: Payroll Input

- [How do I enter hourly wages for workers \(CAN, IRL, UK, USA\)?](#) on page 637
- [How do I enter overtime hours for workers \(FRA\)?](#) on page 637
- [Can I enter payroll input for terminated employees?](#) on page 638
- [How do I add a one-time bonus for workers?](#) on page 638
- [How does Workday apply one-time entries when there are multiple subperiods?](#) on page 638
- [How do I add an ongoing payment for a worker?](#) on page 638
- [How do I override the employer fee for a withholding order \(CAN, USA\)?](#) on page 638
- [How do I override the worktags for a one-time payment from Workday Compensation?](#) on page 638
- [Can I override the worktags for resident taxes \(USA\)?](#) on page 638
- [Does an adjustment process pay component related calculations \(PCRCs\)?](#) on page 638
- [How does Workday process pay input added as an adjustment when there's no existing line for the pay component?](#) on page 638
- [How do I end ongoing payroll inputs for workers?](#) on page 638
- [How do I view a batch entry?](#) on page 639
- [How and when can I delete payroll input by batch?](#) on page 639

How do I enter hourly wages for workers (CAN, IRL, UK, USA)?

1. Access the Add Payroll Input by Worker task.
2. Select the Workers and an hourly pay Pay Component.
3. For each worker, under Input Details, select an hours Type and enter a Value.

How do I enter overtime hours for workers (FRA)?

1. Access the Add Payroll Input by Worker task.
2. Select the Workers and an overtime Pay Component.

		3. For each worker, under the Input Details:
		<ul style="list-style-type: none"> <li>• Type: Select a calculation input for hours.</li> <li>• Value: Enter the number of overtime hours.</li> </ul>
Can I enter payroll input for terminated employees?	Yes, Workday calculates payroll input for terminated employees when you configure the run category to process 1 or both of these inputs for terminated workers:	
		<ul style="list-style-type: none"> <li>• One-time payroll input.</li> <li>• Ongoing payroll input.</li> </ul>
How do I add a one-time bonus for workers?	1. Access the Add Payroll Input by Worker task. 2. Select the Workers, a bonus Pay Component, and the <i>One-time</i> processing option. 3. For each worker, under Input Details, enter a bonus value.	
How does Workday apply one-time entries when there are multiple subperiods?	Workday processes one-time entries during the subperiod that includes the end date for the entry.	
How do I add an ongoing payment for a worker?	Access the Add Payroll Input by Worker task and select the <i>Ongoing</i> processing option.	
How do I override the employer fee for a withholding order (CAN, USA)?	1. Access the Add Payroll Input by Worker task. 2. Select Special Entry and a withholding order Pay Component. 3. Under Input Details, select the <i>Withholding Order Employer Fee</i> Type and enter a value.	
How do I override the worktags for a one-time payment from Workday Compensation?	Have your compensation administrator change the worktags using the Request One-Time Payment task. When the payment has a payroll calculation status of:	
Can I override the worktags for resident taxes (USA)?	<ul style="list-style-type: none"> <li>• <i>In Progress</i>, the status changes to <i>Requires Recalculation</i> in response to the change.</li> <li>• <i>Complete</i>, the Run Retro Pay Calculation task detects the change the next time you use it.</li> </ul>	
Does an adjustment process pay component related calculations (PCRCs)?	Worktag overrides on an earning or deduction for a tax authority only impact work taxes. You can't override resident taxes.	
How does Workday process pay input added as an adjustment when there's no existing line for the pay component?	Workday resolves the pay component related calculations (PCRCs) on adjustment results only when you select the PCRC as the Type in the Input Details.	
How do I end ongoing payroll inputs for workers?	Since adjustment inputs are meant to add to an existing value, Workday adds a \$0 amount line and then adds another line for the input adjustment.	
	Access the View Payroll Input by Worker(s) report. From the related actions menu of the payroll input,	

How do I view a batch entry?

select Payroll Input > Edit. Enter an End Date that occurs after the last completed pay period.

How and when can I delete payroll input by batch?

You can also add the *End Payroll Inputs* business process on the *Termination* business process to end inputs automatically as part of a termination. This configuration enables you and nonpayroll administrators to end those inputs.

Access the View Payroll Input by Worker(s) report and enter a Batch ID.

Access the Delete By Batch ID task. If your batch ID isn't listed in the *Batch IDs by Source* category, search for it under the *All Batch IDs* category. Workday only records source IDs for payroll input when you provide one in the Source field on the EIB upload.

You can delete payroll input by batch ID even when there are associated *In Progress* pay calculation results. As a result, Workday changes the status of *In Progress* results to *Requires Re-Calulation*. Workday enables you to delete a subset of the batch without deleting the entire Batch ID. You can't delete payroll inputs that have been used in Completed On-Cycle, Completed or Suspended Retro results, or Reversals.

#### Related Information

##### **Concepts**

[Concept: Data Entry in Payroll Input EIB Spreadsheets](#) on page 628

##### **Tasks**

[Request One-Time Payments for Employees](#)

[View Payroll Results](#) on page 785

##### **Reference**

[FAQ: Pay Run Categories](#) on page 115

##### **Examples**

[Example: Set Up Pay Run Category for Workers on Leave](#) on page 145

## Payroll Processing

### Process Payroll

#### Setup Considerations: On-Cycle Payroll Processing

You can use this topic to help make decisions when planning your configuration and use of on-cycle payroll processing. 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

On-cycle payroll processing enables you to calculate payroll for your workers on a regular, recurring cycle.

## Business Benefits

- Calculate payroll when it's convenient for you. You can process payroll:
  - Manually.
  - At scheduled times.
  - Continuously in the background.
- Recalculate payroll as often as needed to update payroll results.
- Cancel or reverse pay results.

Note: Payroll for Ireland doesn't support payment reversals.

- Make corrections without needing to cancel the calculation.
- Calculate payroll for all workers, a subset of workers, or a single worker, and put a worker's pay on hold.
- Maximize efficiency and performance with the smart calculation option, which only includes workers with a pay-impacting event since the last calculation.
- Improve accuracy by using the continuous calculation feature, which calculates payroll as pay-impacting events occur.

## Use Cases

- Manually or automatically open a new pay period for a pay group by running a full calculation.
- Recalculate payroll for a worker after adding pay input or making other changes that affect pay.
- Cancel pay results for all workers when you need to make a configuration change. Example: Correct the payment date.
- Put a worker's pay result on hold to prevent payment temporarily while you troubleshoot issues.

## Questions to Consider

Question	Considerations
Do you want updated payroll results continually throughout the pay period?	If yes, consider enabling the continuous payroll calculation feature. This feature automates payroll calculations, continuously updating pay results as events occur. You can pause continuous calculation when you want to perform period-end audits.
When do you want to process payroll?	Processing payroll is a calculation-intensive process that can affect the performance of other jobs. If you initiate payroll calculations manually, you can schedule the job to run after hours, either once or on a recurring basis.
What payments other than salary do you need to pay on a defined schedule?	When you have payments that fall outside of the regular payroll schedule, you can create off-cycle payments. When the payments occur on a recurring basis, you can set up separate nonregular run categories for recurring payments (Example: Bonuses).

## Recommendations

Ensure that you set up period schedules correctly before running your first payroll. Once you start live payroll processing, changes are more difficult.

Don't run more than 1 processing task for a pay group at the same time. Running concurrent tasks in multiple browser tabs increases the risk of data corruption. Example: Don't cancel an individual worker's payroll result while a payroll calculation is running.

When you calculate payroll, you can reduce processing time by only updating accounting for the workers processed. When you're ready to complete payroll, Workday recommends that you update accounting for all workers.

To help ensure data accuracy, don't abort payroll processing tasks. If you mistakenly/erroneously start a task, let it finish. Then:

- For calculated results, use the Run Pay Cancel task to cancel the pay results and reset the workers' status to *Not Yet Started*.
- For completed results, use the Cancel Pay Complete task to set all pay results back to *In Progress* status.

Before you complete regular payroll for the period:

- Review and verify all data generated by the payroll calculation (Examples: Payroll accounting entries, regulatory reporting data). Correct any data as needed and rerun the calculation.
- Calculate and complete any retroactive pay differences for the pay group. This pulls the retro differences into the current period and includes them in the current pay result.

To run smart calculation efficiently:

- Run a full calculation at the beginning of the processing period.
- Run a full calculation at the end of the processing period before you Run Pay Complete. A full calculation captures any configuration changes that have an effective date within the period being processed.
- Schedule a nightly smart calculation run to process any pay results that have a pay-impacting event.
- Wait until after an integration has completed to run smart calculation.

## Requirements

Before you can complete payroll for a pay period, you must complete any on-demand additional and replacement payments.

Before you can open a new pay period:

- Complete all pay results for a pay group.
- Resolve any pay results that are in *Error* status.
- Cancel or complete any pay results that are *On Hold*.

## Limitations

The smart calculation and continuous payroll calculation features detect employee-level events, such as a pay raise or benefits election change. They don't detect configuration changes, like changes to an earning that applies to all workers or changes to state tax rates.

## Tenant Setup

To enable continuous payroll calculation for all regular run categories, use the Edit Tenant Setup - Payroll task.

## Security

Configure these domains in the Core Payroll functional area:

Domains	Considerations
<i>Process: Run Batch Calculations (Pay Calculation)</i>	Users secured to this domain can run and schedule payroll calculations.
<i>Process: Run Batch Cancel (Pay Cancel)</i>	Users secured to this domain can cancel a payroll calculation for a pay group or pay run group.
<i>Process: Run Batch Complete (Pay Complete)</i>	Users secured to this domain can complete payroll for a period.
<i>Process: Off-Cycle (Reversal)</i>	Users secured to this domain can reverse a payment to a worker. Payroll for Ireland doesn't support payment reversals.
<i>Process: Run Batch Cancel Complete</i>	Users secured to this domain can cancel a completed on-cycle payroll.
<ul style="list-style-type: none"> <li>• <i>Pay Calculation: Ad-Hoc Actions (Cancel)</i></li> <li>• <i>Pay Calculation: Ad-Hoc Actions (Complete)</i></li> <li>• <i>Pay Calculation: Ad-Hoc Items (Hold/Un-Hold)</i></li> <li>• <i>Pay Calculation: Ad-Hoc Actions (Payroll Accounting)</i></li> <li>• <i>Pay Calculation: Ad-Hoc Actions (Re-Calculate)</i></li> </ul>	Users secured to these domains can complete the associated action from the Related Actions menu on a worker's pay result.

You can set up an unconstrained role to enable a payroll administrator to view and modify data for all pay groups in all payroll countries. You can set up a constrained role that enables payroll partners to view and modify data only for specified pay groups.

## Business Processes

You can configure the *Pay Cycle Event* business process as a to-do list of the required steps in payroll processing. Using this business process can also help you delegate tasks and ensure accountability when multiple users perform different steps in the process.

## Reporting

Reports or Dashboards	Considerations
Audit - Pay Calculation Results for a Period	Helps you to identify unusual pay results to check for possible errors.
Pay Calculation Results for Group of Workers	Find payroll results for workers in a pay group or pay run group.
Pay Cycle Command Center	Access common tasks used to process payroll.
Pay Input Not Processed	Find pay inputs for a period that the payroll calculation didn't process.
Payroll Calculation Processing Report	View and take these actions on on-cycle payroll results: <ul style="list-style-type: none"> <li>• Recalculate and unhold.</li> <li>• Complete.</li> <li>• Cancel.</li> <li>• Hold.</li> </ul>

Reports or Dashboards	Considerations
	<ul style="list-style-type: none"> <li>Cancel pay complete.</li> </ul> <p>Example: A worker is on leave and returns in the middle of the pay period, resulting in multiple on-cycle pay results. If you click Hold for the worker that has multiple on-cycle pay results, all the on-cycle pay results will have a <i>Hold</i> status.</p>
Payroll Calculation Lines Processing Report	View details of individual payroll result lines and their related calculations. You can also view, analyze, and create a detailed report on the selected payroll result lines.
Payroll Pay Group Summary	Use this report to view a high-level summary of workers, results, gross pay, and net pay based on the pay group details and periods you select. You can then use Drill-To Report Links from the results to access the Payroll Calculation Processing report.
Payroll Pay Component Summary	Use this report to view a high-level summary of workers, results, result lines, and result line amount for the pay components based on the pay group details and periods you select. You can then use the Drill-To Report Links from the result lines to access the Payroll Calculation Lines Processing report.

When you create custom reports, use report data sources on 1 of these business objects:

- Payroll Results for gross and net totals.
- Payroll Result Lines for pay component-level detail.

For best performance, Workday recommends:

- Using indexed report data sources when possible.
- Avoiding report data sources on the Worker business object for payroll reporting.

## Integrations

You can use the:

- Put Run Pay Calculation* web service to start a pay calculation.
- Get Run Pay Calculation* web service to retrieve the status of a calculation.

## Connections and Touchpoints

Features	Considerations
Absence balances	Workday frequently uses absence balances from Absence Management as part of payroll calculations. For optimal performance when calculating on-cycle payroll, Workday recommends manually scheduling the storage of absence balances based on your business needs.

Features	Considerations
Payroll accounting	Workday automatically generates payroll accounting entries in your ledger as part of the calculation process.

## Related Information

### Concepts

[Concept: Guidelines for Storing Time Off Balances](#)

### Tasks

[Set Up the Pay Cycle Event Business Process](#) on page 185

[Steps: Process Payroll](#) on page 644

### Reference

[Reference: Edit Tenant Setup - Payroll](#)

[Reference: Pay Cycle Command Center Dashboard](#) on page 96

[2022R1 What's New Post: Pay Result Mass Action Report](#)

## Steps: Process Payroll

### Prerequisites

- [Setup Considerations: On-Cycle Payroll Processing](#) on page 639
- Enter or load payroll input for the pay period.
- To ensure that all workers have tax code and National Insurance details for Payroll for the UK, access the [UK Pre-Payroll - Workers without Tax and National Insurance Details](#) report.

### Context

You can process on-cycle payroll to:

- Calculate and complete payroll.
- Generate payroll accounting entries.

You can run and complete pay calculations for pay groups with workers in both Canada and the U.S., provided all workers have the same period schedule. Run the settlement process separately for each country.

Even if the pay group is effective as of the period end, pay calculations still include:

- Workers terminated in the middle of the pay period.
- Workers who are on leave in the middle of the pay period.

Workday automatically generates accounting entries when you calculate on-cycle and off-cycle payroll results. It generates entries for accruals and accrual reversals as part of normal, on-cycle runs based on the accrual dates specified on the period schedule. See [Setup Considerations: On-Cycle Payroll Processing](#) on page 639.

Payroll for France doesn't support manual payments, or reversals.

Payroll for Ireland doesn't support reversals.

### Steps

1. Verify input data for the payroll calculation. Examples: Worker data, payroll input, absence, and compensation data.

See [Reference: Verification Reports for Payroll Inputs](#) on page 672.

2. (Optional for Payroll for the UK) [Process HMRC Notifications \(UK\)](#) on page 649.  
If you have an integration with HMRC, process HMRC notifications to receive any updates to worker tax details.
3. For Payroll for Ireland, [Process Payroll Notifications \(IRL\)](#) on page 648.  
Process incoming notifications to receive any updates to worker tax details.
4. Process retroactive payroll. Workday recommends that you run the retro pay calculation at least once before running each on-cycle pay, including the initial payroll run. This enables you to maximize the number of supported retro events that Workday can process and forward to workers' regular pay results.  
[See Steps: Process Retro Payroll](#) on page 875.
5. Access the Retro Calculation Processing Report to verify retro pay results.  
You can use the report to take action on the results. Examples: You can suspend the results to exclude them from further processing, or cancel them to adjust retro entries.  
[See Steps: Manage Retro Results](#) on page 901.
6. Manually or automatically start on-cycle payroll calculations. If you want updated payroll results continually throughout the pay period, consider enabling the continuous payroll calculation feature:
  - Access the initiating task from the *Pay Cycle Event* business process.
  - [Calculate On-Cycle Payroll](#) on page 651.
  - [Schedule Payroll Calculations](#) on page 654.
7. (Optional) Lock pay group for auditing.  
See:
  - [Steps: Set Up Pay Group Lock for Auditing](#) on page 646.
  - [Concept: Pay Group Lock Status](#) on page 671.
8. [Run Payroll Audits](#) on page 823.  
Workday recommends that you verify and correct audit exceptions. See [Reference: Payroll Audit Reports](#) on page 825.
9. Review and correct payroll results.  
[See Reference: Verification Reports for Payroll Results](#) on page 832.
10. Review and correct accounting results.  
To avoid completing pay calculations with journal errors, Workday recommends you address all errors when reviewing results.  
For Payroll for Ireland, calculate payroll and access the Run IRL Payroll Submission task to check for validation errors. If you don't do this and your completed payroll submission contains errors, Revenue won't accept the submission.  
[See Concept: Reviewing Payroll Accounting](#) on page 831.
11. [Complete Retro Results for Workers](#) on page 903.
12. (Optional) Recalculate pay results.
  - [Recalculate a Payroll Result](#) on page 656: For a single worker.
  - [Rerun Pay Accounting](#) on page 658: For a pay run group or a pay group.
13. [Steps: Generate DSNs \(FRA\)](#) on page 1766.
14. Verify DSN results (FRA).  
Access the DSN Status for Group of Workers report and address any DSN errors before completing payroll.  
[See Reference: DSN Verification Reports \(FRA\)](#) on page 1776.

[15. Complete Payroll](#) on page 659.

For off-cycle payments, view the Pay Calculation Results for Worker or Pay Calculation Results for Group of Workers report. Select Pay Calculation > Complete from the related actions menu of the payroll result.

[16. Process Payroll Submissions \(IRL\)](#) on page 661.

For Payroll for Ireland, submit payroll information to Revenue.

[17. Reconcile payroll results and prepare external payments and declaration using the Payroll Reconciliation \(Results/Payments\) report.](#)

See Reference: [Reports for Post-Payroll](#) on page 674.

## Result

You can view:

- Payroll results for workers.
- Posted accounting entries.

## Next Steps

For Payroll for Australia, Canada, Ireland, the UK, and the U.S.:

- Run the settlement process to create settlement journal entries.
- Run the check and advice printing process.

For Payroll for France:

- Run the settlement process to create settlement journal entries.
- Run the check and advice printing process to print payslips.

Related Information

### Concepts

[Setup Considerations: On-Cycle Payroll Processing](#) on page 639

### Tasks

[Calculate Retro Payroll](#) on page 876

[Print Checks and Advices](#)

[Cancel Pay Calculation](#) on page 656

[Steps: Use Settlement](#)

## Steps: Set Up Pay Group Lock for Auditing

### Prerequisites

Security:

- *Set up: Tenant Setup - Payroll* in the System functional area.
- *Process: Run Batch Calculations (Pay Calculation)* in the Core Payroll functional area.

### Context

You can set up a pay group in a lock or unlock status. When locked, Workday doesn't automatically flip the *In Progress* on-cycle results within the pay group to *Requires Re-calculation* status due to worker-based events.

## Steps

1. Access the Edit Tenant Setup - Payroll task.

In the Pay / Retro Calculations section, under Pay Group Status Lock, select the Lock Pay Groups To Block All Pay Calculations on Payroll Results check box.

Note: If you're a professional employer organization or you want a restrictive workflow for processing payroll, you must enable this check box. If you want the Payroll Processor or Administrator to run payroll calculations while the pay group detail is locked, you shouldn't enable this check box.

When you enable the check box, all on-cycle payroll results must be in *In Progress* status to lock the pay group detail, and a pay group detail must be locked to run pay complete. On-cycle, off-cycle, and retro can't be calculated, canceled, or completed; and pay accounting can't be run for a locked pay group. Also, you can't complete individual on-cycle results, you can only run pay complete for the entire pay group.

*Security: Set up: Tenant Setup - Payroll* in the System functional area.

2. Access the Run Pay Calculation task.

Run on-cycle pay calculation for a pay group detail for the current period.

If you've enabled the Lock Pay Groups To Block All Pay Calculations on Payroll Results check box, ensure that the payroll results after pay calculation are all *In Progress* before proceeding to Step 3.

*Security: Process: Run Batch Calculations (Pay Calculation)* in the Core Payroll functional area.

3. Access the Update Pay Group Lock Status task.

Select the Lock Pay Groups action and enter specific Pay Group Details. Verify the Pay Groups Successfully Locked page and then click Done.

When you run pay calculation and all results are *In Progress*, use this task to lock the pay group details.

Note: You can use this task, regardless of whether you enable or disable the Lock Pay Groups To Block All Pay Calculations on Payroll Results check box on the Edit Tenant Setup - Payroll task.

Before you lock the pay group, ensure that you've configured:

- Automatic stop for continuous payroll calculation.
- Days from period end date to close requests for Pay On-Demand on period schedules.

*Security: Process: Run Batch Calculations (Pay Calculation)* in the Core Payroll functional area.

## Next Steps

To view a locked pay group, access the View Pay Group report. Select the pay group that you locked or unlocked. Select the Pay Groups tab, and verify the Pay Group Period Details section. The Current Period Locked column indicates the locked or unlocked status.

To view payroll impacting events since the last pay calculation, access the Preview Smart Calculation Run report. You can then drill-down by:

- Worker to verify all events each worker has to process.
- Events to verify the workers that have the specific event.

### Related Information

#### Concepts

[Concept: Pay Group Lock Status](#) on page 671

[2025R1 Feature Release Note: Lock Pay Group for Auditing](#)

## Process Payroll Notifications (IRL)

### Prerequisites

- Verify that each worker has an Employment Identifier on the View IRL Employment Identifier for Worker report.
- Configure the *IRL Incoming Notification* business process and security policy in the IRL Payroll functional area. Workday recommends that you don't add approval steps on this business process.

See Steps: Set Up Irish Incoming Notifications Integration.

- For deceased workers, ensure that their date of death displays on their worker profile.
- To use AEPN data from NAERSA in on-cycle and off-cycle payroll calculations, Workday recommends that you edit your run categories to add the Workday-delivered IRL MyFutureFund EE [IRL] and IRL MyFutureFund ER [IRL] deductions as Pay Components to Calculate on these tabs:

- Nonactive (On Cycle, On Demand Replacement)

You must also select:

- IRL Post Tax Deduction [IRL]* as the Pay Component Group to Calculate.
- Terminated* on the Status column.

- Off Cycle (On Demand Additional, Manual)

You must also select:

- IRL Post Tax Deduction [IRL]* as the Pay Component Group to Calculate.
- Manual Payment* and *On Demand Payment* for Type of Run.
- Both Active and Terminated* on the Status column.

- Security: *Setup: PAYE Modernisation - IRL domain* in the IRL Payroll functional area.

### Context

For each payroll calculation, you can use Workday to retrieve worker details from Revenue and the National Automatic Enrolment Retirement Savings Authority (NAERSA).

Note: Details are only requested for workers who have both a PPS Number and an employment identifier. We don't request details from NAERSA for workers who aren't eligible for the MyFutureFund auto-enrolment pensions scheme.

### Steps

- Access the Run IRL Incoming Notifications task.
- Complete the task:

Option	Description
Tax Year	Workday defaults to the current year. Because tax codes expire each year, you can select the next tax year when completing current year end and getting ready for the coming year.
Worker	Workday recommends that you only request details for a single worker in exceptional circumstances. Example: You're making a payment after leaving to a worker and you need their latest tax information.

For active and non-active workers (such as workers on leave of absence), Workday requests tax information from Revenue and Auto-Enrolment Payroll Notification (AEPN) information from

NAERSA. We display the data on the Matched RPNs and Matched AEPNs tabs of the View IRL Incoming Notifications report.

### 3. Workday lists:

- Any workers Revenue doesn't recognize, such as new hires, on the No RPN Responses tab.
- AEPNs with discrepancies that need to be resolved on the Unmatched AEPNs tab.

To register any unrecognized workers with Revenue, select the Awaiting Your Action tab, click Review, and click Approve.

When Revenue updates their records, Workday automatically adds the approved new workers to the Matched Notifications tab and updates the affected workers' tax details.

### 4. (Optional) On the View IRL Incoming Notifications report, select the State Pension Details tab to list any workers who are drawing state pension.

Review the worker's pension and earnings and, if necessary, use the Add Worker IRL Tax Details task to amend their PRSI details.

## Result

Workday sends you My Tasks notifications to request approval to apply the incoming notification data from Revenue and NAERSA to the workers' tax details.

## Next Steps

You can run the payroll for the reported period for all eligible workers.

[Related Information](#)

### Tasks

[Set Up Worker Taxes \(IRL\)](#) on page 1862

## Process HMRC Notifications (UK)

### Prerequisites

- Implement and run the *HMRC Incoming Notifications* integration.
- Access the Match HMRC Notifications task to download tax code notifications from HMRC.
- Security: *Process: HMRC Notifications (Run)* - UK domain in the UK Payroll functional area.

### Context

To ensure that you process payroll with the latest worker tax details, regularly retrieve and apply any changes in tax code details from HMRC.

Note: To avoid applying incorrect details to a worker's record, apply notifications in the period that they're issued, not based on their effective date.

### Steps

1. Access the Apply HMRC Notifications task.
2. To display HMRC notifications, enter your criteria and click Search.

If you match and download RTI notifications, there might be generic information for the UK Employer Reference. Run the View UK RTI Generic Notifications report to display the messages. Example: Late filing, or late payment notices.

3. (Optional) To download a copy of the data retrieved from HMRC, right-click Export HMRC Notifications, and select Export to Excel.

To dismiss the warning message, click Discard. Workday downloads the *Export\_HMRC\_Notifications\_Pre\_Apply* Excel file.

If you click Export to Excel, you can generate an Excel file. However, when you click Return To Apply HMRC Notifications after the file downloads, Workday clears your search criteria.

4. As you complete the Matched Notifications and Partially Matched (\* does not match) sections, consider:

Option	Description
<p>Matching Worker Suggested Matching Worker</p>	<p>To propose a matching worker, Workday compares their:</p> <ul style="list-style-type: none"> <li>• UK Payroll ID to the Works Number.</li> <li>• Worker ID to the NINO.</li> </ul> <p>You can:</p> <ul style="list-style-type: none"> <li>• Apply the notification to a different worker. Select the check box at the start of the row and, in Matching Worker or Suggested Matching Worker, select the new worker.</li> <li>• Remove the matching worker to save the notification as outstanding for future review. Select the check box at the start of the row and select the Delete check box.</li> </ul>
<p>Current Tax Details</p>	<p>You can compare this data with the Incoming Notification Details data to identify any anomalies.</p>
<p>View Notifications</p>	<p>Right-click the magnifying glass icon to display HMRC payee information for the worker in a new tab.</p> <p>When there's more than 1 of the same notification type for a worker, with the same Effective Date, Workday applies the notification with the latest Issue Date to their records.</p>

Before you apply any partially matched notifications to a worker's record, Workday recommends you contact the HMRC Employer's Helpline with any queries about the data.

Note: If you don't select any check boxes in the left column, in both the Matched Notifications and Partially Matched (\* does not match) sections, Workday applies all the notifications to the workers' records. When you select one or more of the check boxes for the rows, Workday only applies the selected notifications.

5. As you complete the Notifications Not Matched/In Error section, consider:

Option	Description
<p>View Notifications</p>	<p>Right-click the magnifying glass icon to display HMRC payee information for the worker in a new tab.</p>

Option	Description
Exception	<p>Click the number to display the reason why the notification is in this section.</p> <p>Workday recommends you delete any notifications with an exception reason of <i>Notification not applied as it is superseded by a new notification.</i></p>

Workday displays any record with an exception associated with it, or if the record doesn't match an active worker. Workday recommends that you don't apply any notifications from this section until you've investigated each to determine the exception reason.

- When you click OK, Workday displays a report listing the selected Notifications To Be Applied and any Notifications To Be Deleted.

- (Optional) Right-click Export Changes To be Applied, and select Export to Excel.

Workday downloads the *Export\_HMRC\_Notifications\_To\_Apply* Excel file. You can compare the file with the *Export\_HMRC\_Notifications\_Pre\_Apply* Excel file for audit purposes.

If you click Export Changes To be Applied, you can generate an Excel file. However, when you click Return To Apply HMRC Notifications after the file downloads, Workday clears your search criteria.

- Review the proposed changes and click OK to apply the notifications to workers' tax details.

Workday displays the number of changes Applied and Rejected. Click the number to display more details of the affected worker records.

## Result

You can see the latest tax details for a worker in the Worker UK Tax Details report.

## Next Steps

To prevent the possibility of overwriting the latest information, Workday recommends that you delete any older, unapplied notifications after you apply the latest details from HMRC.

### Related Information

#### Tasks

[Steps: Set Up HM Revenue & Customs-Incoming Notifications Integration](#)

## Calculate On-Cycle Payroll

### Prerequisites

- Complete the prior pay period.
- Enter or load payroll input for the current period.
- Calculate payments for any retroactive changes.
- Ensure that no retro payroll processes are running for any pay groups.
- Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

### Context

You can run a pay calculation and review the calculation results at any point during your payroll processing. Running a pay calculation creates both gross-to-net and accounting results.

You can use the Smart Calculation options to limit calculations to workers with payroll-impacting events. Excluding workers whose results haven't changed can speed up calculations and recalculations. For greater control, you can use the Configure Smart Calculation Event Processing task (secured to the *Set Up: Payroll* domain in the Core Payroll functional area) to exclude specific events for each country in which you use Workday Payroll.

While the Smart Calculation options limit the workers processed, the payroll result for an included worker reflects all payroll-impacting events.

You can use these web services to start a pay calculation process and then retrieve the status of the process:

- *Get Run Pay Calculation*
- *Put Run Pay Calculation*

## Steps

1. Access the Run Pay Calculation task.

For most tasks in Workday with the Period or Pay Run Groups and/or Pay Group Details prompts, you can refine your search for periods and pay groups by month, year, period schedule name, or run category.

2. As you complete the task, consider:

Option	Description
Employees to Calculate	<p>Select:</p> <ul style="list-style-type: none"> <li>• Smart Calculation to include only workers whose pay results have changed. Workday recommends this option for most calculations and recalculations. This option includes all workers with statuses:           <ul style="list-style-type: none"> <li>• <i>Not Yet Started</i></li> <li>• <i>Requires Recalculation</i></li> <li>• <i>Waiting to Pick Up Retro Difference</i></li> </ul> </li> </ul> <p>It also includes workers with payroll-impacting events with statuses:</p> <ul style="list-style-type: none"> <li>• <i>In Error</i></li> <li>• <i>In Progress</i></li> <li>• <i>Pending Completion of Prior</i></li> <li>• <i>Pending Completion of Retro</i></li> </ul> <ul style="list-style-type: none"> <li>• Smart Calculation Based on Events to focus on 1 or more specific payroll-impacting event types. This option includes workers who have payroll-impacting events in a category you select, with statuses:           <ul style="list-style-type: none"> <li>• <i>In Error</i></li> <li>• <i>In Progress</i></li> <li>• <i>Requires Recalculation</i></li> <li>• <i>Waiting to Pick Up Retro Difference</i></li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>• Based on Results Status to include only workers with one or more selected pay result statuses. Example: Select <i>Not Yet Started</i> to limit the calculation to midperiod new hires and exclude all other workers.</li> <li>• Workers to include only selected workers. Enter the name or ID of one or more workers who are in, or have a</li> </ul>

Option	Description
	<p>pay result in, the selected pay group or pay run group. You can't select workers whose Pay result is <i>Not Yet Started</i> when the pay group is <i>Completed with Exceptions</i>.</p> <p>Workday doesn't consider configuration changes as selection criteria, but does include them in payroll calculations for included employees. To include midperiod configuration changes for all employees, select <i>In Progress</i> from the Based on Result Status prompt.</p>
Limit Accounting Population Based on Calculation Criteria	<p>Select the check box to optimize calculation times by only processing accounting results that meet your calculation criteria. When you're ready to complete payroll, clear the check box to include recent costing allocation changes and refresh accounting for the entire population.</p> <p>Example: As a payroll administrator, you use Run Pay Calculation to calculate regular pay for 100 workers. The results are 95 <i>In Progress</i> and 5 <i>In Error</i>. After fixing the errors, you want to recalculate only the 5 results that were in error. You select <i>Error</i> from the Based on Results Status prompt. You also select the Limit Accounting Population Based on Calculation Criteria check box.</p> <p>When all 5 results are <i>In Progress</i>, you want to run the pay calculation for all workers. You use Run Pay Calculation and clear the Limit Accounting Population Based on Calculation Criteria check box to refresh accounting for all 100 workers.</p>

3. (Optional) To run the payroll at a specified time in the future, or on a recurring schedule, click Schedule a Pay Calculation.

To get an idea of how long your calculation could take, compare the Current Processing Time and the Average Processing Time. Average Processing Time displays only if there were calculations within the last 90 days with the same Calculation Criteria. Pay Groups and Pay Run Groups aren't considered an exact match, even if the pay groups within the pay run group are a match.

## Result

Workday automatically runs these jobs:

1. Run Pay Accounting
2. Persist Payroll Balance Data

The Persist Payroll Balance Data job enhances data retrieval by grouping result lines by worker and year to create a worker result line group. When the job process runs, Workday queues other jobs and tasks for the same pay group and period. You can view the job processes on the Process Monitor report.

The payroll status is *In Progress* when at least 1 worker has gross-to-net results.

## Next Steps

Correct errors (if any) and recalculate payroll as needed before you complete the period. You can recalculate:

- An individual payroll result. Select Re-Calculate from the Pay Calculation related actions menu.
- Only the payroll results with a specific calculation status. Select the status from the Based on Result Status prompt, and select Limit Accounting Population Based on Calculation Criteria.
- Only the payroll results of employees with payroll-impacting events. Select the event category from the Based on Events prompt and select Limit Accounting Population Based on Calculation Criteria.
- The entire payroll. Select all statuses from the Based on Result Status prompt and clear the Limit Accounting Population Based on Calculation Criteria check box.

Note: If you recalculate a payroll result with a payroll third-party payable item, it displays as a changed payroll result, even if you didn't make any changes to it. This behavior does not occur when you enable Smart Calculation options. For more information, see [Concept: Payroll Third-Party Payable Items](#).

If you identify operational journals with errors, correct any posting, ledger period, or other accounting entries. Then rerun the accounting process. See [Concept: Reviewing Payroll Accounting](#).

For Payroll for Canada, the UK, and the U.S., if you manage grants and multicountry awards, review the Grant Multi Company Audit for Pay Calculation Results report. The report displays worker payroll results for grants where the award line company is different from the company on the pay result line.

Related Information

### Tasks

[Calculate Retro Payroll](#) on page 876

[Add Payroll Input for Workers](#) on page 617

[Run Payroll Audits](#) on page 823

### Reference

[Reference: Payroll Accounting Statuses](#) on page 842

[FAQ: View Payroll Results](#) on page 843

[FAQ: Payroll Input](#) on page 637

[FAQ: Multiple Jobs and Workday Payroll](#) on page 596

## Schedule Payroll Calculations

### Prerequisites

Set up pay groups and pay period schedules.

Security: *Process Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

### Context

You can schedule the payroll calculation to start automatically, either once in the future or on a recurring basis. Recurring calculations continue through successive pay periods until the schedule end date.

### Steps

1. Access the Pay Calculation Scheduler task.
2. Select *Pay Calculation Scheduler* from the Run Type prompt.
3. As you complete the task, consider:

Option	Description
Pay Run Groups and/or Pay Group Details	Select the pay groups and the period schedule for the scheduled calculation. Workday displays the next open period for which you

Option	Description
	can calculate payroll, but doesn't limit the schedule to this period.
Employees to Calculate	By including only workers with events that impact payroll, you can minimize processing time for recalculations.
Initiate Scheduler for Period	Indicate when to start recurring calculations for a new period, relative to the period start date. Select: <ul style="list-style-type: none"> <li>Allow after First Manual Calculation to start after you've run the Run Pay Calculation task once for the period.</li> <li>Allow from Period Start Date to start as early as the period start date.</li> <li>Allow Day(s) after Period Start Date to start a specified number of days after the period start date.</li> <li>None of the above to disregard the period start date.</li> </ul>
Stop Scheduler for Period	Indicate when to stop recurring calculations for a period, relative to the payment date. Select: <ul style="list-style-type: none"> <li>Stop on Payment Date to run scheduled calculations up to, but not including, the payment date.</li> <li>Stop Day(s) before Payment Date to stop a specified number of days before the payment date.</li> <li>None of the above to disregard the payment date.</li> </ul>
Skip Processing if Pay Calculation is in Progress	Select this check box to skip the scheduled calculation if a pay calculation is running for the same pay group details.
Skip Processing if Pay Calculation Has Been Processed within Last x Hour(s)	Select this check box to skip the scheduled calculation if a pay calculation for the same pay group details has run within the specified number of hours.

## Result

The pay calculation job runs in the background according to the schedule and parameters you set up.

## Next Steps

Use the Process Monitor report to view:

- Details about completed calculations.
- Messages about skipped calculations.
- The status of the Run Pay Accounting and the Persist Payroll Balance Data jobs.

## Related Information

### Concepts

Concept: [Workday Scheduled Processes](#)

## Recalculate a Payroll Result

### Prerequisites

The payroll result has a status other than *Complete* or *on Hold*.

Security:

- *Reports: Results for Worker (Pay Calculation)* - AUS domain in the AUS Payroll functional area.
- *Reports: Results for Worker (Pay Calculation)* - CAN domain in the CAN Payroll functional area.
- *Reports: Results for Worker (Pay Calculation)* - FRA domain in the FRA Payroll functional area.
- *Reports: Results for Worker (Pay Calculation)* - IRL domain in the IRL Payroll functional area.
- *Reports: Results for Worker (Pay Calculation)* - UK domain in the UK Payroll functional area.
- *Reports: Results for Worker (Pay Calculation)* - USA domain in the USA Payroll functional area.

### Context

When you correct an error or enter payroll input after calculating on-cycle payroll, you can recalculate the payroll result for an individual worker.

### Steps

1. Access the Pay Calculation Results for Worker report.
2. From the related actions menu of the payroll result, select:
  - Pay Calculation > Re-Calculate for an on-cycle result.
  - Pay Calculation > Update Input / Re-Calculate for an off-cycle result.
  - Payroll Result > View to view the result details first. Then click Re-Calculate Result.

### Result

Workday recalculates the worker's pay and regenerates accounting results.

### Next Steps

Complete payroll for the worker or the entire payroll.

Related Information

#### Concepts

[Concept: Reviewing Payroll Accounting](#) on page 831

#### Tasks

[Complete Payroll](#) on page 659

## Cancel Pay Calculation

### Prerequisites

Security: *Process: Run Batch Cancel (Pay Cancel)* domain in the Core Payroll functional area.

### Context

Note: Perform this task with caution. In most cases, when data is missing or incorrect, Workday recommends that you add or correct the data and recalculate payroll.

Occasionally, you might cancel a payroll or payment that's in progress. Example: You discover a payment date is incorrect. You can cancel the pay calculation, change the payment date on the Edit Period Schedule task, and recalculate payroll.

You can cancel:

- On-cycle or off-cycle payroll results.
- Individual payroll results from the Pay Calculation > Cancel related actions menu.
- Multiple results for a pay group or pay run group.

## Steps

1. To mass cancel pay calculations for a pay group or pay run group, access the Run Pay Cancel task.
2. As you complete the task, consider:

Option	Description
Current Period	Select a period in progress from the Period prompt.  For most tasks in Workday with the Period prompt, you can refine your search by month or year.  If you use the <i>MM/DD/YYYY</i> search, only periods that begin or end on that date display. Example: You're looking for the bi-weekly period that ran from <i>01/17/2025 - 01/31/2025</i> , but you enter <i>01/15/2025</i> , your period doesn't display.
Prior Period	Select the Prior Period check box and a prior Period.  You can select any period in the 6 calendar years preceding the current year. Workday determines the current year as the year of <i>In Progress</i> results or the next period to be calculated.
Next Period	Select the Next Period check box and a Period that's <i>Opened for Off-Cycles</i> .  Use to cancel next period on-demand payments that you've run.

3. Select the Pay Run Group and/or Pay Group Details to cancel.

For most tasks in Workday with the Pay Run Group and/or Pay Group Details prompt, you can refine your search by pay group or period schedule name, or run category. You can select only pay groups or pay run groups that are being processed in the period indicated in the Period field.

4. (Optional) To cancel by batch ID or payroll action reason, select All Workers. Then select the Batch ID or the Reason.
5. Click OK to cancel the calculation now, or select a future Start Date, Start Time, and a Time Zone for running the cancellation process.

## Result

When you cancel off-cycle payments that you uploaded with an Enterprise Interface Builder (EIB) integration, Workday deletes the uploaded data.

Workday removes the liquidated date-time stamp and deletes the journal line entries for all payroll data. When you're using Workday payroll commitment accounting, Workday also deletes the payroll liquidation data.

### Related Information

#### Reference

[FAQ: Payroll Input](#) on page 637

## 2022R1 What's New Post: Pay Result Mass Action Report

### Put a Worker's Pay on Hold

#### Prerequisites

- Calculate payroll for the worker, and the payroll result status is *In Progress*.
- Security:
  - *Reports: Results for Worker (Pay Calculation)* - AUS domain in the AUS Payroll functional area.
  - *Reports: Results for Worker (Pay Calculation)* - CAN domain in the CAN Payroll functional area.
  - *Reports: Results for Worker (Pay Calculation)* - FRA domain in the FRA Payroll functional area.
  - *Reports: Results for Worker (Pay Calculation)* - IRL domain in the IRL Payroll functional area.
  - *Reports: Results for Worker (Pay Calculation)* - UK domain in the UK Payroll functional area.
  - *Reports: Results for Worker (Pay Calculation)* - USA domain in the USA Payroll functional area.

#### Context

You can put worker payroll results on hold so that Workday won't pay them. Example: You need to prevent payment temporarily while you:

- Await approval of a change to a worker's compensation or employment status.
- Correct an incorrect payment amount.
- Troubleshoot issues with pay.

You can't put a result on hold when the result status is:

- *Error*
- *Pending Completion of Prior*.
- *Requires Recalculation*.

#### Steps

1. Access the Pay Calculation Results for Worker report.
2. From the related actions menu of the payroll result, select Pay Calculation > Hold.

#### Result

Workday holds the result until you reverse the status by repeating the process and selecting Pay Calculation > Un Hold.

### Rerun Pay Accounting

#### Prerequisites

- The payroll status can't be *Complete*.
- Security: *Process: Run Batch Payroll Accounting* domain in the Core Payroll functional area.

#### Context

When you calculate on-cycle or off-cycle payroll, Workday generates:

- Payroll results.
- Accounting entries in *Draft* status.

For regular, on-cycle runs, it also creates accrual and accrual reversal entries, based on the accrual dates of the period schedule.

After you correct accounting errors, you can generate new accounting entries without recalculating payroll.

You can generate new accounting entries for:

- An individual payroll result using the Pay Calculation > Accounting related action.
- An entire pay group or pay run group.

## Steps

1. To rerun accounting for pay groups or pay run groups, access the Run Pay Accounting task.
2. Select the payroll Period you want to rerun.

Option	Description
Current Period	Select a period in progress from the Period prompt.
Prior Period	Select the Prior Period check box and a prior Period.  You can select any period in the 6 calendar years preceding the current year. Workday determines the current year as the year of <i>In Progress</i> results or the next period to be calculated.
Next Period	Select the Next Period check box and a Period that's <i>Opened for Off-Cycles</i> .  Use this to rerun accounting for next period on-demand payments that you've run.

Related Information

### Concepts

[Concept: Reviewing Payroll Accounting on page 831](#)

### Reference

[FAQ: Journal Errors](#)

## Complete Payroll

### Prerequisites

- Calculate payroll and generate accounting entries using the Run Pay Calculation task.
  - From the Based on Result Status prompt, select *All Statuses*. Select all statuses in the prompt.
  - Clear the Limit Accounting Population Based on Calculation Criteria check box to ensure that you include any recent costing allocation changes. It refreshes accounting for your entire payroll population before you complete payroll.
- Verify that payroll results are correct and complete.

[See Reference: Verification Reports for Payroll Results.](#)

- Verify that payroll accounting is correct.

[See Concept: Reviewing Payroll Accounting.](#)

- For Payroll for France, verify that DSN reports are correct and have passed DSN-val data verifications.
- When completing on-demand additional payments that include retroactive differences, the retro results are *Complete*.

- Security:
  - *Process: Run Batch Complete (Pay Complete)* domain in the Core Payroll functional area.
  - *Pay Calculation: Ad-Hoc Actions (Complete)* domain in the Core Payroll functional area.
  - *Reports: Pay Calculation Results for Pay Group (Results) - USA* domain in the USA Payroll functional area.
  - *Reports: Pay Calculation Results for Pay Group (Results) - CAN* domain in the CAN Payroll functional area.
  - *Reports: Pay Calculation Results for Pay Group (Results) - UK* domain in the UK Payroll functional area.
  - *Reports - Pay Calculation Results for Pay Group (Results) - FRA* domain in the FRA Payroll functional area.
  - *Reports - Pay Calculation Results for Pay Group (Results) - AUS* domain in the AUS Payroll functional area.
  - *Reports: Pay Calculation Results for Pay Group (Results) - IRL* domain in the IRL Payroll functional area.

## Context

You can complete *In Progress* on-cycle payroll or off-cycle payments for:

- An individual payroll result, using the Pay Calculation > Complete related action.
- Pay groups or pay run groups, using these steps.

Note: Workday doesn't recommend aborting the Run Pay Complete task. But if you do, Workday resets the status of any *Completed* results back to *In Progress*. Depending on the number of results, the reset could take a significant amount of time.

Workday uses the currency rate type (or the company override) as of the pay period end date for currency conversions during the pay calculation.

When you use the Run Pay Complete task, Workday evaluates which bank accounts the settlement process routes payments through based on the bank routing rules you define.

Workday recommends that you:

- Complete payroll in advance of Workday updates, to avoid midperiod changes in tax calculations or gross-to-net pay.
- Ensure that all payroll results with their corresponding accounting journals are up to date before completing payroll. You can use the Payroll Results with Outdated Accounting report to identify results that's out of sync.

If you can't complete payroll, you can run the Pay Calculation Results for Group of Workers report before the update and download the results. After the update, compare the latest results and make any necessary adjustments.

## Steps

1. Access the Run Pay Complete task.
2. Select the Period to complete.

Option	Description
Current Period	Select a period in progress from the Period prompt.
Prior Period	Select the Prior Period check box and a prior Period.  You can select any period in the 6 calendar years preceding the current year. Workday

Option	Description
	determines the current year as the year of <i>In Progress</i> results or the next period to be calculated.
Next Period	Select the Next Period check box and a Period that's <i>Opened for Off-Cycles</i> . Select this check box to complete next period on-demand payments that you've run.

3. Select the pay run groups or pay groups to complete.
4. Select *On-cycle* or *Off-cycle* in the On-cycle/Off-cycle field to complete results for either on-cycle or off-cycle results.

## Result

Workday changes the status of *In Progress* results in other pay groups to *Requires Re-Calulation*, when:

- A worker belongs to multiple pay groups, and
- You complete the worker's payroll results for only 1 pay group.

## Next Steps

- Run the settlement process to create settlement journal entries.  
See [Create Manual Settlement Runs](#).
- Run the check and advice printing process (CAN, IRL, UK, USA).  
See [Print Checks and Advices](#).
- Print payslips (FRA).

## Related Information

### Concepts

[Concept: Currency Conversion](#) on page 448

### Tasks

[Calculate On-Cycle Payroll](#) on page 651

[Define Bank Routing Rules](#)

### Reference

[Reference: Pay Calculation Statuses](#) on page 840

[Reference: Payroll Accounting Statuses](#) on page 842

[FAQ: View Payroll Results](#) on page 843

## Process Payroll Submissions (IRL)

### Prerequisites

- Configure the *IRL Payroll Submission* business process and security policy in the IRL Payroll functional area. Workday recommends that you don't add approval steps on this business process.  
See [Steps: Set Up Irish Payroll Submission Integration](#).
- Run the payroll calculation for the reported period.

### Context

For each payroll calculation, you can use Workday to submit payroll information to Revenue and the National Automatic Enrolment Retirement Savings Authority (NAERSA).

## Steps

1. Access the Run IRL Payroll Submission task.

Complete the launch parameters for your company Revenue or NAERSA integration.

To exclude any workers from the submission, select the:

- Exclude Workers check box.
- Workers from the Worker prompt.

Alternatively, to run the submission for only a limited number of workers, select them from the Worker prompt.

To generate your data for preview and validation without submitting it, run the task without selecting Submit to Revenue or Submit to NAERSA check box. Workday displays:

- Calculated results for workers' relevant payroll data.
- Calculated results for workers' Automatic Enrolment Payroll Notifications (AEPNs).
- Any validation errors that may cause Revenue or NAERSA to reject the submission

2. When you have no validation errors and you have completed payroll, access the Run IRL Payroll Submission task again.

Complete the launch parameters for your company integration and select either the:

- Submit to Revenue check box to submit tax data to Revenue.
- Submit to NAERSA check box to submit AEPN data to NAERSA.

Workday recommends that you don't select both check boxes at once. Run the Run IRL Payroll Submission task separately for your Revenue and NAERSA submissions.

## Result

You can access the the View IRL Payroll Submission report (secured to the *Setup: PAYE Modernisation - IRL* domain in the IRL Payroll functional area) to view the data submitted to Revenue or NAERSA.

## Next Steps

Configure the *IRL Revenue Check Payroll Submission* integration and access the Launch / Schedule Integration task to run the integration and verify that Revenue has received and accepted your submission.

Access the MyFutureFund employer portal to verify that NAERSA has received and accepted your submission.

## Setup Considerations: Payroll Reversals

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

- Why to set them 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 They Are

You can record a negative version of a completed payment that you haven't reconciled with a bank statement. You can then replace the reversed amount by a different calculation. Running reversals creates new reversal result lines and impacts accounting.

## Business Benefits

Payroll reversals:

- Provide flexibility in processing.
- Help improve efficiency.
- Enable you to correct payroll errors.

## Use Cases

Create reversals to correct payments when:

- The HR partner terminates a worker at the start of the last pay period in the prior year, but doesn't record the termination until the new year. You reverse the worker's final payroll payment as a prior period adjustment.
- A terminated worker receives an incorrect payment after leaving.
- The HR partner hires a worker after the payment date of the current pay period. You reverse the payment made for the period, and run an on-demand payment to include all year-to-date pay accumulations.

## Questions to Consider

Questions	Considerations
Is the payroll result that you need to reverse in an open or closed ledger period?	<p>When the accounting date of the payroll result is in an open ledger period, Workday:</p> <ul style="list-style-type: none"> <li>• Associates the reversal result with the reporting period you select from the Pay Calculation &gt; Reversal related actions menu.</li> <li>• Creates reversing journal lines in the Payroll Actual Accrual Journal and uses the accounting date from the original Operational Journal.</li> </ul> <p>When the accounting date of the payroll result is in a closed ledger period, Workday:</p> <ul style="list-style-type: none"> <li>• Associates the reversal result with the reporting period you select from the Pay Calculation &gt; Reversal related actions menu.</li> <li>• Creates reversing journal lines in the Payroll Actual Accrual Journal and uses the first day of the next open ledger period as the accounting date.</li> </ul> <p>You can run the:</p> <ul style="list-style-type: none"> <li>• Fix Operational Journals With Errors task to investigate how Workday posts reversals.</li> <li>• Ledger Period Journal Status report to check the accounting period status.</li> </ul>
Which period do you want to report reversals in?	When you run reversals, you can select a current or prior reporting period. When the reporting period is current, you can use any run categories associated with the original payment pay group. When it's a prior period, you can use the run

Questions	Considerations
	category of the original payment or the regular run category of the pay group.
What is the timeline of the reversal?	<p>You can only run reversals for payments you haven't reconciled yet with the bank statement. When it's too late for a reversal, you can run:</p> <ul style="list-style-type: none"> <li>On-demand or manual payments. Example: You're notified of a worker's move after a couple of quarters. You need to adjust their taxes and wages to ensure that Workday Payroll data is accurate for year-end reporting.</li> </ul> <p>See <a href="#">Setup Considerations: On-Demand Payments</a>.</p> <ul style="list-style-type: none"> <li>Retro pay calculations for the prior period. Example: You overpaid a worker due to incorrect time entries. After you enter the actual time worked and run retro, Workday recovers the base pay and refunds deductions on the worker's next pay.</li> </ul> <p>See <a href="#">Calculate Retro Payroll</a>.</p> <p>For Payroll for the UK, when you retrospectively change a worker's National Insurance (NI) category, also adjust previously calculated NI deductions and the associated balance. To make NI adjustments after the end of the tax year and before April 19, you can use:</p> <ul style="list-style-type: none"> <li>Reversals and on-demand additional payments, if the adjustments result in negative net pay.</li> <li>On-demand payments, if the adjustments don't result in negative net pay.</li> </ul> <p>You can then submit the result to HMRC by FPS.</p>
What is the status of the payments that you want to correct?	<p>You can correct on- or off-cycle payments based on their calculation status and whether you've settled them. For in-progress results that are:</p> <ul style="list-style-type: none"> <li>On-cycle, you can cancel 1 result at a time.</li> <li>Off-cycle and loaded using EIBs, you can cancel multiple results at a time.</li> </ul> <p>For completed results that are:</p> <ul style="list-style-type: none"> <li>On-cycle and not settled, you can cancel results for the whole pay group.</li> <li>Off-cycle, not settled, and in the current period, you can cancel 1 or multiple results at a time.</li> <li>Settled but not reconciled with the bank statement, you can reverse 1 result at a time.</li> </ul>

Questions	Considerations
	<p>Workday sets the status of nonsettled results to <i>In Progress</i>, and the accounting status to <i>Created</i>. When you use Workday Payroll commitment accounting, Workday also sets the liquidation accounting status to <i>Created</i>.</p> <p>When you want to correct:</p> <ul style="list-style-type: none"> <li>Specific pay component calculations, you can cancel or reverse the pay result, and adjust amounts using on-demand or manual payments.</li> <li>Reversals, you can offset them by running on-demand or manual payments.</li> </ul>
What are your ROE reporting requirements (CAN)?	<p>When you reverse a payment that you reported on the ROE, Workday allocates the reversal to the same reporting period. When you don't report a payment and later reverse it, Workday excludes the reversal from the ROE. Example: Workday doesn't report a payment on the ROE because it exceeds the Service Canada requirements for maximum reporting periods. When you reverse that payment Workday ignores the reversal for the ROE.</p>

## Recommendations

When you don't use Workday Financials for accounting, you might find discrepancies when you leave accounting periods open. You can configure business processes to include closing accounting periods.

Workday recommends that you use reversals only when necessary due to potential conflicts with accounting periods.

## Requirements

You can reverse a payment for a worker in a completed pay period that:

- You haven't reconciled with your bank statement.
- Doesn't have payroll accounting adjustments.
- Doesn't have an escheatment in progress or *Escheated* status.
- Doesn't have associated journals in error.

## Limitations

Workday doesn't:

- Settle reversals. The original payment and the reversal remain on the books. Although Workday doesn't settle reversals, you must still complete it.
- Display reversals on payslips.
- Support reversals for Payroll for France or Ireland.

You can't:

- Edit reversal dates. You can run on-demand or manual payments to adjust reversals. You can also run the Cancel Off-cycle Complete task to cancel completed reversals for the current pay period.
- Reverse zero pay results created by retro events such as leaves of absence. You can remove it by canceling the retro result that contains the retro leave event.

- Reverse a completed payroll history. You can adjust or offset completed history results using the Run History Payment for Worker task. You can also correct single history payments by accessing their related actions menu. Workday sets the status of the payment to *In Progress*.
- Reverse a payment for a worker who has a next period on-demand payment.

When you forward retro differences to the current period from a period that you reversed, manually remove the differences in the current period. Example: You can offset retro differences using payroll input. When you forward retro differences to a period and later reverse that period, Workday:

- Recovers the retro differences.
- Adds them to the worker's current pay results.

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Process: Load, Calculate, Cancel, Complete History</i> in the Core Payroll functional area.	Enables users to adjust or offset completed history results.
<i>Process: Period End</i> in the Common Financial Management functional area.	Enables users to check the accounting period status.
<i>Process: Run Batch Cancel Complete</i> in the Core Payroll functional area.	Enables users to cancel a completed on-cycle payroll.
<i>Reports: Pay Calculation Results for Pay Group (Results)</i> in the Core Payroll functional area.	Enables users to identify workers with retro differences when you later reverse the source or target period.
<i>Set Up: Payroll - Company Specific (Accounting)</i> in the Core Payroll functional area.	Enables users to investigate how Workday posts reversals.

## Reporting

Reports	Considerations
Ledger Period Journal Status	Check whether an accounting period is open or closed.
Reversal Results with Retro	Identify workers with retro differences when you later reverse the source or target period.
Payroll Off-cycle Payments for Group of Worker	Create custom reports that contain information about reversals.

## Integrations

Tax filing integrations don't include reversed pay results, so reports such as the Purged Workers with Completed Payroll Results report don't display those results.

You can use the *Import Payroll Off-Cycle Payment* web service to run manual payments in bulk that offset completed on- or off-cycle results instead of running individual reversals.

## Connections and Touchpoints

Features	Considerations
Accounting	When you run reversals, Workday generates accounting when there's a gross-to-net change. Reversals don't create, cancel, or reverse forward accrual journals.
Payroll processing	<p>For a worker in a given pay group and period, you can run multiple payment types. Workday processes the payments in this order to update pay accumulations and pay balances:</p> <ol style="list-style-type: none"> <li>1. Manual</li> <li>2. Reversal</li> <li>3. On-demand</li> <li>4. On-cycle</li> </ol> <p>When you try to process payments out of order, Workday enforces this sequence by setting the calculation status of any result type that depends on prior calculations to <i>Pending Completion of Prior</i>.</p>
Pay balances	When you run reversals, Workday updates pay accumulation and pay balance results. For balances based on: <ul style="list-style-type: none"> <li>• Period dates, Workday updates the balances for the reporting period.</li> <li>• Payment dates, Workday updates balances for the period that includes the payment date of the result you reversed.</li> </ul>
USA year-end (USA)	Reversals can result in differences between tax filing data and W-2, and impact year-end reporting.

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

#### Concepts

[Setup Considerations: On-Cycle Payroll Processing](#) on page 639

[Setup Considerations: On-Demand Payments](#) on page 683

[Concept: Reviewing Payroll Accounting](#) on page 831

## Reverse a Completed Payroll Calculation

### Prerequisites

- The pay calculation that you want to reverse is complete, but not yet reconciled with your bank statement.
- Security: *Process: Off-Cycle (Reversal)* domain in the Core Payroll functional area.

### Context

You can reverse a payment for a worker in a completed pay period as long as the pay period:

- Hasn't been reconciled.
- Doesn't have payroll accounting adjustments.
- Doesn't have an escheatment *in progress* or *escheated* status.
- Doesn't have associated journals in error.

Note: If you've issued a payment reversal to your financial institution, Workday recommends you wait for confirmation that they've returned the funds before reversing the payroll calculation.

You can't reverse a payment for a worker who has a next period on-demand payment. You'll need to either:

- Cancel the next period on-demand payment.
- Wait until the next period becomes the current *In Progress* period.

Workday doesn't settle reversals. The original payment and the reversal remain on the books. When you reverse a pay on-demand result, the amount isn't available to request again. To make the amount available to request again, rescind the business process instead.

When the accounting date of the payroll result is in an open ledger period, Workday:

- Associates the reversal result with the reporting period you select on the Reversal Pay Calculation related action.
- Creates reversing journal lines in the Payroll Actual Accrual Journal and uses the accounting date from the original Operational Journal.

When the accounting date of the payroll result is in a closed ledger period, Workday:

- Associates the reversal result with the reporting period you select on the Reversal Pay Calculation related action.
- Creates reversing journal lines in the Payroll Actual Accrual Journal and uses the first day of the next open ledger period as the accounting date.

Note: When you don't use Workday for accounting, you might find discrepancies when you leave accounting periods open. Workday recommends that you configure business processes to include closing accounting periods.

## Steps

1. Access the pay calculation that you want to reverse:
  - a) Access the Pay Calculation Results for Worker report.
  - b) From the related actions menu of the payroll result, select Pay Calculation > Reversal.
2. As you complete the task, consider:

Option	Description
Prior Period	Select to apply the reversal to a prior reporting period.  You can select any period in the 6 calendar years preceding the current year. Workday determines the current year as the year of <i>In Progress</i> results or the next period to be calculated.
Reporting Period	The reporting period must be in the same calendar year as the original payment date.
Reporting Pay Group Detail	When the selected Reporting Period is: <ul style="list-style-type: none"> <li>• Current period: Use any run category associated with the original payment pay group.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Prior period: Use the run category for the original payment or regular run category for the pay group.</li> </ul>
Reversal Date	Must be on or after the payment date of the period you're reversing and in the same calendar year.

## Result

Workday updates pay accumulation and pay balance results. For balances based on:

- Period dates: Workday updates the balances for the selected Reporting Period.
- Payment dates: Workday updates balances for the period that includes the Payment Date you reversed.

## Related Information

### Tasks

[Steps: Process Payroll on page 644](#)

[Unreconcile Bank Statement Lines](#)

## Cancel a Completed On-Cycle Payroll

### Prerequisites

- The on-cycle payroll run has a *Complete* or *Complete with Exceptions* status in the Period Status section on the View Pay Group report.
- Retro isn't completed or in progress for the target period that you're canceling. If retro is in progress, you can cancel it and then cancel the completed payroll.
- If settlement ran, it was canceled.
- No journals have an *In Error* status for the pay period.
- No other post-processing occurred, such as tax filing, accounting entries, or processing of a subsequent payroll run.
- Security: *Process: Run Batch Cancel Complete* domain in the Core Payroll functional area.

### Context

You can cancel a completed on-cycle payroll run.

Workday can't cancel the completion of an individual result when:

- You've settled the payment (this includes settled payroll third-party payments).
- The worker has a subsequent payroll calculation and result.
- The worker has multiple results and the result you selected isn't the last completed.
- Award costs processing is still in progress for the payroll result.

You can cancel results that you completed from the related actions menu of the Payroll Calculation Processing Report.

### Steps

- Access the Cancel Pay Complete task.
- Select the OK to Proceed check box.

## Result

Workday changes the status of:

- The payroll from *Complete* or *Complete with Exceptions* to *In Progress*.
- Payroll accounting from *Posted* to *Created*.
- Liquidation accounting from *Posted* to *Created* if you're using Workday Payroll commitment accounting.

Workday changes the status of individual on-cycle results to *In Progress*.

Individual payroll results that you can't cancel remain with the status of *Complete*.

Individual payroll results that weren't complete due to an exception status remain unchanged. Examples: Results with a status of *Hold*, *Error*, *Requires Re-Calc*, or *Pending Calculation of Prior*.

## Next Steps

Correct any errors, recalculate the payroll, and complete the payroll as intended.

Related Information

### Tasks

[Cancel Settlement Run](#)

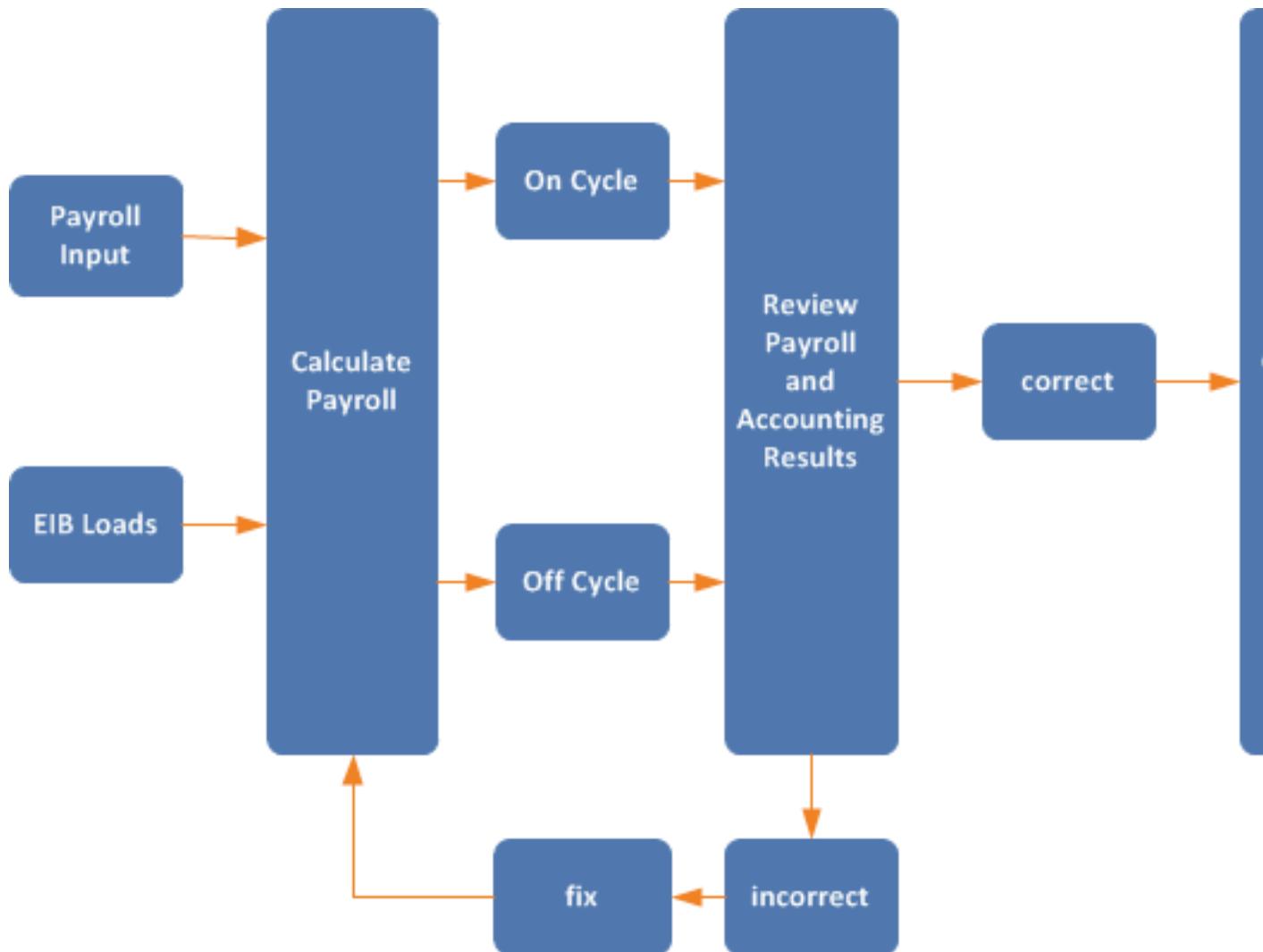
[Steps: Process Payroll](#) on page 644

## Concept: Payroll Process Workflow

Processing payroll in Workday follows these main steps:

1. Input worker data manually or with an EIB.
2. Calculate payroll.
3. Review on- and off-cycle payroll and accounting results.
4. Correct and complete payroll.
5. Settle payments.

Keep this basic workflow in mind as you address variations or complexities, such as payroll input by worker.



Related Information

#### Tasks

[Steps: Process Payroll on page 644](#)

### Concept: Pay Group Lock Status

Workday enables you to lock pay groups so that you can easily audit payroll results without having to recalculate before completing payroll due to worker-based events which cause results to flip to *Requires Recalculation*.

Regardless of whether you enable or disable the Lock Pay Groups To Block All Pay Calculations on Payroll Results check box on the Edit Tenant Setup - Payroll task, once you lock a pay group for a current period; you can enter these events, but Workday no longer flips the payroll result status from *In Progress* to *Requires Recalculation*:

- Add payroll input
- Flexible payment and deduction options
- One-time payments
- Period activity pay
- Switch primary job

When you enable Lock Pay Groups To Block All Pay Calculations on Payroll Results, Workday prevents you from running these tasks on locked pay groups while the current period is *In Progress*:

- Run Pay Calculation
- Run Pay Cancel
- Run on Demand Payment for Worker
- Run Manual Payment
- Run Off-cycle Pay Calculation
- Related actions from a pay result > Pay Calculation
- Payroll Calculation Processing Report
- Cancel Off-cycle Complete
- Cancel Off-cycle Complete for Group of Results
- Prior Period Tax Adjustment on any completed result
- Reversal on any completed result (AUS, CAN, FRA, UK, USA)
- Schedule Pay Calculation
- Run Retro Calculation
- Schedule Retro Pay Calculation
- Cancel Retro Complete
- Run Pay Accounting
- Run Payroll Fringe Benefits Accounting

Also, you can't complete individual on-cycle results, you can only run pay complete for the entire pay group.

**Retroactive Payroll:** When you enter any of these events after you lock a pay group; and you don't recalculate the worker before you complete payroll, then when you run retro pay calculation, Workday processes these events in the next on-cycle pay period:

- One-time pay input
- One-time payment
- Ongoing pay input
- Period activity pay

When you lock a pay group, however; there are some scenarios where Workday does flip the on-cycle result status to *Requires Re-Calculation* as it's necessary for the accuracy of payroll results. Here are some examples:

Example 1:	Multiple job worker has positions in different pay groups (PG-A and PG-B). When you complete PG-A, this flips the result status in PG-B, even if PG-B is locked.
Example 2:	Single job worker has an on-cycle in their regular run category and an on-cycle in their non-regular run category. When you complete 1 pay result, the other flips to <i>Requires Re-Calculation</i> even when the pay group is locked.

#### Related Information

##### Tasks

[Steps: Set Up Pay Group Lock for Auditing](#) on page 646

##### Reference

[Reference: Verification Reports for Payroll Inputs](#) on page 672

## Reference: Verification Reports for Payroll Inputs

Workday recommends that you use these reports verify worker and input data before running payroll.

Report	Security	Description
Absence Tier Time Off Entry Details	<i>Worker Data: Time Off (Time Off)</i> and <i>Worker Data: Time Off (Time Off Manager View)</i> domains	Verify how a time off is distributed among tiers with different payment rates.

Report	Security	Description
	in the Time Off and Leave functional area	Workday recommends that you verify this report when recalculating payroll after changing time off inputs.
Audit Workers Reported in DSN (FRA)	<i>Process: DSN (Run) - FRA domain in the FRA Payroll functional area</i>	Identify workers who don't have a continuous contract during their entire period of employment. Workday recommends that you ensure all workers have continuous contract numbers to avoid DSN reporting errors.
Employees Covered By Collective Agreements	<i>Worker Data: Collective Agreements domain in the Staffing functional area</i>	Verify that workers are associated with the correct collective agreement.
FRA Tax Elections for Group of Workers (FRA)	<i>Worker Data: Payroll (Company Specific) - FRA domain in the FRA Payroll functional area</i>	Verify the income tax withholding rates for workers.
Ongoing Payroll Input with Reference ID	<i>Worker Data: Payroll (Payroll Input) domain in the Core Payroll functional area</i>	View ongoing payroll input and verify the ones to process in the next payroll calculation.
Pay Calculation Off-cycle Inputs for Group of Workers	<i>Reports: Pay Calculation Results for Pay Group (Results) domain in the Core Payroll functional area</i>	View off-cycle payments that Workday hasn't processed yet.
Payroll Input by Batch ID	<i>Worker Data: Payroll (Input by Batch ID) domain in the Core Payroll functional area</i>	View imported batches of payroll input to process. Verify that the payroll input dates and eligibility to ensure accurate processing in the next payroll calculation.
Payroll Input Not Processed	<i>Worker Data: Payroll (Payroll Input) domain in the Core Payroll functional area</i>	View payroll input that Workday hasn't processed yet. Verify that the payroll input dates and eligibility to ensure accurate processing in the next payroll calculation.
Preview Smart Calculation Run	<i>Report Execution</i> in the Tenant Non-Configurable functional area	Preview the list of workers with recent modifications that impact payroll. These workers are eligible for the smart calculation run.
UK Pre-Payroll - Workers without Tax and National Insurance Details (UK)	<i>Reports: Pre-Payroll Reporting for Pay Group - UK</i> in the UK Payroll functional area	Identify workers without tax code and National Insurance details.
View IRL Employment Identifier for Worker (IRL)	<i>Worker Data: Payroll (Company Specific) - IRL</i> in the IRL Payroll functional area	Identify a worker's employment ID history.

Report	Security	Description
View IRL Inactive Employment Identifiers (IRL)	<i>Worker Data: Payroll (Company Specific) - IRL</i> in the IRL Payroll functional area	Identify employment identifiers made inactive when a business process event was corrected or rescinded.
View IRL Incoming Notifications (IRL)	<i>Setup: PAYE Modernisation - IRL</i> in the IRL Payroll functional area	Identify any workers who aren't registered with Revenue. Example: New hires.
Worker Establishment Assignment Discrepancy (FRA)	<i>Regulatory Reporting - Global</i> in the Regulatory Reporting (HCM) functional area	Identify errors in worker establishment assignments. Example: Establishments not belonging to the worker's company

## Reference: Reports for Post-Payroll

For Payroll for France, Workday recommends that you use these reports for post-payroll activities such as:

- External payments.
- Payroll declarations.
- Payroll reconciliation.

For Payroll for Canada, Ireland, the UK, and the U.S., Workday recommends that you use these reports for post-payroll activities, such as payroll reconciliation.

Report or Task	Security	Description
Payroll Reconciliation (Results/Payments)	<i>Report Execution</i> domain in the Tenant Non-Configurable functional area	Reconcile the net to pay and the payroll results by pay group and period.
Payroll Register, run for a year-to-date balance period (CAN, IRL, UK, USA)	<i>Reports: Pay Calculation Results for Pay Group (Results) - CAN</i> in the CAN Payroll functional area.  <i>Reports: Pay Calculation Results for Pay Group (Results) - IRL</i> in the IRL Payroll functional area.  <i>Reports: Pay Calculation Results for Pay Group (Results) - UK</i> in the UK Payroll functional area.  <i>Reports: Pay Calculation Results for Pay Group (Results) - USA</i> in the USA Payroll functional area.	Verify the year-to-date payroll results.
Payroll Results Compare Periods	<i>Report Execution</i> domain in the Tenant Non-Configurable functional area	Compare globalized amounts, between 2 payroll periods.  You can retrieve a list of all the payroll elements for their global amount. You can also compare, item by item, the difference in amount between 2 pay periods.

Report or Task	Security	Description
PIER Exception Report - CPP/QPP (CAN)	<i>Process: Year End (Reports) - CAN</i> in the CAN Payroll functional area	Identify contribution discrepancies to: <ul style="list-style-type: none"> <li>• Canada Pension Plan (CPP)</li> <li>• Quebec Pension Plan (CPP)</li> </ul>
PIER Exception Summary – CPP/QPP (CAN)	<i>Process: Year End (Reports) - CAN</i> in the CAN Payroll functional area	Provides additional information as to why there may be a variance with the Additional Considerations column.
PIER Exception Report - EI/QPIP (CAN)	<i>Process: Year End (Reports) - CAN</i> in the CAN Payroll functional area	Identify contribution discrepancies to: <ul style="list-style-type: none"> <li>• Employment Insurance (EI)</li> <li>• Quebec Parental Insurance Plan (QPIP)</li> </ul>
PIER Exception Report - CPP2/QPP2 (CAN)	<i>Process: Year End (Reports) - CAN</i> in the CAN Payroll functional area.	Identify contribution discrepancies to: <ul style="list-style-type: none"> <li>• Canada Pension Plan - Second Contribution (CPP2)</li> <li>• Quebec Pension Plan - Second Contribution (QPP2)</li> </ul>
RL-1 Preview (CAN)	<i>Process: Year End (Reports) - CAN</i> in the CAN Payroll functional area	Audit company and employee data for the RL-1 year-end tax form.
Salary Tax Summary (FRA)	<i>Reports: Pay Calculation Results for Pay Group (Results) - FRA</i> in the FRA Payroll domain	Prepare your salary tax declaration.
Salary Tax Summary for Multi-Sector Companies (FRA)	<i>Reports: Pay Calculation Results for Pay Group (Results) - FRA</i> in the FRA Payroll domain	Prepare your salary tax declaration for companies with multiple activity sectors.
Tax Remittance Summary - Federal (CAN)	<i>Process: Tax Filing (Reports) - CAN</i> in the CAN Payroll functional area	Use to prepare the federal tax filing.
Tax Remittance Summary - Quebec (CAN)	<i>Process: Tax Filing (Reports) - CAN</i> in the CAN Payroll functional area	Use to prepare Quebec tax filing.
T4 Preview (CAN)	<i>Process: Year End (Reports) - CAN</i> in the CAN Payroll functional area	Verify payroll results for your T4 return.
View IRL Revenue Payroll Submission (IRL)	<i>Setup: PAYE Modernisation - IRL</i> in the IRL Payroll functional area	Verify payroll results for your Revenue submission and identify any validation errors that

Report or Task	Security	Description
		may cause Revenue to reject the submission.
View UK FPS Amounts Reported To HMRC (UK)	<i>Process: RTI (Reports) - UK in the UK Payroll domain</i>	Reconcile payroll calculations with FPS reported values.
Withholding Order Payments (FRA)	<i>Reports: Pay Calculation Results for Pay Group (Results) - FRA in the FRA Payroll domain</i>	Prepare external payments for withholding orders.

## Checklist: UK Payroll Processing

### Introduction

This topic provides a high level guide to processing one UK payroll run in a single processing period. Use the topic as a form of checklist of suggested actions as you step through each process.

Note: This topic doesn't include any bespoke configuration, reports, processes, and so on, which you might have created for your specific needs.

### Pre-Processing

Data Type	Data Source	Action, Information, or Location
Master data changes, such as: <ul style="list-style-type: none"> <li>P45's or new starter checklist.</li> <li>National Insurance (NI) category change (example: state pension age).</li> <li>Bank details.</li> </ul> Temporary data such as: <ul style="list-style-type: none"> <li>Overtime.</li> <li>Commission.</li> <li>Bonus payments.</li> </ul>	Payroll	Complete any changes by business cut-off times (if such deadlines exist). Example: Business needs or times, such as entering information into payroll by a specific date for it to be included in a specific period's payroll run.  Use reports to identify any missing data. Examples: <ul style="list-style-type: none"> <li>UK Pre-Payroll - Workers without Tax and National Insurance Details.</li> <li>View UK Payroll ID History.</li> </ul>
	Benefits	Payment elections or deductions.  See: <a href="#">.../financial-management/expenses/payment-elections/poi1548463657734.dita</a> .
	Worker	<ul style="list-style-type: none"> <li>Name</li> <li>Address</li> <li>NI exemption certificates</li> </ul>
	Human Resources	<ul style="list-style-type: none"> <li>Compensation</li> <li>Job</li> <li>Work assignment</li> </ul>

Data Type	Data Source	Action, Information, or Location
		<ul style="list-style-type: none"> <li>Status</li> </ul>
	Approved information from other Workday functional areas.	<ul style="list-style-type: none"> <li>Absence</li> <li>Time Tracking</li> </ul>

## Integrations

Data Source	Action, Information, or Location
External third party	<p>Examples:</p> <ul style="list-style-type: none"> <li>Fleet data</li> <li>External pension provider</li> <li>Union fees</li> <li>Benefits</li> <li>Credit union</li> <li>Commission</li> </ul>
Payroll	HMRC incoming notifications.

## Pay Input

Data Source	Action, Information, or Location
Payroll	Verify payroll inputs.

## Pay Processing

Data Source	Action, Information, or Location
Payroll	<p>Run retro pay calculation and retro pay complete.</p> <p>See: <a href="#">Steps: Process Retro Payroll</a> on page 875.</p> <p><a href="#">Calculate On-Cycle Payroll</a> on page 651.</p>

## Checking Payroll Output

Data Source	Action, Information, or Location
Payroll	<p>Check workers for any blank UK Payroll IDs.</p> <p>See: <a href="#">Assign UK Payroll ID for Worker (UK)</a> on page 1527.</p>
	<a href="#">Run Payroll Audits</a> on page 823.
	Check data and complete your analysis of your payroll.
	<p>Generate RTI FPS data and view the exceptions report.</p> <p>See: <a href="#">Steps: Process Real Time Information Full Payment Submissions (UK)</a> on page 1564.</p>
	Update and process any changes, then produce validation reports.

Data Source	Action, Information, or Location
	Check for any missing payment elections. Example: Search for any missing bank account details.
	Run the View UK RTI FPS Data report to check for any contract end date overrides.
	Investigate if you need to make any payroll accounting adjustments.  See: <a href="#">Setup Considerations: Payroll Accounting Adjustments</a> on page 849.  (You can also do this before you complete payroll.)
	Run reports, such as the Payroll Register report.  See: <a href="#">Reference: Payroll Register Reports</a> on page 836.
	Generate RTI FPS data and view the exceptions report again.  See: <a href="#">Steps: Process Real Time Information Full Payment Submissions (UK)</a> on page 1564.
	Check to see if all onboarding tasks have been completed.
	Use the Run UK RTI FPS task to submit files to the HMRC Live Gateway, without updating any records (Test in Live).  See: <a href="#">Steps: Process Real Time Information Full Payment Submissions (UK)</a> on page 1564.
	Re-run any corrections and test again, if necessary.
	<a href="#">Review payroll results and journals to ensure there aren't any errors.</a>

## Complete Payroll

Data Source	Action, Information, or Location
Payroll	<a href="#">Complete Payroll</a> on page 659.
	<a href="#">Review payroll results and journals to ensure there aren't any errors.</a>

## Post Payroll Actions

Data Source	Action, Information, or Location
Payroll	Create your settlement run (Example: BACS).
	Submit your RTI FPS.

Data Source	Action, Information, or Location
	See: <a href="#">Steps: Process Real Time Information Full Payment Submissions (UK) on page 1564.</a>
	Run the View UK RTI EPS Data report to verify your EPS data. When correct, submit the data to HMRC. See: <a href="#">Steps: Process Real Time Information Employer Payment Summary (UK) on page 1566.</a>
	Create any P45s. See: <a href="#">Steps: Create P45s for Terminated Workers (UK) on page 1552.</a>
	Create and publish payslips. See: <a href="#">Define Payslips on page 487.</a>
	Process pension auto-enrolment assessments and notifications. See: <a href="#">Setup Considerations: Pensions Auto-Enrolment (UK) on page 1612.</a>
	Send SSP1 forms.
	Prepare and submit any third party payments.
	Complete payroll reconciliation. See: <a href="#">Reference: Reports for Post-Payroll on page 674.</a>

## FAQ: Payroll Processing

- [How do I restart a pay calculation after it stops?](#)
- [How do I process new hires and transfers after a pay calculation?](#)
- [In what order does Workday process different types of payroll input?](#)
- [Do I need to run settlement processing separately for off-cycle and on-cycle transactions?](#)
- [How do I make a payment to the estate of a deceased worker?](#)
- [How do I make an advance payment to a worker?](#)
- [How do I make an advance payment to a worker?](#)
- [How do I change the payment date for an on-cycle payroll that's in progress?](#)
- [How does Workday determine tax authorities, tax rates, and withholding for payroll tax calculations \(USA\)? on page 682](#)
- [How does Workday resolve earnings and deductions in multiple gross to nets when a worker has a midperiod pay group change? on page 683](#)
- [Can I cancel a completed reversal to reactivate a payment \(AUS, CAN, FRA, UK, USA\)?](#)

How do I restart a pay calculation after it stops?

When a payroll calculation fails or is aborted before it finishes, access the Run Pay Calculation task to restart it. In most cases, you should use the same Employees to Calculate option used on the original run.

Original Run	Restarted Run
<i>Smart Calculation</i>	<p>Select <i>Smart Calculation</i> when you restart.</p> <p>If results are in error after the restarted run, calculate the payroll again. This time:</p> <ul style="list-style-type: none"> <li>• Select Based on Result Status.</li> <li>• From the prompt, select <i>In Error</i>.</li> </ul>
<i>Smart Calculation Based on Events</i>	<p>Select the same events when you restart.</p> <p>If results are in error after the restarted run, calculate the payroll again. This time:</p> <ul style="list-style-type: none"> <li>• Select Based on Result Status.</li> <li>• From the prompt, select <i>In Error</i>.</li> </ul>
<i>Based on Result Status</i>	<p>Select the same result statuses when you restart.</p> <p>Note: Unless you have specific result statuses to calculate, you can save time by selecting <i>Smart Calculation</i> instead.</p> <p>If results are in error after the restarted run, calculate payroll by status again, this time selecting <i>In Error</i>.</p>
<i>Workers</i>	Select the same subset of workers when you restart.

How do I process new hires and transfers after a pay calculation?

To calculate new hires and transfers after the initial calculation, select the *Not Yet Started* status on Run Pay Calculation. See [Calculate On-Cycle Payroll](#) on page 651.

In what order does Workday process different types of payroll input?

For a worker in a given pay group and period, Workday processes payroll input in this order:

1. Manual (AUS, CAN, IRL, UK, USA)
2. Reversal (AUS, CAN, UK, USA)
3. On-demand
4. On-cycle

This sequence ensures that Workday can process pay accumulations and pay balances correctly. If you try to process payroll input out of order, Workday sets the calculation status to *Pending Completion of Prior* on any result that depends on prior calculations.

Payroll for France doesn't support manual payments or reversals.

Do I need to run settlement processing separately for off-cycle and on-cycle transactions?

No. You can run settlements for both on-cycle and off-cycle payments together. When you create a settlement run, you can select:

- *All Available Pay Groups* for on-cycle payments.
- *All Available Pay Group Exceptions* for off-cycle payments.

[See Steps: Set Up Settlement.](#)

How do I make a payment to the estate of a deceased worker?

1. From the related actions menu for the worker, select Personal Data > Maintain Names.
2. Change the Legal Name or Preferred Name (whichever you've configured on the Company Payroll Printing Options task) to the name of the estate.
3. Issue the payment.

Note: Workday uses the Legal Name on year-end tax forms.

How do I make an advance payment to a worker?

To make a regular payment ahead of schedule for Payroll for Australia, Canada, the UK, and the U.S.:

1. Create an on-demand replacement payment for the current *In Progress* or *Not Yet Started* period.
2. Enter a Payment Date that precedes the regular pay date.

Workday then resolves only the advance payment for this period.

To make an additional payment ahead of schedule:

1. Create an on-demand additional payment in the current *In Progress* or *Not Yet Started* period.
2. Enter a Payment Date that precedes the regular pay date.

Workday then resolves both the additional pay and the regular pay.

How do I change the payment date for an on-cycle payroll that's in progress?

For Payroll for France, you can configure the *Payroll Advance* business process to enable you to manage payroll advances. See [Example: Set Up Pay Advances \(FRA\)](#) on page 1629.

1. Cancel the pay calculation.
2. Edit Period Schedule to change the payment date.
3. Run Pay Calculation again.

How does Workday determine tax authorities, tax rates, and withholding for payroll tax calculations (USA)?

The period end generally controls which taxes Workday calculates. The payment date controls how Workday calculates the taxes.

For states, Workday determines the primary resident and work states using the contact information for the worker. For local taxes, such as city or school district, the worker tax elections control which taxes Workday calculates.

Data on Tax Elections	Example
<p>The subperiod end date usually controls which tax authorities resolve for the pay result of the worker. The result is based on:</p> <ul style="list-style-type: none"> <li>• Where the worker lives and works during the period.</li> <li>• Reciprocity rules.</li> <li>• Multijurisdictional rules.</li> <li>• Company tax data.</li> <li>• Worker tax data.</li> </ul> <p>The payment date (also known as check date) controls how Workday calculates the tax, based on tax rates in effect as of that date.</p>	<p>Your worker lives in New York state, with a resident tax election for:</p> <ul style="list-style-type: none"> <li>• Yonkers that's effective 2019-12-01.</li> <li>• New York City that's effective 2020-01-01.</li> </ul> <p>The pay period is December 15 to December 31 and the payment date is 2020-01-03.</p> <p>Workday resolves the Yonkers tax election because the worker lived in Yonkers during that period.</p> <p>However, Workday calculates using the tax rates in effect for Yonkers as of 2020, because the payment date is in 2020. Workday reports this payment in the worker's 2020 W-2.</p>
For 2 Indiana county tax elections effective	A worker has a county tax election for Steuben County

Data on Tax Elections	Example
<p>within the same year</p> <p>Workday:</p> <ul style="list-style-type: none"> <li>• Uses the one effective as of January 1 for that year.</li> <li>• Starts calculating the second tax election the next year.</li> </ul>	<p>Indiana, effective 2019-01-01. The same worker has a second tax election for Tipton County Indiana, effective 2019-06-01.</p> <p>Based on Indiana guidelines, Workday calculates their Steuben County election for 2019. Workday starts calculating the Tipton County election as of 2020-01-01.</p>

How does Workday resolve earnings and deductions in multiple gross to nets when a worker has a midperiod pay group change?

Workday resolves earning and deductions differently based on whether you calculate payroll for both the pay groups at the same time or individually for the *Pay Component: Not Previously Paid in Period* instance value calculation (IVC). If you calculate:

- The pay groups together, Workday resolves the earnings or deductions only once.
- The pay groups individually, Workday resolves the earnings or deductions in both payroll results until you complete 1 result and recalculate the other result.

Can I cancel a completed reversal to reactivate a payment (AUS, CAN, FRA, UK, USA)?

No. Once you complete a reversal, the payment and payment journals on the original result are cancelled. If you were to then cancel complete the reversal, it doesn't change the payment or payment journals of the original result from canceled to posted. You must create a new payment if it needs to be paid.

## Process On-Demand (Off-Cycle) Payments by Worker

### Setup Considerations: On-Demand Payments

You can use this topic to help make decisions when planning your configuration and use of on-demand payments. 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 They Are

On-demand payments enable you to pay a worker outside of their regular pay cycle.

- On-demand replacement payments replace a worker's regular on-cycle payment.
- On-demand additional payments issue payment in addition to a worker's regular pay.

Payroll for Ireland only supports on-demand additional payments.

## Business Benefits

On-demand payments enable you to pay a worker:

- Without waiting for the next regular pay cycle.
- For a prior period.

For Payroll for Australia, Canada, Ireland, the UK, and the U.S., Workday automatically calculates employer and employee statutory taxes for on-demand payments, and updates the accounting and ledger.

For Payroll for France, Workday calculates and reports social contributions while:

- Applying rates and ceilings from the original period
- Calculating ceilings, SMIC, and other limits in the regular period
- Calculating and reporting taxes and income tax withholding using rates and limits effective on the payment date

## Use Cases

- For Payroll for Australia, Canada, France, the UK, and the U.S., you can use on-demand replacement payments to:
- Calculate final pay for a worker who's terminated midperiod and needs their pay immediately.
- Pay a worker who has no regular results for the period. Example: Timesheet not processed.
- Correct a payroll error for Payroll for Australia, Canada, the UK, and the U.S.

You can use on-demand additional payments to:

- Issue a one-time payment to a worker, such as a spot bonus.
- Pay a worker for hours that they report after the end of the pay period.
- Issue a trailing payment to a worker after they transfer internationally, for amounts they earned in their previous position for Payroll for Canada, Ireland, the UK, and the U.S.
- Pay a bonus or other payment to a terminated worker.
- Issue profit-sharing payments for Payroll for France.
- Hire workers retroactively for Payroll for France.

## Questions to Consider

Question	Considerations
Does your company process large volumes of on-demand payments?	Consider using the <i>Import Payroll Off-Cycle Payment</i> web service to mass import on-demand payment data that Workday uses to calculate payments.
Does your company pay bonuses intermittently?	You can process one-time bonuses as on-demand additional payments.
Do you need to pay terminated workers immediately? (AUS, CAN, FRA, UK, USA)	You can create an on-demand replacement payment for the worker. When the termination date is:

Question	Considerations
	<ul style="list-style-type: none"> <li>Within the current period, create a payment for the subperiod worked.</li> <li>After the current period, first complete the current pay result for the worker. Then create a next-period payment for the subperiod from the period start date to the termination date.</li> </ul>
Do nonpayroll administrators at your company need to calculate final pay for terminated employees on their termination date (USA)?	You can enable nonpayroll administrators to calculate and generate termination-day paychecks by configuring the <i>On Demand Event</i> business process as part of the <i>Termination</i> business process.
Do you want to issue a check for additional pay separately from the regular paycheck?	An on-demand additional payment generates a separate check and payslip. To include additional pay on a worker's on-cycle check, add payroll input instead.
Do you want to prevent payroll administrators and partners from running on-demand payments for themselves?	User interface tasks automatically prevent users from adding or editing payments for themselves. They can only run on-demand payments for themselves using a web service. You can prevent them from doing so by selecting the Payroll Web Services - Do Not Allow Add/Update for Worker as Self check box on the Edit Tenant Setup - Payroll task.
What do you call payments that you make to workers who transfer internationally (CAN, IRL, UK, USA)?	Workday refers to this type of payments as trailing payments for international transfers. The preset name for this check box is Trailing Payment, which you can change using the Maintain Custom Labels task.

## Recommendations

For Payroll for Canada and the U.S., run manual payments instead of on-demand payments to adjust tax amounts, since Workday calculates employer and employee statutory taxes for on-demand payments.

### For Payroll for the UK:

- Run on-demand payments instead of manual payments to adjust payment amounts, since Workday calculates employer and employee statutory taxes for on-demand payments and reports the amounts to HMRC.
- Run manual payments instead of on-demand payments in situations where you need to adjust tax amounts, since Workday doesn't calculate employer and employee statutory taxes for manual payments. Consider running manual payments for pay periods before the previous pay period, since it's likely you need to correct tax amounts. Manually add related calculations for statutory taxes

Complete any on-demand replacement payments for a terminated worker before removing the worker from a company or pay group.

### For Payroll for Ireland:

- Only process off-cycle payments using a payment date within the date range of the pay period you're processing the payment for to ensure accurate calculation of taxes for the worker.

- Run on-demand payments instead of manual payments to adjust payment amounts, since Workday calculates employer and employee statutory taxes for on-demand payments and reports the amounts to Revenue.
- Workday recommends that you don't run on-demand payments for a prior period in which the worker was transferred mid-period. Workday recommends transferring workers at the start of a pay period.

## Requirements

To ensure accurate processing, specify which pay components to calculate for on-demand payments on the Create Run Category task.

## Limitations

- You can only create 1 replacement payment for a worker in a period, pay group, and company. When the pay period has subperiods, you can create 1 replacement payment per subperiod (AUS, CAN, FRA, UK, USA).
- When you create a replacement payment, Workday excludes the worker from the regular on-cycle run for that period or subperiod (AUS, CAN, FRA, UK, USA).
- Workday doesn't prorate on-demand additional payment amounts.
- You can only run replacement payments for periods or subperiods that you haven't completed (AUS, CAN, FRA, UK, USA).
- You can only run trailing payments for the current or next period. Workday doesn't support trailing payments for workers on international assignment, or who have multiple jobs in the current or prior periods (CAN, IRL, UK, USA).
- You can apply supplemental taxation to on-demand replacement payments only on nonregular run categories that you set to use nonregular taxation (USA).
- When you complete retro for a retro hire in a subperiod, Workday creates a zero pay result for the subperiod. Therefore, you can't run on-demand replacement payments for that subperiod (AUS, CAN, FRA, UK, USA).
- Workday doesn't recover outstanding arrears balances for on-demand additional payments (AUS, CAN, IRL, UK, USA).
- You can't add attachments to a payroll input that is directly entered on an on-demand payment.

## Tenant Setup

You can use the Edit Tenant Setup - Payroll task to determine whether to:

- Use the payment or period end date as the accounting date for off-cycle payments.
- Consider completed on-demand additional payments when you determine retro processing periods.
- Prevent users from running on-demand payments for themselves when using a web service.

## Security

Domains	Considerations
<i>Custom Label Management</i> domain in the System functional area.	Enables you to customize labels for trailing payments.
<i>Process: Off Cycle (On Demand)</i> domain in the Core Payroll functional area.	Enables you to create on-demand payments.

## Business Processes

You can add an on-demand payment to a business process as a *To Do* step, such as on *Add/End Additional Job*, *Onboarding*, *Compensation Change*, or *Leave Event*.

## Reporting

Reports or Data Sources	Considerations
Pay Calculation Off-cycle Inputs for Group of Workers report	Review on-demand payments by pay group and period or subperiod.
Payroll Calculation Processing Report	Take any of these actions on on-demand payments: <ul style="list-style-type: none"> <li>• Recalculate and unhold.</li> <li>• Complete.</li> <li>• Cancel.</li> <li>• Hold.</li> <li>• Cancel pay complete.</li> </ul>
Payroll Off-cycle Payments for Group of Worker report	Use this data source to create a custom report that lists on-demand payment information.
FRA Payroll Journal by Company report (FRA) FRA Payroll Journal by Establishment report	View an aggregated view of payroll results based on the payslip configuration.  You can also filter on-cycle or on-demand payroll results by: <ul style="list-style-type: none"> <li>• Payment date</li> <li>• Accounting date</li> </ul>
FRA Pay Calculation Results – Payslip View report (FRA)	View payroll results for multiple workers in a presentation similar to a payslip. You can filter payroll results by accounting date.

## Integrations

Workday recommends that you use the *Import Payroll Off-Cycle Payment* web service when you mass load on-demand payments.

## Connections and Touchpoints

Features	Considerations
Payroll inputs	You can load payroll inputs to create on-demand payments.
Retro pay calculation	You can load retro differences as inputs for on-demand payments.

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

#### Reference

[Reference: Edit Tenant Setup - Payroll](#)

[2023R2 What's New Post: Expand Reporting for On-Demand Payment in a Prior Period - France](#)

## Create On-Demand Replacement Payments

### Prerequisites

- Review setup considerations for on-demand payments.

- In the Nonactive (On Cycle, On Demand Replacement) tab of your run category, define which pay components to calculate for on-demand replacement payments.
- (Optional) Configure decentralized processing for on-demand payments. This setup enables nonpayroll administrators to process final payments for terminated workers on the termination day.
- Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

## Context

The information in this topic is applicable only to these payroll countries:

- Australia
- Canada
- France
- The UK
- The U.S.

You can replace a worker's regular on-cycle payment for periods or subperiods that have a status of *In Progress* or *Not Yet Started*. Examples:

- For Payroll for Australia, Canada, the UK, and the U.S.:
  - To make a termination payment, in either the current pay period or the next.
  - To pay workers who have no regular on-cycle results for the pay period. This case can be due to unprocessed timesheets, or results that you reversed in error.
- To make a termination payment for Payroll for France.

When you create an on-demand replacement payment for a pay period or subperiod, Workday excludes the worker from the regular on-cycle run for that period. You can create an on-demand replacement payment only for a subperiod where the worker is eligible for the payment.

Before you create an on-demand replacement payment for the next period, you need to complete any current and prior period results.

A worker can have only 1 replacement payment (manual or on-demand) for a period, pay group, or company at a time. If the pay period has subperiods, a worker can have multiple replacement payments per period, but only 1 per subperiod.

You can gross up an on-demand payment for a worker.

When you complete a retro pay calculation for a retro hire in a subperiod, Workday creates a pay result of zero for the subperiod. Therefore, you can't run an on-demand replacement payment for that subperiod.

Some off-cycle payment tasks use machine learning prompt recommendations to help you complete the tasks more easily. See [Concept: Intelligent Prompt Recommendations for Payroll](#).

## Steps

1. Access the Run On Demand Payment for Worker task.
2. (Optional) As you complete the task, consider:

Option	Description
Prior Period	Process a payment for a prior completed period.
Next Period	Process a payment for the next period, while the current period is still in progress. First complete current and prior results for the worker.
Worker	You can't use the Run On Demand Payment for Worker task to add a payment for yourself.

3. Select Create Replacement Payment.
4. As you complete the Payment Information, consider:

Option	Description
Batch ID	Displays if you import payment information using the Enterprise Interface Builder (EIB). Use to link a new on-demand payment to a batch ID that you previously imported.
Payment Date	Determines which tax tables apply. Workday updates pay accumulation and pay balance results in the period or subperiod that includes the payment date.
Priority	Determines the processing order when you enter multiple on-demand payments for the same worker, period or subperiod, and pay group. Enter <i>1</i> when the worker has 1 on-demand payment. To adjust the priority of multiple on-demand payments for a worker, access the Maintain Off-cycle Payment Priority task.

5. (Optional for Payroll for the U.S.) Override the frequency to use for tax and withholding order calculations when a worker has substantially more or less pay than typically received in a pay period or subperiod.

When a worker in a weekly pay group receives an on-demand replacement payment that includes 2 weeks of unused vacation.

Option	Description
Number	Enter the number of pay periods over which to spread the payment when determining taxes for the payment. You can't define tax frequency overrides for payments that use a nonregular run category or U.S. supplemental taxation.
Pay Periods	Example: When you enter Number: 2 and Pay Periods: <i>Weekly</i> , Workday taxes the payment based on 2 weekly periods.

Any tax frequency overrides you define apply to the entire on-demand payment, even if the payment includes multiple pay components. When no tax frequency override is available, Workday uses the frequency from the pay group.

Workday displays the Tax Frequency Override in the Payment Details section of the View Payroll Results report.

6. (Optional) Select a Payment Type that's different from the worker's typical payment elections.

Available payment types are:

- For the run category of the pay group.
- As allowed for transaction override on the Maintain Payment Election Rules task.

7. (Optional) Configure worktags.

See [Override Worktags for On-Demand Payments](#) on page 700.

8. (Optional) To include available retroactive payments for a worker, expand the Retro Results section and select Include Retro Differences in Payment. This field displays only when there are retro differences available to include.

See [Process Retro Differences in On-Demand Payments](#) on page 884.

9. (Optional) Select the Load or Refresh Input check box to replace current payment values in the Input section with values entered for the period, using the Add Payroll Input by Worker task. You can then modify the input, delete it, or add to it. Example: You can load payroll input to verify if there are ongoing loan payments or other transactions to evaluate before replacing a payment.

Note: Load or Refresh Input replaces current input details. To append current input details with calculation values, use the *Import Payroll Off-Cycle Payment* web service.

10. As you enter payment values in the Input section, consider:

Option	Description
Start Date	The start date of the pay period or subperiod.
Special Entry	Overrides earning or deduction rules. Select this check box to enter values for earnings and deductions that don't allow payroll input, such as: <ul style="list-style-type: none"> <li>Statutory deductions.</li> <li>Withholding orders (CAN, FRA, USA).</li> <li>Court orders (UK).</li> </ul>
Pay Component	For replacement payments to active workers, Workday calculates the same pay components as in the on-cycle run. Select only earnings or deductions that require either: <ul style="list-style-type: none"> <li>Select pay components to calculate, aside from Workday input for hours, units, or other amounts that vary in each period or subperiod.</li> <li>An override or adjustment amount. Workday applies these override values when calculating results.</li> </ul> For replacement payments to non-active workers, Workday calculates the pay components configured on the Nonactive (On Cycle, On Demand Replacement) tab of the run category. Workday automatically calculates statutory taxes (employer and employee) and withholding order fees for on-demand payments. If you enter a tax amount, Workday overrides and replaces the calculated amount.
Position	Applies if your Workday tenant allows for multiple jobs. Required for position-based pay components. Select from positions that are active on the subperiod target date. Workday includes the position worktag in journal entry lines.

Option	Description
	To adjust position-based wages and taxes for Payroll for the U.S., such as OASDI, after an employee changes their position, be sure to select the correct position.
Company	<p>Applies to worker-based pay components processed as part of a replacement payment. Workday resolves the pay input only for the selected company.</p> <p>You can select any company associated with the employee at any point in time.</p> <p>If you don't select a company, Workday calculates the pay component for each company it processes for the worker, except for:</p> <ul style="list-style-type: none"> <li>Withholding order deductions (AUS, CAN, FRA, USA). If you select a withholding order deduction without selecting the company, Workday calculates it only for the company associated with the case number worktag.</li> <li>Court order deductions (UK). If you select a court order deduction without selecting the company, Workday calculates it only for the company associated with the case number worktag.</li> </ul> <p>Workday doesn't process any payroll input if the Company is different from the one specified in the Override Worktags section.</p>
Override/Adjustment	<p>Select Override to enter an amount for the pay component or related calculations that replace the on-cycle amount. Example: To deduct 100 instead of a normal deduction of 500, enter an override of 100.</p> <p>Select Adjustment to enter a positive or negative adjustment amount. Example: To deduct a regular amount of 300 plus an additional amount of 50, enter an adjustment of 50.</p>
Costing Company	Use to charge this payroll item to a company other than the worker's default company. This column is available if you enable intercompany accounting in your tenant.
Currency	Only applies if the currency differs from the pay group currency.
Input Details - Type	The type of value, such as <i>Amount</i> or a related calculation.

Option	Description
	<p>For statutory taxes, enter only amounts, including:</p> <ul style="list-style-type: none"> <li>Subject wages and taxable wages for Payroll for Canada, the UK, and the U.S.</li> <li>Gross wages and taxable wages for Payroll for Australia.</li> </ul> <p>When adjusting a tax amount, Workday recommends that you always enter a value (even zero) for the subject wages and taxable wages-related calculations for Payroll for Canada, the UK, and the U.S., and for the gross wages and taxable wages-related calculations for Payroll for Australia.</p> <p>For earnings and voluntary deductions for Payroll for Australia, Canada, the UK, and the U.S., select <i>Amount</i> or any pay component-related calculation configured to enable input. Example: If a pay component is defined as <i>Amount = Rate x Hours</i>, you can select <i>Rate</i>, <i>Hours</i>, and <i>Amount</i>.</p> <p>Example for Payroll for France: For a pay component defined as <i>Amount = Rate x Hours</i>, you can select <i>Rate</i>, <i>Hours</i>, and <i>Amount</i>.</p> <p>To modify statutory contributions for Payroll for France, Workday recommends that you create a replacement payment for Memo deductions for statutory contributions, instead of for the contribution deduction. When you replace the amount of pay component-related calculations for a memo deduction, the ceilings and gross wages are consistent across the related contribution calculations. Example: To modify the value of AGIRC-ARRCO contributions, create a replacement payment for the <i>Memo - Reference Values for AGIRC-ARRCO [FRA]</i> deduction, and replace amounts for gross wages and ceilings.</p> <p>To have Workday calculate taxes for workers with ongoing multiple work jurisdictions for Payroll for the U.S., enter a related calculation, such as <i>Hours (unprorated)</i>.</p> <p>For a gross-up earning for Payroll for Canada, France, the UK, and the U.S., select <i>Net Amount (for Gross-Up)</i> for input.</p> <p>To avoid unexpected results for tax reporting for Payroll for the U.S., don't enter a value for <i>Gross Wages</i> when the payment date is before 2013/01/01.</p>

Option	Description
Input Details - Value	The pay component amount and, if applicable, the values of the related calculations that make up the amount.

## Result

Workday calculates a replacement payment for the worker.

## Next Steps

Recalculate any *In Progress* on-cycle payments.

Complete the on-demand replacement payment.

Related Information

### Concepts

[Setup Considerations: On-Demand Payments](#) on page 683

[Concept: Off-Cycle Payments](#) on page 703

[Concept: Off-Cycle Payments and Proration](#) on page 288

### Tasks

[Set Up Gross-Up Earnings](#) on page 334

[Steps: Process Payroll](#) on page 644

[Steps: Set Up Decentralized Processing for On-Demand Payments \(USA\)](#) on page 1125

## Create On-Demand Additional Payments

### Prerequisites

- Review setup considerations for on-demand payments.
- In the Edit Run Category task, General tab, define which workers to process for on-demand additional payments. Also define which pay components to calculate for on-demand additional payments on the Off Cycle (On Demand Additional, Manual) tab.
- Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

### Context

You can issue 1 or multiple on-demand payments in addition to a worker's regular on-cycle earnings for the period. Examples:

- A worker doesn't receive pay for 8 additional hours.
- A worker doesn't receive pay for 8 additional hours in a prior period.
- For Payroll for Canada, Ireland, the UK, and the U.S., a worker who has transferred internationally is eligible for a bonus from their previous position.

For Payroll for Australia, Canada, Ireland, the UK, and the U.S., Workday doesn't recover outstanding arrears balances for on-demand additional payments.

You can gross up an on-demand payment for a worker.

You can use these web services to load payroll input for off-cycle payments:

- *Import Payroll Off-Cycle Payment*
- *Put Payroll Off-Cycle Payment*

Some off-cycle payment tasks use machine learning prompt recommendations to help you complete the tasks more easily. See [Concept: Intelligent Prompt Recommendations for Payroll](#).

## Steps

1. Access the Run On Demand Payment for Worker task.
2. Select Create Additional Payment.
3. (Optional) As you complete the task, consider:

Option	Description
Prior Period	Process a payment for a prior completed period.
Next Period	Process a payment for the next period, while the current period is still in progress. First complete current and prior results for the worker.
Trailing Payments	<p>For Payroll for Australia, Canada, Ireland, the UK, and the U.S. only. Trailing payments don't apply to Payroll for France.</p> <p>Process a payment for a previous job in another country, after a worker transfers to a new country. The payment can be for the current or next period. You can only run trailing payments for a worker:</p> <ul style="list-style-type: none"> <li>• With a single job.</li> <li>• Whose results from the previous position are all complete.</li> </ul> <p>Make sure that you enter the previous company as an override worktag.</p>
Period	When you select Prior Period, select any completed period in the 6 calendar years preceding the current year. Workday determines the current year for the <i>In Progress</i> results or the next period to be calculated.
Worker	You can't use the Run On Demand Payment for Worker task to add a payment for yourself.

4. As you complete the Payment Information section, consider:

Option	Description
Batch ID	<p>Displays when you import payment information using the Enterprise Interface Builder (EIB).</p> <p>You can only link a new on-demand payment to a previously imported batch ID.</p>
Reason	For on-demand additional payments, Workday automatically calculates pay components that are associated with the off-cycle reason. You can associate an off-cycle reason with a pay component on the Off Cycle (On Demand Additional, Manual) tab of the run category.
Sub-Period Target Date	Determines the default worktags for the payment.

Option	Description
	<p>When a worker has a midperiod change that causes gross-to-net proration, select a date in the subperiod that the payment applies to.</p> <p>Example for Payroll for the U.S.: On January 21, Laura changes job locations. Their work state changes from New York to New Jersey, creating 2 subperiods:</p> <ul style="list-style-type: none"> <li>January 15 - January 20.</li> <li>January 21 - January 30.</li> </ul> <p>To enter an additional payment that applies to work performed in New York, enter January 20th.</p> <p>For Payroll for Canada, to enter amounts targeting different portions of a pay period that doesn't have gross-to-net proration, add multiple rows in the Input grid. Example: Split payments after a change in a province of employment.</p>
Payment Date	<p>Determines which tax tables apply.</p> <p>Workday updates pay accumulation and pay balance results in the period that includes the payment date.</p>
Priority	<p>Determines the processing order when you enter multiple on-demand payments for the same worker, period, and pay group. Enter 1 when the worker has 1 on-demand payment.</p> <p>To adjust the priority of multiple on-demand payments for a worker, access the Maintain Off-cycle Payment Priority task.</p>
Supplemental Taxation	<p>For Payroll for the U.S. only.</p> <p>Automatically populates when you configure the run category for nonregular taxation.</p> <p>To ignore the run category tax setting and apply a supplemental tax rate to the additional payment, select the check box. When you select the checkbox, Workday will use the separate check method defined in Edit Company Federal US Tax Reporting. For more details, see: <a href="#">Set Up Company federal Taxes (USA)</a>.</p> <p>Regardless of whether an aggregate method applies, the payment might be subject to a state flat tax rate when:</p> <ul style="list-style-type: none"> <li>You configure the run category to Use Supplemental State Flat Tax Rate.</li> </ul>

Option	Description
<p><b>Take Additional Tax Withholding Amounts</b></p>	<ul style="list-style-type: none"> <li>The worker's preceding regular payment has no regular wages, or no preceding regular payment exists.</li> </ul> <p>Applies to Payroll for Canada and the U.S. only.</p> <p>For Payroll for the U.S., for these states, Workday calculates additional local withholding on regular on-cycle payments unless it's supplemental pay only:</p> <ul style="list-style-type: none"> <li>Indiana, for Work or Residence county.</li> <li>Michigan, for Work or Residence city.</li> <li>New York, for Work or Residence city.</li> </ul> <p>For nonregular run categories, Workday doesn't deduct additional amounts. However, you can include the Additional Amount pay component related calculation (PCRC) in your deduction. Example: A worker has a bonus paid in an on-cycle, nonregular run category, and you want to withhold an additional amount. Add the Additional Amount PCRC to the <i>Federal Withholding [USA]</i> deduction.</p> <p>Note: Due to net pay validation, the Additional Amount elected on the payroll administrator view of pay results might not reflect the total amount withheld.</p> <p>For on-demand additional payments paid in regular run categories, Workday deducts when you:</p> <ul style="list-style-type: none"> <li>Select Take Additional Tax Withholding Amounts.</li> <li>Enter input for the <i>Additional Amount</i> PCRC.</li> </ul> <p>For Payroll for Canada, Workday deducts additional amounts for federal or provincial tax withholding according to worker TD1 elections when you select Take Additional Tax Withholding Amounts.</p>

5. (Optional for Payroll for the U.S.) Override the frequency to use to calculate tax and withholding orders when a worker has substantially more or less pay than typically received in a pay period. Example: When a worker in a weekly pay group receives an on-demand payment that includes 2 weeks of unused vacation.

Option	Description
<p><b>Number</b></p>	<p>Enter the number of pay periods over which to spread the payment when determining taxes for the payment.</p> <p>You can't define tax frequency overrides for payments that use a nonregular run category, or U.S. supplemental taxation.</p>

Option	Description
Pay Periods	Example: When you enter Number: 4, and Pay Periods: Weekly, Workday taxes the payment based on 4 weekly periods.

Any tax frequency overrides apply to the entire on-demand payment, even when the payment includes multiple pay components. When no tax frequency override is available, Workday uses the frequency from the pay group.

Workday displays the Tax Frequency Override in the Payment Details section of the View Payroll Results report.

6. (Optional) Select a Payment Type that's different from the worker's typical payment elections.

You can use payment types that you:

- Define for the run category of the pay group.
- Configure as transaction overrides on the Maintain Payment Election Rules task. Note that these are not specific to your defined pay groups.

7. [Override Worktags for On-Demand Payments](#) on page 700 (AUS, CAN, IRL, UK, USA).

Use override worktags to manage payments in specific scenarios such as for payments from another company.

8. (Optional) To include available retroactive payments for a worker, expand the Retro Results section and select Include Retro Differences in Payment. This field displays only when there are retro differences available to include.

See [Process Retro Differences in On-Demand Payments](#) on page 884.

9. (Optional) Select Load or Refresh Input to replace current payment values in the Input section. Enter the values for the period using the Add Payroll Input by Worker task. You can then modify the input, delete it, or add to it.

When you process payroll input on a result and run pay calculations or retro pay calculations, Workday doesn't process it again for the same period. The exception is that Workday doesn't support workers with a midperiod pay group change. Workday might continue to pay out one-time inputs multiple times for a worker who has a midperiod pay group change.

Note: Load or Refresh Input replaces current input details. To append current input details with calculation values, use the *Put Payroll Off-Cycle Payment* web service.

10. In the Input section, consider:

Option	Description
End Date	<p>Automatically set to the Sub-Period Target Date. Determines which values to use when calculating the pay component.</p> <p>To prorate a pay component, change the End Date to target the input to the appropriate subperiod. Enter a date between the period begin date and the Sub-Period Target Date.</p> <p>Example: To prorate an earning because of a midperiod compensation change, add a row of input for each subperiod and enter an End Date for each row.</p> <p>For Payroll for the U.S., to make an additional payment for a biweekly FLSA work period, add a separate row of input for each week. On each row, enter the End Date that corresponds to the FLSA week.</p>

Option	Description
	To prorate the employee's gross-to-net pay instead of a pay component, create a separate additional payment for each subperiod.
Pay Component	<p>Select pay components to calculate, in addition to the ones Workday calculates automatically.</p> <p>For additional payments, Workday automatically calculates the pay components configured on the Off Cycle (On Demand Additional, Manual) of your run category.</p> <p>Workday also automatically calculates statutory taxes (employer and employee) and:</p> <ul style="list-style-type: none"> <li>• Superannuation for Payroll for Australia.</li> <li>• Withholding order fees for on-demand payments for Payroll for Canada and the U.S.</li> <li>• Court order fees for on-demand payments for Payroll for the UK.</li> </ul> <p>When you enter a tax amount, Workday overrides and replaces the calculated amount.</p>
Position	<p>Applies when you configure your Workday tenant for multiple jobs.</p> <p>Required for position-based pay components. Select from positions that are active on the subperiod target date.</p> <p>Workday includes the position worktag in journal entry lines.</p> <p>For Payroll for the U.S., to adjust position-based wages and taxes, such as OASDI, after an employee changes their position, be sure to select the correct position.</p>
Costing Company	<p>Use to charge this payroll item to a company other than the worker's default company. This column is available when you enable intercompany accounting in your tenant.</p>
Currency	<p>Applies if the currency differs from the pay group currency.</p>
Input Details - Type	<p>The type of value, such as <i>Amount</i> or a related calculation. For earnings with related calculations, this field displays all of them, regardless of whether you select the Input Allowed in the Related Calculations grid.</p> <p>For statutory taxes, enter only amounts, including subject wages and taxable wages. When adjusting a tax amount, Workday recommends that you always enter a value (even zero):</p>

Option	Description
	<ul style="list-style-type: none"> <li>For the subject wages and taxable wages-related calculations for Payroll for Canada, the UK, and the U.S.</li> <li>For the gross wages and taxable wages-related calculations for Payroll for Australia.</li> </ul> <p>For earnings and voluntary deductions for Payroll for Australia, Canada, Ireland, the UK, and the U.S., select <i>Amount</i> or any pay component-related calculation configured to enable input. Example: When a pay component is defined as <math>Amount = Rate \times Hours</math>, you can select <i>Rate</i>, <i>Hours</i>, and <i>Amount</i>.</p> <p>Example for Payroll for France: For a pay component defined as <math>Amount = Rate \times Hours</math>, you can select <i>Rate</i>, <i>Hours</i>, and <i>Amount</i>.</p> <p>To modify statutory contributions for Payroll for France, Workday recommends that you create the payment for Memo deductions for statutory contributions instead of for the contribution deduction. When you adjust the amount of pay component-related calculations for a memo deduction, the ceilings and gross wages are consistent across the related contribution calculations.</p> <p>To modify PRSI statutory contributions for Payroll for Ireland, select <i>Amount</i> and <i>IRL Insurable Weeks</i>.</p> <p>For a gross-up earning for Payroll for Canada, France, Ireland, the UK, and the U.S., select <i>Net Amount (for Gross-Up)</i> for input.</p> <p>To avoid unexpected results for tax reporting in Payroll for the U.S., don't enter a value for <i>Gross Wages</i> when the payment date is before 2013/01/01.</p>
Input Details - Value	The pay component amount and, if applicable, the values of the related calculations that make up the amount.

## Result

Workday calculates an additional payment for the worker. When pay input is added to an on-demand additional payment, Workday considers it to be an override entry and ignores worker eligibility on the pay component.

## Next Steps

Complete any on-demand additional payroll before completing the on-cycle payroll for the same period.

## Related Information

### Concepts

[Setup Considerations: On-Demand Payments](#) on page 683

[Concept: Off-Cycle Payments](#) on page 703

[Concept: Off-Cycle Payments and Proration](#) on page 288

### Tasks

[Set Up Gross-Up Earnings](#) on page 334

[Steps: Process Payroll](#) on page 644

### Examples

[Example: Trailing Payments for International Transfers](#) on page 710

[Example: Prorate an Earning in On-Demand Payments](#) on page 709

## Override Worktags for On-Demand Payments

### Prerequisites

Create an on-demand payment for a worker.

Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

### Context

By default, Workday applies worktags based on the:

- Subperiod target date for additional payments.
- Period or subperiod end date for replacement payments (AUS, CAN, FRA, UK, USA).
- Worker's primary position.

For on-demand payments, Workday automatically uses the worktags from the company of the worker's primary position.

You can override the default worktag values for either:

- The entire on-demand payment.
- A pay component within the on-demand payment.

Payroll for France doesn't support override worktags for on-demand payments.

### Steps

1. Access the Run On Demand Payment for Worker task.
2. In the Reference Worktags section, review the default worktags.

- In the Override Worktags section, select overrides for reference worktags for calculations, reporting, or journal entry costing.

Select a Company when paying:

- Retro differences from companies other than the worker's current primary job company, for additional payments only (CAN, USA).
- A position in a different pay group from the primary position (CAN, UK, USA).
- Trailing payments. The company of the worker's previous job determines the residence and work override worktags (AUS, CAN, IRL, UK, USA).

For Payroll for the U.S., Workday calculates the worker's taxes based on the override worktags on the pay result:

- When you override the work or resident state of the worker.
- When you override the city, county, or school district tax authorities.
- When you override the optional other tax authorities.

Workday automatically resolves mandatory other taxes based on the overridden work or resident state.

When the worker does have a tax election for that tax authority, Workday uses the tax election in the resolution of the tax.

Exceptions for overriding local taxes include:

- Pennsylvania cities.
- Indiana counties.

Workday automatically populates the State Unemployment Insurance Authority prompt to match the State Authority (Work) prompt. You can override the default value for workers with jobs in different states.

For Payroll for the U.S., Workday disconnects the work state from a terminated worker. To resolve severance pay after termination, select the work state for SUI from the State Authority (Work) prompt.

For Province Authority (Work) for Payroll for Canada, you can override the reference worktag of the same name with another province. If the worker works outside of Canada, you can select *United States or Other*.

- In the Input section, enter worktag values for the pay component, if different from the values in the Override Worktags or Reference Worktags section.

Option	Description
Worktags	<p>If the pay component has 1 or more calculation worktag types defined, select a value for each of the worktag types.</p> <p>To override ongoing multiple work jurisdiction allocations for Payroll for the U.S., enter a tax authority worktag.</p> <p>If you set up related worktags, Workday adds the worktag you select and its related worktags. You can remove any you don't want.</p> <p>Example for Payroll for the U.S.: If the pay component is <i>State Withholding (Resident) [USA]</i>, select a Payroll State in the Worktags field.</p> <p>Example for Payroll for Canada: For the <i>Province Income Tax (PIT) [CAN]</i> pay</p>

Option	Description
	component, select a Payroll Province in the Worktags field.
Company	Applies to worker-based pay components processed as part of a replacement payment. When you load payroll input by selecting the Load or Refresh Input check box, Workday doesn't modify the Company specified on the input. However, Workday doesn't process any payroll input when the Company is different from the one specified in the Override Worktags section.

Related Information

#### Concepts

[Concept: Retro Events from Other Companies \(CAN, USA\) on page 944](#)

#### Tasks

[Create On-Demand Replacement Payments on page 687](#)

[Create On-Demand Additional Payments on page 693](#)

## Cancel Completed Off-Cycle Payroll

#### Prerequisites

- Cancel settlements.
- You haven't completed retro for the target period that you're canceling and retro isn't in progress. When the retro process is in progress, you can cancel it, and then cancel the completed off-cycle payroll.
- Security: *Process: Run Batch Cancel Complete* domain in the Core Payroll functional area.

#### Context

You can cancel a completed off-cycle payroll result with a status of *Complete* or *Complete with Exceptions*. Check the calculation status in the Period Status section of the View Pay Group report.

Workday can't cancel the completion of an individual result, when:

- You settle payments.
- Postprocessing occurred, such as tax filing, accounting entries, or processing a subsequent off-cycle payroll run.

#### Steps

1. Access the Cancel Off-cycle Complete task.
2. (Optional) Select the Next Period check box in a period that's *Opened for Off-Cycles*.

3. Select a Period, Pay Group Detail, Worker, and an Off-cycle Result.

When you don't see any results in the Off-cycle Result drop-down list after you've completed your off-cycle; it's possible that your results aren't eligible for cancel complete.

Workday recommends you to run the:

- Cancel Off-Cycle Complete for Group of Results report as it displays Results Not Eligible to be Canceled.
- Completed Off-Cycles Results to be Canceled report as it displays the Ineligibility Reason.

Here are some of the ineligibility reasons that you can find when you run the Completed Off-Cycle Results to be Canceled report:

- Reversed
- Payroll Accounting Adjustment Event Not Canceled or Rescinded
- Settled
- On Demand Event Business Process
- More Recent In-Progress or Completed Results Exist
- Next Period Off-Cycle Exists

## Result

Workday changes the status of:

- Individual payroll off-cycle results from *Complete* or *Complete with Exceptions to In Progress*.
- Payroll accounting from *Posted* to *Created*.
- Liquidation accounting from *Posted* to *Created* when you're using Workday Payroll commitment accounting.

Individual off-cycle payroll results that you can't cancel remain with the status of *Complete*.

Related Information

### Concepts

[Concept: Operational Journal Reversals on page 861](#)

## Concept: Off-Cycle Payments

Off-cycle payment transactions occur outside of a regularly scheduled (on-cycle) pay run, and include:

- Manual payments made to employees outside of Workday Payroll, such as check or cash.
- On-demand payments that replace or add to an employee's on-cycle payments.
- Reversals that back out an employee's completed pay calculation.

For Payroll for Canada, the UK, and the U.S., for periods with a forward accrual, Workday doesn't calculate off-cycle results for on-demand or manual payments.

Payroll for France doesn't support manual payments or reversals.

Payroll for Ireland doesn't support on-demand replacement payments or payment reversals.

### Common Uses of Off-Cycle Payments

For Payroll for Canada and the U.S.:

Usage	Manual Payment	On-Demand
Record advance or replacement payments.	X	
Make advance or replacement payments.		X

Usage	Manual Payment	On-Demand
Record third-party payments for sick pay or the exercise of nonqualified stock options.	X	
Move taxes from 1 jurisdiction to another.	X	X
Correct payroll errors.	X	X
Record adjustments in the current or prior year.	X	X
Pay terminated workers.		X
Pay retroactive differences calculated by the Run Retro Pay Calculation task.		X
Pay trailing payments for workers when they permanently transfer to another country (only through an additional payment).		X

For Payroll for the UK:

Usage	Manual Payment	On-Demand
Record advance or replacement payments.	X	
Make advance or replacement payments.		X
Record third-party payments for the exercise of nonqualified stock options.	X	
Correct payroll errors.	X	X
Record adjustments in the current or prior year.	X	X
Pay terminated workers.		X
Pay retroactive differences calculated by the Run Retro Pay Calculation task.		X
Pay trailing payments for workers when they permanently transfer to another country (only through an additional payment).		X

For Payroll for Ireland:

Usage	Manual Payment	On-Demand Additional
Record advance payments.	X	
Make advance payments.		X

Usage	Manual Payment	On-Demand Additional
Record third-party payments for the exercise of nonqualified stock options.	X	
Correct payroll errors.	X	X
Record adjustments in the current or prior year.	X	X
Pay terminated workers.		X
Pay retroactive differences calculated by the Run Retro Pay Calculation task.		X
Pay trailing payments for workers when they permanently transfer to another country.		X

For Payroll for France, you can use on-demand payments to:

- Make advance or replacement payments.
- Correct payroll errors.
- Pay terminated workers.
- Record adjustments in the current or prior year.
- Pay retroactive differences calculated by the Run Retro Pay Calculation task.

### Replacement Payments and Additional Payments

For Payroll for Canada, France, the UK, and the U.S., off-cycle payments enable you to:

- Replace the on-cycle payment for a period or subperiod that's *In Progress* or *Not Yet Started*.
- Replace the on-cycle payment for a worker that has no regular payment for the period. When the pay period has subperiods, you can run on-demand replacement payments only for subperiods where the worker is eligible. Example: When the worker is inactive for a subperiod, you can't run an on-demand replacement payment for that subperiod.
- Enter an additional payment made separately from the on-cycle payment.

For Payroll for Ireland, off-cycle payments enable you to enter an additional payment made separately from the on-cycle payment.

For Payroll for Canada, the UK, and the U.S., you can only run trailing payments for single-job workers and pay them in their current position. Workday doesn't support trailing payments for workers who:

- Are on international assignment.
- Had multiple jobs in prior periods.

Workday applies the tax of the original country to trailing payments.

Workday tracks on-cycle, off-cycle, and retro usage of payroll inputs. Workday doesn't pull one-time inputs into payroll processing multiple times for a worker within a pay period.

### Taxes and Other Automatically Calculated Pay Components

Workday automatically calculates these pay components for off-cycle payments:

For Payroll for Australia, Canada, and the U.S.:

Payment Type	Statutory Employer Taxes	Statutory Employee Taxes	Withholding Order Fees	One-Time Payments from Workday Compensation	Other Earnings and Deductions
On demand - additional	X	X	X		
On demand - replacement	X	X	X	X	X (active employees only)
Manual - additional	X				
Manual - replacement	X				

For Payroll for the UK:

Payment Type	Statutory Employer Taxes	Statutory Employee Taxes	Court Order Fees	One-Time Payments from Workday Compensation	Other Earnings and Deductions
On demand - additional	X	X	X	X	
On demand - replacement	X	X	X		X (active employees only)
Manual - additional	X				
Manual - replacement	X				

For Payroll for Ireland:

Payment Type	Statutory Employer Taxes	Statutory Employee Taxes	One-Time Payments from Workday Compensation	Other Earnings and Deductions
On demand - additional	X	X	X	X
Manual - additional	X	X		

For Payroll for Australia, Canada, the UK, and the U.S., on-demand replacement payments for active workers include the employee's other earnings and deductions that you would have included in the original on-cycle payment.

- For Payroll for Canada and the U.S., withholding order fees apply only when processing withholding orders.
- For Payroll for the UK, court order fees apply only when processing court orders.

For Payroll for Australia, Canada, France, the UK, and the U.S., on-demand replacement payments for active workers include the employee's other earnings and deductions that you would have included in the original on-cycle payment.

For on-demand payments, you can use the run category associated with the worker's pay group to configure Workday to calculate pay components automatically based on:

- A worker's status (*Active, Terminated, On Leave*).
- Other conditions.

For Payroll for France, Workday calculates withholding orders for on-demand replacement payments and on-demand additional payments.

### **Processing Rules for Off-Cycle Payments**

An employee can have multiple consecutive off-cycle payments for the same period or subperiod, and pay group. These rules apply:

- Only 1 manual payment and 1 on-demand payment can be in progress at a time. If you have an existing off-cycle payment, complete it before running another off-cycle payment.
- Calculate and complete off-cycle payments 1 at a time.
- Complete off-cycle additional payments for a period or subperiod before completing on-cycle calculations for that period.
- When you complete retro for a retro hire in a subperiod, Workday creates a zero pay result for the subperiod. Therefore, you can't run an on-demand replacement payment for that subperiod.

### **Example: On-Demand Replacement Payments for Terminated and Rehired Workers (AUS, CAN, FRA, UK, USA)**

The pay period is from January 1 to January 31. Jake is a short-term contract worker that you terminate, rehire, and terminate again in the same month.

Because you can have only 1 on-demand replacement payment in progress at a time, follow this specific sequence:

1. Terminate Jake on January 5. Workday creates the first subperiod from January 1 to January 5.
2. Run and complete an on-demand replacement payment for that subperiod.
3. Rehire Jake on January 10.
4. Terminate Jake again on January 16. Workday creates another subperiod from January 10 to January 16.
5. Run and complete an on-demand replacement payment for that second subperiod.

You can't run an on-demand replacement payment for the subperiod from January 5 to January 10 when Jake is inactive.

Related Information

#### **Concepts**

[Concept: Adjust Prior Period Payments](#) on page 742

#### **Examples**

[Example: Trailing Payments for International Transfers](#) on page 710

### **Concept: Next Period On-Demand Payments**

You can create an on-demand payment for a worker in the next period before you complete the current period for the entire pay group. This process enables you to generate pay for a worker on their termination date when it falls after the period end date.

## Example (AUS, CAN, FRA, UK, USA)

The current pay period is July 20 through August 2. You plan to complete the period on August 5. The pay date is August 7.

Max is involuntarily terminated on August 4. You need to pay him immediately for the current period, and for August 3 to August 4 in the next period. To generate final payroll for Max:

1. Run an on-demand replacement payment for Max in the current period.
2. Complete this payment.
3. Run an on-demand replacement payment for Max in the next period.
4. Complete the next period on-demand payment.

## Workflow

Before you can create a next period on-demand payment for a worker, you must complete that worker's pay results in the current period and prior periods. After you've created the next period payment for a worker:

- You can't reverse the worker's next, current, or prior period pay results until the next period becomes the current *In Progress* period.
- Note: Payroll for Ireland doesn't support payment reversals.
- You can't create a new prior period result for the worker until the next period becomes the current *In Progress* period.

When a worker has current period pay results in multiple run categories, you only need to complete the result that's in the same run category as the next period on-demand payment.

Next period results that are still *In Progress* when you complete the current period become current period results when you recalculate them after the next period has moved from *Opened for Off-Cycles* to *In Progress*.

Cancelling new pay results in the next period doesn't affect next period on-demand payments you've already completed.

## Payroll Calculation Status

When you create a next period on-demand payment, Workday assigns the *Opened for Off-Cycles* calculation status to the period. This status indicates that there is at least 1 on-demand payment in the period. Workday changes the next period status from:

- *Opened for Off-Cycles* to *In Progress* after you complete the current period and create a new on-cycle or off-cycle result in the next period.
- *In Progress* to *Opened for Off-Cycles* when you cancel next period results. Workday doesn't cancel results created as next period on-demand payments that have a status of *In Progress* or *Completed*.
- *Opened for Off-Cycles* to *Not Yet Started* when you cancel all next period on-demand payments.

When the next period is in *Opened for Off-Cycles* status, cancelling all results in the current period leaves the current period status *In Progress*. If enabled, Workday pauses continuous payroll calculation for the current period.

## Period Prompts

An *Opened for Off-Cycles* subprompt to the Period prompt is available on tasks and reports that enable you to process next period on-demand payments. The subprompt:

- Displays only when a next period on-demand payment exists.
- Includes only periods with the status *Opened for Off-Cycles*.

## Paying Retro Differences

By default, Workday pays retro differences in the current pay period. But when a worker has a completed off-cycle result in the current period, you can target the next open period. Example: The current pay period is March. You run and complete an on-demand replacement payment for Mary to process a retro compensation change. You open April to on-demand payments. Mary is also due a retro bonus that you want to pay in April. You can update the target period:

- On an individual retro result by selecting Retro Pay Calculation > Update from the related actions menu. You can then complete the retro result and the on-demand payment.
- By default for all retro results by selecting the Target Next Period When Current Period Replacement Payment is Complete check box on the Edit Tenant Setup - Payroll task. Workday advances the target period when the completed off-cycle result is in the primary pay group.

## Example: Prorate an Earning in On-Demand Payments

This example illustrates how to prorate an earning in an on-demand payment.

### Context

Global Modern Services has monthly pay periods. On January 16, Lee, an employee, has a pay rate increase:

Dates	Pay Rate
2020-01-01 to 2020-01-15	10.00 USD
2020-01-16 to 2020-01-31	15.00 USD

You want to provide an on-demand payment for additional hours that Lee worked in January. You also want to prorate the earning amounts to reflect his pay increase.

### Prerequisites

Create an *Hourly Pay* pay component.

Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

### Steps

1. Access the Run On Demand Payment for Worker task.
2. Enter these settings:

Option	Value
Period	01/01/2020 - 01/31/2020
Pay Group Detail	Global Modern Services
Worker	Lee
Create Additional Payment	Select the option.

3. Click OK.
4. In the Payroll On Demand Pay Calculation section, enter:

Option	Value
Reason	Additional Pay
Sub-Period Target Date	01/31/2020

Payment Date	01/31/2020
Priority	I

5. In the Input grid, add these rows:

End Date	Pay Component	Input Details - Type	Input Details - Value
01/15/2020	<i>Hourly Pay</i>	<i>Hours</i>	80
01/31/2020	<i>Hourly Pay</i>	<i>Hours</i>	80

## Result

Workday calculates a prorated pay component based on Lee's different pay rates. The pay component will amount to 2000 based on the calculation  $(80 * 10) + (80 * 15) = 800 + 1200 = 2000$ .

Related Information

### Concepts

[Concept: Off-Cycle Payments and Proration](#) on page 288

### Tasks

[Create On-Demand Additional Payments](#) on page 693

## Example: Trailing Payments for International Transfers

This example illustrates how to calculate and pay a trailing payment for a worker who transfers internationally.

Note: Payroll for Ireland and the UK support international transfers, but not international assignments.

### Context

Ava transfers from a US position to a Canadian position. Prior to 2023, Ava was in the Global Modern Services US (Monthly) pay group for GMS US. In 2023, Ava moved to the Global Modern Services Canada (Monthly) pay group for GMS Canada. After moving to the Canada monthly pay group, Ava is eligible to receive a 5000 USD bonus for the US position, made payable today.

### Prerequisites

Access the Edit Run Categories task and define for on-demand additional payments the:

- Run category statuses to calculate on the General tab.
- Pay components to calculate on the Off Cycle (On Demand Additional, Manual) tab.

Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

### Steps

1. Access the Run On Demand Payment for Worker task.

2. Select the Trailing Payments check box.

You can't select the Prior Period check box when you select Trailing Payments. Trailing payments process in the current pay period.

3. Enter these values:

Option	Description
Period	The current pay period: 05/01/2023 - 05/31/2023 (Monthly)
Pay Group Details	Global Modern Services, US (Monthly)

Option	Description
Worker	<i>Ava</i>
Create Additional Payment	<i>Selected</i>

4. Click OK.
5. Enter these values:

Option	Description
Reason	<i>Bonus</i>
Sub-Period Target Date	<i>05/31/2023</i>
Payment Date	<i>05/31/2023</i>
Priority	<i>1</i>

6. In the Override Worktags section, select *GMS US* from the Company prompt.

In this example, Ava receives the bonus payment from her previous US position, which the US company pays.

7. Add these values in the Input grid:

End Date	Pay Component	Input Details - Type	Input Details - Value
<i>05/31/2023</i>	<i>Bonus</i>	<i>Amount</i>	<i>5000</i>

## Result

Workday processes the trailing payment for Ava under her previous US-based position and applies US taxes based on the 2023 payment date.

### Related Information

#### Concepts

[Concept: Off-Cycle Payments](#) on page 703

#### Tasks

[Create On-Demand Additional Payments](#) on page 693

## Example: Create On-Demand Payments for Pennsylvania

This example illustrates how to create an on-demand payment for workers in Pennsylvania using override worktags.

### Context

You want to provide an on-demand additional payment for Jake Lee for additional hours that Lee worked in Albany Township, Pennsylvania. Lee has a Pennsylvania city (work) tax election for Bern Township, so you must override Lee's tax election for Albany Township.

### Prerequisites

- Review setup considerations for on-demand payments.
- Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

### Steps

1. Access the Run On Demand Payment for Worker task.

2. Enter these values:

Option	Value
Period	Select Period to Calculate > 01/01/2019 - 01/31/2019 (Monthly).
Pay Group Detail	<i>USA Monthly: Regular (Monthly)</i>
Worker	<i>Jake Lee</i>
Create Additional Payment	Select this option.

3. Click OK.

4. In the Payroll On Demand Pay Calculation section, enter these values:

Option	Value
Reason	Additional Pay
Sub-Period Target Date	<i>01/31/2019</i>
Payment Date	<i>01/31/2019</i>
Priority	<i>1</i>

5. In the Override Worktags section, select these values:

Option	Value
State Authority (Work)	<i>Pennsylvania</i>
City Authority (Work)	<i>Albany Twp (Pennsylvania: Berks)</i>

If the worker has the Primary EIT check box selected on their work city tax election, it will override the City Authority (Work) field.

6. Add these values to the Input grid:

Option	Value
End Date	<i>01/31/2019</i>
Pay Component	<i>Hourly Pay [USA]</i>

7. Add these Input Details to the row:

Type	Value
Input Details - Type	<i>Hours (unprorated)</i>
Input Details - Value	<i>10</i>

8. Click OK.

9. Click Refresh to view the status of the calculation. When the process is complete, review the on-demand payment to verify the results.

## Result

Workday creates the on-demand additional payment, and Lee receives the correct pay for hours worked in Albany Township.

## FAQ: Off-Cycle Payments

How do I delete an off-cycle payment?

For individual off-cycle payments with in-progress calculation results, select Pay Calculation > Cancel from the related actions menu of the pay result.

For completed off-cycle payments that haven't been settled or reversed, you can change the calculation result status to *In Progress* and then cancel the payment.

- Use the Cancel Off-cycle Complete task to cancel 1 off-cycle result at a time.
- Use the Cancel Off-Cycle Complete for Group of Results task to cancel multiple off-cycle results at once.

You can only cancel off-cycle complete for results that:

- Are from the current or next period.
- Haven't been settled.
- Haven't been reversed.
- Aren't referenced in retro results.

In addition, you can't cancel off-cycle complete if:

- There are more recent in-progress or completed results.
- The worker has a next period on-demand payment for the same pay group.

How can I change the date of an off-cycle payment?

To change the date after calculating an on-demand or manual payment, cancel the payment and recreate it with the correct date.

How can I reverse on-demand calculation results before they're completed?

You can cancel on-demand calculation results before completion and recreate them if needed.

How can I reverse completed on-demand calculation results?

If you haven't yet reconciled results with your bank statement, you can back out of a worker's completed calculation results by reversing the payment.

Where can I view off-cycle payments for workers?

You can view payroll input for off-cycle payments by accessing the Pay Calculation Off-cycle Inputs for Group of Workers report. After calculation, you can also view off-cycle payments under the worker's pay result.

Can I process multiple off-cycle payments for the same worker?

Yes, you can create multiple off-cycle payments for the same worker, period or subperiod, and pay group. But if you have multiple payments of the same type for the worker, only 1 pay calculation result can have a status of *In Progress*.

When you use the Enterprise Interface Builder (EIB) to load multiple off-cycle payments of the same type for a worker, access the Maintain Off-

Can I use a manual payment to handle nonqualified stock options (CAN, UK, USA)?	cycle Payment Priority task to define the processing priority for each payment.
How can I pay a worker after they've transferred internationally (AUS, CAN, UK, USA)?	Yes. You can pay options outside of Workday Payroll and then batch load the manual payments into Workday using the EIB.
Can I reverse a settled check?	You can select the Trailing Payment check box on the Run On Demand Payment for Worker task to process off-cycle payments for a single-job worker when they permanently transfer to another country.
	Use the Worktag Override section to set the Company to the previous job to determine taxation.

For Payroll for the UK, for the payment to be treated as a payment after leaving by HMRC, ensure that you've already generated a P45 for the worker.

No. You can only run reversals for payments you haven't reconciled yet with the bank statement. When it's too late for a reversal, you can run on-demand payments, manual payments, or retro pay calculations for the prior period.

#### Related Information

##### **Concepts**

[Concept: Off-Cycle Payments and Proration](#) on page 288

##### **Tasks**

[Adjust Payment Priorities for Off-Cycle Payments](#) on page 727

##### **Examples**

[Example: Trailing Payments for International Transfers](#) on page 710

## Process Manual (Off-Cycle) Payments by Worker

### Setup Considerations: Manual Payments

You can use this topic to help make decisions when planning your configuration and use of manual payments. 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 They Are

Manual payments enable you to record payments made outside of Workday Payroll. Manual payments can either replace a worker's regular pay or add to it. Payroll for Ireland only supports manual additional payments.

## Business Benefits

You can record manual payments to workers at any point in time, including in prior periods.

Workday calculates employer statutory taxes for manual payments, and updates the accounting and ledger.

## Use Cases

You can run manual payments to record external payments such as cash or checks to:

- Record payments that workers issue in advance to cover deductions for a future leave of absence with no pay.
- Correct a payroll error.
- Record adjustments in the current or prior year to solve tax discrepancies (AUS, CAN, FRA, UK, USA).
- Record the exercise of stock options.
- For Payroll for the U.S., record third-party sick pay when the third party withholds employee taxes and transfers liability for the employer taxes to you.
- Adjust worker taxable wage buckets after a stock sale.
- Reduce a worker's arrears balance in Workday when a worker pays a deduction using a personal check.
- Reduce the outstanding balance of a worker's flexible payment and deduction option when the worker repays all or part of the outstanding balance outside of payroll.

## Questions to Consider

Questions	Considerations
What volume of manual payments does your company process?	<p>You can use the:</p> <ul style="list-style-type: none"> <li>• <i>Import Payroll Off-Cycle Payment</i> web service to mass load manual payments.</li> <li>• Dedicated task to enter manual payments in low volumes.</li> </ul>
What taxes or pay components do you want to calculate for the manual payments?	<p>You can configure which pay components to process in manual payments on the Off Cycle (On Demand Additional, Manual) tab of your run category. Pay components resolve based on the run category configuration, so Workday calculates amounts when either:</p> <ul style="list-style-type: none"> <li>• The manual payment has entries for the calculation the pay component is using. Example: You configure a pay component to calculate 10% of a pay component related calculation (PCRC). Workday resolves that component only when the PCRC has a manual payment entry. The PCRC can also be from the pay component on the run category configuration.</li> <li>• All amounts are contained within the pay component. Example: You configure a pay component to calculate a flat amount of 100.</li> </ul>
Which periods do you want to run manual payments for?	You can run a manual payment for a:

Questions	Considerations
	<ul style="list-style-type: none"> <li>Subperiod that's no later than the next period to process. The status of the subperiod is either <i>In Progress</i> or <i>Not Yet Started</i>.</li> <li>Completed prior period up to 6 years before the current period.</li> </ul> <p>To record payments before the effective date of your first Workday Payroll transactions, load them as payroll history. Examples: Bonus wages paid by a company you acquired, earnings that contribute to year-to-date reporting, or pay balances used in payroll calculations.</p> <p>Payroll for Ireland doesn't support corrections or reversals.</p>
How do you want manual payments to impact the worker's payroll?	<p>You can run a manual payment to either:</p> <ul style="list-style-type: none"> <li>Replace a worker's regular pay and exclude the worker from regular on-cycle payroll for that period.</li> <li>Add to a worker's regular pay for the period. Workers can have multiple additional payments for 1 subperiod.</li> </ul> <p>To impact a worker's regular pay and pay the worker in Workday, use payroll inputs or on-demand payments. Example: You can use payroll inputs to process a refund on a worker's pay.</p>
Do you want to prevent payroll administrators and partners from running manual payments for themselves?	<p>Workday user interface tasks automatically prevent any user from adding or editing payments for themselves. Users can only run manual payments for themselves by using a web service. To prevent them from doing so, select the Payroll Web Services - Do Not Allow Add/Update for Worker as Self check box on the Edit Tenant Setup - Payroll task.</p>

## Recommendations

For Payroll for Australia, run manual payments instead of on-demand payments to adjust tax amounts, since Workday calculates employee taxes and superannuation for on-demand payments.

For Payroll for Canada and the U.S., run manual payments instead of on-demand payments to:

- Adjust tax amounts, since Workday calculates employer and employee statutory taxes for on-demand payments.
- Achieve a specific amount on year-end forms for withholding.

For Payroll for Ireland, run manual additional payments instead of on-demand additional payments to adjust tax amounts, since Workday calculates employee taxes for on-demand payments.

For Payroll for the UK:

- Run on-demand payments instead of manual payments to adjust payment amounts, since Workday calculates employer and employee statutory taxes for on-demand payments and reports the amounts to HMRC.

- Run manual payments instead of on-demand payments in situations where you need to adjust tax amounts, since Workday doesn't calculate employer and employee statutory taxes for manual payments. Consider running manual payments for pay periods before the previous pay period, since it's likely you need to correct tax amounts. Manually add related calculations for statutory taxes.

For Payroll for the U.S., to prevent calculation errors when running manual payments for FLSA, indicate end dates that correspond to the appropriate FLSA period.

To change the pay period date that you're targeting for the manual payment, cancel the manual payment and run another one.

For best performance when loading manual payments in bulk, use the *Import Payroll Off-Cycle Payment* web service.

## Requirements

Verify bank account information by making sure that:

- There's at least 1 *Manual* Payment Method configured on the Maintain Payment Types task.
- The bank account setup for payroll payments has a *Manual* Allowed Payment Type.

## Limitations

You can't:

- Replace manual payment values with payroll inputs you enter on the Add Payroll Input by Worker task. Use on-demand payments instead (AUS, CAN, FRA, UK, USA).
- Cancel completed manual payments that you ran for prior periods.
- Calculate employee taxes or supplemental taxes on manual payments in Workday. Use on-demand payments instead.

You can:

- Run manual payments for periods with a forward accrual, but Workday won't create an accrual.
- Settle positive manual payments, but not negative ones.

## Tenant Setup

Use the Edit Tenant Setup - Payroll task to:

- Set the accounting date for off-cycle payments as either the payment date or the period end date.
- Prevent users from using a web service to create manual payments for themselves.

## Security

Configure these domains in the Core Payroll functional area:

Domains	Considerations
<i>Process: Off-Cycle</i>	Enables users to run manual payments in batches.
<i>Process: Off Cycle (Manual Payment)</i>	Enables users to run manual payments.
<i>Reports: Pay Calculation Results for Pay Group (Results)</i>	Enables users to: <ul style="list-style-type: none"> <li>Adjust priorities for manual payments.</li> <li>Display manual payments by pay group and period.</li> </ul>

## Business Processes

No impact.

## Reporting

You can use the:

- Pay Calculation Off-cycle Inputs for Group of Workers report to display manual payments by pay group and period. You can run it for specific statuses, batch IDs, or both.
- Payroll Off-cycle Payments for Group of Worker report data source to create a custom report that contains manual payment information.

## Integrations

You can use the *Import Payroll Off-Cycle Payment* web service to load high volumes of manual payments, and then:

- Adjust the priority of each payment.
- Process the payment using the Run Off-cycle Pay Calculation task.

You can also use the web service to run manual payments in bulk as reversals of other off-cycle payments.

Payroll for Ireland doesn't support reversals.

## Connections and Touchpoints

Features	Considerations
Payroll processing	For a worker in a given pay group and period, you can run multiple payments types. Workday processes the payments in this order to update pay accumulations and pay balances: <ol style="list-style-type: none"> <li>1. Manual</li> <li>2. Reversal</li> <li>3. On-demand</li> <li>4. On-cycle</li> </ol>
Run category	You can configure which pay components to process in manual payments on the Off Cycle (On Demand Additional, Manual) tab of your run category.
Settlement	When you run manual payments, Workday updates the accounting and ledger, even though you process the payment itself externally. Ensure that you provide accurate bank account information.
Year-end processing	You can run manual payments to correct workers' wages and taxes for a prior period. When these payments have an effect on year-end forms, complete all manual payments before finalizing year-end data for your workers.

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

### Concepts

[Setup Considerations: Payroll Input](#) on page 603

[Setup Considerations: On-Demand Payments](#) on page 683

### Tasks

[Steps: Prepare and Load Payroll History](#) on page 195

## Create Manual Payments

### Prerequisites

Review setup considerations for manual payments.

Understand how Workday processes manual payments.

For Payroll for the U.S., to ensure the accuracy of the Political Subdivision (PSD) code for employees in Pennsylvania, verify that the employee contact information contains both the work city and resident city.

Verify bank account information by making sure that:

- There's at least 1 *Manual* Payment Method configured on the Maintain Payment Types task.
- The bank account setup for payroll payments has a *Manual* Allowed Payment Type.

Security: *Process: Off Cycle (Manual Payment)* domain in the Core Payroll functional area.

### Context

For Payroll for the U.S., to maintain accurate payroll information for employees, you can record payments made outside of Workday Payroll, such as:

- Third-party payments for sick pay.
- The exercise of stock options.

For Payroll for Canada, Ireland, and the UK, to maintain accurate payroll information for employees, you can record payments made outside of Workday, such as payments for the exercise of stock options.

Payroll for Ireland only supports manual additional payments.

Workday doesn't prorate manual payments. If a payment is subject to gross-to-net proration, enter a separate payment for each subperiod with the subperiod target date.

You can create manual payments for gross-up earnings, but Workday doesn't calculate a gross up amount.

Workday settles positive manual payments, but doesn't generate an electronic payment for them. Workday doesn't settle:

- Negative manual payments.
- Third Party Sick Pay manual payments.

Some off-cycle payment tasks use machine learning prompt recommendations to help you complete the tasks more easily. See [Concept: Intelligent Prompt Recommendations for Payroll](#).

### Steps

1. Access the Run Manual Payment for Worker task.
2. As you complete the task, consider:

Option	Description
Third Party Sick Pay (USA)	Select to record third-party sick pay. Applies to Payroll for the U.S. only.
Prior Period	Select to process: <ul style="list-style-type: none"> <li>• An additional payment for a completed prior period.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>A replacement payment for a prior period or subperiod with no on-cycle results. Example: A period with a canceled on-cycle result (AUS, CAN, FRA, UK, USA).</li> </ul> <p>You can select any period in the 6 calendar years preceding the current year. Workday determines the current year as the year of <i>In Progress</i> results or the next period to calculate.</p>
Worker	You can't use the Run Manual Payment for Worker task to add a payment for yourself.
Existing Payment	Enter a payment ID and select Existing Payment to edit a payment that's in progress.
Create Replacement Payment	<p>Select to either:</p> <ul style="list-style-type: none"> <li>Replace a worker's regular on-cycle payment.</li> <li>Pay workers who have no regular on-cycle results for the current period. Examples: Workers with unprocessed timesheets, workers with results reversed in error.</li> </ul> <p>Note: Payroll for Ireland doesn't support manual replacement payments or payment reversals.</p> <p>You can replace worker payments for periods or subperiods that have a status of <i>In Progress</i> or <i>Not Yet Started</i>. When you create a manual replacement payment for a pay period, Workday excludes the worker from the regular on-cycle run for that period.</p> <p>A worker can only have 1 replacement payment (manual or on-demand) for a period, pay group, and company. If the pay period has subperiods, a worker can have multiple replacement payments per period, but only 1 per subperiod. Only 1 replacement payment can be in progress at a time. Complete the existing payment before running another one.</p>
Create Additional Payment	Select to make a payment in addition to the worker's regular on-cycle earnings for the period. A worker can have multiple additional payments.

3. In the Payment Information section, consider:

Option	Description
Batch ID	Displays when you import payment information using the Enterprise Interface Builder (EIB). You can't create a new batch ID here.

Option	Description
Reason (USA)	For third-party sick pay manual payments, select Third Party Sick Pay.
Sub-Period Target Date	<p>For additional or replacement payments, determines the default worktags for the payment.</p> <p>When a worker has a midperiod change that causes gross-to-net proration, select a date in the subperiod that the payment applies to. Workday doesn't prorate manual payments. Create a separate manual payment for each subperiod, if needed, entering the appropriate Sub-Period Target Date.</p> <p>Example for Payroll for Canada and the U.S.: On January 21, Laura's work state changes from New York to New Jersey, creating 2 subperiods:</p> <ul style="list-style-type: none"> <li>• January 15 - January 20.</li> <li>• January 21 - January 30.</li> </ul> <p>To enter an additional payment that applies to work performed in New York, enter January 20.</p>
Payment Date	<p>Determines which tax tables apply.</p> <p>Workday updates pay accumulation and pay balance results in the period or subperiod that includes the payment date.</p>
Priority	<p>Determines the processing order when you add multiple manual payments for the same worker, period or subperiod, and pay group. Enter 1 when the worker has 1 manual payment.</p> <p>To adjust the priority of multiple manual payments for a worker, access the Maintain Off-Cycle Payment Priority task.</p>
Net Amount	<p>Validates that the input amounts are correct. Must equal the total amount of the earnings and deductions entered in the Input section.</p>
Bank Account	<p>Records the bank account and check number that you can use for bank reconciliation within Workday or externally, when using a separate bank account for manual payroll payments.</p> <p>Workday only displays the bank accounts that are related to a worker's primary position.</p> <p>For net pay equal to zero, Workday requires you to specify the bank account when you have multiple payment types associated with a manual payment method.</p> <p>For additional manual payments where the net pay is less than zero, you don't need to:</p>

Option	Description
	<ul style="list-style-type: none"> <li>Specify a bank account or check number for Payroll for Canada and the U.S.</li> <li>Specify a bank account for Payroll for Ireland and the UK.</li> </ul>
Maximum Check Number Used	Displays the largest check number used to date.

4. (Optional for Payroll for Canada, Ireland, the UK, and the U.S.) [Override Worktags for Manual Payments](#) on page 724.

5. In the Input section, consider:

Option	Description
End Date	<p>For additional and replacement payments. Preset to the Sub-period Target Date and determines the values (including worktags) to use when calculating the pay component.</p> <p>To prorate the pay component, change the End Date to target the input to the appropriate subperiod. Enter a date between the period start date and the Sub-Period Target Date.</p> <p>For Payroll for the U.S., to make a payment for a biweekly FLSA work period, add a row for each week and enter the End Date for the corresponding FLSA week.</p> <p>To prorate the employee's gross-to-net pay, instead of a pay component, create a separate payment for each subperiod.</p>
Pay Component	<p>Lists earnings and deductions that are valid for the worker's pay group and run category.</p> <p>Workday automatically calculates statutory employer taxes for manual additional payments. When you enter a tax amount for an employer statutory tax, Workday overrides the calculated amount.</p> <p>Pay components can resolve based on the Off Cycle (On Demand Additional, Manual) tab of your run category, so Workday calculates amounts when either:</p> <ul style="list-style-type: none"> <li>The manual payment has entries for the calculation that the pay component is using. Example: You configure a pay component to calculate 10% of a pay component related calculation (PCRC). Workday resolves that component only when the PCRC has a manual payment entry. The PCRC can also be from the pay component on the run category configuration.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>All amounts are contained within the pay component. Example: You configure a pay component to calculate a flat \$100.</li> </ul>
Position	<p>Applies if your Workday tenant allows for multiple jobs.</p> <p>Required for position-based pay components. Select a position that is active on the subperiod target date.</p> <p>Workday includes the position worktag in journal entry lines.</p> <p>For Payroll for the U.S., when adjusting position-based wages and taxes such as OASDI, after an employee changes their position, be sure to select the correct position.</p>
Worktags	<p>When using a manual payment to reduce the balance on a worker's flexible payment and deduction, add the worktag of the flexible payment and deduction option.</p>
Costing Company	<p>Use to charge this payroll item to a company other than the worker's default company. This column is available if you enable intercompany accounting in your tenant.</p>
Input Details - Type	<p>The type of value you want to record, such as <i>Amount</i>, or a PCRC.</p> <ul style="list-style-type: none"> <li>For Payroll for Australia, Canada, Ireland, the UK, and the U.S., for earnings and voluntary deductions, select <i>Amount</i> or any PCRC configured to allow input. Example: If a pay component is defined as <i>Amount = Rate x Hours</i>, select <i>Rate</i>, <i>Hours</i>, and <i>Amount</i>.</li> <li>For employee statutory taxes for Payroll for Canada and the U.S.: <ul style="list-style-type: none"> <li>Select <i>Amount</i> or any PCRC configured to allow input and enter a tax amount.</li> <li>Workday populates amounts for Gross Wages, Subject Wages, Taxable Wages, or Regular Taxable Wages. Select these PCRCs when you want to override the amounts.</li> <li>Consider if you need to add the regular tax PCRC to the manual payment anytime you process regular taxable wages.</li> </ul> </li> <li>For employee statutory taxes for Payroll for Ireland and the UK, select <i>Amount</i>.</li> </ul>

Option	Description
	<p>and any PCRCs configured to allow input.</p> <ul style="list-style-type: none"> <li>For employer statutory taxes, Workday automatically calculates them. You can also override the calculated value (Amount or PCRC) with a value you enter.</li> <li>For a gross-up earning, select Amount to define the gross amount. If you select the Net Amount (for Gross-Up) PCRC, Workday records the net amount for recording purposes. However, Workday doesn't use it for calculations.</li> </ul>
<b>Value</b>	<p>The pay component amount and the values of the PCRC that make up the amount.</p> <p>Workday doesn't calculate the amount of a pay component from the PCRC values that you enter in this field; it simply reports the values entered.</p>
<b>Comments</b>	Explain any selections or values that differ from standard practice.

## Next Steps

Recalculate any *In Progress* on-cycle payments.

Complete the manual payment.

### Related Information

#### Concepts

[Concept: Off-Cycle Payments](#) on page 703

[Concept: Off-Cycle Payments and Proration](#) on page 288

#### Tasks

[Steps: Process Third-Party Sick Pay \(USA\)](#) on page 1066

[Steps: Set Up Settlement](#)

#### Reference

[FAQ: Payroll Processing](#) on page 679

## Override Worktags for Manual Payments

### Prerequisites

Create a manual payment for a worker.

### Context

By default, Workday applies worktags based on:

- Subperiod target date.
- Worker's primary position.

You can override the default worktag values for either:

- The entire manual payment.

- A pay component within the on-demand payment.

Note: Overriding worktag values isn't supported for Payroll for Australia or France. It's an optional step for Payroll for Canada, Ireland, the UK, and the U.S.)

For more information on worktags, see [Concept: Worktags](#).

## Steps

1. Access the Run Manual Payment for Worker task.
2. Expand the Reference Worktags section to review the default, Workday-owned worktags.
3. Expand the Override Worktags section and select overrides for any of the reference worktags for calculations, reporting, or journal entry costing.

For additional payments, Workday calculates the payment for the company associated with the worker's primary position, by default. You can select a different company in the Company worktag prompt. Example: Select a Company when paying a position in a different pay group from the primary position.

If you have set up related worktags, Workday adds the worktag you select and its related worktags. You can remove any you don't want.

For Payroll for Canada, you can override the reference worktag for Province Authority (Work) with another province. If the worker works outside of Canada, you can select:

- *United States*
  - *Other*, for any other country.
4. In the Input section, enter worktag values for the pay component, if different from the values in the Override Worktags or Reference Worktags section.

Option	Description
Worktags	<p>If the pay component has one or more calculation worktag types defined, select a value for each of the worktag types. If you have set up related worktags, Workday adds the worktag you select and its related worktags. You can remove any you don't want.</p> <p>Example (USA): If the pay component is <i>State Withholding (Resident) [USA]</i>, select a Payroll State in the Worktags field.</p> <p>Example (CAN): For the <i>Province Income Tax (PIT) [CAN]</i> pay component, select a Payroll Province in the Worktags field.</p>
Company	<p>Applies to worker-based pay components processed as part of a manual payment.</p> <p>When you load payroll input by selecting the Load or Refresh Input check box, Workday doesn't modify the Company specified on the input. However, Workday doesn't process any payroll input when the Company is different from the one specified in the Override Worktags section.</p>

## Result

For Payroll for Canada, if the worker is Canadian and works outside of Canada or, if you override the Province Authority (Work) for a Canadian worker outside of Canada, the Payroll Results display *United States* or *Other* for the:

- Province of Employment field in the Result Details section.
- Worktags field for *Province Income Tax [PIT] [CAN]* on the Taxes section of the Gross-to-Net tab. In addition, the off-cycle amount displays for Subject Wages and Taxable Wages, but other taxes display as zero.
- Province (Work) field on the Tax Authority - (Work) section of the Tax Elections tab.

## Process Off-Cycle Payments in Batch Mode

### Steps: Upload Off-Cycle Payments Using EIB

#### Prerequisites

Security: *Process: Off-Cycle (On Demand)* and *Process: Off-Cycle (Manual Payment)* domains in the Core Payroll functional area.

#### Context

You can create an EIB to process multiple manual and on-demand payments for workers. You can use the EIB to initiate or modify off-cycle payments, but you can't use it to reverse the payments by batch.

When processing manual or on-demand payments in batch mode, you can use a single batch file for:

- Multiple batch IDs.
- Multiple payroll periods or subperiods, and pay groups.
- Payments for both current and prior years.

Each payment must have a payment ID that remains unique for all off-cycle events.

Payroll for France doesn't support manual payments.

#### Steps

1. Set Up Inbound EIB.

Select *Import Payroll Off-cycle Payment (Web Service)* from the Template from Web Service Operation prompt.

Workday recommends that you use the *Import Payroll Off-Cycle Payment* web service as it helps optimize bulk imports. These steps also apply to EIBs based on the *Put Payroll Off-cycle Payment* web service.

2. Select Template Model > Generate Spreadsheet Template from the related actions menu of the integration system for the upload.

To maintain the correct spreadsheet format, don't change the file extension (.xml or .xlsx) generated for the template. However, Workday recommends you to use XLSX format over XML when generating a new spreadsheet.

Security: *Integrations: EIBs*, *Integration Configure*, and *Integration Event* domains in Integration functional area.

3. (Optional) Customize EIB Spreadsheet Template.

To customize the template, edit the template model of the EIB.

4. Enter business data in the spreadsheet.

See:

- [Concept: Data Entry in Payroll Off-Cycle Payment EIB Spreadsheets](#) on page 729.
- [Concept: Dates in Payroll Off-Cycle Payment EIB Spreadsheets](#) on page 732.

5. [Launch EIB Spreadsheet Upload](#).

6. Access the [Pay Calculation Off-cycle Inputs for Group of Workers report](#).

This report includes all off-cycle pay calculation results for manual and on-demand payments. It includes data:

- Uploaded through the EIB.
- Created on the [Run On Demand Payment for Worker](#) or [Run Manual Payment for Worker](#) tasks.

Security: *Reports: Pay Calculation Results for Pay Group (Results)* domain in Core Payroll functional area.

7. (Optional) [Adjust Payment Priorities for Off-Cycle Payments](#) on page 727.

8. [Calculate Off-Cycle Payments in Batches](#) on page 728.

9. [Complete Payroll](#) on page 659.

Related Information

### Concepts

[Concept: Off-Cycle Payments](#) on page 703

### Tasks

[Set Up EIB Spreadsheet](#)

## Adjust Payment Priorities for Off-Cycle Payments

### Prerequisites

Security: *Reports: Pay Calculation Results for Pay Group (Results)* domain in the Core Payroll functional area.

### Context

Workers can have multiple off-cycle payment types in the same period or subperiod and pay group. Only 1 payment for each worker can have the *In Progress* status at a time.

Workday processes payments based on the payment type and the priority:

- Workday processes manual payments first, then reversals, then on-demand payments.
- Note: Payroll for Ireland doesn't support payment reversals, and only supports on-demand additional payments.
- When a worker has multiple manual or on-demand payments, Workday uses the priority to determine the processing order.

You can change the priority for off-cycle payments:

- Uploaded in a batch.
- Created with the [Run On Demand Payment for Worker](#) or [Run Manual Payment for Worker](#) task.

### Steps

1. Access the [Maintain Off-cycle Payment Priority](#) task.
2. Search for off-cycle payments by worker.
3. In the Off-cycle Payments grid, change the Priority field.

*1* is the highest priority.

## Result

When you change a priority of an off-cycle payment that has results, Workday resets the calculation status to *Requires Re-calculation*.

## Example

To process an on-demand replacement payment before a bonus, set these values on the Maintain Off-cycle Payment Priority task:

Payment	Priority
Replacement	1
Bonus	2

## Next Steps

Calculate off-cycle payments.

# Calculate Off-Cycle Payments in Batches

## Prerequisites

- Load batch data for off-cycle payments.
- Security: *Process: Off-Cycle* domain in the Core Payroll functional area.

## Context

After batch loading off-cycle payments, you can calculate and create pay calculation results for the batch data.

## Steps

1. Access the Run Off-cycle Pay Calculation task.
2. As you complete the task, consider:

Option	Description
Prior Period	Select to process payments for a prior period or subperiod.
Next Period	Select to process payments for the next period, while the current period is still in progress.
Period	Select the pay period or subperiod for which to calculate payroll. <ul style="list-style-type: none"> <li>• Payments for the current period: Select a period or subperiod that is <i>In Progress</i> or <i>Not Yet Started</i>.</li> <li>• Payments for a prior period: Select any period or subperiod in the 6 calendar years preceding the current year.</li> <li>• Payments for the next period: Workday displays periods that follow a current <i>In Progress</i> period.</li> </ul>
Calculation Statuses	Uploaded off-cycle payments that you haven't processed yet have a status of <i>Not Yet Started</i> .

Option	Description
	When a worker has multiple off-cycle payments for the same period or subperiod, only 1 payment can have the status of <i>In Progress</i> at a time. Workday sets the highest priority payment to <i>In Progress</i> and the other on-demand payments to <i>Pending Completion of Prior</i> .
Limit Accounting Population Based on Calculation Criteria	Select to optimize calculation times. Workday then only processes accounting results that meet your calculation criteria. When you're ready to complete payroll, you can clear the check box to include recent costing allocation changes and refresh accounting for the entire population.

## Result

Workday uses the Payment ID to link pay calculation results to the batch input file.

## Next Steps

- Calculate and complete other off-cycle payments in order of priority.
- To delete an off-cycle payment batch, access the Delete by Batch ID task. Only payments with a *Not Yet Started* status are available for batch deletion.
- When you use the Run Pay Cancel task to cancel an off-cycle pay calculation, Workday deletes the batch-loaded payment data.

## Concept: Data Entry in Payroll Off-Cycle Payment EIB Spreadsheets

To add multiple manual or on-demand payments, you can create an EIB based on the *Import Payroll Off-cycle Payment* web service. You can then enter data in a spreadsheet that corresponds to the inbound EIB.

These examples illustrate how to complete the EIB spreadsheet for the *Import Payroll Off-Cycle Payment* web service.

Note: Workday recommends that you use the *Import Payroll Off-Cycle Payment* web service, as it helps optimize bulk imports. These examples also apply to EIBs based on the *Put Payroll Off-cycle Payment* web service.

Example: Add a New On-Demand Payment (AUS, CAN, FRA, UK, USA)

You want to upload these on-demand payments for a worker:

- A year-end bonus of 500.
- A replacement salary payment of 3000.

Add these rows to the EIB spreadsheet:

Spreadsheet Key	Payroll ID	Priority	Payment Type	Result	Replace cycle	Earnings	Amount
1	8000	1	OnDemand	Paymen	Bonus	500	

Spreadsheet Key	Payment ID	Priority	Payment Type	Result	Replace Off-Cycle Input Data - Row ID	Earnings	Amount
2	8001	2	OnDemand	Manual Payment	Salary	3500	

Enter a new Payment ID to create a new off-cycle payment. Workday uses the payment ID to link the off-cycle payment to the pay calculation results.

Enter a unique Payment Priority for each payment. Workers can have multiple payments in the same period or subperiod. Workday uses the payment priority to determine the pay calculation order when processing the payments. Enter 1 when a worker has only 1 payment.

#### Example: Modify Existing On-Demand Replacement (AUS, CAN, FRA, UK, USA)

You want to modify an existing on-demand replacement payment for a worker's salary to 3500. You've used the Pay Calculation Off-Cycle Inputs for Group of Workers report to determine that the Payment ID of the existing payment is 8001.

Add this row to the EIB spreadsheet:

Spreadsheet Key	Payment ID	Result Type	Replace Off-Cycle Input Data - Row ID	Earnings	Amount
1	8001	OnDemand	Manual Payment	Salary	3500

Ensure that the Payment ID refers to the existing off-cycle payment. Workday overrides the existing off-cycle payment, and sets the payment status to *Requires Recalculation*.

You can't update off-cycle payments that have a status of *Complete*.

#### Example: Add a New Manual Payment

You want to add a new manual payment to record a payment that covers 2 exercises of stock options paid outside of Workday Payroll. The worker received 1 check for the payment of the 2 options.

Add this row to the EIB spreadsheet:

Spreadsheet Key	Payment ID	Result Type	Replace Off-Cycle Input Data - Row ID	Bank Account Number	Bank Account Name	Earnings	Amount
1	8002	Manual Payment	Stock Option_1	15607777	BANK_AC_STOCK_OPTION_1		

Spreadsheet Key	Payment ID	Priority Type	Result	Replacement Type	Net Amount	Off-Cycle Number	Bank Account	Earnings	Amount
Input Data - Row ID									
1							2	Stock	500

Ensure that the Net Amount equals the total amount of the earnings and deductions in the payment.

#### Example: Include Related Calculations on Off-Cycle Payments

You have an earning for hourly pay with related calculations for worked hours and hourly rate. You want to add a replacement off-cycle input for:

- Total pay: 400
- Worked hours: 40
- Hourly rate: 10

Add these rows to the EIB spreadsheet:

Spreadsheet Key	Payment ID	Priority Row ID	Earnings	Amount	Row ID	Related Input Calculation	Value
1	8005	1	Hourly Pay	400	1	Hours	40
1		1	Hourly Pay		2	Hourly rate	10

#### Deposit Payment to the Balance Account

You want to add an on-demand additional payment for a worker. You want to deposit the payment to the account designated in the worker's payment elections as the balance account.

Add this row to the EIB spreadsheet:

Spreadsheet Key	Payment ID	Priority	Pay Type	Result	Replacement Type	Off-Cycle	Balance	Bank Account	Earnings	Amount
Input Data - Row ID										
1	80071	USA	On-Demand Monthly		Payment	Off-Cycle	Balance	Bank Account	Bonus	\$000

To deposit an off-cycle payment to a worker's balance account, you must include the worker's pay group.

#### Example: Include Custom Worktags

You have custom worktags for loan numbers, and want to include loan numbers on the payroll input or off-cycle payment for a loan repayment deduction.

1. Access the Custom Worktag Values report.

2. Select Integration IDs > View IDs from the related actions menu of the loan number worktag. View the reference ID type and ID.
- Example:

Type	ID
Custom_Worktag_5	ID01

3. Enter these values in the spreadsheet:

Deduction	Custom Worktag 05
Loan repayment	01

#### Related Information

#### Concepts

[Concept: EIB Spreadsheet Data Entry Guidelines](#)

#### Tasks

[Steps: Set Up EIBs Using Templates from Web Service Operations](#)

#### Reference

[Workday Community: Import Payroll Off-Cycle Payment EIB - Inbound](#)

## Concept: Dates in Payroll Off-Cycle Payment EIB Spreadsheets

When uploading multiple off-cycle payments through an EIB spreadsheet, you need to indicate the period to which the payment applies.

These examples illustrate how to complete the EIB spreadsheet for the *Import Payroll Off-Cycle Payment* web service for a period with multiple subperiods.

Note: Workday recommends that you use the *Import Payroll Off-Cycle Payment* web service, because it's optimized for bulk import. These examples also apply to EIBs based on the *Put Payroll Off-cycle Payment* web service.

Example: On-Demand Additional Payments with Subperiods

On January 21, Julia's work state changes, creating 2 subperiods:

- January 1 - January 20.
- January 21 - January 31.

You want to upload a bonus for Julia, but you need to prorate the bonus payment for each period.

In the EIB spreadsheet, enter a separate payment with:

- A different Payment ID for each subperiod.
- A Period Date that corresponds to each subperiod.

Header Key	Payment ID	Period Date	Result Type	Replacement Cycle	Earnings	Amount
				Input Data - Row ID		
1	6000	2021-01-20	On Demand	Paymen	Bonus	2000
2	6001	2021-01-31	On Demand	Paymen	Bonus	1000

Example: On-Demand Replacement Payments with Subperiods (AUS, CAN, FRA, UK, USA)

On January 21, Robert's primary job changes, creating 2 subperiods:

- January 1 - January 20.
- January 21 - January 31.

You want to upload a replacement payment for the work performed in the first subperiod.

Add this row to the EIB spreadsheet:

Header Key	Payment ID	Period Date	Result Type	Replacement Cycle	Earnings	Amount	Reference Date
				Input Data - Row ID			
1	7000	2021-01-20	On Demand	Paymen	Bonus	2000	2021-01-20

Workday uses the Reference Date to determine the applicable reference worktags and subperiod. The Reference Date becomes view-only after Workday calculates the payment. To change the reference date, cancel the payment using the Run Pay Cancel task, and re-enter the date.

Note: Only use the Reference Date column for on-demand replacement payments.

Example: Next Period On-Demand Replacement Payments (AUS, CAN, FRA, UK, USA)

Ramona is terminated today, March 4. The monthly pay period for February is still *In Progress*. You need to pay her today for the days she worked in March.

Add this row to the EIB spreadsheet:

Header Key	Payment ID	Period Date	Result Type	Replacement Cycle	Earnings	Amount
				Input Data - Row ID		
1	7100	2021-03-04	On Demand	Paymen	Salary	900

### Example: On-Demand Payments for Inactive Workers

Enter a Period Date in the period immediately after the current *In Progress* period.

You can upload an on-demand replacement payment for Ramona's February pay in the same spreadsheet. You'll need to calculate and complete the February pay result before you calculate and complete the March result.

You want to upload an on-demand additional payment for Louis, who was terminated on March 25th. The payment covers the pay period from March 1 to March 31.

Add this row to the EIB spreadsheet:

Header Key	Payment ID	Period Date	Result Type	Replace	Eff Date	Earnings Cycle Input Data - Row ID	Amount
1	7500		OnDemand	1	Paymen	Bonus	1500

Ensure that the Period Date corresponds to the worker's termination date, or another date in which the worker was active.

#### Related Information

##### Tasks

[Steps: Set Up EIBs Using Templates from Web Service Operations](#)

## FAQ: Batch Off-Cycle Payments

How can I correct batch data for off-cycle payments?

If you loaded an entire batch with incorrect payment information, reload the data. Ensure that you use the same Payment IDs to avoid creating a duplicate entry. You can't reload data that has a payment status of *Complete*.

If only some payment information is incorrect, access one of these tasks to correct it:

- Run On Demand Payment for Worker
- Run Manual Payment for Worker

How can I delete imported off-cycle payments that Workday hasn't processed?

For imported off-cycle payments with a *Not Yet Started* status, access the Delete by Batch ID task.

When the payments have a status of *In Progress* or *Completed*, they aren't available for selection. In this case:

- For *In Progress* payments, access the Run Pay Cancel task to cancel and delete them.
- For *Completed* payments, access the Cancel Off-Cycle Complete for Group of Results task

to cancel the completion. Then, access the Run Pay Cancel task to cancel and delete the payments.

You can only cancel off-cycle complete for results that:

- Are from the current or next period.
- Haven't been settled.
- Haven't been reversed.
- Aren't referenced in retro results.

In addition, you can't cancel off-cycle complete if:

- There are more recent in-progress or completed results.
- The worker has a next period on-demand payment for the same pay group.
- Journals for the pay period have the status *In Error*.

## Adjust Payments

### Setup Considerations: Adjustments for Prior Periods

You can use this topic to help make decisions when planning your configuration and use of adjustments for prior periods for Payroll for Canada, Ireland, the UK, and the U.S. 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 They Are

Prior period adjustments enable you to run payments before the current in-progress period.

#### Business Benefits

Adjustments for prior periods give you the flexibility to correct past payments and help reduce manual processing by automatically:

- Calculating employer and employee statutory taxes for on-demand payments.
- Calculating employer statutory taxes for manual payments.
- Updating payroll accounting and ledger.

#### Use Cases

You can adjust prior payroll periods to:

- Correct an inaccurate gross wages amount.
- Record a personal check that workers issue to pay deductions in advance.
- Reverse incorrect final payments to terminated workers.
- Pay a worker for hours that they report after pay period already ended.

- Correct payroll for workers who enter an address change after you already calculated their taxes for Payroll for the UK and the U.S.

You can also adjust prior periods for year-end form corrections such as when:

- Workers enter inaccurate tax elections (USA).
- Workers don't update their tax elections when they move to a new state or locality and you need to adjust wage accumulators (USA).
- Third-party stock vendors report a transaction for a worker after their form is already complete (UK, USA).
- Workers report a gift card after their form is already complete (UK, USA).

For Payroll for Ireland, only adjust prior periods for year end when the payment date falls within the period date range.

### Questions to Consider

Questions	Considerations
How do you want to process the adjustments?	<p>You can process an adjustment:</p> <ul style="list-style-type: none"> <li>• As part of the workers' regular on-cycle pay, by creating a payroll input.</li> <li>• During the workers' regular on-cycle pay, but with a separate check, by creating another run category (CAN, USA).</li> <li>• Outside the workers' regular on-cycle pay, by running on-demand payments to replace or add to their pay.</li> </ul> <p>Note: Payroll for Ireland doesn't support on-demand replacement payments.</p> <p>You can also enter adjustments for payments made outside of Workday by running manual payments. Example: You want to record a personal check that a worker issues to clear arrears.</p>
What's your timeline for entering adjustments?	<p>You can use off-cycle payments to adjust prior periods you process in Workday up to 6 years before the current in-progress period. For periods that you haven't yet reconciled with a bank statement, you can run payment reversals.</p> <p>Note: Payroll for Ireland doesn't support payment reversals.</p> <p>You can also consider using retro pay processing for earlier periods that are after the workers' No Retro Processing Prior To date. Retro doesn't recalculate taxes:</p> <ul style="list-style-type: none"> <li>• In prior periods for Payroll for Canada and the U.S.</li> <li>• In prior periods for all events for Payroll for Ireland and the UK.</li> </ul>
What's the volume and frequency of adjustments?	For large volumes of adjustments, instead of running multiple off-cycle payments, you can:

Questions	Considerations
	<ul style="list-style-type: none"> <li>Run batch payments for one-off or intermittent payments using the <i>Import Payroll Off-Cycle Payment</i> web service. Example: You want to correct 1 deduction taken for all part-time workers.</li> <li>Create a new period schedule and run category for recurring prior period adjustments. Example: Every year, some data required for year-end processing is only available after you already complete the previous year.</li> </ul>
Which tax tables do you want to apply (UK, USA)?	<p>Workday uses the payment date to determine which tax tables to apply in off-cycle processing. Pay period end dates control the period for reporting and accounting transaction posting. To make prior period tax adjustments, you can run off-cycle payments for:</p> <ul style="list-style-type: none"> <li>Prior periods, to post the transaction in those periods.</li> <li>The current period with a payment date in a prior period, to post the transaction in the current period, while applying taxes from a prior period. You can configure this behavior at the tenant level.</li> </ul> <p>Example: To correct taxes in the first quarter, you can run a payment in the current payroll period while using a check date from January 1 to March 31. Workday then posts all accounting transactions in the current period, which can help reporting prior period transactions in external accounting systems.</p> <p>You can run manual payments to enter tax amounts manually.</p>
What's the effective date of your first Workday Payroll transactions?	<p>To record payments before the effective date of your first Workday Payroll transactions, load them as payroll history. Examples: Load payroll history for bonus wages paid by a company you acquired, or earnings that contribute to year-to-date reporting.</p> <p>You can change these history payments, but these corrections don't impact production payroll results that are already complete. For Payroll for the UK and the U.S., Workday adjusts self-correcting percentage taxes in the next payroll.</p> <p>Adding or changing historical results for a worker can impact calculations and results that use historical balances. Therefore, when you do so for workers with existing payroll results in Workday, verify all their current calculation results.</p>

Questions	Considerations
	<p>For Payroll for the U.S., Workday doesn't calculate FLSA amounts based on historical amounts. You can adjust this type of FLSA amounts manually either by:</p> <ul style="list-style-type: none"> <li>• Loading them as payroll history.</li> <li>• Entering payroll inputs and processing them in retro pay calculations.</li> </ul>

## Recommendations

To adjust tax amounts, use manual payments instead of on-demand payments because:

- Workday calculates employer and employee statutory taxes for on-demand payments.
- Manual payments provide you the flexibility to record a payment without all the pay processing requirements such as payroll bank account or settlement information.

For Payroll for the U.S., don't move workers from 1 FLSA calendar to another because it can cause unexpected results when processing prior period adjustments.

Payroll continues to process successfully even when the associated accounting journals are in error. Workday flags those errors only when you attempt to reverse or cancel completed results. To prevent issues with third-party systems, run the Fix Operational Journals With Errors report as part of the payroll process to audit and fix those errors.

## Requirements

To ensure proper processing, specify which pay components to calculate for on-demand payments on your run categories.

## Limitations

You can open the next period to on-demand payments only after the workers' prior or current period results are complete. After you create a payment in that next period for a worker, you can't create new results for them in the current or prior periods.

For some retro events such as retro hire, the retro pay calculation creates a zero pay result for the processed prior period. Therefore, you can't run on-demand replacement payments for the same subperiod.

You also can't:

- Cancel completed off-cycle payments that you run for prior periods.
- Issue trailing payments for prior periods.
- Include retro differences in prior period payments.

For Payroll for the UK, when you adjust prior tax years, Workday doesn't always automatically update HMRC using Real Time Information (RTI). Make sure to reconcile results and run on-demand additional payments as needed by using the:

- Earlier Year Update (EYU) process for the 2018-2019 and 2019-2020 tax years.
- RTI Employer Payment Summary (EPS) and Full Payment Submission (FPS), from the 2020-2021 tax year onwards.

## Tenant Setup

You can use the Edit Tenant Setup - Payroll task to:

- Prevent payroll administrators and partners from running on-demand payments for themselves using web services.

- Use the payment date instead of the period end date that contains the adjustment as the accounting date.

## Security

Domains	Considerations
<i>Process: Off-Cycle</i> in the Core Payroll functional area.	Enables users to run manual payments in batches.
<i>Process: Off Cycle (Manual Payment)</i> in the Core Payroll functional area.	Enables users to run manual payments.
<i>Process: Off Cycle (On Demand)</i> in the Core Payroll functional area.	Enables users to create on-demand payments.
<i>Process: Period End</i> in the Common Financial Management functional area.	Enables users to access reports to check the status of accounting periods.
<i>Process: Run Batch Cancel Complete</i> in the Core Payroll functional area.	Enables users to cancel a completed on-cycle payroll.
<i>Process: Tax Filing/W-2s (Reports) - USA</i> in the USA Payroll functional area (USA).	Enables users to view reports related to tax filing and W-2s.
<i>Process: Tax Filing (Reports) - CAN</i> in the CAN Payroll functional area (CAN).	Enables users to view reports related to tax remittances.
<i>Reports: Pay Calculation Results for Pay Group (Results)</i> in the Core Payroll functional area.	Enables users to: <ul style="list-style-type: none"> <li>• Adjust priorities for manual payments.</li> <li>• Display on-demand payments by pay group and period.</li> </ul>
<i>Worker Data: Payroll (Payroll Input)</i> in the Core Payroll functional area.	Enables users to view and enter payroll inputs for workers.

## Business Processes

No impacts.

## Reporting

Reports	Considerations
Ledger Period Journal Status	Enables you to check whether an accounting period is open or closed.
For Payroll for Canada: <ul style="list-style-type: none"> <li>• Provincial Employer Payroll and Health Tax Summary</li> <li>• Tax Remittance Summary - Federal</li> <li>• Tax Remittance Summary - Quebec</li> <li>• Workers Compensation Summary</li> <li>• Workers Compensation Summary by Company</li> </ul>	Enables you to identify differences caused by prior period adjustments, which require reconciliation with your tax liabilities.
For Payroll for the U.S.: <ul style="list-style-type: none"> <li>• Tax Filing Periodic Data by Company</li> </ul>	Enables you to identify differences caused by prior period adjustments requiring reconciliation with your tax liabilities.

Reports	Considerations
<ul style="list-style-type: none"> <li>• Tax Filing Periodic Data for Worker</li> <li>• Tax Filing Quarterly Data by Company</li> <li>• Tax Filing Quarterly Data for Worker</li> </ul>	
Pay Calculation Off-cycle Inputs for Group of Workers	Enables you to view on-demand payments by pay group and period or subperiod.
View Payroll Input by Worker(s)	Enables you to verify whether Workday already processed a worker's existing pay inputs in pay calculations or retro pay calculations.
View UK RTI FPS Data (UK)	Enables you to review FPS values generated for selected payroll results and verify their accuracy.
View Worker UK RTI EYU Details (UK)	Enables you to review a worker's RTI data for the previous tax year.
For Payroll for Ireland: View IRL Revenue Payroll Submission	Enables you to verify payroll results for your Revenue submission and identify any validation errors that may cause Revenue to reject the submission.

You can create custom reports for prior period adjustments using the:

- Journal Lines report data source.
- Payroll Accounting Filter (by Payment Date) data source filter.

Example: You manage your accounting externally and want to identify which adjustments to report since your last integration run.

You can also use the Payroll Off-cycle Payments for Group of Worker report data source to create custom reports about off-cycle payments.

## Integrations

You can use these web services to mass load data:

- *Import Payroll Input* for payroll inputs.
- *Import Payroll Off-Cycle Payment* for on-demand payments.

## Connections and Touchpoints

Features	Considerations
Arrears	<p>When workers have an outstanding arrears balance and you want to adjust or clear it, you can use:</p> <ul style="list-style-type: none"> <li>• A one-time adjustment through payroll inputs to process in the next pay period, such as for workers on leave.</li> <li>• Manual payments that don't impact existing pay results, such as for terminated workers.</li> </ul> <p>Example: A worker pays a deduction in advance using a personal check.</p>
Payroll accounting	When you run prior period adjustments in an open ledger period, Workday posts the transaction in that period. By default, Workday selects the open

Features	Considerations
	<p>ledger period based on the period end date. You can configure your tenant to use the payment date instead.</p> <p>When you close the period, Workday posts the payment in the next available open period. If there isn't one, the accounting journal goes into error status.</p>
Record of Employment (ROE) reporting (CAN)	<p>When you run prior period adjustments for terminated workers or workers on leave, consider how they affect the earnings reported on their ROE. Some earning changes might require to issue an amended ROE.</p>
Time Tracking	<p>Time Tracking period schedules control the start and end dates that a time tracking period is available for prior period adjustments to time entries.</p>
Year-end processing (CAN, USA)	<p>Before completing year-end forms, complete any pending prior period off-cycle corrections or adjustments that might affect the wage and tax amounts.</p> <p>You can run adjustments for tax years for which you've already created and issued year-end forms. Some changes might require the generation of corrected forms to report those changes.</p>

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

##### Concepts

[Setup Considerations: On-Demand Payments](#) on page 683

[Setup Considerations: Manual Payments](#) on page 714

[Setup Considerations: Payroll Reversals](#) on page 662

[Setup Considerations: Retroactive Pay Processing](#) on page 862

[Setup Considerations: Payroll History](#) on page 190

[Setup Considerations: Year-End Tax Reporting \(CAN\)](#) on page 983

[Setup Considerations: Year-End Tax Reporting \(USA\)](#) on page 959

[Setup Considerations: Year-End Payroll Processing \(UK\)](#) on page 1514

## Reconcile Tax Liabilities for Prior Period Adjustments (USA)

#### Prerequisites

- Adjust prior periods.
- Security: *Process: Tax Filing/W-2s (Reports)* - USA domain in the USA Payroll functional area.

## Context

You can use these reports to audit tax filing submissions and find differences caused by prior period adjustments or other recently completed payroll results. You can use this data to reconcile tax liabilities and make adjustments as necessary.

## Steps

1. Access 1 of these tax filing reports:
  - Tax Filing Periodic Data by Common Pay Agent
  - Tax Filing Periodic Data by Company
  - Tax Filing Periodic Data for Workers
  - Tax Filing Quarterly Data by Common Pay Agent
  - Tax Filing Quarterly Data by Company
  - Tax Filing Quarterly Data for Workers
2. As you complete the task, select 1 of these options:

Option	Description
Completed After Tax Integration Event	For periodic data reports only, select a tax filing integration run to display all payments and adjustments completed after this prior event.
Completed within Date Range	Select the date and time span that include the recently completed payments or adjustments you want to display.

## Result

The Data for Quarters or the Data for Periods tab in the report display total results reportable for the tax filing period including prior period adjustments.

Related Information

Reference

[Reference: Tax Filing Reports](#)

## Concept: Adjust Prior Period Payments

### Prior Period Adjustments

For Payroll for Canada, the UK, and the U.S., you can use these off-cycle processes to adjust payments made up to 6 years before the period in progress:

- On-demand additional payments.
- Manual additional payments.
- Reversals.

For Payroll for France and Ireland, to adjust payments made before the period in progress, use a payroll input and then launch a retro payment calculation.

For Payroll for Canada, Ireland, the UK, and the U.S.:

Use Case	Off-Cycle Adjustment
A worker loses his bonus check from last pay period (CAN, USA)	Reverse the bonus payment and create a new payment for the prior period using a manual or on-demand payment.

Use Case	Off-Cycle Adjustment
A worker's regular gross payment of 2000 in a prior year should have been 2500.	<p>Create an additional manual or on-demand payment for the prior period for 500 gross, minus taxes and other deductions.</p> <p>For Payroll for Ireland and the UK, Workday doesn't recommend creating on-demand or manual additional payments to adjust payments for prior tax years. Revenue in Ireland and HMRC in the UK require you to pay tax for the period in which the payment is made to the worker, even when the payment relates to work carried out in the previous year.</p>
A company terminates a worker at the start of the last payroll period in the prior year. HR doesn't record the termination until the start of the new year (CAN, FRA, USA).	Reverse the final regular payroll payment and record the reversal as a prior period adjustment.
When auditing W-2 wage and tax data for the prior year, you discover incorrect results in a worker's W-2 (USA).	<p>Depending on the type of error, you can take one of these steps to correct the W-2 data:</p> <ul style="list-style-type: none"> <li>• Reverse the prior period payment and make additional off-cycle payments in the prior period.</li> <li>• Reverse, and then replace, a prior year payment using on-demand processing.</li> <li>• Use other combinations of off-cycle calculations.</li> </ul> <p>Note: Before completing the W-2 process, complete any pending prior period off-cycle corrections or adjustments that might affect the wage and tax amounts in an employee's W-2.</p>
You discover errors in a worker's W-2 data after sending it (USA).	Correct the errors using the appropriate combination of off-cycle calculations before you create and extract wage and tax data for the corrected wage and tax statement (W-2C).

#### Tax Filing Reports (CAN)

These reports can help you reconcile your tax liabilities for adjustments:

- Tax Remittance Summary - Federal
- Tax Remittance Summary - Quebec
- Tax Remittance Detail

#### Tax Filing Reports (USA)

These reports can help you reconcile your tax liabilities for adjustments:

- Tax Filing Periodic Data by Company
- Tax Filing Periodic Data for Worker
- Tax Filing Quarterly Data by Company
- Tax Filing Quarterly Data for Worker
- The transaction date of a prior period adjustment is the last day of the pay period

#### Payroll Accounting (CAN, IRL, UK, USA)

that contains the adjustment. To use the payment date, select the Off-Cycle - Use Payment Date as Accounting Date check box on the Edit Tenant Setup - Payroll task.

- If the ledger period containing the transaction date has an Open status, Workday creates the accounting journal in that ledger period.

The accounting date automatically populates with the transaction date.

- If you've closed the ledger period containing the transaction date, Workday searches in period order for a subsequent open ledger period. Workday then creates an accounting ledger in the first open period it finds.

The accounting date automatically populates with the first day of the first open ledger period.

- If Workday doesn't find an open ledger period, the accounting journal goes into error status.
- You can use either the ledger period or the accounting date when extracting adjustment data for financial accounting.
- In your accounting reports, you can use the Prior Year Period report field to view accounting journal data from a period in a prior year.

### **Example: Pay Results (USA)**

John has completed payroll results for 2015/01/01 - 2015/08/31. Payroll results for this time frame include:

- Car Allowance: 500
- QTD: 1,500
- YTD: 1,500

In pay period 2015/03/01 - 2015/03/31, John should also have received an 8,000 car allowance.

Susan, the Payroll Administrator, needs to make a prior period adjustment to give John the 8,000 car allowance for the period 2015/03/01 - 2015/03/31.

The payroll for 2015/09/01 - 2015/09/30 is in progress. Susan creates an additional on-demand payment for John's car allowance in the amount of 8,000. She selects the Prior Period check box and the dates 2015/03/01 - 2015/03/31, with a payment date of 2015/03/31.

The September payroll status changes to Requires Recalculation. Susan recalculates, then processes the September payroll. She then reruns the Tax Filing Quarterly Data by Worker report for John to validate that the taxes withheld on the car allowance were correct for Q1.

### **Adjusting Statutory Contributions (FRA)**

To adjust Workday-delivered statutory contributions for a previous period, override the taxable wages or contribution ceilings. You can make this override by adding pay input on the appropriate pay component related calculation in a memo deduction. Examples:

- *Memo - Reference Values for URSSAF [FRA]*
- *Memo - Reference Values for Pôle Emploi [FRA]*

- *Memo - Reference Values for AGIRC-ARRCO [FRA]*

**Related Information**

### Concepts

Concept: Off-Cycle Payments on page 703

### Reference

Reference: Edit Tenant Setup - Payroll

Reference: Tax Filing Reports

## Example: Adjust Worker Taxes and Wages (USA)

This example demonstrates 1 way to adjust a worker's taxes and wages to accommodate a mid-year move to a different tax authority.

### Context

For the first 3 quarters of the year, Terry pays Georgia resident and work taxes. On July 1, Terry moves to North Carolina, but doesn't notify you until October 5, in the current period.

You need to move Terry's wages and taxes for July through September to the appropriate tax jurisdiction, in North Carolina. It's too late to do a reversal, so you decide to process a manual additional payment for the affected quarter. Although you could process an on-demand or on-cycle payment instead, you select a manual payment because you don't want to generate a check number.

In this scenario, you're moving all Q3 Georgia wages and tax to North Carolina.

### Prerequisites

Security: *Process: Off Cycle (Manual Payment)* domain in the Core Payroll functional area.

### Steps

1. Use the Pay Calculation Results for Worker report to review results within the date range and determine which pay results calculated for Georgia require adjustment.

Note: Because you're adjusting all Q3 wages and taxes in this example, you can use the Tax Filing Quarterly Data for Workers report for this step.

2. Use the Tax Filing Quarterly Data for Workers report to identify the Georgia state withholding amounts. In this example, you identify these wages and tax:

Gross Wages	25,000
Subject Wages	22,500
Taxable Wages	22,500
Tax Withheld	1,173

3. Access the Run Manual Payment for Worker task.
4. Select the period where you want to apply the adjustments. For a previous period, you select Prior Period.
5. Select Create Additional Payment.
6. Enter the Payment Date, ensuring the date is within the period that should include the taxes. Workday updates the pay accumulation and pay balance results in the period that includes this payment date. For this example, you select September 30, the last day of Q3.

7. In the Input section:

- a. Record the reversal of the withholding taxes paid to Georgia.

  1. Select *State Withholding (Work)* in the Pay Component field and add the Worktag State: *Georgia*.
  2. Add 4 rows in the Input Details grid and enter each type and amount you previously determined as a negative number:

Tax Withheld	-1,173
Gross Wages	-25,000
Subject Wages	-22,500
Taxable Wages	-22,500

- b. Record the taxes to report to North Carolina. Add 4 rows in the Input Details grid and enter each wage type and amount you previously determined as a positive number:

Tax Withheld	1,173
Gross Wages	25,000
Subject Wages	22,500
Taxable Wages	22,500

## Result

Workday updates Terry's taxes and wages for the quarter to reflect the correct tax authority. Workday also updates the period's pay accumulations and pay balances based on the period and payment date.

## Next Steps

Prepare and file any amended quarterly reports as necessary. Run the W-2 Preview report to verify the W-2 values are correct.

[Related Information](#)

### Concepts

[Concept: State Tax Reciprocity \(USA\) on page 1231](#)

### Tasks

[Create Manual Payments on page 719](#)

## Troubleshooting: Payroll Processing

### Troubleshooting: Payroll Tax Calculations (USA)

This topic provides strategies for diagnosing and resolving these tax calculation problems:

- [Workday didn't calculate federal, state, territory, or local taxes for employees. on page 746](#)
- [Workday incorrectly calculated state tax for employee. on page 747](#)
- [Workday didn't withhold State Unemployment Insurance \(SUI\) for an employee who changed work states. on page 747](#)
- [Workday incorrectly calculated State Unemployment Insurance \(SUI\) for an employee who changed work states. on page 748](#)
- [There's unexpected federal tax withholding from employee's supplemental pay. on page 748](#)
- [Workday didn't take additional federal withholding for an employee. on page 748](#)
- [Workday calculated negative taxable wages for the current pay result but didn't calculate the tax amount associated with it. on page 749](#)

#### **Workday didn't calculate federal, state, territory, or local taxes for employees.**

Cause: Federal, state, or local tax information isn't either:

- Set up for the company.
- In effect on the period end date.

Solution:

### Steps

Security: *Set Up: Payroll - Company Specific (Taxes)* - USA domain in USA Payroll functional area.

1. Access these tax reporting tasks:

- Edit Company State and Local US Payroll Tax Reporting.
- Edit Company Federal US Tax Reporting.

2. Verify that the Start Date covers the pay period end date. The period end date generally controls which taxes to calculate. The payment date controls the rates to apply.

Note: For Indiana, resident and work counties are determined at the beginning of the calendar year. Set the tax election start date for an Indiana county to the first day of the year (January 1) in which the tax becomes effective for the worker.

If tax information has changed, preserve tax history by adding new tax information with a new Start Date.

3. Recalculate payroll.

### Workday incorrectly calculated state tax for employee.

Cause: The employee is subject to reciprocity rules.

Solution:

### Steps

Security: *Worker Data: Payroll (Company Specific)* - USA domain in USA Payroll functional area.

Security: *Set Up: Payroll (Taxes View)* domain in the Core Payroll functional area.

1. Access the Worker US Tax Elections report.

2. Check for reciprocity by verifying:

- The Work State and Home State are different.
- There are elections for more than 1 state on the State tab or the Tax Allocations tab.
- The Tax Allocations tab displays whether the worker's company is configured for ongoing work jurisdiction allocations.

3. Review the reciprocity rules using the View Payroll Multistate Withholding Rules report for each state.

Cause: Payroll input overrode the tax calculation.

Solution: Security: *Reports: Results for Worker (Pay Calculation)* - USA domain in USA Payroll functional area.

1. Access the Pay Calculation Results for Worker report.
2. View the worker's pay results.
3. Review the Payroll Input tab for a payroll input representing a tax override. The tab only displays if the worker has payroll input for the period.
4. (Optional) Edit or delete the payroll input.

### Workday didn't withhold State Unemployment Insurance (SUI) for an employee who changed work states.

Cause: The employee had SUI wages in another state. The employee's new state recognizes the wages paid in the prior state when determining the year-to-date wage limit.

However, SUI wages start over if a worker transfers to Minnesota or Louisiana.

**Solution:** Security: Reports: *Pay Calculation Results for Worker (Tax Filing/W-2s)* - USA in USA Payroll functional area.

### Steps

1. Access the Tax Filing Quarterly Data for Workers report.
2. Review the report to confirm that Workday withheld SUI for other states.

### **Workday incorrectly calculated State Unemployment Insurance (SUI) for an employee who changed work states.**

**Cause:** The state you're moving the SUI wages to comes alphabetically before the previous state. The new state has a lower wage limit.

**Example:** The employee moved from Iowa to Arizona. The payroll administrator needs to report the SUI (ER) subject wages for Iowa, 5,885.95 USD, to Arizona. The payroll administrator creates a manual payment to move SUI wages out of Iowa and into Arizona. The SUI wage limit in Iowa is 28,000 USD. The SUI wage limit in Arizona is 7,000 USD. Workday Payroll processes alphabetically. Workday will process Arizona first, resulting in an inaccurate transaction because Arizona will reach the limit before Workday processes the full amount.

**Solution:** Security: *Process: Off Cycle (Manual Payment)* domain in the Core Payroll functional area. To prevent this inaccuracy, process in 2 separate transactions.

### Steps

1. Back out the previous state wages and taxes and complete the payroll result. Example: Iowa wages.
2. Create a separate manual transaction using the Run Manual Payment for Worker task to add the new state wages. Example: Arizona wages.

### **There's unexpected federal tax withholding from employee's supplemental pay.**

**Cause:** You're calculating supplemental tax with a *Flat Rate* method and the employee has no prior results.

Workday doesn't withhold federal tax at the flat rate from a supplemental payment if you didn't calculate regular tax for the employee during the current or preceding year.

See: [Setup Considerations: Payroll Run Categories](#).

See: [Set Up Company Federal Taxes \(USA\)](#).

See: [FAQ: Pay Run Categories](#).

**Solution:**

### Steps

**Security:** *Set Up: Payroll - Company Specific (Taxes)* - USA domain in USA Payroll functional area.

1. Access the Edit Company Federal US Tax Reporting task.
2. Confirm that the Supplemental Tax Method - Regular Check and Supplemental Tax Method - Separate Check is *Flat Rate*.
3. Access the Pay Calculation Results for Worker report.
4. Confirm that you didn't pay wages subject to regular tax in the current or preceding tax year.

### **Workday didn't take additional federal withholding for an employee.**

Cause: The payment missing the additional federal withholding is a subsequent payment in a pay period. Workday took the additional withholding amount from the employee's first payment of the period.

Solution: Security: *Reports: Results for Worker (Pay Calculation) - USA* secured to the USA Payroll functional area.

### Steps

1. Access the Pay Calculation Results for Worker report.
2. Look for more than 1 result for the period, such as both on-cycle and off-cycle results.

Workday takes the additional withholding amount from the employee's first payment of the period, whether its on-cycle or off-cycle.

3. (Optional) Withhold an additional amount from a subsequent on-demand additional payment in a regular run.

Select the Take Additional Tax Withholding Amounts check box when you create the on-demand payment.

**Workday calculated negative taxable wages for the current pay result but didn't calculate the tax amount associated with it.**

Cause: The pay result is in a new quarter; therefore, Workday adjusted the taxable wages but not the tax.

For more information, see [Concept: Auto Adjust Taxable Wages Over the Limit](#) on page 1144.

Related Information

#### Concepts

[Concept: State Tax Reciprocity \(USA\)](#) on page 1231

#### Tasks

[Set Up Company Federal Taxes \(USA\)](#) on page 1165

[Set Up Aggregate Federal Wages \(USA\)](#) on page 1171

## Troubleshooting: Payroll Tax Calculations (CAN)

This topic provides strategies for diagnosing and resolving these tax calculation problems:

- [Payroll results report zero health tax for British Columbia, Ontario, Manitoba, and Newfoundland and Labrador.](#) on page 749
- [Workday doesn't calculate federal taxes for employees.](#) on page 750
- [Payroll results report zero Workers Compensation wages.](#) on page 750

**Payroll results report zero health tax for British Columbia, Ontario, Manitoba, and Newfoundland and Labrador.**

Cause: Payroll results only report subject wages, not health tax amount.

Solution: You can also view tax amounts after subject wages when you complete these steps:

Security: *Set Up: Payroll - Company Specific (Taxes) - CAN* domain in the CAN Payroll functional area.

1. Access the Province tab on the Company Province CAN Tax Reporting task for British Columbia, Ontario, Manitoba, or Newfoundland and Labrador.
2. Select the Calculate Tax check box on health tax amounts in the Health Tax section.

To view amounts calculated for the health tax, access these reports after you complete the payroll results.

Report	Displays
Provincial Employer Payroll and Health Tax Summary	Displays the health tax amounts calculated for a company, excluding TD1-IN exempt wages.

Report	Displays
Provincial Employer Payroll and Health Tax (Actual) - Summary	Displays tax amount and subject wages reported and totaled by payment month and tax type, excluding TD1-IN exempt wages.
Provincial Employer Payroll and Health Details	Displays taxable amounts by employee, excluding TD1-IN exempt wages

### Workday doesn't calculate federal taxes for employees.

Cause: Federal tax information isn't either:

- Set up for the company.
- In effect on the period end date.

Solution:

#### Steps

Security: *Set Up: Payroll - Company Specific (Taxes)* - CAN domain in the CAN Payroll functional area.

1. Access the Federal tab on the Edit Company Federal CAN Tax Reporting task.
2. Review the Reference Number Criteria Assignment section.
  - Enter missing tax information.
  - If tax information exists, confirm that:
    - Workers meet the criteria for a reference number on the period end date.
    - The Start Date and End Date for the reference number includes the period end date.
3. Change the Start Date and End Date if they're incorrect.  
If tax information has changed, preserve tax history by:
  - Entering an End Date for the current tax information.
  - Adding a row with a new Start Date for new tax information.
4. Recalculate payroll.

### Payroll results report zero Workers Compensation wages.

Cause	Solution
You haven't defined Workers Compensation rates.	<p>Security: <i>Set Up: Payroll - Company Specific (Taxes)</i> - CAN domain in the CAN Payroll functional area.</p> <ol style="list-style-type: none"> <li>1. Access the Edit Company Province CAN Tax Reporting task.</li> <li>2. Complete the Workers Compensation section.</li> </ol>
The worker's assigned worker compensation code is incorrect.	<ol style="list-style-type: none"> <li>1. From the worker profile, select Job &gt; Job Details. View the Job Profile on the Job Details tab.</li> <li>2. From the related actions menu of the job profile, select Job Profile &gt; Edit.</li> <li>3. On the Worker's Compensation Codes tab, select a Workers' Compensation Code.</li> </ol>

## Troubleshooting: Payroll Statutory Calculations (FRA)

### **Workday doesn't apply statutory contribution exemptions to worker's pay.**

Cause: The worker doesn't meet the eligibility criteria for the statutory contribution.

Solution:

#### **Steps**

1. Access the All Deductions report.

Filter on the Groups column for these pay component groups:

- *FRA Statutory Taxes EE - Deductible from Tax [FRA]*
- *FRA Statutory Taxes EE - Deductible from Tax - Excluded from Gross Up [FRA]*
- *FRA Statutory Taxes EE - Submitted to Tax [FRA]*
- *FRA Statutory Taxes ER [FRA]*

Identify the required Eligibility Criteria for the missing statutory contribution.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. (Optional) Update the worker data to ensure that they meet the eligibility criteria.
3. [Recalculate a Payroll Result](#) on page 656.

### **Worker doesn't receive statutory compensation at the end of a fixed-term contract.**

Cause: The worker doesn't meet the eligibility criteria for the fixed-term contract allowance earning.

Solution:

#### **Steps**

1. Access the View Earning report for *IND Fixed Term Contract Allowance [FRA]*.

Identify the eligibility criteria in the Criteria section of the Effective Dated tab.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. (Optional) Update the worker data to ensure that they meet the eligibility criteria.
3. [Recalculate a Payroll Result](#) on page 656.

## Troubleshooting: Incorrect Earning or Deduction Amount

This topic provides strategies for diagnosing and resolving these earning or deduction calculation problems:

- [Earning or deduction calculation is wrong \(or zero\) for 1 employee.](#) on page 751
- [Earning or deduction calculation is wrong \(or zero\) for a subset of employees.](#) on page 752
- [Earning or deduction calculation is wrong \(or zero\) for all employees.](#) on page 753

### **Earning or deduction calculation is wrong (or zero) for 1 employee.**

**Cause:** Employee has met an earning or deduction limit. When this happens, the pay component resolves to zero and Workday ignores any other limits defined for it.

**Solution:**

### Steps

1. Access the View Earning or View Deduction report.

On the Effective Dated tab, review the Limits section. Determine if multiple limits exist, and how Workday calculates each limit. (The section displays only when a limit exists.)

Review the Value and Based On fields. Determine whether the limit is based on the current pay component or another pay component.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the Pay Calculation Results for Worker report.

Click the magnifier icon for the most recent Payroll Result.

Compare the pay component cumulative amount (year-to-date or other) to the limits. If the limit is based on something other than the current pay component, verify the other values.

Security: *Reports: Results for Worker (Pay Calculation) - USA* domain in the USA Payroll functional area.

Security: *Reports: Results for Worker (Pay Calculation) - CAN* domain in the CAN Payroll functional area.

Security: *Reports: Results for Worker (Pay Calculation) - UK* domain in the UK Payroll functional area.

Security: *Reports: Results for Worker (Pay Calculation) - FRA* domain in the FRA Payroll functional area.

Security: *Reports: Results for Worker (Pay Calculation) - AUS* domain in the AUS Payroll functional area.

3. If the limit is incorrect, correct it.

**Cause:** You haven't entered payroll input required for hours, units, or other values.

**Solution:**

### Steps

1. Access the View Earning or View Deduction report.

On the Effective Dated tab, review the Calculation field and Related Calculations fields to confirm that the calculation requires payroll input.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the View Payroll Input by Worker(s) task.

See if the worker had payroll input for the period.

Security: *Worker Data: Payroll (Payroll Input)* in the Core Payroll functional area.

3. [Add Payroll Input for Workers](#) on page 617.

## Earning or deduction calculation is wrong (or zero) for a subset of employees.

**Cause:** Pay component has a limit that's defined incorrectly.

**Solution:**

### Steps

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

1. Access the View Earning or View Deduction report.
2. In the Limits section, review the Value and Based On fields.
3. Select Deduction > Edit or Earning > Edit from the related actions menu of the pay component.
4. Correct the limit.

## Earning or deduction calculation is wrong (or zero) for all employees.

Cause: Calculation is defined incorrectly.

Solution:

### Steps

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

1. Access the View Earning or View Deduction report.
2. On the Effective Dated tab, confirm that:
  - The value or formula selected in the Calculation field is correct.
  - The Related Calculations section defines the source of the values required for the calculation (in the Override Value field).
3. Drill into each related calculation to ensure that it retrieves the correct information.
4. Select Deduction > Edit or Earning > Edit from the related actions menu of the pay component.
5. Correct the calculations.

Cause: The pay component limit is defined incorrectly.

Solution:

### Steps

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

1. Access the View Earning or View Deduction report.
2. In the Limits section, review the Value and Based On fields.
3. Select Deduction > Edit or Earning > Edit from the related actions menu of the pay component.
4. Enter the correct limit information.

Cause: The pay component limit is based on the sum of multiple pay components and the Include Current Value field is configured incorrectly.

Solution:

### Steps

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

1. Access the View Earning or View Deduction report.
2. Review the Limits section on the Effective Dated tab to see if the pay component has a limit.
3. Ensure that the Include Current Value field is correct for each pay component that makes up the limit.
  - On the pay component to take first, leave the Include Current Value field blank.
  - On the pay component to take second, select the first pay component.
  - On the pay component to take third, select the first and second pay component.

Related Information

### Tasks

[Set Up Earning or Deduction Limits](#) on page 255

### Reference

[FAQ: Payroll Processing](#) on page 679

## Troubleshooting: Earning or Deduction Missing from Pay Results

When an earning or deduction doesn't resolve, it can be an issue with worker eligibility, pay component configuration, or run category configuration. This topic provides strategies for diagnosing and resolving these issues:

- Earning or deduction resolves for only some employees. on page 754
- Earning based on compensation doesn't resolve. on page 754
- Earning based on a benefit plan doesn't resolve. on page 754
- The earning or deduction doesn't resolve for any workers. on page 755
- Earning or deduction doesn't resolve for workers on leave of absence. on page 755
- Earning or deduction doesn't resolve for terminated workers. on page 755

### **Earning or deduction resolves for only some employees.**

Cause: Employee doesn't meet pay component Worker Eligibility or Scheduling criteria.

Solution:

#### **Steps**

1. Access the pay component using the View Earning or View Deduction report.  
Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
2. Review the Criteria section on the Effective Dated tab and evaluate whether the employee meets the Worker Eligibility and Scheduling criteria.  
Criteria that displays in 1 row means that employees must meet all conditions in that row. When there are multiple rows of criteria, employees must meet the criteria in only 1 row.  
Workday displays the Scheduling section only when you entered scheduling criteria.
3. To change criteria, from the related actions menu of the pay component, select Deduction > Edit As Of or Earning > Edit As Of.

Note: When you hire or terminate the worker midperiod, ensure that the conditions referencing start and end dates are on separate rows. Example:

- *Pay Rate Type as of Period End Date = Hourly*
- *Pay Rate Type as of Period Start Date = Hourly*

### **Earning based on compensation doesn't resolve.**

Cause: You haven't mapped the earning to the compensation element such as for basic wages.

Solution:

#### **Steps**

1. Access the pay component using the View Earning report.  
Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
2. Review the Compensation Element section on the Effective Dated tab.
3. To map the earning, from the related actions menu of the pay component, select Earning > Edit As Of.
4. In the Compensation Element section, select the related compensation element.

### **Earning based on a benefit plan doesn't resolve.**

Cause: You haven't mapped the earning to the benefit plan such as for gym membership.

Solution:

#### **Steps**

1. Access the pay component using the View Earning report.  
Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
2. Review the Benefit Plan section on the Non Effective Dated tab.

3. To map the earning, from the related actions menu of the pay component, select Earning > Edit As Of.
4. In the Benefit Plan section, select the related benefit plan.

### **The earning or deduction doesn't resolve for any workers.**

Cause: You haven't added the earning or deduction to the run category in the:

- Gross Pay Accumulation
- Net Pay Accumulation
- Additional Pay Components to Calculate
- Additional Pay Component Groups to Calculate

Solution:

#### **Steps**

1. Access the Edit Earning or Edit Deduction task.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Select the earning or deduction.
3. Add the earning or deduction to either:

- One of the pay accumulations or pay component groups.
- Additional Pay Components to Calculate field.

### **Earning or deduction doesn't resolve for workers on leave of absence.**

Cause: Either:

- You don't configure the pay component for non-active workers on the run category.
- The worker doesn't meet the Status or Leave Type for the pay component.

Solution: Add the earning or deduction to 1 of these fields on the Non-Active (On Cycle, On Demand Replacement) tab of the run category:

- Pay Components to Calculate
- Pay Component Groups to Calculate

Ensure that the workers meet the Status and Leave Type for the pay component.

#### **Steps**

1. Access the Edit Run Category task.

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

2. Select the Run Category.
3. Access the Non-Active (On Cycle, On Demand Replacement) tab on the run category.
4. Add the pay component to either the Pay Components to Calculate or to 1 of the Pay Component Groups to Calculate for workers on leave.

### **Earning or deduction doesn't resolve for terminated workers.**

Cause: The worker doesn't meet the Status or Processing Criteria on the Non-Active (On Cycle, On Demand Replacement) tab of the run category.

Solution: Ensure that the Status *Terminated* is selected and that the worker meets the Processing Criteria.

#### **Steps**

1. Access the Edit Run Category task.

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

2. Select the Run Category.
3. Access the Non-Active (On Cycle, On Demand Replacement) tab on the run category.
4. Ensure there's a row for workers with the Status *Terminated*.
5. Ensure that terminated workers meet the Processing Criteria.

## Troubleshooting: Deduction Taken Twice for a Worker in a Pay Period

This topic provides strategies for diagnosing and resolving issues that cause a deduction to be taken twice for a worker in a single pay period.

Cause	Solution
<p>You didn't configure the deduction for proration.</p>	<p>Define a proration method for the deduction.</p> <p>Security: <i>Set Up: Payroll (Calculations - Payroll Specific)</i> domain in the Core Payroll functional area.</p> <ol style="list-style-type: none"> <li>1. Access the Edit Deduction task.</li> <li>2. In the Calculation Details section of the Effective Dated tab, select a proration method that isn't None of the above.</li> <li>3. In the Related Calculations grid, select the related action menu of the related calculation. Ensure that the proration method is consistent with the proration method for the pay component.</li> <li>4. Edit the related calculation proration method.</li> </ol>
<p>You didn't configure the deduction with eligibility criteria that prevents double-counting.</p> <p>Example: You have a worker who received a regular and off-cycle payment in the same period. The deduction was taken from both payments because you didn't apply eligibility criteria to it.</p>	<p>Prevent the deduction with no proration from resolving twice.</p> <p>Security: <i>Set Up: Payroll (Calculations - Payroll Specific)</i> domain in the Core Payroll functional area.</p> <p>Some events, like terminations, create subperiods. By default, Workday resolves the full amount in each subperiod. Add eligibility criteria to the deduction so that it doesn't resolve in all subperiods. To confirm that a pay result has multiple subperiods, select Payroll &gt; Pay Calculation Results for Worker from the worker's related actions menu. A Sub Period (if partial period) column displays the subperiod begin and end dates, when subperiods exist.</p> <ol style="list-style-type: none"> <li>1. Access the Edit Deduction task.</li> <li>2. In the Criteria section, add a row to the Worker Eligibility grid, and select 1 of these</li> </ol>

Cause	Solution
	<p>logic calculations from the Worker Eligibility prompt on the same row as other criteria:</p> <ul style="list-style-type: none"> <li>• <i>Pay Component Not Previously Paid in Period</i></li> <li>• <i>Pay Component Not Previously Paid in Period (by Company)</i></li> </ul> <p>Putting all conditions on the same row requires all conditions to be true for the deduction to resolve.</p>

Related Information

#### Concepts

[Concept: Pay Component Configurations for Subperiods](#) on page 291

## Troubleshooting: On-Cycle Payroll Run Doesn't Process Payroll Input

### Workday doesn't process ongoing payroll input for terminated workers.

Cause: You didn't configure the run category to process ongoing payroll input for terminated workers.

Solution:

#### Steps

1. Access the Edit Run Category report.

On the General tab, add the Workers to Process grid to include the appropriate terminated status, such as *Terminated with Pay Through Date*.

On the Nonactive (On Cycle, On Demand Replacement) tab, add a row with:

- The pay component or pay component groups to calculate.
- A Status of *Terminated*.

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

2. Access the Run Pay Calculation task to recalculate payroll.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

### Workday doesn't process ongoing payroll input for workers on leave.

Cause: You didn't configure the run category to consider workers on leave.

Solution:

#### Steps

1. Access the View Run Category report.

On the General tab, add the Workers to Process grid to include the appropriate leave status, such as *On Leave with Payroll Effect Leave Events*.

On the Nonactive (On Cycle, On Demand Replacement) tab, add a row with:

- The pay component or pay component groups to calculate.
- A Status of *On Leave*.
- Defined Leave Types.

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

2. Access the Run Pay Calculation task to recalculate payroll.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

## Related Information

### Concepts

[Setup Considerations: Pay for Workers on Leave on page 125](#)

[Setup Considerations: Pay for Terminated Workers on page 116](#)

[Setup Considerations: Payroll Run Categories on page 97](#)

### Examples

[Example: Set Up Pay Run Category for Active and Terminated Workers on page 137](#)

[Example: Set Up Pay Run Category for Workers on Leave on page 145](#)

[Example: Set Up Pay Run Category for Workers on Leave \(FRA\) on page 148](#)

[Example: Set Up Pay Run Category for Active and Terminated Workers \(FRA\) on page 140](#)

[Example: Set Up Pay Run Category for Workers on Leave \(UK\) on page 150](#)

[Example: Set Up Pay Run Category for Active and Terminated Workers \(UK\) on page 142](#)

## Troubleshooting: Ongoing Pay Inputs Stopped for Loan Repayment Deductions (USA)

Cause	Solution
The worker repaid the loan balance or there was another payroll input that decreased the loan balance.	<p>Security: <i>Reports: Pay Calculation Results for Worker (Results)</i> domain in the Core Payroll functional area.</p> <ol style="list-style-type: none"> <li>From the related actions menu of the worker's pay result, select Payroll Result &gt; View.</li> <li>In the Others grid, find the pay component for the loan.</li> <li>Verify the YTD amount against the Input Amount of the loan.</li> </ol> <p>If the amounts are identical, the worker has repaid the loan in full.</p>
The worker has multiple loans and you haven't defined a calculation worktag for each loan.	<p>You can't add worktags to existing deductions. Create a new deduction to configure worktags on it.</p> <ol style="list-style-type: none"> <li>Create <a href="#">401(k) Loan Repayment Deduction (USA) on page 1090</a>.</li> <li><a href="#">Enter 401(k) Loan Repayment Using Payroll Input (USA) on page 1092</a>.</li> </ol>

## Troubleshooting: Terminated Workers Paid or Taxed Incorrectly

**Workday doesn't process terminated workers.**

Cause: You didn't configure the run category to process terminated workers.

Solution:

### Steps

1. Access the Edit Run Category task.

On the General tab, in the Workers to Process grid, add a row with an appropriate terminated status, such as *Terminated with One-Time Payroll Input*.

On the Nonactive (On Cycle, On Demand Replacement) tab, add a row with:

- The pay component or pay component groups to calculate.
- A Status of *Terminated*.

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

2. Access the Run Pay Calculation task to recalculate payroll for the affected worker.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

### Workday doesn't process workers you terminate midperiod, even though they have payroll input.

Cause	Solution
The workers don't meet pay component eligibility criteria.	<ol style="list-style-type: none"> <li>1. Access the Edit Earning task. In the Criteria section, update the Worker Eligibility grid to include the workers. Security: <i>Set Up: Payroll (Calculations - Payroll Specific)</i> domain in the Core Payroll functional area.</li> <li>2. Access the Run Pay Calculation task to recalculate payroll for the affected worker. Security: <i>Process: Run Batch Calculations (Pay Calculation)</i> domain in the Core Payroll functional area.</li> </ol>
The worker has both a: <ul style="list-style-type: none"> <li>• Pay through date between the termination date and the pay period end date.</li> <li>• Pay input effective between the pay through date and the pay period end date.</li> </ul>	Change the workers' Pay Through Date to the pay period end date when that change doesn't affect the payment amount. <ol style="list-style-type: none"> <li>1. Access the View Worker History report from the workers' profile. Security: <i>Worker Data: Historical Staffing Information</i> domain in the Staffing functional area.</li> <li>2. From the related actions menu of the <i>Termination</i> business process, select Business Process &gt; Correct. Change the Pay Through Date to the pay period end date. Configure the <i>Termination</i> business process and security policy in the Staffing functional area.</li> </ol>

Cause	Solution
	<p>3. Access the Run Pay Calculation task to recalculate payroll for the affected worker.</p> <p><b>Security:</b> <i>Process: Run Batch Calculations (Pay Calculation)</i> domain in the Core Payroll functional area.</p>
<p>You configure the payroll input as one-time instead of ongoing, and the input end date is after the worker's pay through date.</p>	<p>1. Access the Add Payroll Input by Worker task.</p> <p>In the Processing Default section, select the Ongoing option.</p> <p>Configure the other fields to match the desired amount from the one-time payroll input.</p> <p><b>Security:</b> <i>Worker Data: Payroll (Payroll Input)</i> domain in the Core Payroll functional area.</p> <p>2. Access the Run Pay Calculation task to recalculate payroll for the affected worker.</p> <p><b>Security:</b> <i>Process: Run Batch Calculations (Pay Calculation)</i> domain in the Core Payroll functional area.</p>
<p>The payroll input is one-time and the end date of the input is after the worker's pay through date.</p>	<p>1. From the related actions menu of the payroll input, select Payroll Input &gt; Edit.</p> <p>Change the End Date of the payroll input.</p> <p><b>Security:</b> <i>Worker Data: Payroll (Payroll Input)</i> domain in the Core Payroll functional area.</p> <p>2. Access the Run Pay Calculation task to recalculate payroll for the affected worker.</p> <p><b>Security:</b> <i>Process: Run Batch Calculations (Pay Calculation)</i> domain in the Core Payroll functional area.</p>
<p>The payroll input has an end date after the termination subperiod end date.</p>	<p>Select worker eligibility criteria that automatically moves the payroll input to the active subperiod.</p> <p>1. Access the Edit Earning task.</p> <p>In the Criteria section, select <i>Payroll Input (Onetime or Ongoing) Exists for Pay Component (SubPeriod)</i> in the Worker Eligibility grid.</p> <p><b>Security:</b> <i>Set Up: Payroll (Calculations - Payroll Specific)</i> domain in the Core Payroll functional area.</p> <p>2. Access the Run Pay Calculation task to recalculate payroll for the affected worker.</p> <p><b>Security:</b> <i>Process: Run Batch Calculations (Pay Calculation)</i> domain in the Core Payroll functional area.</p>

**Workday applies SUI for terminated workers to the wrong state (USA).**

Cause: Workday disassociates the work state from a terminated worker.

Solution:

### Steps

1. Access the Run On Demand Payment for Worker task.

Select the work state for SUI from the State Authority (Work) prompt in the Override Worktags section.

Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

2. Access the Run Pay Calculation task to recalculate payroll.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

Related Information

### Tasks

[Set Up Pay Component Eligibility](#) on page 243

[Add Payroll Input for Workers](#) on page 617

### Reference

[Reference: Payroll Processing Statuses for Run Categories](#) on page 113

## Troubleshooting: Employee's Holiday Pay Is Incorrect

### Employee paid twice for same holiday.

Cause: Employee has more than 1 holiday calendar or the holiday displays twice on the same calendar.

Solution: To see the employee's assigned holiday calendars, access the View Worker Calendars report.

Verify whether the worker has more than 1 holiday calendar (such as a calendar for 2 different years).

Review each calendar to see if the holiday is a recurring event on 1 calendar and a one-time event on the other.

### Steps

1. Click the holiday name to access the View Holiday Calendar report.
2. Review the Recurring Event field for the holiday.
3. If the field is empty (indicating a one-time event), select Calendar Event > Delete from the holiday related actions menu.
4. If the employee has only 1 holiday calendar, click the holiday name to access the View Holiday Calendar report.
5. Check the Calendar Event column to see if it lists the holiday twice.
6. Delete 1 of the holiday events by selecting Calendar Event > Delete from the holiday related actions menu.

### Employee paid for 24 hours of holiday instead of 8.

Cause: The holiday is an all-day event on the holiday calendar.

Solution:

### Steps

1. Access the View Worker Calendars report to identify the worker's holiday calendar and open it. If the All Day Event column displays Yes for the holiday, the holiday counts as 24 hours.
2. From the holiday related actions menu, select Calendar Event > Edit.
3. Enter values for the correct number of hours in the Start Time and End Time fields.

Related Information

### Tasks

[Create Holiday Calendars](#)

## Troubleshooting: Worker Has No On-Cycle Payment for the Period

Cause: The worker has an incorrect on-demand replacement payment in the period.

Solution:

### Steps

1. Select Pay Calculation > Cancel from the related actions menu of the on-demand replacement payment.
2. [Calculate On-Cycle Payroll](#) on page 651.

Recalculate payroll for the worker.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

Cause: The worker has no pay group assigned.

Solution:

### Steps

1. [Assign Workers to Pay Groups](#) on page 179.
2. Assign the worker to a pay group.
2. [Calculate On-Cycle Payroll](#) on page 651.

Select *Not Yet Started* from the Based on Result Status prompt to calculate the worker's pay.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

Related Information

### Tasks

[Cancel Pay Calculation](#) on page 656

### Reference

[FAQ: Off-Cycle Payments](#) on page 713

## Troubleshooting: Processing Payroll Adjustments for Year-End (CAN)

This topic provides strategies to process year-end payroll adjustments. There are many ways to make year-end adjustments with Workday. We make suggestions but please select what works best for your organization.

We recommend processing adjustments in your Sandbox tenants as best practice. To confirm the adjustments processed are calculating and reported as expected, use the Tax Form Preview reports before you create your year-end data.

Make additional adjustments to year-end data using the year-end corrections process if:

- You created year-end data.
- You sent the integration (XML) file.
- CRA or Revenu Quebec successfully received it.

### Manual Payment

Use the Run Manual Payment for Worker task to make adjustments when you wish to report specific wages and statutory deductions. You might use this task to add or reduce amounts to a worker's year-to-dates. For adjustments to multiple workers, you can select to load the amounts using an EIB.

Cause: You need to report stock option amounts exercised after the last on-cycle pay of the year. The stock vendor provided the withheld tax amounts that need to report on the worker's year-end form.

Solution: Use the Run Manual Payment for Worker task.

### Steps

1. Select the Prior Period check box.
2. Select a Period within the tax year you wish to make the adjustment in, that is, select the last pay of the year.
3. Select Create Additional Payment.
4. Select a Payment Date within the prior tax year.
5. Auto generate payment ID or create a unique one.
6. Enter the applicable amounts to the pay component and update the pay component related calculation as necessary.

### On Demand Payment

Use the Run On Demand Payment for Worker task to make adjustments where Workday will calculate the gross to net.

Cause: You need to report a taxable benefit. Example: someone communicates a grossed-up gift card after the last on-cycle payroll for the year.

Solution: Use the Run On Demand Payment for Worker task.

Year-end adjustments will generate an off-cycle payroll that you'll need to run and complete. You can create the necessary accounting files for this run as you would for any other off-cycle payroll processed throughout the year.

### Steps

1. Select the Prior Period check box.
2. Select a Period within the tax year you wish to make the adjustment in; that is, select the last pay of the year.
3. Select Create Additional Payment.
4. Select a Payment Date within the prior tax year.
5. Auto Generate Payment ID or create a unique Payment ID.
6. Complete the necessary input.

Related Information

#### Concepts

[Concept: Off-Cycle Payments on page 703](#)

[Setup Considerations: Adjustments for Prior Periods on page 735](#)

#### Tasks

[Steps: Upload Off-Cycle Payments Using EIB on page 726](#)

## Troubleshooting: Period Availability When Running Payroll

**Workday still displays the period for year-end adjustments on the Run Pay Calculation task.**

Cause: When you create a separate period schedule and period for year-end off-cycle adjustments, you didn't complete on-cycle payroll for the period.

Solution:

### Steps

1. [Calculate On-Cycle Payroll](#) on page 651.

Run on-cycle payroll for the year-end period. The calculation displays results of zero.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

2. [Complete Payroll](#) on page 659.

Complete payroll for the year-end period.

Security: *Process: Run Batch Complete (Pay Complete)* domain in the Core Payroll functional area.

3. (Optional) [Hide Payslips from Workers](#) on page 508.

You can hide payslips with results of zero from workers. On the Hide or Display Payslips for Group of Workers task:

- a. Select Hide Payslips.
- b. In the Criteria field, select *Zero Gross and Net Pay*.

Security: *Reports: Pay Calculation Results for Worker (Payslips)* domain in the Core Payroll functional area.

4. (Optional) To avoid this situation in the future, configure year-end adjustments as on-demand or manual payments to a prior period instead of creating a separate period schedule.

### Next period doesn't display on the Run Pay Calculation task.

Cause: Workday wasn't able to complete some results for the previous period.

Solution:

### Steps

1. [Calculate On-Cycle Payroll](#) on page 651.

Select the previous period.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

2. In the Calculation Status section of the Pay Groups being Calculated grid, address each result with a status other than *Complete*:

- Fix results that are *In Error*.
- Release results that are *On Hold*.
- Complete results with a status of *Pending Completion of Prior* in the appropriate order.

3. Rerun the payroll calculation.

4. [Complete Payroll](#) on page 659.

Complete payroll for the previous period.

Security: *Process: Run Batch Complete (Pay Complete)* domain in the Core Payroll functional area.

# Pay Anomalies

## Steps: Set Up Machine Learning for Pay Anomalies

### Prerequisites

Note: You might need to take additional steps to enable this feature based on your organization's subscription service agreement. Your organization is either on the Main Service Agreement (MSA) or the Universal Main Service Agreement (UMSA). To determine your organization's subscription service agreement:

1. Select your profile avatar on [Workday Community](#).
2. Select Profile.
3. On your profile page, select your organization's name, which is beneath your name and next to your job title.
4. View your Subscription Service Agreement value.

If the value is:

- *UMSA*, the feature is automatically available. You can skip the Enable Innovation Services Features and Machine Learning Data Contributions for MSA Customers step. For more information on Machine Learning data contributions, see [Concept: Workday AI for Universal Main Subscription Agreement Customers](#).
- *MSA*, you must enable this feature through Innovation Services using the Enable Innovation Services Features and Machine Learning Data Contributions for MSA Customers step.

Note: UMSA customers don't have Innovation Services tasks and reports in their tenants as these are for MSA customers only. UMSA customers can ignore all information regarding Innovation Services.

### Context

The instructions in this topic apply to:

- Payroll for Australia
- Payroll for Canada
- Payroll for the UK
- Payroll for the U.S.

Workday Pay Anomalies uses machine learning to analyze and identify suspected payroll result abnormalities on an automatic and continuous basis. This can help improve the accuracy and efficiency of your payroll audit process.

The Payroll Machine Learning GA Features innovation services and the Pay Anomalies report are available for Payroll for the U.S., UK, Canada, and Australia but isn't functional for Payroll for France customers.

### Steps

[Enable Innovation Services Feature and Machine Learning Data Contributions for MSA Customers](#).

On the Available Services tab, select Payroll category and then the Payroll Machine Learning GA Features check box.

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

Note: You must opt in to all these 6 data categories to build tenanted models and to enable Pay Anomalies functionality:

- Anomalous Payroll Results
- Payroll Data
- Payroll Data (Historical)
- Pay Anomalies Validations
- Previous States of Payroll Results (Historical)
- Worker Data

Not selecting all data categories will result in failing to build and deploy the machine learning model as designed. The feature won't be fully functional without these models. See [Reference: 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.

Related Information

### Examples

[Workday AI Factsheets](#)

## Configure Pay Anomalies

### Prerequisites

*Security: Set Up:* Payroll (Reporting) domain in the Core Payroll functional area

### Context

The instructions in this topic apply to:

- Payroll for Australia
- Payroll for Canada
- Payroll for the UK
- Payroll for the U.S.

You can configure Pay Anomalies to provide better context of your data and improve accuracy in predictions. You can set up:

- Audit schedules.
- Pay calculation usages.
- Pay results report fields.

Workday recommends that you configure these fields after you opt into the innovation service for the first time. You can update these values at any time.

### Steps

1. Access the Maintain Pay Anomalies Configuration task.
2. (Optional) From the Pay Calculation Usage section, enter:

Option	Description
Pay Calculation for Total Hours	<p>Pay calculations as part of total hours. It can include but isn't limited to regular, overtime, PTO, and holiday hours.</p> <p>Note: This field has been added in preparation for future enhancements, but doesn't interact with the Pay Anomalies report yet.</p>

3. (Optional) In the Audit Schedule section, enter:

Option	Description
Days from Period End Date to Payroll Audit Start Date	The number of days from the period end date to the day when auditing begins. Workday uses the auditing date since all payroll-impacting inputs are submitted and there are no further changes to payroll. You can enter a negative value to indicate it's before the period end date or a positive value to indicate it's after the period end date. Example: With pay period 1/1-1/14, entering -4 implies you typically begin payroll audit on 1/9.

4. In the Pay Result - Class Report Field , select up to 3 custom report field mappings. These report field mappings display as facets on the Pay Anomalies and the Historical Pay Anomalies reports.

You can only select the report field mappings that you've configured in the Maintain Pay Results – Class Report Field Mapping task.

Configure the pay components using this task if you've haven't already done so. This helps you to better train the machine learning model on your payroll and audit usage. See [Map Fields for Custom Reporting of Pay Results](#).

## Examine Pay Anomalies

### Prerequisites

- Calculate payroll using the Run Pay Calculation task.
- Security: Reports: Pay Calculation Results for Pay Group (Audits)* domain in the Core Payroll functional area.

### Context

The instructions in this topic apply to:

- Payroll for Australia
- Payroll for Canada
- Payroll for the UK
- Payroll for the U.S.

After you run a payroll calculation, including on-cycle, off-cycle (excluding historical payments), on demand, and recalculations, Workday runs the Pay Anomalies service to analyze all the current in-progress pay results. Pay Anomalies then predicts the confidence level of each pay result being abnormal and warranting further investigation. Where possible, the report attempts to provide a potential reason for identifying a payroll result as an abnormality.

Use the Pay Anomalies report to view the prediction results, including their confidence levels of high, medium, low, or N/A (unable to predict), and mark them as normal or abnormal.

In addition to predicting if payroll results are potentially abnormal, you can use the various facets and any saved searches on the report to search for and triage your results as part of your audit process.

Note: Workday recommends that you don't opt out of the innovation service once you run the Pay Anomalies report to view predictions. Opting out disables the feature and causes data synchronization issues.

## Steps

1. Access the Pay Anomalies report.
2. Use Current Search to select 1 or more facets to fine-tune your search results.

Example: You can use Pay Rate Type and Gross Amount facets to search for *Salaried* workers' paid Over 10,000.

To reuse your search in future searches, click Save. Workday lists your Saved Searches at the top of the report. Example: High Salaries

Saved searches don't persist across different users.

Note: When using the report for the first time, Workday recommends that you use saved searches to set up 5 to 10 of your most frequently used audits. This helps you easily consolidate your audit results and familiarize with the report.

3. Review the payroll Results that Workday displays matching your search criteria.

Use the arrows at the right of the report to display an overview of why the results are included in the report.

4. Select the check box next to 1 or more results and click:

Option	Description
View Details	<p>Workday displays more details for each selected pay anomaly, including links to various areas associated with that result.</p> <p>Use the report to search for workers predicted with a higher confidence of abnormality by the model but not detected by the configured audit rules.</p>
Mark as Abormal	<p>Workday is more likely to include similar results in future Pay Anomalies reports. Similar results will be assigned a higher confidence level of being abnormal.</p>
Tag Result	<p>Select or create tags to label your results into meaningful categories. This provides you the ability to separately tag results without requiring you to mark as normal or abnormal. You can also add comments or analysis you want to include in the Comments field. Workday recommends that you don't include any Personal Identifiable Information (PII) in this field.</p> <p>Use the Maintain Pay Anomaly Custom Tags to create custom tags and group pay anomalies results together such as: <i>Requires manager approval</i>, or <i>Missing hours</i> based on your business needs. Tags can be used to provide feedback for Pay Anomalies. Once you assign a tag to a pay anomaly, you can't delete it. Workday provides a set of common tags. For consistency, it's important to reuse tags. Tags are searchable on the report.</p> <p><i>Security: Reports: Pay Calculation Results for Pay Group (Audits) domain in the Core Payroll functional area.</i></p>

Option	Description
Mark as Normal	Workday is less likely to include similar results in future Pay Anomalies reports. Similar results will be assigned a lower confidence level of being abnormal.
Sync Pay Anomalies	<p>Select the Pay Anomalies that are out of sync with the latest payroll result. You can see the Sync or Out of Sync status of the pay anomalies on the expanded view of the search results.</p> <p>When you click the Sync Pay Anomalies button, you can view the <i>Selected Payroll Results</i> count on the Sync Pay Anomalies Results page. You may notice that the <i>Selected Payroll Results</i> count might be different from the selected pay anomalies on the facet. This could be due to a worker having multiple payroll results in a pay period .</p>

## Next Steps

Use the Historical Pay Anomalies report to view the prediction results for previously completed and current periods, including their confidence levels of high, medium, low, or N/A (unable to predict), and mark them as normal or abnormal.

This report works in the same way as the Pay Anomalies report. When you run the report, you can select 1 or more of these filters to reduce the number of results shown:

- Period
- Pay Run Groups
- Pay Group Details
- Confidence Level
- Worker

## Concept: Payroll Result Abnormalities

This topic applies to:

- Payroll for Australia
- Payroll for Canada
- Payroll for the UK
- Payroll for the U.S.

### What are Payroll Result Abnormalities?

Payroll result abnormalities are any results that, for 1 or more reasons, are atypical for a regularly run pay calculation. Workday uses machine learning to determine normal pay calculation and result patterns, based on historical pay results and current and historical worker data.

Pay Anomalies uses workers' payment information, based on their current and historical payroll results, to learn any historical abnormal payment patterns. It then uses those patterns to predict abnormal payroll results for the current pay period.

The machine learning model also accounts for historical data such as whether administrators marked similar pay results as normal or abnormal. Workday then identifies payroll results that violate those patterns and assigns the result a score, quantifying the likelihood that the result is abnormal.

When Workday identifies a payroll result as abnormal, it doesn't mean that the result is invalid. Rather, the result is atypical and might require additional attention. As the machine learning model gathers more data, Workday identifies abnormalities more accurately.

#### Abnormality Confidence

Confidence level is the model's level of confidence in its prediction of a pay anomaly being either Normal or Abnormal. Possible values are: High, Medium, Low, or None. None might be applied when there are insufficient results to base a prediction on; for example, for a new employee.

## FAQ: Pay Anomalies

The questions and answers in this topic apply to:

- Payroll for Australia
- Payroll for Canada
- Payroll for the UK
- Payroll for the U.S.
  
- [I've opted into the innovation service and data categories. Why am I not seeing predictions in Pay Anomalies? on page 770](#)
- [Why is it important to provide feedback? on page 771](#)
- [How do I tag pay anomalies and why is it important? on page 771](#)
- [Can the Pay Anomalies report be delivered to auditors on a schedule after a pay cycle? on page 771](#)
- [How is the report secured? Unconstrained or can it be constrained by pay group? on page 771](#)
- [Do we need to opt in to People Experience? on page 771](#)
- [Can payroll partners access the reports and see tags? on page 771](#)
- [Will there be any performance impact on pay calculation by enabling Pay Anomalies? on page 771](#)
- [What does it look like after 10 payrolls when anomalies are learned? What does Workday now do with these? on page 771](#)
- [What does the Sync Pay Anomalies button do? on page 771](#)
- [Can I export this data to a spreadsheet? on page 771](#)
- [Can I add facets to the report? If so how do I do that? on page 772](#)
- [If there are multiple pay groups in process, do the reports consolidate the results on the single report? on page 772](#)
- [How does the Historical Pay Anomalies report work? on page 772](#)
- [Can I opt in and not mark the anomalies for several pay periods then start teaching the model? Would this impact my future use? on page 772](#)
- [How can I test Pay Anomalies feature? on page 772](#)
- [Is it possible for Workday to exclude specific pay groups or companies from data collection? on page 772](#)

I've opted into the innovation service and data categories. Why am I not seeing predictions in Pay Anomalies?

After you opt in to Payroll Machine Learning GA Features innovation service, make sure that you've opted into all 6 data categories:

- Anomalous Payroll Results
- Payroll Data
- Payroll Data (Historical)
- Pay Anomalies Validations

Why is it important to provide feedback?

- Previous States of Payroll Results (Historical)
- Worker Data

Then, allow up to 3 weeks for Workday to display the Pay Anomalies predictions through the Pay Anomalies report in your tenant.

How do I tag pay anomalies and why is it important?

The feedback you provide is important for enabling the model to improve the accuracy of its predictions over time. Your feedback provides the model with additional training data on what normal and abnormal pay results look like for your team based on your specific organizational needs.

Can the Pay Anomalies report be delivered to auditors on a schedule after a pay cycle?

As you provide feedback, use tags to group results based on similarities, your process, and current payroll usage to help you better find and identify the results. Once assigned, tags can be used as facets on the report. You can select from the list of delivered tags or create your own custom tags. We recommend you provide feedback and use custom tags as often as possible. See [Examine Pay Anomalies](#).

How is the report secured? Unconstrained or can it be constrained by pay group?

This report doesn't need to be scheduled, it automatically brings in every in progress payroll result.

Do we need to opt in to People Experience?

The report is secured to both unconstrained and constrained users, so pay partners will only see the results that they have access to via pay group.

Can payroll partners access the reports and see tags?

No, not for the Pay Anomalies report.

Will there be any performance impact on pay calculation by enabling Pay Anomalies?

Yes, as long as a pay partner has access to see the pay anomaly results, they'll be able to see associated tags with those results.

What does it look like after 10 payrolls when anomalies are learned? What does Workday now do with these?

No, it shouldn't. The way that the job is set up is to run after calculation.

What does the Sync Pay Anomalies button do?

They're used to give the model a better idea of what an anomaly looks like in your system. Ideally, the number of reported anomalies will decrease while the quality of reported anomalies increases significantly.

Can I export this data to a spreadsheet?

It manually resyncs the pay anomaly results, this is mainly used in the first few periods after pay anomalies is enabled where there might be some out of sync results.

Yes. You can select the results you want to export and then click View Details. You can then use the Export to Excel icon. You can also add a comment when tagging.

Can I add facets to the report? If so how do I do that?

You can create a custom report off of the Pay Anomalies report. Note that any added facets need to be indexed for performance reasons. Any nonindexed fields won't be available.

If there are multiple pay groups in process, do the reports consolidate the results on the single report?

Yes, it processes all in progress results, you can then filter by Pay Group.

How does the Historical Pay Anomalies report work?

The Historical Pay Anomalies report is very similar to Pay Anomalies report. It enables you to view the prediction results for previously completed and current periods.

Can I opt in and not mark the anomalies for several pay periods then start teaching the model? Would this impact my future use?

Yes. You can give feedback whenever it's convenient to you. For the model to begin being effective, we recommend marking 20-30 results as anomalies per pay period.

How can I test Pay Anomalies feature?

ML features that require data contributions will not function accurately in your Sandbox tenant. To test ML features before deploying them to your Production tenant, use your Preview or Implementation tenants. You can test the functionality but will always be in error as Workday can't collect data from Preview tenants and no model can be built from it. See [Concept: Workday AI for Universal Main Subscription Agreement Customers](#).

Is it possible for Workday to exclude specific pay groups or companies from data collection?

Yes. You can access the Maintain Pay Anomalies Data Exclusion Filters task secured to the *Manage: Innovation Services* in the Innovation Services functional area. This task is only available in the Sandbox Preview and Implementation tenants and not in Production tenants.

## Payroll Third-Party Payments

### Concept: Payroll Third-Party Payments

When you enable payroll third-party payments, you can generate and settle payments for:

- Income Withholding Orders (IWO) or Court Orders.
- Agency fees for Canada and U.S. Income Withholding Orders.
- Benefit Premiums.
- Retirement and pension contributions.
- Charitable contributions.
- Union dues.
- Other customer-owned employee and employer deductions.

You can enable payroll third-party payments on a deduction recipient. Workday then generates a payroll third-party payable item for each payroll result line where a payment should be sent to a deduction recipient. For more information, see [Concept: Payroll Third-Party Payable Items](#).

### Deduction Recipient Snapshot

Workday displays a snapshot of a deduction recipient in the Effective Dated Details section when you access a deduction recipient. Workday generates payroll third-party payable items using the most current active snapshot with an effective date less than or equal to the period end date of the payroll result. This snapshot will be associated with the payable item. For more information, see [Create Deduction Recipient](#) for more detail on the various options available to select on deduction recipients specifically for the Payroll Third-Party Payments feature.

Once you have enabled payroll third-party payments on a snapshot of a deduction recipient, you can only opt out within that snapshot if one of the following is true:

- You have paid all payroll third-party payable items.
- No payroll third-party payable items exist for the deduction recipient.

When modifying snapshots, you can:

- Add rows dated after the current effective snapshot. When you add a new snapshot, Workday copies the configuration of the prior snapshot to the new one.
- Edit the effective date when no payable items exist.
- Update the Country, Category, Enable Payroll Third-Party Payments, and Inactive fields when no payable items exist or all payable items are paid.
- Payment instructions for a deduction recipient may change. To support this, you can update Payment Type, Always Separate Payments, Address, and Settlement Bank Account for the deduction recipient snapshot associated with a payable item until you add the payable item to a settlement run.

Workday doesn't compare the effective date of the snapshot to the subperiod end date where proration occurs.

When you create a payroll result line for a retro adjustment, Workday compares the effective date of the most current active snapshot to the period end date of the on-cycle or off-cycle result the retro adjustment is included in.

Note: If you access the Create Deduction Recipient task but click Cancel instead of OK, Workday still creates a deduction recipient snapshot.

You can deactivate a deduction recipient snapshot or deactivate the entire deduction recipient. When you deactivate a snapshot, Workday can still generate payable items for other active snapshots. If you deactivate a snapshot and there are other snapshots with an Active status, Workday can still generate payable items for the active snapshots. For example, if you post an off-cycle result to a payroll period where a snapshot with an active status is within the period end date of the off-cycle result, Workday generates payable items where applicable.

If you no longer want to generate any payments for the deduction recipient, you must deactivate all snapshots.

### Payroll Third-Party Payments Grid

You can map multiple pay components to a deduction recipient using the Payroll Third-Party Payments grid in the deduction recipient snapshot. To map pay components to a deduction recipient, add a row to the grid for each pay component. To add a row to the grid, click the Add button under the Payroll Third-Party Payments header when creating or editing a deduction recipient. A row is added with these fields:

- Pay Component- This field is required. Mapping a Pay Component to a deduction recipient identifies the Payroll Result Lines Workday will use to generate a payable item

- Worktag- Select from Company, Pay Group, and Custom Worktag. Custom Worktag will only be available if the deduction has a custom worktag dimension configured in the Calculation Worktag field on the pay component. Acceptable worktag combinations are:
  - (Single) Custom Worktag value of one custom worktag dimension.
  - (Single) Custom Worktag value of one custom worktag dimension AND (single) Custom Worktag value of another custom worktag dimension. Note: This supports pay components with 2 custom worktag dimensions configured in the calculation worktag field.
  - Company AND Pay Group.
  - Company AND Pay Group AND (single) Custom Worktag value of one custom worktag dimension.
  - Company AND Pay Group AND (single) Custom Worktag value of one custom worktag dimension AND (single) Custom Worktag value of another custom worktag dimension.
- Benefit Plan- Select from the benefit plans on a deduction. This field only displays if the deduction in the Pay Component field has benefit plans assigned.
- Comments
- Each row in the Payroll Third-Party Payments grid within the deduction recipient must be unique.

Note: Each row in the Payroll Third-Party Payments grid within the deduction recipient must be unique.

## **Settlement**

To generate a payroll third-party payment to a deduction recipient, you must add payroll third-party payable items to a settlement run. For more information, see [Concept: Settlement Processing](#).

Once you settle a payment, you can:

Cancel payment: You can cancel a payment if it has not been reconciled to a bank statement. Cancelling a payment does the following:

1. Cancels the payment accounting journal.
  2. Makes the payable items from the original payment available to add a new settlement run to generate a new payment.
- For more information, see [Cancel Payments](#).
  - Return payment: When a bank has returned a payment, use the Create Payment Return Statement task to record the return. You can also handle the return payment transaction in the Settlement. For more information, see [Steps: Create Payment Returns](#).
  - Stop payment: To record a stop payment on a check initiated with your bank within Workday, you can use the Stop option in the check's Action Menu to indicate the check has been stopped. For more information, see [Record Stopped Payments](#).
  - Void payment: You can void a check payment during the cancel payment process, the escheat payment process, or by using the Record Voided Checks task.
  - Escheat payment: Escheat unclaimed check payments. You can use the Find Escheatable Items task to locate payments for escheatment. For more information, see [Escheat Payments](#).

You can reconcile payroll third-party payments to the bank statement of the bank account the payment was settled on. This enables proper auditing of cleared or rejected payments between Workday and the bank. For more information, see [Concept: Bank Account Reconciliation](#).

The Acknowledgment History tab in the settlement run displays acknowledgment of the payment received from the bank. You can load a Payment Acknowledgement file received from your bank using an EIB for the Put Payment Acknowledgement Message web service. For more information, see [Concept: Electronic Payment Acknowledgment](#).

Note:

If you settle a payroll third-party payment for a payable item within an on-cycle or off-cycle result and you haven't canceled the payment, you can't cancel the completion of the result either. If you have already run the settlement process for a payable item, you can't cancel the completion of a result when accessing:

- Cancel Pay Complete
- Cancel Off-Cycle Complete
- Cancel Off-Cycle Complete for Group of Results
- Payroll Calculation Processing Report

This avoids updates to results after you have disbursed payroll third-party payments.

### **Generic Remittance File Framework**

You can generate supporting documentation for payroll third-party payments sent to deduction recipients using the Generic Remittance File Framework. Depending on your data source, you can generate remittance files in PDF or CSV format. To use either of these data sources, download custom reports and layouts through the Configuration Catalog in Customer Central. For more information, see [Concept: Configuration Catalog](#).

For PDF remittance, Payroll Third-Party Payments is the primary data source. To generate PDF remittance files, use:

- Custom Report: PTPP PDF Remittance Template
- Document Layout: PTPP Remittance Advice
- Business Form Layout: PTPP Remittance Advice PDF
- Remittance Print Layout: PTPP Remittance Advice PDF

For CSV remittance, the Get Payments web service is the data source. To generate CSV remittance files, use the INT PTPP CSV Remittance Advice sample integration system.

For more information on generating remittance files, see [Steps: Set Up Remittance Advices Using Setup Rules](#).

### **Check Printing**

For Payroll for the U.S., the business form layout, BIRT – Payroll Third-Party Payments Check (USA) enables you to print checks of payroll third-party payments. This layout is available for download in the Configuration Catalog and includes:

- BIRT – Payroll Third-Party Payments Check (USA) custom report file. This is the data source for the fields printed on the check.
- Payroll Third-Party Payment USA Check.rptdesign custom report design file. You can update it using Workday Studio.

To include the business form layout in a report design check print layout:

1. Access the Create Check Print Layout With Report Design task.
2. Enter a name for the check print layout.
3. In the Business Form Layout field, select BIRT - Payroll Third-Party Payments Check (USA).
4. Access the bank account the checks will be printed on using the Edit Bank Account or Create Bank Account task.
5. Navigate to the Settlement Setup tab and select Payroll Third-Party Payments in the Payment Category column.
6. Enter the name of the check print layout you created in step 2 in the Integration System Check Print Layout field.

The Case Number displays in the remittance portion of the check when you include the payable items of multiple orders in the same check payment. As a result, you don't need to enable the Always Separate Payments option on the deduction recipient when using this business form layout.

Related Information

#### **Tasks**

[Create Deduction Recipient](#) on page 239

## Examples

[2024R1 What's New Post: Payroll Third-Party Payments](#)

[2024R1 What's New Post: Remittance Advices for Supplier Invoice and Third-Party Payroll Payments](#)

[The Next Level: Payroll Third-Party Payments](#)

## Concept: Payroll Third-Party Payable Items

When you enable payroll third-party payments for a deduction recipient, Workday generates a third-party payable item for each result line where a payment should be sent to that recipient.

In addition, the deduction recipient associated with the payable item becomes a worktag on the payroll result line.

Note: Workday generates payroll third-party payable items for on-cycle and off-cycle payments (including reversals), but not for payroll history results.

To generate payments to a third party, add the payroll third-party payable items to a settlement run. You can only add payable items from completed payroll results.

These retro adjustments to a previously created payable item are not supported:

- Company change
- Pay group change
- Benefit provider change

In other words, Workday will not process changes to existing payable items resulting from those retro events.

Note: If you recalculate a payroll result with a payroll third-party payable item, it displays as a changed payroll result, even if you didn't make any changes to it. This behavior does not occur when you enable Smart Calculation options.

## Always Separate Payments

When you enable Payroll Third-Party Payments for a deduction recipient, Workday automatically selects the Always Separate Payments checkbox. This setting generates an individual payment for each payroll third-party payable item.

Keep this option selected if:

- The payable item and payment have a 1:1 relationship.
- You send the case or reference number at the payment level of an electronic payment. For more information, see [Create a Payment for an Income Withholding Order or Court Order](#).

If you clear the checkbox and include multiple case or reference numbers in the same electronic payment, Workday sends only 1 case or reference number with the payment. When you add payable items to a settlement run, Workday aggregates payable items by:

- Company
- Currency
- Deduction Recipient Snapshot
- Payment Type

## Reporting

When Workday generates third-party payable items within a payroll result, the Payroll Third-Party Payment tab on the Pay Calculation Result for Worker report displays details about each item.

You can use the Payroll Third-Party Payable Open Items report to audit payroll third-party payable items that are not paid. You can also use these reports throughout the payroll third-party payment process:

- All Open Items by Amount for Payment Category (worklet within the Settlement Work Area Dashboard)
- Find Payments
- Find Payment Returns
- Find Settlement Runs
- Payment Counts by Status
- Payment Returns by Month
- View All Payments
- View Check Register
- View Direct Deposit Register

In addition, you can generate custom reports using the:

- Payroll Third-Party Payments Application business object
- Payroll Third-Party Payments business object
- Payroll Third-Party Payments data source
- Payroll Third-Party Payable Item business object

For more information, see [Create Custom Reports](#).

## **Settlement**

Once you complete payroll results, you can add payroll third-party payable items to a settlement run. Items related to settlement have these statuses:

- Available for Settlement: Indicates that you can add the item to a settlement run.
- Document Status: Indicates if a payment has been generated for the item.

For Payroll for Australia, Canada, France, and the U.S., when you create a settlement run, the Settlement Run Date becomes the payment date for payable items.

For Payroll for the UK, the Settlement Run Date field represents the processing date. Workday uses the processing date to determine the first date for the clearing process.

You can schedule the settlement of payroll third-party payable items with the Schedule Settlement Run task, or create a manual settlement run. For more information, see [Create Manual Settlement Runs](#).

You can manually search for and add payroll third-party payable items to a settlement run using the Payroll Third-Party Payments payment category. Workday references this payment category in bank account setup, bank routing rules, settlement, and settlement-related reports.

To add the payable items using filters, select System Filters from the Auto-Select Filter prompt and apply the All Available Payroll Third-Party Payments filter. For more information, see [Setup Considerations: Settlement Run Filters](#).

You can also create custom filters by accessing the Create Settlement Run Custom Filter task and selecting Payroll Third-Party Payment from the Payment Source prompt. For more information, see [Define Settlement Run Custom Filters](#).

Payment instructions for a deduction recipient may change. To support this, you can update Payment Type, Always Separate Payments, Address, and Settlement Bank Account for the deduction recipient snapshot associated with a payable item until you add the payable item to a settlement run.

Once you add a payroll third-party payable item to a settlement run, you can't add it to another settlement run unless:

- You cancel the original settlement run you added the payable item to.
- You cancel, return, or stop the original payment generated for the payable item.

Note: You can't cancel the completion of a payroll result if Workday has generated a payment for a payable item associated with the result.

## Related Information

### Tasks

[Create Deduction Recipient](#) on page 239

### Examples

[2024R1 What's New Post: Payroll Third-Party Payments](#)

## Create a Payroll Third-Party Payment

### Prerequisites

Security: These domains in the Core Payroll functional area:

- *Set Up: Payroll (Payroll Third-Party Payments)*
- *Process: Payroll Third-Party Payments Settlement*
- *Process: Payroll Third-Party Payments Escheatment*

### Context

When you enable payroll third-party payments on a deduction recipient, Workday generates payable items on result lines for payments that need to be sent to a third party. You can add this payable item to a settlement run to generate a payment to the deduction recipient.

You can use this process to generate and settle payments for:

- Income Withholding Orders (IWO) or Court Orders
- For Payroll for Canada and the U.S., agency fees for Income Withholding Orders
- Benefit Premiums
- Retirement and pension contributions
- Charitable contributions
- Union dues
- Other customer-owned employee and employer deductions.

### Steps

1. Access the Create Deduction Recipient task. For more information, see [Create Deduction Recipient](#).  
The deduction recipient serves as the payee for payroll third-party payments.
2. Select the Enable Payroll Third-Party Payments checkbox.
3. Workday selects the Always Separate Payments checkbox by default when you select Enable Payroll Third-Party Payments.  
The Always Separate Payments option generates an individual payment for each payroll third-party payable item. For more information, see [Concept: Payroll Third-Party Payable Items](#).
4. Add a row to the Payroll Third-Party Payments grid on the deduction recipient snapshot.
5. In the Pay Component field, select the pay component associated with the deduction recipient. For example, you would select Charitable Contribution to make a charitable contribution deduction.

6. (Optional) In the Worktag field, select from Company, Pay Group, and Custom Worktag (if configured). Custom Worktag will only be available if you have configured a custom worktag dimension in the Calculation Worktag field on the Pay Component.

Acceptable worktag combinations are:

- (Single) Custom Worktag value of one custom worktag dimension.
  - (Single) Custom Worktag value of one custom worktag dimension AND (single) Custom Worktag value of another custom worktag dimension. Note: This supports pay components with 2 custom worktag dimensions configured in the calculation worktag field.
  - Company AND Pay Group.
  - Company AND Pay Group AND (single) Custom Worktag value of one custom worktag dimension.
  - Company AND Pay Group AND (single) Custom Worktag value of one custom worktag dimension AND (single) Custom Worktag value of another custom worktag dimension.
7. Access the Run Pay Calculation task. For more information, see [Calculate On-Cycle Payroll](#).
  8. Access the Create Settlement Run or Schedule Settlement Run task. For more information, see [Steps: Use Settlement](#).
  9. Add the payroll third-party payable items to the settlement run. To find these items, use the All Available Payroll Third-Party Payments filter, or custom filters you create. To add payroll third-party payable items manually, select the Payroll Third-Party Payments payment category from the Add button. For more information, see [Concept: Payroll Third-Party Payable Items](#).
  10. Complete the settlement run.

## Result

When you generate a payroll result for a worker, Workday generates a payroll third-party payable item if these values match in both the payroll result line and the Payroll Third-Party Payments grid:

- Pay Component
- Company
- Pay Group
- Custom Worktag (if configured).

## Example

You want to create a deduction recipient for a benefit provider where the benefit premium amounts have been calculated in Workday. First, configure benefit plans in Workday. For more information, see [Steps: Set Up Benefits](#). Then, follow steps 1 - 4 described above. In the Pay Component field of the Payroll Third-Party Payments grid, select a benefit related pay component with one or more benefit plans assigned. In the Benefit Plan field, select the benefit plans specific to the benefit provider associated with the deduction recipient. Continue from step 6 onward.

Note: The employee must be enrolled in a benefit plan mapped in the same row as the pay component. Enrollment must be active as of the period end date or payment date of the payroll result where you've enabled Coverage Cost as of payment date on the pay component.

## Next Steps

[Related Information](#)

### Tasks

[Create Deduction Recipient](#) on page 239

### Examples

[2024R2 Feature Release Note: Payroll Third-Party Payments](#)

# Create a Payment for an Income Withholding Order or Court Order

## Prerequisites

Security: These domains in the Core Payroll functional area:

- *Set Up: Payroll (Payroll Third-Party Payments)*
- *Process: Payroll Third-Party Payments Settlement*
- *Process: Payroll Third-Party Payments Escheatment*
- *Worker Data: Payroll (Income Withholding Orders)*

## Context

When you enable payroll third-party payments on a deduction recipient, Workday generates payable items on result lines for payments that need to be sent to a third party. You can add this payable item to a settlement run to generate a payment to the deduction recipient.

You can use this process to generate and settle payments for Income Withholding Orders (IWO) or Court Orders.

## Steps

1. Access the Create Deduction Recipient task. For more information, see [Create Deduction Recipient](#).  
The deduction recipient serves as the payee for payroll third-party payments.
2. Select the Enable Payroll Third-Party Payments option.
3. Workday selects the Always Separate Payments checkbox by default when you select the Enable Payroll Third-Party Payments option.  
The Always Separate Payments option generates an individual payment for each payroll third-party payable item. We recommend that you leave it selected if you're sending the case number or reference number of an income withholding order or court order at the payment level of an electronic payment.
4. Access 1 of these tasks based on the worker's country:
  - Record AUS Withholding Order for Worker
  - Record CAN Withholding Order for Worker
  - Record FRA Withholding Order for Worker
  - Record UK Court Order for Worker
  - Record US Withholding Order for Worker
5. Assign the deduction recipient that you created to the income withholding order or court order.
6. Access the Run Pay Calculation task. For more information, see [Calculate On-Cycle Payroll](#).  
Workday generates a payroll result with a payroll result line for the income withholding order or court order recorded on the worker.
7. Access the Run Pay Complete task. For more information, see [Complete Payroll](#).
8. Access the Create Settlement Run or Schedule Settlement Run task. For more information, see [Steps: Use Settlement](#).  
For Payroll for Australia, Canada, France, and the U.S., the Settlement Run Date you enter becomes the payment date of all payroll third-party payments generated in that settlement run.  
For Payroll for the UK, the Settlement Run Date field represents the processing date. Workday uses the Settlement Run Date to determine the first date for the clearing process.
9. Add the payroll third-party payable items to the settlement run. To find these items, use the All Available Payroll Third-Party Payments filter, or custom filters you create. To add payroll third-party payable items manually, select the Payroll Third-Party Payments payment category from the Add button. For more information, see [Concept: Payroll Third-Party Payable Items](#).

10.(Optional) To display Case Number or Reference Number on electronic payments so that the deduction recipient can more easily identify the payment in their bank account, use 1 of these methods:

- Use Core Connector: Payments Outbound V2 (Enhanced Performance) to retrieve Case Number or Reference Number detail, then output it based on your banking system requirements. For more information, see [Concept: Payment Connector](#).
- When using a BACS Integration System, you can configure these values in the Payroll Third Party Payment - Reference Location integration attributes: Destination Account Name, Service User's Name, and Service User's Reference.

11.Complete the settlement run.

## **Result**

When you generate a payroll result, Workday identifies the payroll result lines with a Case Number or Reference Number worktag and retrieves the deduction recipient assigned to the IWO or Court Order. Workday generates a payroll third-party payable item for a payroll result line, and the deduction recipient becomes a worktag on the payroll result line.

When Workday generates a payroll third-party payable item, the Payroll Third-Party Payments tab displays on the Pay Calculation Result for Worker report. This tab displays information about payable items and the associated payment status, payment, and payment journal.

For Payroll for Canada and the U.S., you can generate payments for one-time and per-pay-period agency fees for workers. Workday doesn't support employer fees. If you add an agency fee to an income withholding order, the deduction recipient assigned to the IWO is also assigned to the payable item for the agency fee. However, when you create an agency fee, you can assign a deduction recipient that differs from the one assigned to the IWO. When this happens, Workday ignores the deduction recipient override on the agency fee.

## Related Information

### **Concepts**

[Concept: Withholding Orders \(USA\)](#) on page 1367

[Concept: Electronic Income Withholding Orders \(USA\)](#) on page 1363

[Setup Considerations: Income Withholding Orders \(USA\)](#) on page 1306

[Setup Considerations: Income Withholding Orders \(CAN\)](#) on page 1424

[Concept: Withholding Orders \(AUS\)](#) on page 1851

[Setup Considerations: Income Withholding Orders \(AUS\)](#) on page 1848

[Concept: Payroll Third-Party Payments](#) on page 772

[Concept: Payroll Third-Party Payable Items](#) on page 776

### **Tasks**

[Process Electronic Income Withholding Orders \(USA\)](#) on page 1361

[Steps: Set Up Electronic Income Withholding Orders \(USA\)](#) on page 1360

[Steps: Set Up and Process Withholding Orders \(FRA\)](#) on page 1660

[Record a Court Order \(AUS\)](#) on page 1857

[Steps: Set Up Withholding Orders \(AUS\)](#) on page 1852

[Record a Court Order \(UK\)](#) on page 1535

### **Reference**

[Reference: Court Orders \(UK\)](#) on page 1539

### **Examples**

[2024R1 What's New Post: Payroll Third-Party Payments](#)

[2024R1 What's New Post: Remittance Advices for Supplier Invoice and Third-Party Payroll Payments](#)

## Concept: Payroll Third-Party Payments Accounting

Workday generates payroll third-party payment journals after you process payroll third-party payments during a settlement run. Workday displays the journal on the Payroll Third-Party Payment tab on a worker's payroll result.

Workday creates a singular journal or an aggregated journal based on how you configure the Always Separate Payments check box on the deduction recipient:

- When selected, Workday creates a singular journal that includes the payment to the deduction recipient for a worker.
- When cleared, Workday creates an aggregated journal that includes all associated payments for that deduction recipient in 1 journal and 1 payment.

You can filter the Find Journals and Find Journal Lines reports for payroll third-party payments by using the Journal Source filter and selecting Payroll Third-Party Payments.

In the payroll third-party payment journals, realized gain displays in the Ledger Credit Amount column and realized loss displays in the Ledger Debit Amount column.

You can close the ledger period for payroll third-party payments when a journal posts. You can't close the ledger period if the payroll result status is In Progress.

You can use the Fix Operational Journal with Errors task on payroll third-party payments journals, if necessary.

### Supported Functionality

When configured, the payroll third-party payments journals supports these accounting functions:

- Cancel Payments
- Escheatment
- Intercompany Accounting
- Journal Summarization
- Operational Journal Reversals
- Return Payments
- Worktag Balancing - Workday supports inherited and specified worktag balancing for both primary and optional worktags when you generate payroll third-party payments with realized gain/loss.
- Multi-currency scenarios - You can enter conversion rates for multi-currency scenarios using the Maintain Currency Conversion Rates task. In addition, you can use the FRE Currency Conversion Rates report to view the current rates. Note: Multi-currency scenarios are not supported with intercompany accounting.

### Account Posting Rules

You can find Deduction Recipient as a Dimension on:

- Payroll Deduction account posting rules.
- Payroll Expenses account posting rules.
- Journal Summarization configuration.

This is useful when you have configured multiple deduction recipients and want to allocate each to different accounts.

To allocate all Payroll Third-Party Payment journals to an account, regardless of deduction recipient, use the Payroll Journal Source Dimension, with Payroll Third-Party Payment as an associated value. You can do so when editing these account posting rules:

- Payroll Deduction
- Payroll Earnings

- Payroll Expense
- Fringe Benefit Expense
- Fringe Benefit Recovery
- Cash Account Posting Rules

For more information, see [Set Up Account Posting Rules](#).

Related Information

### Concepts

[Setup Considerations: Payroll Accounting](#) on page 423

### Tasks

[Steps: Set Up Payroll Accounting](#) on page 442

### Examples

[2024R1 What's New Post: Payroll Third-Party Payments](#)

## Payroll and Accounting Results

### Set Up Standard Payroll Reports

### Set Up Balance Periods for Reports with Payroll Results

#### Prerequisites

Security: *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.

#### Context

You can display up to 3 balance periods on the View Payroll Result report.

Your selections also display as filter options for the Payroll Register by Period report.

#### Steps

1. Access the Maintain Pay Results - Balance Period Mapping task.
2. Specify the data requested in these fields:

Option	Description
Select Balance Period	Select up to 3 balance periods in separate rows, <i>Select Balance Period 01, 02, 03</i> . The suffix (01, 02, 03) determines the order in which Workday displays them on the View Payroll Result report.
Balance Period	Select the balance periods that you want to display from the prompts for the Select Balance Period 0x field as filters for the Payroll Register by Period report.
Label	Enter a heading, such as <i>YTD</i> , that you want to display on the View Payroll Results and Payroll Register by Period reports for each balance period.

## Result

The View Payroll Result report displays the balance periods that you configured.

The Payroll Register by Period report displays the *Select Balance Period 0x* filter option.

You can see the settings on the View Pay Results - Balance Period Mapping report.

### Australia

#### Canada

#### France

#### United Kingdom

#### United States

The Global Modern Services payroll administrator wants to see the Payroll Register by Period report for all balance periods for Australia. She configures the Maintain Pay Results - Balance Period Mapping task with these settings.

Select Balance Period	Balance Period	Label
Balance Period 01	Current Period	PTD
Balance Period 02	QTD - Current Calendar Quarter (based on Payment Date)	QTD
Balance Period 03	YTD - Tax Year	YTD

When she runs the Payroll Register by Period report, she selects a pay group or pay run group for Australia only from the Pay Run Groups and/or Pay Group Details field.

The Global Modern Services payroll administrator wants to see the Payroll Register by Period report for all balance periods for Canada. She configures the Maintain Pay Results - Balance Period Mapping task with these settings.

Select Balance Period	Balance Period	Label
Balance Period 01	MTD - Current Calendar Month (based on Payment Date)	MTD
Balance Period 02	YTD - Current Calendar Year (based on Payment Date)	YTD

When she runs the Payroll Register by Period report, she selects a pay group or pay run group for Canada only from the Pay Run Groups and/or Pay Group Details field.

The Global Modern Services payroll administrator wants to see the Payroll Register by Period report for all balance periods for France. She configures the Maintain Pay Results - Balance Period Mapping task with these settings.

Select Balance Period	Balance Period	Label
Balance Period 01	MTD - Current Calendar Month (based on Period End Date)	MTD
Balance Period 02	YTD - Current Calendar Year (based on Period End Date)	YTD

When she runs the Payroll Register by Period report, she selects a pay group or pay run group for France only from the Pay Run Groups and/or Pay Group Details field.

The Global Modern Services payroll administrator wants to see the Payroll Register by Period report for all balance periods for the UK. She configures the Maintain Pay Results - Balance Period Mapping task with these settings.

Select Balance Period	Balance Period	Label
Balance Period 01	Current Period	PTD
Balance Period 02	GBR Stat Calc: YTD Current Tax Year (using Country Tax Year and Hire Date)	YTD

When she runs the Payroll Register by Period report, she selects a pay group or pay run group for the UK only from the Pay Run Groups and/or Pay Group Details field.

The Global Modern Services payroll administrator wants to see the Payroll Register by Period report for all U.S. balance periods. She configures the Maintain Pay Results - Balance Period Mapping task with these settings.

Select Balance Period	Balance Period	Label
Balance Period 01	MTD - Current Calendar Month (based on Payment Date)	MTD
Balance Period 02	QTD - Current Calendar Quarter (based on Payment Date)	QTD
Balance Period 03	YTD - Current Calendar Year (based on Payment Date)	YTD

When she runs the Payroll Register by Period report, she selects a pay group or pay run group for the U.S. only from the Pay Run Groups and/or Pay Group Details field.

#### Related Information

##### Tasks

[Set Up Payroll Register by Period](#) on page 795

##### Reference

[FAQ: View Payroll Results](#) on page 843

## View Payroll Results

### Prerequisites

- Configure the balance periods to display on payroll results reports on the Maintain Pay Results - Balance Period Mapping task.
- Calculate at least 1 payroll for the worker.
- Depending on your payroll country, the View Payroll Results report is secured to these domains:
  - Reports: Results for Worker (Pay Calculation)* - AUS domain in the AUS Payroll functional area.
  - Reports: Results for Worker (Pay Calculation)* - CAN domain in the CAN Payroll functional area.
  - Reports: Results for Worker (Pay Calculation)* - FRA domain in the FRA Payroll functional area.
  - Reports: Results for Worker (Pay Calculation)* - UK domain in the UK Payroll functional area.
  - Reports: Results for Worker (Pay Calculation)* - USA domain in the USA Payroll functional area.

### Context

The View Payroll Results report from the worker profile is the primary report for administrators to view calculated payroll results for a worker. To verify that complex or new configurations are displaying expected results, view worker results on this report before completing a payroll.

This report provides access to payroll results for past, current, and future positions for the worker. Consider limiting permissions to the security domain of this report to payroll administrators, payroll partners, and HR partners.

For Payroll for the UK, the Payroll ID displays for UK workers.

In addition to giving the result, payment, and status, the report includes:

- Actuals.
- Additional pay components.
- Details of the payment.
- Gross-to-net pay.
- Other accounting information.
- Pay accumulation balances.
- Payroll input.
- Tax details. (AUS and UK)
- Tax elections. (CAN and USA)
- Payroll results summary in the standard French format. (FRA)
- Worker details. (FRA)

Workday also provides a *Get Payroll Results* web service.

## Steps

1. Access the worker profile by searching for the worker's name.
2. From the worker profile, click Pay > Results.
3. Click the magnifying glass icon for the result that you want to view.

## Next Steps

(Optional) View a smaller set of most commonly referenced results, such as worker name, date of payment, and amount, on these summary reports:

- Pay Calculation Results for Worker
- Pay Calculation Results for Group of Workers

Use the Payroll Calculation Processing Report to research payroll results that you want to view or take action on, such as:

- Recalculate
- Complete
- Cancel
- Hold
- Cancel pay complete

Note: For best performance, when processing all payroll results for a large pay group, such as 20,000 workers; Workday recommends running these individual tasks instead of using the report:

- Run Pay Calculation
- Run Pay Cancel

For Payroll for France, use these reports to view an aggregated view of payroll results based on the payslip configuration:

- FRA Payroll Journal By Company
- FRA Payroll Journal by Establishment

Use the Payroll Calculation Lines Processing Report to view details of the individual payroll result lines and their related calculations. You can also view, analyze, and create a detailed report on the selected payroll result lines.

Use the Payroll Results Compare Periods report to compare pay component variances by period.

To display a worker's hours for an earning or deduction on the Actuals tab of their pay results:

1. Edit the earning or deduction that you want to display hours for on the pay result.

2. Add a related calculation for *Hours* to the earning or deduction.
3. Add the *General Ledger: Hours* pay component group to that related calculation.

See: [Set Up Pay Component Related Calculations](#) on page 249.

Related Information

### Concepts

[Concept: Reviewing Payroll Accounting](#) on page 831

### Tasks

[Steps: Set Up Payroll for Tip Wages and Taxes \(USA\)](#) on page 1071

[Define Payslips](#) on page 487

[Define Payslips \(FRA\)](#) on page 495

### Reference

[Reference: FLSA Reports \(USA\)](#) on page 1036

[FAQ: Payslips Management and Administration](#) on page 515

[FAQ: View Payroll Results](#) on page 843

[2022R1 What's New Post: Pay Result Mass Action Report](#)

### Examples

[Example: Control Visibility of Earning and Deduction Results](#) on page 805

## Set Up Payroll Registers

### Setup Considerations: Payroll Register

This topic provides information for planning the payroll register configuration for these payroll countries:

- Canada
- Ireland
- United Kingdom
- United States

You can use this topic to help make decisions when planning your configuration and use of payroll register. 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

Workday provides you with a configurable framework that enables you to report payroll register as a preformatted PDF. You can produce an output that's optimized for readability and printing.

### Business Benefits

The payroll register in Workday enables you to:

- Configure reports with the latest payroll information.
- Easily reconcile payroll results to ensure accuracy of your results.
- Produce summarized results along with granular details, providing flexibility with viewing your data.

## Use Cases

You can use the payroll register in Workday to:

- Analyze worker results for on-cycle and off-cycle payroll.
- Audit and reconcile payroll results internally or externally, before completing the pay period.
- Check for errors in payroll results by reconciling accounting journals against bank statements.
- Help reconcile ledgers for accounting.
- Provide information to budget for bonuses.
- Report worker rates and hours for managers to review.
- Summarize and drill into specific payroll result for one or more periods and pay groups.
- Understand payroll increase in 1 month compared to previous.
- Verify adjustments and hours from timekeeping reports.
- Verify HR data such as hire dates and termination dates.

## Questions to Consider

Question	Considerations
How do you want to structure the payroll register report?	<p>You can use the Maintain Payroll Register Configurations task to determine:</p> <ul style="list-style-type: none"> <li>• The group of pay components you want to display on 4 different sections of the payroll register.</li> <li>• The names to display for each section and group.</li> </ul> <p>For each section, you can display:</p> <ul style="list-style-type: none"> <li>• Only hours and rates for earnings in section 1.</li> <li>• Taxes in section 2.</li> <li>• Deductions in section 3.</li> <li>• Employer paid for benefits or taxes in section 4.</li> </ul>
What detail do you want to include on the payroll register?	<p>You can configure different details to view in the payroll register report based on the configuration of the Payroll Register task. For 1 pay period, the report displays:</p> <ul style="list-style-type: none"> <li>• Payroll period results of any or all statuses.</li> <li>• Payment details, such as check or direct deposit.</li> <li>• Hours worked.</li> <li>• Rates.</li> <li>• Wages.</li> </ul> <p>For a balance period, the report displays month-to-date, quarter-to-date, or year-to-date:</p> <ul style="list-style-type: none"> <li>• Pay balance amounts.</li> <li>• Payroll results for terminated workers.</li> <li>• Pay balance hours.</li> <li>• Wages.</li> </ul>

Question	Considerations
	Both period and balance period display the employee ID.
Do you want to report on data other than pay components and related calculations?	<p>To display information other than pay components or related calculations, Workday recommends that you create a custom report instead of using the payroll register functionality. You can create a custom report that uses the payroll register configuration by copying these reports and applying a new business form layout:</p> <ul style="list-style-type: none"> <li>• Payroll Register - Report Design</li> <li>• Payroll Register for Balance Period - Report Design</li> </ul> <p>Example: Payment Date is included on the Payroll Register - Report Design.</p>
In what format do you want to produce your report?	The Payroll Register task produces a formatted PDF report. Workday enables you to generate a limited spreadsheet that's based on predefined pay component groups. When you select a balance period, you can only generate a formatted PDF report.
What payroll period or balance period do you want to report on?	<p>You can report on either a pay period or balance period on the Payroll Register task. To report on multiple pay periods or balance periods, Workday recommends that you use these alternative standard reports:</p> <ul style="list-style-type: none"> <li>• Payroll Register by Period</li> <li>• Payroll Register Summary</li> </ul>

## Recommendations

For best performance, run payroll register reports for pay groups of 20,000 or fewer employees.

## Requirements

No impact.

## Limitations

On the Payroll Register task, you can't select multiple pay periods. When you select a balance period, you can only generate a formatted PDF report.

Workday Payroll for France doesn't support the Payroll Register task.

You can only create a payroll register configuration that covers 1 country at a time.

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Set Up: Payroll (Reporting) in the Core functional area.</i>	Enables you to configure the payroll register spreadsheet and PDF report.
<ul style="list-style-type: none"> <li><i>Reports: Pay Calculation Results for Pay Group (Results)</i> in the country-specific Payroll functional area. Example: <i>Reports: Pay Calculation Results for Pay Group (Results) - UK</i> in the UK Payroll functional area.</li> <li><i>Worker Data: Payroll (Payroll Input)</i> in the Core Payroll functional area.</li> </ul>	Enables you to: <ul style="list-style-type: none"> <li>Run the Payroll Register task to produce a spreadsheet or PDF output.</li> <li>Copy the Payroll Register for Balance Period - Report Design report.</li> </ul>
<i>Reports: Pay Calculation Results for Pay Group (Results)</i> in the country-specific Payroll functional area. Example: <i>Reports: Pay Calculation Results for Pay Group (Results) - UK</i> in the UK Payroll functional area.	Enables you to copy the Payroll Register - Report Design and Payroll Register for Balance Period - Report Design reports.

## Business Processes

You can add the Payroll Register task to the *Pay Cycle Event* business process to add a reminder to review payroll results before completing the pay cycle.

## Reporting

Reports	Considerations
<ul style="list-style-type: none"> <li>Payroll Register - Report Design</li> <li>Payroll Register for Balance Period - Report Design</li> <li>Payroll Register Summary</li> </ul>	You can copy these reports to create a custom payroll register. These reports have different report fields that enable you to configure additional payroll result details.
Payroll Register	You can add this report as a menu option on the Pay Cycle Command Center dashboard.

## Integrations

No impact.

## Connections and Touchpoints

Features	Considerations
Earnings and deductions	You can configure the payroll register based on the earnings and deductions you have set up.
Payroll register spreadsheet	You can use the Payroll Register task to generate a spreadsheet. However, the output is predefined and based on earnings and deductions associated with several <i>Payroll Register Excel Group</i> pay component groups.

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.

## Other Impacts

While not part of the payroll register functionality, Workday delivers other standard payroll register reports that enable you to filter or sort through multiple periods. You can also create a custom report that is configurable based on delivered report fields, but doesn't produce a PDF.

[Related Information](#)

[Reference](#)

[Reference: Payroll Register Reports](#) on page 836

## Set Up Payroll Register

### Prerequisites

Set up pay components and pay component groups.

### Context

This topic provides instructions for setting up a payroll register for these payroll countries:

- Australia
- Canada
- Ireland
- United Kingdom
- United States

To help you reconcile your payroll results with impacted data from other areas of Workday or external systems, you can configure payroll register reports that provide:

- Summaries of worker payroll results.
- Report on a specific period or balance period for pay groups and organizations.
- Organization subtotals and totals.

Workday provides a defined framework for payroll register reports that you can configure to display your payroll data. You can generate the payroll register as a:

- Preformatted PDF that is optimized for readability and printing, through the Payroll Register task.
- Custom report, by copying the Payroll Register - Report Design and the Payroll Register for Balance Period - Report Design reports.

Workday includes the same information in each output.

Depending on your payroll country, the Payroll Register task is secured to these domains:

- *Reports: Pay Calculation Results for Pay Group (Results)* - AUS domain in the AUS Payroll functional area.
- *Reports: Pay Calculation Results for Pay Group (Results)* - CAN domain in the CAN Payroll functional area.
- *Reports: Pay Calculation Results for Pay Group (Results)* - IRL domain in the IRL Payroll functional area.
- *Reports: Pay Calculation Results for Pay Group (Results)* - UK domain in the UK Payroll functional area.
- *Reports: Pay Calculation Results for Pay Group (Results)* - USA domain in the USA Payroll functional area.
- *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

For best performance, Workday recommends running payroll register reports for pay groups of 20,000 or fewer employees.

## Steps

1. (Optional) Access the Edit Earning task to configure how to manage hours on the payroll register subtotals.

In the Related Calculations grid, access a related calculation that returns hours.

From the Result Line prompt in the Hours for Reporting section, select to *Add* or *Subtract* hours from payroll register subtotals.

You can configure rates to Section 1 of the payroll register. The same pay components will aggregate into 1 payroll result line for scanability.

**Security:** *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the Maintain Payroll Register Configurations task.

As you complete the task, consider:

Option	Description
Payments Section Name	Workday automatically displays settled payments in the far right column on the payroll register. Workday automatically displays Payments as the section heading. You can use this field to override the section name. This section displays only when you run the Payroll Register task for a period.
Display Negative Values in Black	Workday automatically displays negative values in red on the PDF version.

As you complete the Sections grid, consider:

Option	Description
Section Number	You can configure 4 sections.  For the PDF output of the payroll register, each section defines a column on the payroll register.  Section 4 only displays on the subtotal and grand total pages of the payroll register PDF.
Name	Workday populates a recommended name for each section. Examples: Earnings, Taxes, Deductions.
Group Number	You can configure 2 groups for each section, except for Section 2, where you can only configure 1 group.  For the PDF output of the payroll register, each group defines groups of data that display in each column.
Group Name	Workday populates a recommended name for each group. Examples: Other Taxable Income, Pre-tax Deductions, Post-tax Deductions.
Pay Components	You can select any pay component or pay component group. Workday recommends this configuration:

Option	Description
	<ul style="list-style-type: none"> <li>Section 1: Earnings that add to gross with hours and related rate calculations.</li> <li>Section 2: Employee-paid taxes.</li> <li>Section 3: Nontax deductions that reduce net pay.</li> <li>Section 4: Employer-paid benefits and taxes.</li> </ul>
Rates	<p>You can only display rates in Section 1. Rates are only displayed when you run the Payroll Register task for a period.</p>
Wages	<p>For Section 2 only. On your payroll register PDF reports, you can report wages based on:</p> <ul style="list-style-type: none"> <li>Either <i>Subject Wages</i> or <i>Taxable Wages</i> (CAN or USA)</li> <li><i>GBR NIable Earnings and Taxable Pay to Date (UK)</i></li> <li><i>IRL EE PRSIable Pay, IRL ER PRSIable Pay, IRL Taxable Pay, and IRL Taxable Pay to Date (IRL)</i></li> </ul> <p>You can view wage details at the worker, subtotal, and grand total level based on a pay period or a balance period (year-to-date, quarter-to-date, or month-to-date).</p>

Security: *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.

## Next Steps

Access the Payroll Register task to generate a PDF or Excel payroll register report.

You can further customize the payroll register report by copying these reports and attaching a custom business form layout in Report Designer:

- Payroll Register - Report Design
- Payroll Register for Balance Period - Report Design

When using the balance period report, Workday recommends you use the report fields in the data source together rather than using them independently for better performance.

Related Information

### Tasks

[Copy Reports](#)

[Steps: Create a Business Form Layout](#)

## Create a Payroll Register Spreadsheet

### Prerequisites

- Set up pay components and pay component groups.
- Set up a payroll register for your payroll country.

## Context

This topic provides instructions for creating a payroll register spreadsheet for these payroll countries:

- Australia
- Canada
- Ireland
- United Kingdom
- United States

You can configure a payroll register spreadsheet to provide more data formatting options when reconciling payroll results. The payroll register spreadsheet displays worker totals for predefined columns. Example:

- Base salary
- Bonus
- Advance payments

You can configure which pay components display in each column.

Regardless of configuration, Workday displays a worker's:

- Annual salary, based on the Total Base Pay Annualized - Amount report field.
- Hourly rate, based on the Hourly Rate - Amount report field.
- Payment method.
- Hire and termination dates.

## Steps

1. Access the Edit Earning or Edit Deduction task.

*Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.*

2. On the Non-Effective Dated tab, select a Payroll Register Excel Group pay component group from the Groups prompt.

*Example: Select Payroll Register Excel Group Advance Payment to include the value of the pay component in the Advance Payment column on the payroll register spreadsheet.*

These pay component groups and corresponding columns only apply to the payroll register configurations for Payroll for the UK:

- *Payroll Register Excel Group Child Care Vouchers*
- *Payroll Register Excel Group Pennies from Heaven*

*For Payroll for the UK, Workday automatically reports the sum of pay components in the GBR Court Order (All): Deductions [GBR] pay component group in the Court Order column of the payroll register spreadsheet.*

3. Access the Payroll Register task.

Select *Excel* from the Generate as prompt.

For best performance, Workday recommends running payroll register reports for pay groups of 25,000 or fewer employees.

Depending on your payroll country, the Payroll Register task is secured to these domains:

- *Reports: Pay Calculation Results for Pay Group (Results)* - AUS domain in the AUS Payroll functional area.
- *Reports: Pay Calculation Results for Pay Group (Results)* - CAN domain in the CAN Payroll functional area.
- *Reports: Pay Calculation Results for Pay Group (Results)* - IRL domain in the IRL Payroll functional area.
- *Reports: Pay Calculation Results for Pay Group (Results)* - UK domain in the UK Payroll functional area.
- *Reports: Pay Calculation Results for Pay Group (Results)* - USA domain in the USA Payroll functional area.
- *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

### **Result**

Workday generates the payroll register spreadsheet and sends it to My Tasks.

## **Set Up Payroll Register by Period**

### **Prerequisites**

To manage balance periods that display on the report, set up balance periods on the Maintain Pay Results - Balance Period Mapping task.

Security: *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.

### **Context**

This topic provides instructions for creating a payroll register by period for these payroll countries:

- Australia
- Canada
- Ireland
- United Kingdom
- United States

The Payroll Register by Period report provides payroll totals when you select pay period, pay group, or pay run groups. For each gross-to-net calculation, it also provides details for:

- Total gross pay.
- Earning and deductions.
- Net pay.
- Employer-paid benefits and taxes.
- Total number of results and employees.

You can create your own versions of the payroll register with additional reporting criteria and customized sections.

### **Steps**

1. Access the Maintain Payroll Register by Period Configurations task.

2. In the Display Total Hours column, you can select to display:

- *Hours Paid on Result*: Aggregates all pay component related calculations that have *Add* or *Subtract* selected in the Hours for Reporting - Result Line field on the View Earning or View Deduction task.
- *Hours Worked on Result*: Aggregates all pay component related calculations with the Hours for Reporting - Result check box selected on the View Earning or View Deduction task.

3. In the Organization Worktags Filters column, select up to 6 worktags.

You can enter worktag values as filters for the report data that cause additional columns to display.

Example: If you select *Company*, you can produce the register for workers in specific companies. The register then includes a column that displays each company.

4. Select the sections to include in the register:

Section	Description
Earnings	<p>Earnings that add to the gross pay.</p> <p>Includes pay result lines with <i>Gross</i> or <i>Net</i> pay accumulations.</p> <p>Doesn't include pay components in these pay component groups:</p> <ul style="list-style-type: none"> <li>• GBR Non Cash Taxable Benefits [GBR]</li> <li>• Non Cash Taxable Benefits</li> </ul>
Deductions	<p>Nontax deductions that reduce net pay.</p> <p>Includes pay result lines with <i>Gross</i> or <i>Net</i> pay accumulations.</p> <p>Doesn't include pay components in these pay component groups:</p> <ul style="list-style-type: none"> <li>• GBR Non Cash Taxable Benefits [GBR]</li> <li>• Non Cash Taxable Benefits</li> </ul>
Taxes	<p>Employee-paid taxes.</p> <p>Includes pay result lines with <i>Gross</i> or <i>Net</i> pay accumulations.</p> <p>Doesn't include pay components in these pay component groups:</p> <ul style="list-style-type: none"> <li>• 1042-S Withholding (Tax Treaty) Taxes [USA]</li> <li>• Statutory Taxes (EE) [USA]</li> </ul>
Employer Paid	<p>Employer-paid benefits and taxes in the Additional Pay Components to Calculate field on the run category for a pay group.</p> <p>Includes pay components in these pay component groups:</p> <ul style="list-style-type: none"> <li>• Employer Paid Benefits [AUS CAN FRA GBR IRL USA]</li> <li>• All AUS Reportable Fringe Benefits Amounts (FBT/RFBA) [AUS].</li> <li>• AUS Superannuation Employer Contributions [AUS]</li> </ul>

Section	Description
	<ul style="list-style-type: none"> <li>• Statutory Taxes Employer (All Countries)</li> </ul>
Noncash Taxable Benefits	<p>Noncash taxable benefits earnings that are listed in the Additional Pay Components to Calculate field on the run category for a pay group.</p> <p>Includes pay components in these pay component groups:</p> <ul style="list-style-type: none"> <li>• 1042-S Withholding (Tax Treaty) Taxes [USA]</li> <li>• Statutory Taxes (EE) [USA]</li> <li>• GBR Non Cash Taxable Benefits [GBR]</li> <li>• Non Cash Taxable Benefits</li> </ul>

### Next Steps

Run the Payroll Register by Period report.

Related Information

### Tasks

[Set Up Balance Periods for Reports with Payroll Results](#) on page 783

## Troubleshooting: Payroll Register

This topic provides information about troubleshooting for these payroll countries:

- Canada
- Ireland
- United Kingdom
- United States

### No results for selected organization hierarchy in the Payroll Register report.

Cause: In the Payroll Register task, the organization hierarchy you selected on the Organizations prompt has subordinate organizations, but you didn't select the Include Subordinate Organizations check box.

Solution: Select the Include Subordinate Organizations check box to include results from the subordinate organizations.

### Steps

1. Access the Payroll Register task.
2. Ensure you've selected the correct option on the Organizations prompt.
3. Select the Include Subordinate Organizations box.

### No results for specific workers in the Payroll Register report.

Solution: Check that the workers have pay results for the selected organization and pay group or within the balance period.

### Steps

1. Go to the missing worker's profile.
2. Click the worker's Pay tab.
3. Click the Results tab.
4. Verify that the worker has pay results for the selected organization and pay group for the pay period or within the balance period.

## FAQ: Why do duplicate tax names display on the payroll register?

For Payroll for Canada, the UK, and the U.S., if you run the Payroll Register task with Separate Taxes by Jurisdiction selected, each tax in the report displays with its pay component name followed by the tax authority worktag. You might see duplicate tax names because the name of the pay component is similar to the name of the tax authority worktag.

## Create Custom Payroll Reports

### Setup Considerations: Custom Payroll Reports

You can use this topic to help make decisions when planning your configuration and use of custom payroll reports. 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

You can create custom payroll reports with specific fields, filters, worktags, and other criteria. You can create custom reports to return payroll data for individual workers or all employees for a specific range of dates. Your reports can include gross, net, taxes, earnings, deductions, and variances of pay results.

#### Business Benefits

Payroll custom reports enable you to:

- Drill into payroll data to identify correlations or discrepancies, such as missing deductions or earnings.
- Take action on payroll results, such as completing retro results.
- Compare payroll result variances, such as earnings differences between the current and previous period.
- Provide payroll data to nonpayroll users, such as earnings balances for a manager's employees.

#### Use Cases

- You can use simple or advanced reports to analyze detailed information on a targeted set of data, such as tax totals for a pay period.
- You can use a matrix report to summarize a large amount of data, such as pay group assignments.
- You can use composite reports to view combined data from multiple sources, such as year-to-date, month-to-date, and quarter-to-date pay component variances.
- You can use search reports to find a subset of data and take an action on it.

#### Questions to Consider

Question	Considerations
Is there a standard report that delivers most of the functionality you want?	You can use the Copy Standard Report to Custom Report task to modify a standard report.
Do you know which data source to use for your custom report?	The data source that you select determines: <ul style="list-style-type: none"> <li>• How quickly Workday returns results.</li> </ul>

Question	Considerations
	<ul style="list-style-type: none"> <li>• The primary business object.</li> <li>• The starting data set.</li> <li>• Which users can access the report.</li> <li>• Which users you can share the report with.</li> </ul> <p>You can build custom payroll reports from a data source, such as All Pay Balances for Payroll. You can view all data sources on the Data Sources report. Use indexed data sources whenever possible. Select filtered data sources such as Workers by Organization or focused data sources such as My Direct Reports to improve efficiency.</p> <p>Note: Workday eliminates non-indexed data sources from the selection list when you select the Optimized for Performance check box on the Create Custom Report task. To view and select from all data sources, clear the check box.</p>
Will you use the report to transfer payroll data to a third-party service?	If you use Report-as-a-Service (RaaS) or Excel/CSV to transfer payroll data, consider using Studio integrations to export large amounts of data to third-party services.
Which roles in your organization need to access custom payroll reports?	You can use reports using organizational hierarchies, role-based permissions, and row-level security on custom reports. You can also secure by pay group, ensuring payroll partners can only view data for the pay groups they support.
Who can you share reports with?	<p>You can share all report types, apart from simple reports, with authorized users and groups that have access to the data sources and data source filters. You can convert simple reports to advanced reports to share them. Once shared, users running the report can view the results filtered by their security. Example: If the user doesn't have security access to a report field, the data returned from the report field won't be visible on the report.</p> <p>You can use the:</p> <ul style="list-style-type: none"> <li>• View Security Groups for User report to see what security groups a user belongs to.</li> <li>• View Security for Securable Item report to see what security groups can access the securable item. Example: A data source or report field.</li> </ul>
Do you need to share a custom report with nonpayroll users, such as managers or benefit partners?	<p>You can restrict pay component access by creating dedicated security segments.</p> <p>You can only apply pay component security segments to custom reports based on segmented data sources.</p>

Question	Considerations
Do you need to transfer ownership of reports?	You can use the Transfer Ownership of Custom Reports task.
Do you need to report on pay components and pay accumulations?	You can map pay components or pay accumulations to Workday-owned report fields. If you map more than 1 pay component to the same report field, Workday sums the component values and assigns the results to the report field.
Do you intend to report on balance periods?	Run the Integration IDs report with the <i>Balance Period (Workday Owned)</i> business object to view all balance periods that you can use on custom reports.
What calculated fields can you include in reports?	Use the All Calculated Fields report to identify calculated fields for custom reports. If there isn't a calculated field that meets your needs, use the Create Calculated Field task. Example: If you want to find the worker's most recent completed payroll results, use the Most Recent Completed Payroll Results report field. This report field returns the 3 most recently completed payroll results for a worker.
Do you need to make your payroll data easier to report on?	You can use custom or Workday-delivered worktags to more easily access information, filter searches, and analyze data in aggregated and summarized reports. You can use worktags for cost allocations or to tag pay components with supplemental information. You can assign worktags to the payroll result level or the payroll result line level.

## Recommendations

For best performance, Workday recommends you to:

- Use indexed Reporting Data Source (RDS) and filters where available.
- Avoid using Do Not Use or DNU fields.
- Leverage a consolidated report consisting of matrix reports and lookup fields and use together with indexed data sources and indexed field.
- Use the business object with the most instances as your primary business object. Example: Use the *Payroll Result Line* business object before the *Worker* business object for a better performing report.

Reporting On	Recommendation
Pay balances	<p>Use these standard report data sources:</p> <ul style="list-style-type: none"> <li>• Earning/Deduction Payroll Balances for Organization</li> <li>• Earning/Deduction Payroll Balances for Worker</li> <li>• Earning/Deduction Payroll Results for Organization (As of Sub Period End Date)</li> <li>• Earning/Deduction Payroll Results for Organization, Worker, Period and Date Range (As of Sub Period End Date)</li> </ul>

Reporting On	Recommendation
	<ul style="list-style-type: none"> <li>• Earning/Deduction Payroll Results for Worker (As of Sub Period End Date)</li> </ul> <p>Ensure that you configure pay component security segments when using these report data sources.</p>
Aggregated balance periods	<p>If you don't require worktag balance calculations, consider using these Workday-delivered reports:</p> <ul style="list-style-type: none"> <li>• Payroll Totals by Company</li> <li>• Payroll Totals by Company and Pay Group Detail</li> <li>• Payroll Totals by Company and Worker</li> <li>• Payroll Totals by Company Pay Group Detail and Worker</li> </ul>
Earning, deduction, or pay component codes	<p>For better performance, use the Payroll Calculation indexed report field instead of these report fields:</p> <ul style="list-style-type: none"> <li>• Deduction</li> <li>• Earning</li> <li>• Pay Component Code</li> </ul>
Payroll result lines and worker-related data	<p>Use the Payroll Result Lines data source for the report, and then specify the <i>Worker</i> business object as a field on the report.</p>

## Requirements

To report on tenanted Earnings, Deductions, Pay Component Related Calculations, or Pay Accumulations, you must map the components to Workday-owned report fields. If you map more than one pay component to the same report field, Workday sums the component values and assigns the results to the report field.

## Limitations

You can't use matrix or composite reports with RaaS integration.

Indexed data sources don't currently support segmented security. Example: You create a report for a cost center manager using segmented security. The report sums payroll result lines by pay component. It returns the sum of all payroll result lines rather than just the sum of the payroll result lines to which the cost center manager has access.

Worktags, especially unindexed worktags, might negatively affect performance. When filtering by worktags, use standard indexed worktags for the best performance, such as:

- *Business Unit*
- *Company*
- *Cost Center*
- *Location*
- *Pay Group*
- *Region*

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Custom Report Creation</i> in the System functional area.	Enables you to create and manage custom reports. This security grants modify privileges on reports in these domains: <ul style="list-style-type: none"> <li>• <i>Custom Report Management</i></li> <li>• <i>Custom/Standard Report Copy</i></li> </ul>
<i>Manage: All Custom Reports</i> in the System functional area.	Enables you to view, edit, and delete all custom reports, regardless of whether you're the report owner.

When creating a custom report, you can only use data sources and report fields in the security domains to which you have access.

## Business Processes

You can add custom reports as a step on relevant payroll business processes. Example: You can add custom reports to the *Pay Cycle Event* business process.

## Reporting

You can use these Workday-delivered reports and dashboards to track report usage in your tenant:

- Report Administrator dashboard - Displays tasks and reports that help you manage the reports in your tenant.
- Report Run History report - Displays how many times a report ran and details such as who ran the report and at what time.

Reports	Considerations
Calculated Field Exception Audit	Enables you to validate your calculated fields and identify errors.
Custom Report Exception Audit	Enables you to validate report definitions.
Custom Report Exceptions by Owner	Enables you to view exceptions for reports that: <ul style="list-style-type: none"> <li>• Include terminated workers.</li> <li>• Are enabled as worklets but not available on dashboards.</li> <li>• Are temporary or past their deletion date.</li> <li>• Aren't shared.</li> <li>• Include items marked as Do Not Use.</li> </ul>
Custom Reports I Can Run Exception Audit	Enables you to view custom reports with exceptions.
Reporting tab on the Tenant Analyzer	You can use to identify custom reports that you can update to improve performance.

## Integrations

For the best performance, use Workday-delivered integration cloud connectors, such as Check Print Connector and Payroll Journal Outbound Connector instead of RaaS.

When a custom report returns more than 50,000 lines, consider creating a Studio integration using Workday Web Services instead of a custom report or RaaS.

## Connections and Touchpoints

Custom reports touch any product area that returns data from the primary business object and related business objects.

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

[Setup Considerations: Custom Reporting](#)

[Setup Considerations: Calculated Fields](#)

[Concept: Custom Reports](#)

[Concept: Indexed Data Sources and Fields](#)

[Concept: Report Security](#)

[Concept: Payroll Custom Worktags on page 305](#)

[Concept: Worktags for Payroll Calculations on page 302](#)

#### Tasks

[Steps: Enable Worktags for Cost Allocations on page 547](#)

## Map Fields for Custom Reporting of Pay Results

### Prerequisites

Security: *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.

### Context

In addition to viewing payroll results in standard Workday reports, you can create custom reports using the Workday Report Writer. To report on earnings, deductions, pay component related calculations, or pay accumulations, you must map the components to Workday-provided report fields.

If you map more than 1 pay component to the same report field, Workday sums the component values and assigns the results to the report field.

### Steps

1. Access the Maintain Pay Results - Class Report Field Mapping task.
2. Select the tab for the type of results you want to display in the report:
  - Pay Component Results: Use to map earnings, deductions, pay component related calculations, and pay accumulations to a report field. When you include the item in a custom report, the reported value represents a single gross-to-net result. Example: When reporting on a mapped earning that a worker receives in both a regular pay run and an on-demand additional payment, Workday returns a separate value for each result, not the combined result.
  - Pay Component Balance Results: Use to map earnings, deductions, pay component related calculations, and pay accumulations to a report field, and display the results over a specified balance period. Examples: month-to-date, quarter-to-date.
  - Pay Component Group Results: Use to map pay component groups to a report field.
3. As you complete the task consider:

Field	Description
Class Report Field	Workday provides a set of placeholder report fields.

Field	Description
Label	The label to search for report fields in the Report Writer.

## Result

View the list of reports that use a mapped report field on the Used in Custom Reports field on the View Pay Results - Class Report Field Mapping report.

## Next Steps

Access the Create Custom Report task to create a custom report.

Note: When creating a custom report, you must specify a data source. Select your mapped report fields from the *Payroll Processing/Results* prompt folder.

Related Information

Concepts

[Concept: Custom Reports](#)

Tasks

[Create Pay Accumulations](#) on page 320

## Create Calculated Fields for Custom Pay Result Reporting

### Prerequisites

Security: *Custom Field Management* domain in the System functional area.

### Context

When creating calculated fields for custom reports, you can use the *Payroll Result* business object and the *Lookup Field with Prompts* function to return:

- Deductions.
- Earnings.
- Pay accumulations.
- Pay component groups.
- Pay component-related calculations.

This combination enables you to create an unlimited number of custom report fields.

### Steps

1. Access the Create Calculated Field task.
2. Select *Payroll Result* from the Business Object prompt.  
The business object associated with a calculated field controls the availability of fields.
3. Select *Lookup Field with Prompts* from the Function prompt.
4. On the Calculation tab, select a Source Field from the prompt:
  - *Payroll Result Amount for Pay Components*: Select to build the calculated field on a specific pay component. Example: *Base Pay* or *Bonus*.
  - *Payroll Result Amount for Pay Component Group*: Select to build the calculated field on a specific pay component group.
  - *Payroll Result Balances Amount for Pay Components*: Select to build the calculated field on a specific pay component over a period. Example: *YTD - Current Fiscal Year*.

5. Select a Value for each prompt field.  
Workday returns results on the calculated field that uses your specified prompt values.
6. (Optional) On the Additional Info tab, select a Category from the prompt to help you find the appropriate field to use when creating a report.

### **Example**

To include bonuses for the current payroll period in a report, you can create a custom calculated field on a specific pay component over a period. Select *Payroll Result Balances Amount for Pay Components* as your Source Field.

Select *Bonus* for your Payroll Components and *Current Period* for your Balance Period.

Prompt Field	Value
Payroll Components	Example: <i>Bonus</i>
Balance Period	Example: <i>Current Period</i>

### **Next Steps**

Add your calculated fields to custom reports using the Create Custom Report task.

You can copy a standard report, such as the Pay Calculation Results for Group of Workers report, and customize it by adding your custom calculated fields.

Related Information

#### **Concepts**

[Concept: Calculated Fields](#)

[Concept: Custom Reports](#)

## **Example: Control Visibility of Earning and Deduction Results**

This example illustrates how to enable users outside of payroll to view the results of selected earnings and deductions.

### **Context**

Users outside of payroll want to view the results of selected earnings and deductions:

- The benefits administrator and the benefits partner want to view dental, medical, and vision deductions for employees.
- Managers want to view the base pay, hourly pay, and overtime pay for employees in their organization.

You can only apply segmented security to custom reports based on these segmented data sources:

- Earning/Deduction Payroll Balances for Organization
- Earning/Deduction Payroll Balances for Worker
- Earning/Deduction Payroll Results for Organization (As of Sub Period End Date)
- Earning/Deduction Payroll Results for Organization, Worker, Period and Date Range (As of Sub Period End Date)
- Earning/Deduction Payroll Results for Worker (As of Sub Period End Date)

### **Prerequisites**

Create 2 deductions named *Dental* and *Medical*.

Create 3 earnings named *Base Pay*, *Hourly Pay*, and *Overtime Pay*.

Security:

- Set Up: Payroll (*Calculations - Payroll Specific*) domain in the Core Payroll functional area.
- Security Configuration domain in the System functional area.

## Steps

1. Access the Create Pay Component Security Segment task and enter these values:

Option	Value
Name	<i>Benefits View</i>
Pay Component	<i>Dental</i> <i>Medical</i>

2. Access the Create Pay Component Security Segment task and enter these values:

Option	Value
Name	<i>Manager View</i>
Pay Component	<i>Base Pay</i> <i>Hourly Pay</i> <i>Overtime Pay</i>

3. Access the Create Security Group task and enter these values:

Option	Value
Type of Tenanted Security Group	<i>Segment-Based Security Group</i>
Name	<i>Benefits Visibility</i>
Security Groups	<i>Benefits Administrator</i> <i>Benefits Partner</i>
Access to Segments	<i>Benefits View</i>

4. Access the Create Security Group task and enter these values:

Option	Value
Type of Tenanted Security Group	<i>Segment-Based Security Group</i>
Name	<i>Managers Visibility</i>
Security Groups	<i>Manager</i>
Access to Segments	<i>Manager View</i>

5. Update your security policies to grant the security groups that aren't segment-based to access payroll results reports.

- a) Access the Domain Security Policies for Functional Area report.
- b) Edit permissions for the *Reports: Pay Calculation Results (Results - Reports based on Pay Component Security)* domain in the Core Payroll functional area.
- c) In the Security Groups field on the Report/Task Permissions grid, select *Benefits Administrator*, *Benefits Partner*, and *Manager*.
- d) Select the View check box.

6. Update your security policies to make the results of the selected earnings and deductions visible.
  - a) Access the Domain Security Policies for Functional Area report.
  - b) Edit permissions for the *Reports: Pay Calculation Results (Results - Security based on Pay Component Security)* domain in the Core Payroll functional area.
  - c) In the Security Groups field in the Report/Task Permissions grid, select *Benefits Visibility*, and *Managers Visibility*.
  - d) Select the View check box.
7. [Activate Pending Security Policy Changes](#).

## Result

The benefits administrator and benefits partner can view pay results for the dental and medical deductions. They only see results for:

- Reports that are secured to the *Reports: Pay Calculation Results (Results - Reports based on Pay Component Security)* domain.
- Workers that they have security to view.
- Deductions or earnings in the pay component security segment.

Managers can view the base pay, hourly pay, and overtime pay for the employees that they're responsible for.

The View Earning and View Deduction reports include a tab listing the pay component security segments an earning or deduction belongs to.

## Next Steps

Use the All Pay Components Security Segments report to view the pay component security segments you created.

[Related Information](#)

### Tasks

[Create Segment-Based Security Groups](#)

[Activate Pending Security Policy Changes](#)

### Reference

[The Next Level: Payroll Security](#)

## Example: YTD Pay Balances for Custom Reporting

### Context

Several executives continue to pay into their retirement plan on a post-tax basis after reaching their pretax limit. You want to display the year-to-date balance on pay results for workers.

### Prerequisites

- Create pretax and post-tax retirement deductions. See [Steps: Create Deductions](#) on page 234.
- Add the retirement deductions to a pay accumulation called *Retirement Pre and Post Tax*. See [Create Pay Accumulations](#) on page 320.
- Create a custom report for YTD Payroll Results. See [Concept: Custom Reports](#).
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Maintain Pay Results - Class Report Field Mapping task.
2. Select the Pay Component Balance Results tab.

3. As you complete the task, consider:

Option	Description
Pay Components to Include	Select <i>By Calculation Type &gt; Pay Accumulation (ALL) &gt; Retirement Pre and Post Tax.</i>
Balance Period	Select <i>YTD - Current Calendar Year (based on Payment Date).</i>
Label	Enter a descriptive label, such as <i>YTD Pre/Post Tax Retirement.</i>

4. Open your custom report YTD Payroll Results and add this field with these settings:

Option	Description
Business Object	Select <i>Payroll Result.</i>
Field	Select <i>Payroll &gt; YTD Pre/Post Tax Retirement.</i>
Options	Select <i>Do Not Show if Empty.</i>

### Result

You can see the YTD balance on your custom YTD payroll results report.

Related Information

### Concepts

[Concept: Custom Reports](#)

### Tasks

[Create Pay Accumulations](#) on page 320

## Example: Report on Payroll Result Lines on Worker Business Object

This example suggests 1 way you can use calculated fields to sum a specific payroll result line.

### Context

You want a report that sums regular wages for completed pay periods. You need to create 2 calculated fields:

- 1 to identify result lines belonging to the pay component for regular wages (Example: Hourly pay).
- 1 to sum the result lines where the pay component is hourly pay.

### Steps

1. Access the Create Calculated Field task.

2. For the first calculated field, enter:

Option	Description
Field Name	<i>PC on Payroll Result Line is Hourly Pay</i>
Business Object	<i>Payroll Result Line</i>
Function	<i>True/False Condition</i>

3. On the Calculation tab for the PC on Payroll Result Line is Hourly Pay calculated field, enter:

Option	Description
And/Or	<i>And</i>
Field	<i>Earning</i>

Option	Description
Operator	<i>In the selection list</i>
Comparison Type	<i>Value specified in this filter</i>
Comparison Value	<i>Hourly Pay</i>

4. Create a second calculated field with these values:

Option	Description
Field Name	<i>Sum of Regular Wages for Worker</i>
Business Object	<i>Worker</i>
Function	<i>Sum Related Instances</i>

5. On the Calculation tab for the Sum of Regular Wages for Worker calculated field, enter:

Option	Description
Related Field	<i>Payroll Result Lines within Date Range (Completed)</i>
Sum Instances where condition is true	<i>PC on Payroll Result Line is Hourly Pay</i>
Field to Sum	<i>Result Line Amount</i>

6. Access the Create Custom Report task and enter these values:

Option	Description
Report Name	<i>Hourly Pay for Completed Periods</i>
Report Type	<i>Advanced</i>
Data Source	Select a data source based on the <i>Worker</i> business object. Example: All Active and Terminated Workers.

7. On the Columns tab, add the Sum of Regular Wages for Worker calculated field to the report.

## Result

The Sum of Regular Wages for Worker field on the custom report gives you the sum of the regular wage earnings for workers within the specified dates.

## Example: All Pay Component Totals by Periods

### Context

After completing payroll, you need to audit the pay component totals to verify that the totals match with outside deduction reports. You want a report that sums all pay component totals by a single or multiple periods.

### Prerequisites

Security: *Custom Report Creation* domain in the System functional area.

### Steps

- Access the Create Custom Report task.

2. Enter these values:

Option	Description
Report Name	<i>All Pay Component Totals for Period(s)</i>
Report Type	<i>Advanced</i>
Optimized for Performance	<i>Cleared</i>
Data Source	<i>Payroll Result Lines</i>

3. Click OK.

4. Confirm that the Data Source Filter is *Pay Calculation Result Lines for Pay Group and Period (As of Sub Period End Date)*.

5. On the Columns tab, enter these values:

Business Object	Field	Column Heading Override	Options
<i>Payroll Result Line</i>	<i>Pay Component Code</i>	<i>Code</i>	
<i>Payroll Result Line</i>	<i>Pay Component Name</i>	<i>Description</i>	
<i>Payroll Result Line</i>	<i>Pay Component Category</i>	<i>Category</i>	
<i>Payroll Result Line</i>	<i>Result Line Amount (Indexed)</i>	<i>Amount</i>	<i>Sum</i>

6. On the Sort tab, enter these values:

Field	Sort Direction	Summarize Detail Rows
<i>Pay Component Code</i>	<i>Alphabetical - Ascending</i>	
<i>Pay Component Name</i>	<i>Alphabetical - Ascending</i>	
<i>Pay Component Category</i>	<i>Alphabetical - Ascending</i>	<i>Selected</i>

7. On the Prompts tab, select the Display Prompt Values in Subtitle check box.

8. Enter these values on the Prompt Defaults grid:

Field	Prompt Qualifier	Default Type	Required	Do Not Prompt at Runtime
<i>Pay Run Groups and/or Pay Group Details</i>		<i>No default value</i>	<i>Selected</i>	
<i>Periods</i>		<i>No default value</i>	<i>Selected</i>	
<i>Organizations</i>		<i>No default value</i>		<i>Selected</i>
<i>Payroll Off-cycle Type</i>	<i>Default Prompt</i>	<i>No default value</i>		<i>Selected</i>
<i>Worker</i>	<i>Default Prompt</i>	<i>No default value</i>		<i>Selected</i>
<i>Include Subordinate Organizations</i>		<i>No default value</i>		<i>Selected</i>

9. On the Output tab, select *Chart and Table* from the Output Type prompt.

10. In the Chart Options section, enter these values:

Option	Description
Chart Type	<i>Donut</i>
Top n Values	<i>50</i>
Categories (for label)	<i>Pay Component Name</i>
Series (for legend)	<i>Result Line Amount (Indexed)</i>

11. On the Share tab, select the *Share with specific authorized groups and users* option.

12. Select *Payroll Administrator* and *Payroll Partner* from the Authorized Groups prompt.

13. Click OK.

14. Make sure that the Payroll Administrator and Payroll Partner user groups have security access to the *Reports: Pay Calculation Results for Pay Group (Results)* domain in the Core Payroll functional area.

## Example: Pay Component Totals by Worker

### Context

This example illustrates how you can create a composite report that sums all pay component totals by worker for a single or multiple periods. Composite reporting uses matrix report types as sub reports to enable you to perform dynamic reporting.

### Steps

1. Access the Create Custom Report task to configure your matrix sub report. Enter:

Field	Value
Report Name	<i>Pay Component Totals By Worker Subreport</i>
Report Type	<i>Matrix</i>
Data Source	<i>Payroll Result Lines</i>

2. Click OK.

3. Select Pay Calculation Result Lines for Pay Group and Period (As of Sub Period End Date) as the Data Source Filter.

4. On the Matrix tab, add these values to the Row Grouping grid:

Group By Field	Sort Rows
<i>Worker</i>	<i>Alphabetical - Ascending</i>
<i>Payroll Calculation</i>	<i>Alphabetical - Ascending</i>
<i>Pay Component Category</i>	<i>Alphabetical - Ascending</i>
If <i>Pay Component Category</i> isn't displayed in the drop-down, clear the Optimized for Performance check box on the Advanced tab.	

5. Replace the populated values with these values on the Define the Field(s) to Summarize grid:

Summarization Type	Summarization Field	Format
<i>Sum</i>	<i>Result Line Amount (Indexed)</i>	<i>#,##0.00</i>

Note: The Result Line Amount (Indexed) report field is secured to the *Public Reporting Items* domain. If you need security, use the Result Line Amount report field.

6. Navigate to the Prompts tab.

7. Select the Populate Undefined Prompt Defaults check box.

Workday populates the values in your report, but the check box doesn't remain checked.

8. Select Do Not Prompt at Runtime for these fields:

- Organizations
- Payroll Off-cycle Type
- Worker
- Include Subordinate Organizations

9. On the Share tab, select Share with all authorized users.

10. Click OK.

11. Access the Create Custom Report task and enter:

Field	Value
Report Name	Pay Component Totals By Worker
Report Type	Composite

12. Add 2 rows on the Business Object Enabled for Filtering and Grouping grid and enter these business objects:

- *Worker*
- *Calculation (Payroll Calculation)*

13. Click OK.

14. Click column C1 and select Define > Control Field from the drop-down menu.

15. Enter:

Field	Value
Column Name	Worker
Business Object	<i>Worker</i>

16. Click OK.

17. Click column C2 and select Define > Control Field.

18. Enter:

Field	Value
Column Name	Description
Business Object	<i>Calculation (Payroll Calculation)</i>

19. Click OK.

20. Click column C3 and select Define > Lookup Field Value.

21.Enter:

Field	Value
Column Name	Code
Control Field Column	<i>Description</i>
Return Field	<i>Calculation Code</i>

22.Click OK.

23.Click column C4 and select Define > Data.

24.Enter:

Field	Value
Column Name	Amount
Sub Report Name	<i>Pay Component Totals By Worker Subreport</i> Workday populates the Map Sub Report Prompts grid with some of the prompt values you defined in the sub report.

25.Enter these values in the Map Sub Report Prompts grid:

Prompt Field	Value Type
Pay Run Groups and/or Pay Group Details	<i>Prompt User for Value at Run Time</i>
Periods	<i>Prompt User for Value at Run Time</i>

26.From the Field to Aggregate prompt, select *Sum of Result Line Amount (Indexed)*.

27.Click OK.

#### Related Information

##### Tasks

[Steps: Create Matrix Reports](#)

[Steps: Create Composite Reports](#)

## Example: Payroll Balances for Organization

### Context

This example illustrates 1 way that you can create an advanced report to view earning and deduction payroll balances for an organization. You want to review the month-to-date payroll balances.

### Prerequisites

Security: *Custom Report Creation* domain in the System functional area.

### Steps

- Access the Create Custom Report task.
- Enter these values:

Option	Description
Report Name	<i>Payroll Balances for Organization</i>
Report Type	<i>Advanced</i>
Optimized for Performance	Cleared

Option	Description
Data Source	<i>Earning/Deduction Payroll Balances for Organization</i>

3. Click OK.
4. Confirm that the Data Source Type is *Standard* and Primary Business Object is *Payroll Result Line*.
5. On the Columns tab, enter these values:

Business Object	Field	Column Heading Override	Options
<i>Payroll Result Line</i>	<i>Period</i>		
<i>Payroll Result Line</i>	<i>Payroll Calculation</i>		
<i>Payroll Result Line</i>	<i>Pay Balance Amount for Balance Period 1</i>		
<i>Payroll Result Line</i>	<i>~Worker~</i>		

6. On the Prompts tab, from the Runtime Date Prompts section, consider:

Option	Description
<i>Effective Date</i>	<i>Use date and time at runtime</i>
<i>Entry Date</i>	<i>Use date and time at runtime</i>
<i>Display Prompt Values in Subtitle</i>	Select the check box.

7. Enter these values on the Prompt Defaults grid:

Field	Prompt Qualifier	Default Type	Required
<i>Organization</i>		<i>No default value</i>	<i>Selected</i>
<i>Balance Period 1</i>		<i>No default value</i>	<i>Selected</i>
<i>As Of</i>		<i>No default value</i>	<i>Selected</i>
<i>Earnings/Deductions</i>		<i>No default value</i>	
<i>Reference Period for Balance</i>		<i>No default value</i>	
<i>~Terminated~ ~Workers~ From Date</i>		<i>No default value</i>	
<i>Include Subordinate Organizations</i>		<i>No default value</i>	
<i>Separate Balances by Company</i>		<i>No default value</i>	
<i>Separate Balances by Pay Group</i>		<i>No default value</i>	
<i>Period Date Indicator</i>		<i>No default value</i>	

Field	Prompt Qualifier	Default Type	Required
<i>Include Results Processed by</i>		<i>No default value</i>	

When you run the report, using:

- A date calculation for *Balance Period 1*, you should enter the *As of* date to view the relevant dates. Select a balance period with a reporting only date calculation such as *MTD - Current calendar (Based on Payment Date) for Reporting Only*.
  - A period calculation for *Balance Period 1*, you should enter the *Reference Period* to view the closest relevant dates.
8. On the Output tab, select *Table* from the Output Type prompt.
  9. On the Share tab, select the *Share with specific authorized groups and users* option.
  10. Select *Payroll Administrator* and *Payroll Partner* from the Authorized Groups prompt.  
Make sure that the Payroll Administrator and Payroll Partner user groups have security access to the *Reports: Pay Calculation Results for Pay Group (Results)* domain in the Core Payroll functional area.
  11. Click OK.

## Audit Payroll Results

### Setup Considerations: Payroll Audits

You can use this topic to help make decisions when planning your configuration and use of payroll audits. 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 They Are

Payroll audits enable you to:

- Audit any past or current pay period.
- Verify that payroll results are correct.
- Spot and fix issues before completing payroll.

You can configure audit rules for a specific subset of workers and group sets of audit rules to run at the same time.

#### Business Benefits

The Workday payroll auditing process enables you to:

- More easily analyze and act on audit exceptions.
- Set the severity of audit exceptions to Informational, Warning, or Critical.
- Configure audit assignment alerts using the reporting notification framework within Workday.
- More effectively research and collaborate on the resolution of audit exceptions by assigning audit exceptions to individuals for resolution.
- Reduce the risk of exposing sensitive worker data by controlling which audit-related data to share with collaborators.

- Change the status of audit exceptions and add comments for easier tracking.
- Track audit exceptions and assignees through delivered reports.
- View audit exception histories and comments.

## Use Cases

You can use audit rules to:

- Ensure accurate overtime payment by identifying workers with overtime hours.
- Find workers in a specific location that have year-to-date (YTD) retirement savings eligible wages that are close to the contribution limit.
- Prevent errors by identifying workers with unusually high or low payroll results.

You can compare:

- An in-progress period with any completed period.
- Any 2 completed periods.
- Results by pay group, period summary, and worker.

Example: Configure an audit that reports base pay variations greater than 5% for a pay group.

## Questions to Consider

Question	Considerations
What kind of rules do you want to create?	Consider what you're trying to identify before completing payroll. You can create rules: <ul style="list-style-type: none"> <li>• With a mixture of worker eligibility filters and payroll results for the current period.</li> <li>• To compare any in-progress or completed prior periods in Workday.</li> </ul>
Do you want to run audits for workers in different countries?	Audits rules and audit run groups are country-specific, so you can run different sets of rules for different enabled countries.
How many audit rules do you want to group?	The more audit rules you group and the broader the rules are, the longer the audit can take. If there's a noticeable performance impact, you can deactivate some of the rules.

## Recommendations

Workday recommends that you:

- Schedule the Run Pay Calculation task to run before scheduled payroll audit runs to ensure that the audit can run successfully.
- Add the Payroll Audit Exception Summary worklet to the Pay Cycle Command Center dashboard to have easy access to it from the dashboard.
- Don't edit an audit rule with existing exceptions as it can cause the existing audit rule to behave unexpectedly.

## Requirements

No impact.

## Limitations

You can't identify workers to audit based on their:

- Job family.
- Name or ID.
- Type.
- Active status.
- Age group.
- Hired as of date.
- Tax elections.
- Compensation change.

Audit rules don't support worktags.

You can't:

- Copy audit rules.
- Audit for arrears.
- Run more than 50 audit details at a time. Audit details are each line within the audit rule.

## Tenant Setup

No impact.

## Security

These domains in the Core Payroll functional area:

Domains	Considerations
<i>Set Up: Payroll (Reporting)</i>	Enables you to set up payroll audit rules and payroll audit run groups.
<i>Reports: Pay Calculation Results for Pay Group (Audits)</i>	Enables you to run payroll audit rules and payroll audit run groups.
<i>Reports: Payroll Audit Exception (Assignee)</i>	Enables you to assign users to payroll audit exceptions so they can view audit exception details. Restricted to unconstrained security groups.

## Business Processes

Workday recommends that you add the Payroll Audit Run task as a step to the *Pay Cycle Event* business process after the Payroll Run Pay Calculation step.

## Reporting

Report	Security	Description
My Payroll Audit Exceptions	<i>Reports: Payroll Audit Exception (Assignee)</i>	Displays audit exceptions assigned to a specific user. The user can review details, update the status of an exception, comment, and reassign the exception.
Payroll Audit Exceptions	<i>Reports: Pay Calculation Results for Pay Group (Audits)</i>	Provides granular details that you can use to analyze and track the progress of audit exceptions that have manageable statuses.

Report	Security	Description
Payroll Audit Exception Details	<i>Reports: Pay Calculation Results for Pay Group (Audits)</i>	Accessed by clicking View Details on the Payroll Audit Exceptions report. Displays details for the selected pay period and pay group.
Payroll Audit Exception Summary	<i>Reports: Pay Calculation Results for Pay Group (Audits)</i>	Enables you to drill-down on the status and severity values and view individual audit exception details. You can also configure this report as a worklet on the Pay Cycle Command Center dashboard.

## Integrations

No impact.

## Connections and Touchpoints

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

### Concepts

[Workday 33 What's New Post: Smart Payroll Audit](#)

## Steps: Audit Payroll Results

### Prerequisites

Review setup considerations for payroll audits.

### Context

You can run the audit exception reports to analyze and address your audit exceptions before completing payroll by:

- Creating, grouping, and running audits of payroll results.
- Using worker eligibility to target a specific subset of workers.
- Using audit assignment and routing functionality to manage, research, and resolve audit exceptions within Workday.

### Steps

1. (Optional) Access the Maintain Payroll Audit Worker Eligibility report to create worker eligibility rules.  
Security: *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.
  2. [Create Payroll Audit Rules](#) on page 819.
  3. (Optional) Access the Maintain Payroll Audit Run Group Configurations report to group audit rules to run at the same time.  
Security: *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.
  4. (Optional) [Set Up Alerts for Audit Assignments](#) on page 822.
- When you implement the Workday audit assignment and routing functionality, set up notifications that Workday sends to audit exception assignees for research and resolution.

5. (Optional) [Schedule Payroll Audits](#) on page 823.
  6. [Run Payroll Audits](#) on page 823.
  7. After running a payroll audit, review the audit exceptions by:
    - Selecting Launch Audit Report from the completed payroll audit.
    - Accessing the audit results from the Pay Cycle Command Center.
  8. (Optional) Assign audit exceptions for resolution.
    - a) From the related actions menu of the exception, select Payroll Audit Exception > Maintain Exception.
    - b) Select a Status.
    - c) Select an Assignee.
    - d) (Optional) Enter a New Comment.

The assignee receives a notification of the assignment and can:

    - Drill into the details of the exception.
    - Investigate the exception.
    - Change the status.
    - Enter a comment.
    - Reassign the exception back to you.
  9. (Optional) To keep track of which exceptions you've reviewed, access the related actions menu for an exception, select Payroll Audit Exception > Maintain Exception, and select *Y* in the Verified by Administrator field.
- To set this value for multiple items at once, select the exceptions in the My Payroll Audit Exceptions report and select Update/Assign.
- Security:** *Reports: Pay Calculation Results for Pay Group (Audits)* domain in the Core Payroll functional area.

## Next Steps

After fixing audit exceptions, you must rerun the Run Payroll Audit task for the same period where the exceptions existed before Workday updates the exception with a *Resolved* status.

Review these reports:

- Assigned Payroll Audit Exceptions
- My Payroll Audit Exceptions

Related Information

### Concepts

[Setup Considerations: Payroll Audits](#) on page 815

### Reference

[Reference: Payroll Audit Reports](#) on page 825

[Reference: Pay Cycle Command Center Dashboard](#) on page 96

## Create Payroll Audit Rules

### Prerequisites

**Security:** *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.

### Context

You can configure audit rules so that you can identify and fix issues before completing payroll. Audit rules can be configured to identify payroll results values for:

- A single period (this is done on the Period tab in the task).

- A prior period comparison (this is done on the Prior Period Comparison tab in the task).

Note: When you uptake the audit assignment and routing functionality, Workday recommends that you create new audit rules. Editing an existing audit rule can cause inconsistencies with existing exceptions. Also, the audit routing and assignment functionality includes additional fields and worker eligibility rules.

## Steps

1. Access the Maintain Payroll Audit Configurations report.
2. As you complete the audit configuration, consider:

Option	Description
Assignee Action	When you use the Workday audit assignment and routing functionality, select or create an assignee action. Example: For an audit exception resulting from a missing national identifier, create the assignee action Add national identifier.
Worker Eligibility	(Optional) You can use worker eligibility in payroll audits to select a subset of workers to eliminate the need to run multiple reports. Example: When you audit for a high bonus, use worker eligibility fields to build audit rules for workers in a specific job profile.
Severity	<p>Select the audit severity to prioritize audit exceptions and visually analyze severities on these reports:</p> <ul style="list-style-type: none"> <li>• Payroll Audit Exceptions</li> <li>• Payroll Audit Exception Summary</li> </ul> <p>Workday displays audit alert flags only on these reports:</p> <ul style="list-style-type: none"> <li>• Pay Calculation Results for Group of Workers.</li> <li>• Pay Calculation Results for Worker.</li> <li>• Results on the worker profile.</li> </ul> <p>Workday displays these flags to indicate a severity status:</p> <ul style="list-style-type: none"> <li>• Red: Critical.</li> <li>• Yellow: Informational.</li> <li>• Yellow: Warning.</li> </ul>
Configuration Detail	<p>To configure an:</p> <ul style="list-style-type: none"> <li>• AND relationship between detail rows, add multiple rows in the same audit detail. All calculations in the group must fail in order to trigger an audit exception.</li> <li>• OR relationship between detail rows, add rows to separate groups. If any 1 of the calculations fails, the audit triggers an exception.</li> </ul> <p>You can define audits based on specific payroll calculations, either earnings or deductions.</p>

Option	Description
	<p>Example: You want to conduct an audit of workers who've been paid for more than 40 hours of vacation. You add the <i>Worker is Hourly</i> eligibility rule and add the <i>Hours</i> payroll calculation.</p> <p>For best performance, Workday recommends that you create payroll audit rules with fewer than 50 audit details.</p> <p>You can perform audits only for calculations resolving in a result. If the calculation doesn't resolve, the audit won't work. Example: You can't configure an audit rule to return empty values.</p>
Balance Period	<p>The <i>Current Period</i> option refers to a configured balance period. When you select that option, the audit rule might not correspond to the single pay period you want to audit. To audit a single period, leave the Balance Period prompt empty.</p> <p>You can run the View Balance Period report to verify the period that the <i>Current Period</i> option represents.</p>

3. As you complete the Prior Period Comparison tab, consider:

Option	Description
Reporting Level	<p>Select the corresponding reporting level when you want to use the audit rule on these reports:</p> <ul style="list-style-type: none"> <li>• Audit - Pay Calculation Results Comparison to a Prior Period (By Pay Group)</li> <li>• Audit - Pay Calculation Results Comparison to a Prior Period (By Worker)</li> <li>• Audit - Pay Calculation Results Comparison to a Prior Period (Period Summary)</li> </ul> <p>Example: You create a prior period comparison audit rule for Net &gt; 15% and set the Reporting Level to <i>Period</i>. You can then run the rule on the Audit - Pay Calculation Results Comparison to a Prior Period (Period Summary) report.</p>

## Next Steps

Calculate payroll and then run the payroll audits.

## Set Up Alerts for Audit Assignments

### Prerequisites

Run payroll calculation.

Run payroll audits.

Security:

- *Custom/Standard Report Copy* domain in the Tenant Non-Configurable functional area.
- *Reports: Pay Calculation Results for Pay Group (Audits)* domain in the Core Payroll functional area.
- *Set Up: Tenant Setup - General* domain in the System functional area.

### Context

Configure audit exception assignment notifications to let assignees know that an audit exception has been assigned to them and they have an action to take.

### Steps

1. Access the task *Copy Standard Report to Custom Report*.
2. Select the *Assigned Payroll Audit Exception* report.
3. Assign a unique name to the report.
4. Select the Share tab.
5. Select Share with all authorized users in the Report Definition Sharing Options section.
6. Access the Configure Alert task to configure a scheduled notification. As you complete the task, consider:

Option	Description
Report Name	Select the name that you gave the Assigned Payroll Audit Exceptions standard report when you copied it.
Run Frequency	Example: <i>Daily Recurrence</i>
Task	<i>My Payroll Audit Exceptions</i>
Recipients	<i>Assigned to Worker</i>
Notification Subject	Example: Payroll Audit Exceptions Assigned to You
Introductory Comments	Example: These Audit Exceptions are assigned to you. Please take action.

7. Access the Schedule tab.
8. Set the Start Time. Example: 8:00 AM.
9. Set the desired Start Date and End Date.

### Result

Beginning on the date and time you specify, and continuing until the end date you specify, Workday sends notifications to all users who have audit exceptions assigned to them.

Related Information

**Concepts**

[Concept: Notifications](#)

**Tasks**[Copy Reports](#)

## Schedule Payroll Audits

**Prerequisites**

- Set up payroll audit rules.
- Security: *Reports: Pay Calculation Results for Pay Group (Audits)* domain in the Core Payroll functional area.

**Context**

To save you time, you can schedule payroll audits for in-progress periods to start automatically, either once in the future or on a recurring basis until the scheduled end date.

**Steps**

1. Access the Pay Audit Scheduler task.
2. As you complete the task, consider:

Option	Description
Prior Period Comparison	Workday populates this field with the most recently completed prior period when applicable.
Number of Periods Back	When you schedule a recurring audit and enter a number for a period that doesn't have completed results, Workday audits the completed periods after you complete them. Enter zero when you don't want to audit prior periods.

**Next Steps**

Run the:

- Scheduled Future Processes report to view future scheduled pay audits.
- Process Monitor report to view the completed and queued payroll audits.

**Related Information****Tasks**[Schedule Payroll Calculations](#) on page 654

## Run Payroll Audits

**Prerequisites**

- Calculate payments for the period or pay group you want to audit.
- Security: *Reports: Pay Calculation Results for Pay Group (Audits)* domain in the Core Payroll functional area.

**Context**

You can run payroll audits for any pay results and review the audit exceptions to catch errors or discrepancies before completing payroll.

## Steps

1. Access the Run Payroll Audit task.
2. As you complete the task, consider:

Option	Description
Period	When you run the Run Pay Calculation task for the same pay group and period, Workday delays the Run Payroll Audit task until the Run Pay Calculation task completes.
Prior Period Comparison	Workday only displays this prompt when you select an audit rule or an audit run group that compares a prior period.  When the period contains more than 1 completed result, Workday populates this prompt with the most recently completed period for the pay group.
Balance Period Cut Off Date	Workday only displays this field when you select an audit rule or audit run group for a current period that uses a balance period. Select a date to cut off the balance period.  Example: You run an audit with a YTD balance period, and you only want the rule to check results to 2019-08-01. You can select a balance period cutoff date of 2019-08-01 so Workday runs the audit rule for the YTD balance period but cuts off the payroll results after 2019-08-01.

## Next Steps

View and track audit exceptions on the Payroll Audit Exceptions report.

Related Information

### Tasks

[Calculate On-Cycle Payroll](#) on page 651

## Concept: Payroll Audit Assignments and Routing

### Audit Routing

You can assign and route audit exceptions to organizational partners within Workday. This functionality enables you to:

- Research and collaborate on the resolution of audit exceptions by assigning audit exceptions to individuals for resolution.
- Reduce the risk of overexposing sensitive worker data by controlling which audit-related data is shared with other collaborators.
- Configure audit assignment alerts using the reporting notification framework within Workday.
- Track audit exceptions and assignees through delivered reports.

**Audit Rules**

- View audit exception histories, assignees, and comments.

When you uptake audit assignment and routing functionality, Workday recommends that you create new audit rules rather than edit existing rules because:

- You can select or create an assignee action when creating the rule. Example: For a rule for employees receiving pay while on leave, you can assign an action to investigate whether that worker is eligible for that pay.
- Editing an existing audit rule can cause inconsistencies with existing exceptions.

**Security**

Domain	Description
<i>Reports: Payroll Audit Exception (Assignee)</i> domain in the Core Payroll functional area.	Users with access to this domain can view and take action on audit exceptions assigned to them.
<i>Reports: Pay Calculation Results for Pay Group (Audits)</i> domain in the Core Payroll functional area.	Payroll partners' access to audit exceptions is constrained to the pay groups they support. Users with this access can view and act on additional details.

**Reference: Payroll Audit Reports**

These payroll audit reports enable you to review payroll audit exceptions for current or completed pay periods.

Report	Security	Description
My Payroll Audit Exceptions	<i>Reports: Payroll Audit Exception (Assignee)</i>	This report displays audit exceptions assigned to a specific user. The user can review details, update the status of an exception, comment, and reassign the exception.
Payroll Audit Exception Details	<i>Reports: Pay Calculation Results for Pay Group (Audits)</i> domain in the Core Payroll functional area.	You can only access this report by clicking View Details on the Payroll Audit Exceptions report.  This report only displays details for the selected pay period and pay group. Example: You run an audit for period 2019-02-01 to 2019-02-28 with a net greater than 500 audit rule and a

Report	Security	Description
		<p>balance period of 2019-01-01 to 2019-01-19. A worker has a 2019-01-01 to 2019-01-31 pay period result with net equal to 600 and a 2019-02-01 to 2019-02-28 pay period result with Net equal to 500. The report adds these values together but only displays the results and corresponding values for the 2019-02-01 to 2019-02-28 period on the Results for Audit Period section.</p> <p>The value in the Total Audit Value for Audit Period column might not match the audit value for all associated results when:</p> <ul style="list-style-type: none"> <li>Employees have results in 2 or more pay groups with different pay schedules such as midperiod pay group changes or multiple jobs in multiple pay groups.</li> <li>The audit rule includes a balance period and either a pay component group or pay accumulator.</li> </ul> <p>Workday displays a single line for each detail on the report when the details trigger the same audit rule. When you configure 1 audit rule with an AND condition using the same pay component in both of the rules and both rules trigger an exception, Workday displays identical lines on the report. Example: You create an audit rule with net pay less than 100 and net pay greater than zero. Workday displays identical lines for both exceptions on the report.</p>
Payroll Audit Exceptions	<p><i>Reports: Pay Calculation Results for Pay Group (Audits)</i> domain in the Core Payroll functional area.</p>	<p>This faceted report provides granular details that you can use to analyze and track the progress of audit exceptions that have manageable statuses.</p>
Payroll Audit Exception Summary	<p><i>Reports: Pay Calculation Results for Pay Group (Audits)</i> domain in the Core Payroll functional area.</p>	<p>This report enables you to drill down on the status and severity values and view individual audit</p>

Report	Security	Description
		exception details. You can also configure this report as a worklet on the Pay Cycle Command Center dashboard.
Payroll Totals by Category	<i>Reports: Pay Calculation Results (Results - Reports based on Pay Component Security) in the Core Payroll functional area.</i>	This standard report enables you to view pay components, separated by category, at the company level.  Verify your filters aren't set to prevent relevant fields on this report from displaying.

When audit rules either include worker eligibility or have a status of *Inactive*, Workday doesn't display the audit alert flag on the payroll result, the worker profile, or these reports:

- Audit - Pay Calculation Results Comparison to a Prior Period (By Pay Group)
- Audit - Pay Calculation Results Comparison to a Prior Period (By Worker)
- Audit - Pay Calculation Results Comparison to a Prior Period (Period Summary)
- Audit - Pay Calculation Results for a Period

## Example: Audit YTD High Bonus and Commission

This example illustrates how to create an audit rule for workers within the recruiting region and locations that have a bonus or commission greater than 5,000.

### Context

You need to see if there are workers in these recruiting areas that have year-to-date bonus or year-to-date commission results greater than 5,000:

- New York recruiting region
- San Francisco office
- Chicago office

You create an audit rule with a Critical severity level for workers that break this audit rule.

### Prerequisites

Create a:

- New York Recruiting region.
- Executive Recruiting Bonus [USA] payroll calculation.
- Executive Recruiting Commission [USA] payroll calculation.

Security: *Set Up: Payroll (Reporting) domain in the Core Payroll area.*

### Steps

1. Access the Maintain Payroll Audit Configurations task.
2. Select *United States of America*.
3. On the Period tab, click Create.
4. Enter *High YTD Rec. Bonus/Commission for Rec. Locations* for the Audit Rule Name.
5. Add a row on the Worker(s) to include grid.
6. On the Worker Eligibility Rule column, select Create Payroll Audit Worker Eligibility.

7. Add 3 rows to create worker eligibility rules with an OR condition.
8. Enter these values:

Worker Eligibility Name	Field	Comparison	Value
Region: New York Recruiting	<i>Region</i>	<i>in the selection list</i>	<i>New York Recruiting Region</i>
Location: Chicago	<i>Location</i>	<i>in the selection list</i>	<i>Chicago</i>
Location: San Francisco	<i>Location</i>	<i>in the selection list</i>	<i>San Francisco</i>

9. On the Pay result(s) to include grid, create 2 audit rules with these values:

Audit Detail Name	Severity	Payroll Calculation	Balance Period	Comparison	Amount
YTD Recruiting Bonus > 5,000	<i>Critical</i>	<i>Executive Recruiting Bonus [USA]</i>	<i>YTD - Current Calendar Year (based on Payment Date)</i>	<i>greater than</i>	<i>5000</i>
YTD Recruiting Commission > 5,000	<i>Critical</i>	<i>Executive Recruiting Commission [USA]</i>	<i>YTD - Current Calendar Year (based on Payment Date)</i>	<i>greater than</i>	<i>5000</i>

## Next Steps

Run a payroll calculation and then run the audit rule with the Run Payroll Audit task.

## Example: Audit Workers with Net or Gross Variance

This example illustrates how to create an audit rule for comparing prior pay periods' gross and net to the current period.

### Context

You want to see if there are any significant differences with USA West Region workers' net and gross pay from the prior period payroll to catch any discrepancies. You also want to exclude the Executive pay group because that pay group normally has variances greater than 10%. You create an audit rule that finds workers in the USA West Region excluding Executive Pay Groups that have a net or gross variance greater than 10%.

### Prerequisites

Create a:

- Executive (Monthly): Bonus Quarterly pay group.
- Executive (Monthly): Regular (Monthly) pay group.
- USA - Western US region.

Security: Set Up: Payroll (Reporting) domain in the Core Payroll area.

### Steps

1. Access the Maintain Payroll Audit Configurations task.
2. On the Prior Period Comparison tab, click Create.

3. Enter *Net/Gross Variance Threshold (exclude Execs)* for the Audit Rule Name.
4. Select *Worker* for the Reporting Level.
5. Add a row on the Worker(s) to include grid.
6. On the Worker Eligibility Rule column, select Create Payroll Audit Worker Eligibility.
7. Create 2 worker eligibility rules with these values:

Worker Eligibility Name	Field	Comparison	Value
Exclude: Executive Pay Groups	<i>Pay Group Detail</i>	<i>not in the selection list</i>	<i>Executive (Monthly): Bonus Quarterly</i> <i>Executive (Monthly): Regular (Monthly)</i>
<i>Region: USA Western US</i>	<i>Region</i>	<i>in the selection list</i>	<i>USA - Western US</i>

8. On the Pay result(s) to include grid, create 2 audit rule with these values:

Audit Detail Name	Severity	Payroll Calculation	Comparison	Percentage	Amount
<i>Net &gt; 10% Variance</i>	<i>Warning</i>	<i>Net</i>	<i>greater than</i>	<i>10</i>	<i>0</i>
<i>Gross &gt; 10% Variance</i>	<i>Warning</i>	<i>Gross</i>	<i>greater than</i>	<i>10</i>	<i>0</i>

## Next Steps

Run a payroll calculation and then run the audit rule with the Run Payroll Audit task.

# Review Pay and Accounting Results

## Steps: Configure Payroll Access for Non-Payroll Users

### Prerequisites

Security in the Core Payroll functional area:

- *Reports: Payroll Journal Lines by Organization & Pay Component*
- *Reports: Payslips by Organization*

Review Workday's security policies and functionality, including:

- Domain security policies.
- Security groups.
- Role types.
- Role-based (constrained) security groups.

See:

- [Concept: Configurable Security](#)
- [Concept: Security Policies](#)
- [Concept: Security Groups](#)
- [Edit Domain Security Policies](#)

## Context

You can give non-payroll users, like HR, benefits, finance, and cost center managers, access to view payroll data that's relevant to their role using role-based, intersectional, or pay-component segment security configurations. You can still restrict their access to sensitive payroll data.

You can enable non-payroll users to view data in these payroll features:

- Payroll Journal Lines using the Payroll Accounting by Organization & Pay Component report.
- Payslips using the Payslips for Workers report.

You can create custom reports of journal lines using the Payroll Accounting Filter (by Accounting Date and Organization) data source filter. Report results are based on your security permissions by organization and segment level.

## Steps

1. Add a non-payroll user to a security group in the:
  - *Reports: Payroll Journal Lines by Organization & Pay Component* domain to give access to journal lines.
  - *Reports: Payslips by Organization* domain to give access to payslips.
2. On the related actions for the relevant security policy, select Domain Security Policy > Enable.
3. Access the Activate Pending Security Policy Changes task.  
You must activate changes to security policies in order for them to take effect.
4. Review your pending changes.
5. Check Confirm.
6. Click OK.

## Next Steps

- Verify users with access to journal lines can view the journal line data relevant to their role when they run the Payroll Accounting by Organization & Pay Component report.
- (Optional) For journal lines, create custom reports of accounting journal lines using the Payroll Accounting Filter (by Accounting Date and Organization) data source. Report results are based on your security permissions by organization and segment level.
- Verify users with access to payslip data can view the payslip data relevant to their role when they run the Payslips for Worker report. Access to information in this report is constrained by users' role assignments and doesn't require pay group permissions. Only payroll administrators and users can print payslips.

## Example: Configure Access to Payroll Journal Lines for a Cost Center Accountant

This example illustrates 1 way to configure access to payroll data for a non-payroll user.

## Context

You want to configure access to journal lines for a cost center accountant, based on pay component group.

## Steps

1. Access the Create Pay Component Security Segment task.
2. Name the pay component security segment: *PCG\_Finance\_Analyst\_View*.
3. Add these pay components:
  - Base pay.
  - Holiday pay.

4. Access the Create Security Group task.  
The security group you create links the cost center accountant's finance role to the specific segment of pay components they're allowed to view. See: [Create Segment-Based Security Groups](#).
5. From the Type of Tenanted Security Group prompt, select Segment-Based Security Group.
6. Name the security group: *SBSG\_Cost\_Center\_Accountant\_Pay\_View*.
7. From the Access to Segments prompt, select the *PCG\_Finance\_Analyst\_View* pay component security segment you created in steps 1-3.
8. In Group Criteria, select the security groups that you want to access securable items.
9. Add the *SBSG\_Cost\_Center\_Accountant\_Pay\_View* security group to the *Reports: Payroll Journal Lines by Organization & Pay Component* domain, giving the members View access. See: [Edit Domain Security Policies](#).
10. Access the Activate Pending Security Policy Changes task.  
You must activate membership and security permission updates to implement the changes. See: [Activate Pending Security Policy Changes](#).
11. Describe your changes in the Comment field.
12. Select the Confirm check box to activate your changes.

## Result

The cost center accountant can now view journal lines for the pay components you defined in the *PCG\_Finance\_Analyst\_View* group using the Payroll Accounting Filter (by Accounting Date and Organization) report.

## Concept: Reviewing Payroll Accounting

### When to Rerun Accounting Versus Recalculating Payroll

After you review and reconcile payroll calculations, you can rerun pay calculation and accounting as many times as needed to fix any payroll errors.

Recalculate the payroll result after making these changes:

- Updating an earning definition.
- Assigning an optional balancing worktag to a transaction.
- Redefining an account posting rule.
- Changing a worker's default organization to a different cost center or location.
- Correcting a worker's cost center or other costing dimension.

Rerun pay accounting after fixing these errors:

- Posting a special allowance to the wrong account.
- Posting to an unopened ledger period.

### Finding and Fixing Errors in Payroll Accounting Results

You can use the Fix Operational Journals with Errors task to identify and fix payroll journals with accounting errors.

You can also use these reports to review your accounting results.

Report	Description
Payroll Accounting by Company/Period	Review created or posted entries to each ledger account for a company, including debit, credit, and net amounts.

Report	Description
	You can review entries by journal source and identify the journals in error.
Payroll Accounting by Period/Pay Group	<p>Drill down line items in the accounting entries for selected periods and pay groups. The Accounting Status column identifies entries with errors.</p> <p>The report only displays accounting results based on the standard account set defined for the company.</p>
Pay Calculation Results for Worker	<p>Review detailed accounting lines for a worker on the Actuals and Other Accounting tabs.</p> <p>When you enable intercompany accounting, the Actuals tab displays journal lines for all relevant costing companies to which the worker's payroll was costed.</p> <p>The report only displays accounting results based on the standard account set defined for the company.</p>
Payroll Accounting Transactions Preventing Period Closure	Identify open payroll accounting transactions for the ledger period you select.
Payroll Results with Outdated Accounting	Identify all payroll results that don't align with the corresponding accounting journals for a specific pay period.

#### Related Information

##### Tasks

[Steps: Process Payroll](#) on page 644

[Rerun Pay Accounting](#) on page 658

##### Examples

[FAQ: Journal Errors](#)

## Reference: Verification Reports for Payroll Results

Workday recommends that you use these reports to verify payroll results after running payroll.

Report or Dashboard	Security	Description
Pay Calculation Results for Group of Workers	<p><i>Reports: Pay Calculation Results for Pay Group (Results) - CAN</i> in the CAN Payroll functional area</p> <p><i>Reports: Pay Calculation Results for Pay Group (Results) - FRA</i> in the FRA Payroll functional area</p> <p><i>Reports: Pay Calculation Results for Pay Group (Results) - UK</i> in the UK Payroll functional area</p> <p><i>Reports: Pay Calculation Results for Pay Group (Results) - USA</i> in the USA Payroll functional area</p>	View a smaller set of the most commonly referenced results. Use this report to filter results by the calculation moment, and view only workers with recalculated results.

Report or Dashboard	Security	Description
Pay Cycle Command Center Dashboard	<i>Management Dashboard: Pay Cycle Command Center</i> domain in the Core Payroll functional area	<p>Verify payroll trends, such as:</p> <ul style="list-style-type: none"> <li>• Compare the current period to previous periods.</li> <li>• The summarized gross and net values for the current and 5 prior periods.</li> </ul> <p>You can also use the Pay Cycle Command Center Dashboard to verify retro, accounting, and reconciliation.</p> <p>See Reference: <a href="#">Pay Cycle Command Center Dashboard</a> on page 96.</p>
Payroll Retro Unprocessed Differences	<i>Reports: Pay Calculation Results for Pay Group (Results)</i> domain in the Core Payroll functional area	<p>Identify retro results that need to be entered manually once the payroll for a period has been finalized.</p>
Retro Calculation Processing Report	<i>Reports: Pay Calculation Results for Pay Group (Results)</i> domain in the Core Payroll functional area	<p>Select retro results and filter those results using facets.</p> <p>You can also select in-progress retro results to complete or run additional reports.</p>
Retro Pay Calculation Results for Group of Workers	<i>Reports: Pay Calculation Results for Pay Group (Results)</i> domain in the Core Payroll functional area	<p>View the retro calculation results for a group of employees.</p> <p>You can run the report based on payroll retro transaction type and retro pay calculation status. You can use this report to view details such as total earning difference, total deduction difference, target period, retro results, NRPPT dates, and retro entries.</p>
View Payroll Results	<p><i>Reports: Results for Worker (Pay Calculation)</i> - CAN domain in the CAN Payroll functional area.</p> <p><i>Reports: Results for Worker (Pay Calculation)</i> - FRA domain in the FRA Payroll functional area.</p> <p><i>Reports: Results for Worker (Pay Calculation)</i> - UK domain in the UK Payroll functional area.</p> <p><i>Reports: Results for Worker (Pay Calculation)</i> - USA domain in the USA Payroll functional area.</p>	<p>Accessible by clicking Pay &gt; Results from the worker profile.</p> <p>Verify the result, payment, and status of a worker's payroll result.</p> <p>Use to verify additional information such as:</p> <ul style="list-style-type: none"> <li>• Payroll input.</li> <li>• Pay accumulation balances.</li> <li>• Actuals</li> </ul>

Report or Dashboard	Security	Description
		<p>This report provides access to payroll results for past, current, and future positions for the worker. Consider limiting permissions to the security domain of this report to payroll administrators, payroll partners, and HR partners.</p>
<p>Payroll Calculation Processing Report</p>	<p><i>Reports: Pay Calculation Results for Pay Group (Results) domain in the Core Payroll functional area.</i></p>	<p>View and take these actions on payroll results for different pay groups and periods:</p> <ul style="list-style-type: none"> <li>• Recalculate and unhold</li> <li>• Complete</li> <li>• Cancel</li> <li>• Hold</li> <li>• Cancel pay complete</li> </ul> <p>The report only displays:</p> <ul style="list-style-type: none"> <li>• Pay results that you have security to view.</li> <li>• Mass action buttons for actions that you have security access to perform. Example: If you don't have the security to cancel pay complete, you won't see the Cancel Pay Complete button.</li> <li>• Pay results that you have security to modify on the confirmation page. Example: You recalculate 2 pay results you only have view security for, as well as results you have view and modify security for. If you select all pay results and then click Recalculate, the confirmation page only displays pay results you have modify security for.</li> </ul> <p>Note: When you Cancel Pay Complete a result, the Results Ineligible for Cancel Pay Complete section displays the number of results with an unsuccessful cancel complete. The Not Last Completed subsection displays payroll results that are completed but are not the most recent</p>

Report or Dashboard	Security	Description
		completed result for the worker. These results are ineligible for cancel pay complete because Workday won't process a cancel pay complete for an off-cycle payment if there is an on-cycle already completed.
Payroll Calculation Lines Processing Report	<i>Reports: Pay Calculation Results for Pay Group (Results) domain in the Core Payroll functional area.</i>	View details of individual payroll result lines and their related calculations. You can also view, analyze, and create a detailed report on the selected payroll result lines.
Payroll register reports: Pay Calculation Results - Deduction Register Pay Calculation Results - Earning Register Payroll Register Payroll Register by Period Payroll Register Summary		For Payroll for Australia, Canada, the UK, or the U.S., select a payroll register report to verify aggregated earning or deduction amounts. Examples: <ul style="list-style-type: none"> <li>Verify specific earning or deduction amounts across multiple workers. Example: Verify that eligible workers received an expected bonus payment.</li> <li>Produce a PDF to audit results in a configurable payroll register format.</li> </ul> See <a href="#">Reference: Payroll Register Reports</a> on page 836.
View Available Withholding Orders for a Group of Workers	<i>Worker Data: Payroll (Withholding Orders) - FRA domain in the FRA Payroll functional area</i>	For Payroll for France, verify which remaining withholding orders for a group of workers.
FRA Payroll Journal by Company	<i>Reports: Pay Calculation Results for Pay Group (Results) - FRA domain in the FRA Payroll functional area</i>	For Payroll for France, view an aggregated view of payroll results for a company based on the payslip configuration.  You can also filter on-cycle or on-demand company payroll results by: <ul style="list-style-type: none"> <li>Payment date</li> <li>Accounting date</li> </ul>
FRA Payroll Journal by Establishment	<i>Reports: Pay Calculation Results for Pay Group (Results) - FRA domain in the FRA Payroll functional area</i>	For Payroll for France, view an aggregated view of payroll results for an establishment based on the payslip configuration.

Report or Dashboard	Security	Description
		<p>You can also filter on-cycle or on-demand payroll results for an establishment by:</p> <ul style="list-style-type: none"> <li>• Payment date</li> <li>• Accounting date</li> </ul>

## Reference: Payroll Register Reports

The information in this topic is applicable only to these payroll countries:

- Australia
- Canada
- Ireland
- United Kingdom
- United States

Workday provides a number of payroll registers to help you review payroll results for current or completed pay periods.

Report	Description	Setup
<p>Pay Calculation Results - Deduction Register</p> <p>Security:</p> <ul style="list-style-type: none"> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - CAN domain</i> in the CAN Payroll functional area.</li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - FRA domain</i> in the FRA Payroll functional area.</li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - IRL</i> in the IRL Payroll functional area.</li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - UK domain</i> in the UK Payroll functional area.</li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - USA domain</i> in the USA Payroll functional area.</li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - AUS domain</i> in the AUS Payroll functional area.</li> </ul>	<p>Displays worker-level amounts for one or more selected deductions.</p> <p>You can:</p> <ul style="list-style-type: none"> <li>• Include multiple periods and pay groups.</li> <li>• Export the report to a spreadsheet or PDF.</li> </ul> <p>For Payroll for Ireland, you can run this report for the IRL PEN AE Pay Adjustment deduction to identify workers with pay adjustments to their MyFutureFund contributions for a selected period and pay group or pay run group. You can use the results to update the workers' details on the NAERSA portal.</p>	None required.

Report	Description	Setup
<p>Pay Calculation Results - Earning Register</p> <p>Security:</p> <ul style="list-style-type: none"> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - CAN domain in the CAN Payroll functional area.</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - FRA domain in the FRA Payroll functional area.</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - IRL in the IRL Payroll functional area.</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - UK domain in the UK Payroll functional area.</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - USA domain in the USA Payroll functional area.</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - AUS domain in the AUS Payroll functional area.</i></li> </ul>	<p>Displays worker-level amounts and related calculations for one or more selected earnings.</p> <p>You can:</p> <ul style="list-style-type: none"> <li>• Include multiple periods and pay groups.</li> <li>• Export the report to a spreadsheet or PDF.</li> </ul>	None required.
<p>Payroll Register</p> <p>Security:</p> <ul style="list-style-type: none"> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - USA domain in the USA Payroll functional area.</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - CAN domain in the CAN Payroll functional area.</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - IRL in the IRL Payroll functional area.</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Results) - UK domain in</i></li> </ul>	<p>Displays detailed payroll results for either:</p> <ul style="list-style-type: none"> <li>• The current or completed period.</li> <li>• A balance period.</li> </ul> <p>You can run the Payroll Register task for multiple pay groups and multiple organizations.</p> <p>You can use the Payroll Register task for a single pay period to:</p> <ul style="list-style-type: none"> <li>• Create a PDF or spreadsheet report that's optimized for printing.</li> <li>• View payroll period results of any or all statuses.</li> </ul>	Use the Maintain Payroll Register Configurations task to set up pay component groupings.

Report	Description	Setup
<p>the UK Payroll functional area.</p> <ul style="list-style-type: none"> <li>Reports: <i>Pay Calculation Results for Pay Group (Results)</i> - AUS domain in the AUS Payroll functional area.</li> <li>Worker Data: <i>Payroll (Payroll Input)</i> domain in the Core Payroll functional area.</li> </ul>	<ul style="list-style-type: none"> <li>View payment details, such as check or direct deposit.</li> <li>View hours worked.</li> <li>View rates.</li> </ul> <p>You can use the Payroll Register task for a balance period to:</p> <ul style="list-style-type: none"> <li>Create a PDF report for workers and terminated workers subtotal by company.</li> <li>View the pay balance amounts.</li> <li>View hours.</li> </ul>	
<p>Payroll Register for Balance Period - Report Design</p> <p>Security: Reports: <i>Pay Calculation Results for Pay Group (Results)</i> domain in the Core Payroll functional area.</p>	<p>Provides payroll data to the Payroll Register task for balance period. You can't run it as a standalone report, but you can copy it to create a custom report. You can export the custom report to a spreadsheet.</p>	<p>Use the Maintain Payroll Register Configurations task to set up pay component groupings.</p>
<p>Payroll Register - Report Design</p> <p>Security:</p> <ul style="list-style-type: none"> <li>Reports: <i>Pay Calculation Results for Pay Group (Results)</i> - USA domain in the USA Payroll functional area.</li> <li>Reports: <i>Pay Calculation Results for Pay Group (Results)</i> - CAN domain in the CAN Payroll functional area.</li> </ul>	<p>Provides payroll data to the Payroll Register task for a period. You can't run it as a standalone report, but you can copy it to create a custom report. You can export the custom report to a spreadsheet.</p>	<p>Use the Maintain Payroll Register Configurations task to set up pay component groupings.</p>
<p>Payroll Register by Period</p> <p>Security: Reports: <i>Pay Calculation Results for Pay Group (Results)</i> domain in the Core Payroll functional area.</p>	<p>Provides totals (gross, net, and employer paid) and worker-level payroll data.</p> <p>You can:</p> <ul style="list-style-type: none"> <li>Gather insights into accounting status, check status, and check number.</li> <li>Filter and sort the data in various ways, such as only display results with net pay over 5,000.</li> <li>Select a summary report view to see payroll results for each worker.</li> </ul>	<p>Use the Maintain Payroll Register by Period Configurations task to set up report format and contents.</p> <p>Optional: Use the Maintain Pay Results – Balance Period Mapping task to manage balance periods that display.</p>

Report	Description	Setup
	<ul style="list-style-type: none"> <li>Select a detailed report view to see payroll result line.</li> <li>Limit the report to a pay period, or to a range of payment or period end dates.</li> <li>Optionally display up to 3 balances on the detailed report view.</li> </ul> <p>You can configure report to populate organization worktags, such as:</p> <ul style="list-style-type: none"> <li>Cost center.</li> <li>Business unit.</li> <li>Location.</li> <li>Region.</li> <li>Job profile.</li> <li>Company.</li> </ul>	
<p><b>Payroll Register Summary</b></p> <p><i>Security: Reports: Pay Calculation Results (Reports: Indexed Data Source Filters)</i> domain in the Core Payroll functional area.</p>	<p>Displays payroll result amounts for workers: gross, net, and pay component groups.</p> <p>You can:</p> <ul style="list-style-type: none"> <li>Drill in to see details of the summary data.</li> <li>Export the report to a spreadsheet or PDF.</li> <li>See subtotals and grand totals for pay component groups by multiple periods and pay groups.</li> </ul> <p>Workday Payroll for France doesn't support this report.</p>	<p>Use the Maintain Payroll Register Configurations task to set up pay component groupings.</p>
<p><b>Payroll Register Summary with Subtotals</b></p> <p><i>Security: Reports: Pay Calculation Results for Pay Group (Results)</i> domain in the Core Payroll functional area.</p>	<p>Displays payroll result amounts for workers: gross pay, deductions, taxes, employer-paid and taxable benefits, and net pay. Subtotals the results for each period and pay group. Provides grand totals (if you limit the report to 1 country).</p> <p>You can:</p> <ul style="list-style-type: none"> <li>Include multiple periods and pay groups.</li> <li>Export the report to a spreadsheet or PDF.</li> </ul>	<p>None required.</p>

## Related Information

### Concepts

[Setup Considerations: Payroll Register on page 787](#)

## Reference: Pay Calculation Statuses

Workday displays calculation statuses on pay calculation tasks and reports such as Run Pay Calculation and Pay Calculation Result. You can use pay calculation statuses to track:

- The overall progress of a pay calculation.
- The movement of individual payees through the payroll process.

### Payroll Calculation Statuses

These statuses apply to on-cycle and off-cycle pay calculations.

Status	Description
<i>Not Yet Started</i>	<p>Workday hasn't calculated pay for the pay group for the payroll period. When running a pay calculation, you can select <i>Not Yet Started</i> from the Based on Result Status prompt to select either:</p> <ul style="list-style-type: none"> <li>• An entire payroll run for which you haven't yet processed any payees.</li> <li>• A payroll calculation for 1 or more workers not included in the original calculation, such as new hires or transfers.</li> </ul>
<i>In Progress</i>	<p>The pay calculation process has run with these results:</p> <ul style="list-style-type: none"> <li>• At least 1 worker with a payroll result.</li> <li>• At least 1 worker in the pay group doesn't have the <i>Complete</i> status.</li> </ul> <p>The status of individual results can be:</p> <ul style="list-style-type: none"> <li>• <i>Error</i></li> <li>• <i>Hold</i></li> <li>• <i>In Progress</i></li> <li>• <i>Pending Completion</i></li> <li>• <i>Requires Re-calculation</i></li> <li>• <i>Requires ReCalc due to Retro</i></li> <li>• <i>Waiting to pick up Retro Difference</i></li> </ul>
<i>Complete with Exceptions</i>	<p>The Run Pay Complete task has run for the pay group, but 1 or more results are:</p> <ul style="list-style-type: none"> <li>• <i>In Error</i></li> <li>• <i>On Hold</i></li> <li>• <i>Pending Completion of Prior</i></li> <li>• <i>Requires Re-calculation</i></li> <li>• <i>Requires ReCalc due to Retro</i></li> <li>• <i>Waiting to pick up Retro Difference</i></li> </ul>
<i>Complete</i>	<p>The Run Pay Complete task has run for the pay group and there are no payees on <i>Hold</i> or in <i>Error</i>.</p>

Status	Description
<i>Opened for Off-Cycles</i>	<p>You ran an on-demand payment for a worker in the next pay period while the current period is still <i>In Progress</i>.</p> <p>The status changes to <i>In Progress</i> after you complete the current pay period, and either:</p> <ul style="list-style-type: none"> <li>• Calculate payroll for the pay group.</li> <li>• Add an on-demand payment for the new period.</li> </ul>

## Individual Result Statuses

These statuses apply to 1 payroll result for a worker.

Status	Description
No status	Individual workers have no pay calculation status when either: <ul style="list-style-type: none"> <li>• The pay run status is <i>Not Yet Started</i>.</li> <li>• You've uploaded off-cycle payroll input into Workday using the Enterprise Interface Builder (EIB).</li> </ul>
<i>In Progress</i>	A payroll result exists for the worker, but it isn't complete.
<i>Hold</i>	The worker's pay result is on hold. Workday doesn't pay the worker until you release the hold.
<i>Error</i>	Workday can't calculate the pay result due to missing or invalid data.
<i>Pending Completion of Prior</i>	The payroll process can't continue until you complete: <ul style="list-style-type: none"> <li>• Payroll from the previous period.</li> <li>• Off-cycle payroll processing.</li> </ul>
<i>Pending Completion of Retro</i>	The current payroll includes retro pay differences, but the retro results aren't complete.  You need to complete retro before you can complete payroll.
<i>Waiting to pick up Retro Difference</i>	You need to recalculate the pay result and complete retro before you can complete payroll, because either: <ul style="list-style-type: none"> <li>• There are in-progress retro results that aren't included in the pay result.</li> <li>• The worker was included in retro and on-cycle pay calculations that ran concurrently.</li> </ul>
<i>Requires Re-calculation</i>	You need to recalculate payroll due to a change to an in-progress pay result. Changes that cause this status are: <ul style="list-style-type: none"> <li>• Adding, editing, or deleting pay input.</li> </ul>

Status	Description
	<ul style="list-style-type: none"> <li>• Calculating, completing, or deleting:           <ul style="list-style-type: none"> <li>• Retro results.</li> <li>• On-demand payments.</li> <li>• Manual payments.</li> <li>• Reversals.</li> <li>• One-time payments.</li> </ul> </li> <li>• Primary job switches.</li> <li>• Run Pay Complete, after completing a history payment.</li> </ul>
<i>Requires ReCalc due to Retro</i>	<p>There are completed retro results with retro differences that aren't included in the pay result. You need to recalculate the pay result before you can complete payroll.</p> <p>Workday also sets this status for a worker when during concurrent retro and on-cycle pay calculations:</p> <ul style="list-style-type: none"> <li>• You delete the worker's retro result.</li> <li>• The worker's supported retro result becomes unsupported. Example: You add pay input for the worker in a prior period, run the retro calculation, and then retroactively change the worker's company.</li> </ul>
<i>Complete</i>	<p>The pay calculation, payroll accounting, and payroll complete tasks have run for the result.</p>

#### Related Information

##### Tasks

[Put a Worker's Pay on Hold](#) on page 658

## Reference: Payroll Accounting Statuses

Workday displays accounting statuses on pay calculation tasks and reports such as Run Pay Calculation and Pay Calculation Result.

### Payroll Accounting Statuses

Status	Description
<i>Not yet started</i>	The payroll accounting process hasn't run for the payee.
<i>Draft</i>	Payroll results are successfully calculated but results aren't <i>Complete</i> .
<i>Created</i>	The payroll is <i>In Progress</i> . Payroll has successfully calculated, but isn't yet complete.
<i>Complete</i>	Payroll results are <i>Complete</i> , and accounting journals are posted.

## Operational Journal Statuses

Status	Description
<i>Created</i>	The payroll is <i>In Progress</i> . Payroll has successfully calculated, but isn't yet complete.
<i>Error</i>	The journal is in error. You need to fix it before completing payroll.
<i>Posted</i>	Payroll results are <i>Complete</i> .

Related Information

### Tasks

[Steps: Process Payroll](#) on page 644

### Examples

[Troubleshooting: Payroll Accounting and Commitment Journals with Errors](#) on page 846

## FAQ: View Payroll Results

- Who can view payroll results?
- What reports are available for viewing payroll results?
- How can I view arrears amounts, including those for terminated workers?
- How can I ensure that Hours display on the View Payroll Results report?
- Why aren't workers' hours aggregating on their pay results?
- How can I ensure the drill-down report on the Run Pay Calculation task updates the flags based on updated audit rule configurations?
- How can I view on demand and manual payment results for Canadian workers working outside of Canada? (CAN)
- How can I see what Human Capital Management information is used in a worker's Payroll calculation? (FRA)
- How can I view intermediate values used in statutory payroll calculations? (FRA)

Who can view payroll results?

Your security policies control the visibility of payroll results. You can use pay component security segments to further define access to pay results.

For more information, see [Example: Control Visibility of Earning and Deduction Results](#) on page 805.

What reports are available for viewing payroll results?

To view reports with payroll results, access the Workday Standard Reports report, and select *Payroll Processing/Results* as the report category.

How can I view arrears amounts, including arrears for terminated workers?

Access the Pay Calculation Results - Outstanding Arrears Balance Composite report (secured to the *Reports: Pay Calculation Results (Reports: Indexed Data Source Filters)* domain). You can view outstanding arrears balances summarized by pay period, including amounts for terminated workers.

How can I ensure that Hours display on the View Payroll Results report?

Access the Edit Earning or Edit Deduction task.

Why aren't workers' hours aggregating on their pay results?

In the row with the related calculation for hours, scroll to the Results section and select *Display Current*.

Workday aggregates workers' hours from daily payroll inputs by period or subperiod only when:

- You've configured an hours-related pay component related calculation (PCRC) on the pay component to aggregate.
- All worktags on the inputs are the same.
- There's only 1 input line on the payroll input.
- The payroll input is one-time.

Ensure that you select the Aggregate check box on a PCRC when you add:

- A new hours-related pay component or PCRC.
- Pay component with a time calculation tag.

How can I ensure the drill-down report on the Run Pay Calculation task updates the flags based on updated audit rule configurations?

When you change an audit rule configuration, the flags only change when you recalculate the period and pay run groups.

How can I view on demand and manual payment results for Canadian workers working outside of Canada? (CAN)

Workday displays *United States* or *Other* on some payroll results when:

- A worker is Canadian and works outside of Canada.
- You override the Province Authority (Work) for a Canadian worker outside of Canada.

Access the Payroll Result report. For Canadian workers outside of Canada, the Payroll Result report displays *United States* or *Other* for these fields:

- Province of Employment in the Result Details section.
- Worktags for *Province Income Tax [PIT] [CAN]* in the Taxes section on the Gross-to-Net tab. In addition, the off-cycle amount displays for Subject Wages and Taxable Wages, but other taxes display zero.
- Province (Work) in the Tax Authority - (Work) section on the Tax Elections tab.

The Province Tax calculation Worktags field in the Others section on the Additional Pay Components tab doesn't display at all.

How can I see what Human Capital Management (HCM) information Workday uses in payroll calculations? (FRA)

If you have a license to use both Workday Payroll and HCM:

1. From the worker's profile, click Pay > Results.
2. Click the magnifying glass icon for the result you want to view and select the Worker Details tab.

How can I view intermediate values used in statutory payroll calculations? (FRA)

The HCM information shown is from when the last payroll calculation ran.

Workday provides several memo deductions that calculate intermediate values for statutory calculations. Example: You can view the monthly ceilings for URSSAF contributions in the related calculations on the *Memo - Reference Values for URSSAF deduction*.

To view intermediate results for a worker, access the Gross to Net tab on the View Payroll Results report from the worker profile. You can then view the Related Values for the memo deductions.

#### Related Information

##### Tasks

[Set Up Balance Periods for Reports with Payroll Results](#) on page 783

[View Payroll Results](#) on page 785

##### Reference

[FAQ: Payslips Management and Administration](#) on page 515

## FAQ: Pay Balance Reports

How can I include all results for the As Of option on my custom pay balance reports?

You can include an As Of option when creating a custom pay balance report. Your As Of option defaults to the beginning of the day (00:00:00). Example: You enter 2020-03-31 for the As Of option. Workday uses the beginning of the day (00:00:00) as the default time and excludes all results for 2020-03-31.

If you select Include Results Processed By on the Field column when creating the custom report, you can select 1 of these options on the Default Type column:

- *Determine default value at runtime*: you can select Today (End of Day) on the Default Value column.
- *Specify default value*: you can select today's date and end of day time, use 23:59:59 on the Default Value column.

Workday returns no data when you use an As Of option before the balance period start date.

How can I get my custom reports to return results for the Include Results Processed By field?

When you select Include Results Processed By on the Field column, Workday uses the beginning of the day (00:00:00) as the default time and excludes all results for that day.

To include results for the entered date, use 1 of these report fields as the Default Value column for the Include Results Processed By field:

- Equal to As of Date: Workday automatically uses the entered As Of date instead of the current date and time.

How can I use balance periods that are based on the period schedule, not As Of date, in my custom reports?

- Today (End of Day): Workday automatically uses the current date and end of day time (23:59:59).

Add the Reference Period for Balance prompt to your report.

Example: From the Reference Period for Balance prompt, select a period schedule within January 2020 such as 01/02/2020-01/08/2020 (*Weekly (Mon-Sun)*). The monthly balance period calculates the month of January 2020. Workday then only returns results with a period end date between 2020-01-01 and the specified As Of date 2020-01-01.

How can I maximize the performance of my custom pay balance reports?

To reduce calculation time, use a data source that has *Payroll Result Lines* as its primary business object. For best performance, use an indexed data source.

Which standard reports display pay balance information?

You can run these reports to see pay balances:

- Pay Balance Summary.
- Pay Calculation Results - Outstanding Arrears Balance Composite.
- Pay Calculation Results Summary.

## Troubleshooting: Payroll Accounting and Commitment Journals with Errors

You can use the Fix Operational Journals with Errors task to identify and fix these accounting and commitment journals with errors:

- Payroll Actuals
- Payroll Accounting Adjustments
- Fringe Benefit Actuals
- Payroll Forward Accruals
- Completed Payroll Commitment and Obligations
- Liquidations

Note: Fix Operational Journals with Errors does not work on operational summary journals. For errors in operational summary journals, use the Fix Operational Summary Journal task.

Cause	Solution
At least 1 journal line has a ledger account that isn't valid for use with the selected company.	<p>If there's no ledger available for a company:</p> <p>Security:</p> <ul style="list-style-type: none"> <li>• <i>Set Up: Accounting Rules</i> domain in the Common Financial Management functional area.</li> <li>• <i>Set Up: Payroll - Company Specific (Accounting)</i> domain in the <i>Core Payroll</i> functional area.</li> </ul> <ol style="list-style-type: none"> <li>1. Access the Edit Account Posting Rule task.</li> <li>2. Select a ledger account that's available for use with the company.</li> </ol> <p>If there's no company available for the ledger:</p>

Cause	Solution
	<p>Security:</p> <ul style="list-style-type: none"> <li>• <i>Set Up: Accounts</i> domain in the Common Financial Management functional area</li> <li>• <i>Set Up: Payroll - Company Specific (Accounting)</i> domain in the Core Payroll functional area</li> </ul> <ol style="list-style-type: none"> <li>1. Access the Edit Account Set report.</li> <li>2. Select the relevant company from the Restrict to Companies prompt for the ledger.</li> </ol>
No company associated with an account posting rule set.	<p>Security:</p> <ul style="list-style-type: none"> <li>• <i>Set Up: Company Accounting</i> domain in the Common Financial Management functional area.</li> <li>• <i>Set Up: Payroll - Company Specific (Accounting)</i> domain in the <i>Core Payroll</i> functional area.</li> </ul> <ol style="list-style-type: none"> <li>1. Access the Edit Company Accounting Details task.</li> <li>2. Select the relevant company and assign an Account Posting Rule Set.</li> </ol>
No default ledger account assigned to account posting type.	<p>Security:</p> <ul style="list-style-type: none"> <li>• <i>Set Up: Accounting Rules</i> domain in the Common Financial Management functional area.</li> <li>• <i>Set Up: Payroll - Company Specific (Accounting)</i> domain in the <i>Core Payroll</i> functional area.</li> </ul> <ol style="list-style-type: none"> <li>1. Access the View Account Posting Rule Set report.</li> <li>2. For the Account Posting Rule Set assigned to the company, select the relevant Account Posting Type.</li> <li>3. Click Edit Posting Rule.</li> <li>4. On the Edit Account Posting Rule page, assign the Default Ledger Account.</li> </ol>
Invalid company and cost center combinations.	<p>Security: <i>Manage: Cost Center</i> domain in the Organizations and Roles functional area.</p> <ol style="list-style-type: none"> <li>1. Access the View Cost Center report.</li> <li>2. Enter the relevant cost center.</li> <li>3. From the related actions of the cost center you entered, select Cost Center &gt; Edit Cost Center.</li> <li>4. Select the relevant company from the Restricted to Companies prompt.</li> </ol>
Out of balance journals caused by missing worktags.	Enter the worktag dimension values using the Assign Costing Allocation task.

Cause	Solution
	See <a href="#">Define Cost Allocations for a Worker on page 550</a> .
No ledger period to process payroll.	Security: <i>Process: Period End</i> domain in the Common Financial Management functional area. Set the status of the Ledger Period to <i>Open</i> using the Mass Update Ledger Period Status task. See <a href="#">Change the Status of Ledger Periods</a> .

Related Information

#### Examples

[Concept: Journal Statuses and Pending Transactions](#)

[FAQ: Journal Errors](#)

[Troubleshooting: Financial Journals](#)

## Troubleshooting: Unable to Run Payroll Result Reports

Cause: You don't have security access to payroll results.

Solution: Enable security for the reports.

#### Steps

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

1. Access the Domain Security Policies for Functional Area report.
2. Select the Core Payroll functional area.
3. Configure viewing access for these domain security policies:
  - *Reports: Pay Calculation Results for Pay Group*
  - *Reports: Pay Calculation Results for Worker*
  - *Reports: Pay Calculation Results (Reports: Indexed Data Source Filters)*
  - *Reports: Pay Calculation Results (Results - Reports based on Pay Component Security)*
    - a) Select the domain security policy.
    - b) From the related actions menu, select Domain Security Policy > Edit Permissions.
    - c) In the Report/Task Permissions grid, add security groups and select the View check box.
4. On the same report, select your country-specific payroll functional area.  
Example: Select FRA Payroll for France.
5. Depending on your payroll country, configure viewing access for the relevant domain security policies:
  - *Reports: Pay Calculation Results for Pay Group - CAN*
  - *Reports: Pay Calculation Results for Pay Group (Results) - AUS*
  - *Reports: Pay Calculation Results for Pay Group (Results) - FRA*
  - *Reports: Pay Calculation Results for Pay Group (Results) - UK*
  - *Reports: Pay Calculation Results for Pay Group (Results) - USA*
  - *Reports: Pay Calculation Results for Worker - UK*
  - *Reports: Pay Calculation Results for Worker - USA*
  - *Reports: Results for Worker (Pay Calculation) - AUS*
  - *Reports: Results for Worker (Pay Calculation) - CAN*
  - *Reports: Results for Worker (Pay Calculation) - FRA*
6. Access the Activate Pending Security Policy Changes task.
7. Add a Comment.

8. Select the Confirm check box.

**Related Information**

**Examples**

[Setup Considerations: Composite Reports](#)

## Troubleshooting: Pay Results in Error

All payroll results have an *In Error* status and an error message of No Payment Election (or Default) Exists.

Cause: The run category doesn't have an associated payment election rule.

Solution:

### Steps

Security:

- *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.
  - *Set Up: Payment Election* domain in the Expenses functional area.
  - *Set Up: Payroll (Payment Election Rules)* domain in the Core Payroll functional area.
  - *Set Up: Payroll Interface* domain in the Payroll Interface functional area.
1. Access the Maintain Payment Election Rules task.
  2. Locate the row of the payment election rule that you want to assign.
  3. From the Run Category prompt, select the run category of the payroll result in error for at least 1 payment election rule.
  4. Access the Run Pay Calculation.

**Related Information**

**Reference**

[Reference: Pay Calculation Statuses](#) on page 840

**Examples**

[Maintain Payment Election Rules](#)

## Correct Payroll Accounting Results

### Setup Considerations: Payroll Accounting Adjustments

You can use this topic to help make decisions when planning your configuration and use of payroll accounting adjustments. 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 They Are

Payroll accounting adjustments enable you to modify payroll journal lines after you complete payroll. You can make a net-zero adjustment when you have incorrect journal lines.

You can:

- Adjust costing worktags.
- Adjust 1 or more journal lines.

- Override the costing company when you enable intercompany accounting.

### **Business Benefits**

- Decrease compliance risk by ensuring greater accuracy in financial reporting.
- Workday notifies you when operational journals fail, helping you ensure that your adjustments are successful.

### **Use Cases**

- Adjust an employee's payroll accounting to split cost allocations between cost centers when the employee works a different percentage on a project than anticipated.
- Make adjustments for 1 or multiple pay periods, and for distribution splits. When you add multiple pay periods, you can configure additional details, such as pay components payroll results, and positions.
- Make adjustments for a pay period in the current year or the previous 7 years.

### **Questions to Consider**

Questions	Considerations
Can you make adjustments to a closed ledger period?	You can make adjustments in open ledger periods. To make adjustments to closed ledger periods, you must open the periods first.  When the period end date of your adjustment is in a closed ledger period, Workday: <ul style="list-style-type: none"> <li>Posts the adjustment journals in the next open period.</li> <li>Sets the accounting date to the first day of this period.</li> </ul>
What information do you want to collect for the adjustments?	You can add a <i>Complete Questionnaire</i> step on the <i>Create Payroll Accounting Adjustments</i> business process to collect additional information on adjustments.  When you create questionnaires for the adjustments, Workday recommends that you: <ul style="list-style-type: none"> <li>Attach only 1 questionnaire.</li> <li>Assign only 1 role on the step.</li> </ul>
Do you need to associate retro period information with your proposed accounting adjustments?	You can display retro periods on payroll accounting adjustments by selecting the <i>Enable Retro Period on Payroll Accounting Adjustments</i> check box on the <i>Maintain Payroll Accounting Options</i> task. You can specify which retro period to associate with your proposed adjustments and summary totals from the retro periods displayed on the current journal lines.

### **Recommendations**

Workday recommends you check the accounting journal status before making adjustments to ensure that you don't run into errors.

## Requirements

To create a payroll accounting adjustment, payroll must be complete for the employee's pay group and journal lines must be in posted status. You'll be unable to select the pay period for a worker on the Create Payroll Accounting Adjustment task if you create a payroll accounting adjustment when payroll isn't complete for their pay group or the journal lines aren't in posted status.

## Limitations

You can't:

- Adjust hours.
- Create validations for adjustments.
- Directly adjust ledger accounts.
- Make adjustments to fringe journal lines.
- Mass create or load adjustments. You can only do 1 adjustment for 1 worker at a time.
- Move amounts from 1 pay component or position to another.
- Adjust historical payroll that's more than 7 years old.

Workday evaluates position-based account posting rule dimensions that affect payroll accounting adjustments based on the entry moment when the adjustment's result was last calculated. If you create new account posting rule dimensions after the entry moment of the accounting adjustment, Workday can't match the adjustment to the dimension and might post the adjustment to an incorrect account. To post the adjustment to the correct account, you can temporarily remove the dimension, and then rescind and resubmit the adjustment.

## Tenant Setup

You can use the Maintain Payroll Accounting Options task to:

- Configure both on-cycle and off-cycle as the default payroll result type.
- Enable you to view the attachments added during the initial creation of the *Effort Certification* business process.
- Display retro period information on payroll accounting adjustments.

## Security

You can control the visibility of pay components on payroll accounting adjustments by creating a pay component security segment and segment-based security group.

This only impacts the pay components that the initiator of a payroll accounting adjustment can access during the initiating task. Workday doesn't apply segmented security to payroll accounting adjustments:

- At any other time in the *Create Payroll Accounting Adjustments* business process.
- When a reviewer sends back adjustments during the *Create Payroll Accounting Adjustments* business process.
- When you initiate payroll accounting adjustments as a subprocess of an *Effort Certification* business process.

Domains	Considerations
<ul style="list-style-type: none"> <li>• <i>Reports: Pay Calculation Results (Results - Security based on Pay Component Security)</i></li> <li>• <i>Reports: Pay Calculation Results for Organization (Accounting Results)</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Accounting Results)</i></li> </ul>	Enables access to the Create Payroll Accounting Adjustments task.

Domains	Considerations
<ul style="list-style-type: none"> <li>• <i>Reports: Pay Calculation Results for Worker (Results)</i></li> </ul>	
<ul style="list-style-type: none"> <li>• <i>Reports: Pay Calculation Results for Worker (Results)</i></li> <li>• <i>Reports: Pay Calculation Results for Pay Group (Accounting Results)</i></li> <li>• <i>Reports: Pay Calculation Results for Organization (Accounting Results)</i></li> <li>• <i>Reports: Pay Calculation Results (Results - Security based on Pay Component Security)</i></li> <li>• <i>Set Up: Payroll (Calculations - Payroll Specific)</i></li> </ul>	Users with access on these domains in the Core Payroll functional area can initiate the <i>Create Payroll Accounting Adjustment</i> business process.

## Business Processes

The *Create Payroll Accounting Adjustments* business process enables you to create adjustments and routing rules.

You can configure payroll accounting adjustments as a subprocess of the *Effort Certification* business process, making adjustments more efficient and accurate. You can start a *Create Payroll Accounting Adjustment* event, when:

- The qualified effort certification event completes.
- The event contains a costed change.
- You select the *Use Full Worktag* option on the effort certification type.

## Reporting

Reports	Considerations
Payroll Result report	Workday doesn't display adjustments directly on payroll actuals. Use the Other Accounting tab to view payroll accounting adjustment journals. Workday creates a new journal for every adjustment.
Find Journal report	You can use the Find Journals report to find journals created as a result of payroll accounting adjustments. You can filter for your adjustments by the <i>Payroll Accounting Adjustment</i> journal source.

## Integrations

No impact.

## Connections and Touchpoints

Feature	Considerations
Effort Certification, only Payroll for the U.S.	You can configure payroll accounting adjustments as a subprocess of the <i>Effort Certification</i> business process.

Feature	Considerations
	<p>Payroll accounting adjustments only pick up lines changed with a <i>Costed Reason Code</i> in effort certification. Workday balances your journal lines when you integrate effort certification and payroll accounting adjustments.</p> <p>While approving the <i>Create Payroll Accounting Adjustments</i> business process from My Tasks, you can verify if there's an effort certification event. Depending on your role-based security, you can either view or click the Effort Certification Event information link. You can click the link to view more details only when you have access to the <i>Reports: Manager (Effort Certification)</i> domain</p>
Grants	<p>Workday passes effort certification lines generated by grants to payroll accounting to generate payroll accounting adjustment entries.</p>

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: Control Visibility of Pay Components on Payroll Accounting Adjustments](#) on page 445

[Steps: Set Up Payroll Accounting Adjustments](#) on page 446

## Create Payroll Accounting Adjustments

### Prerequisites

- Review setup considerations for payroll accounting adjustments.
- Verify that payroll is complete for the employee's pay group and that the journal lines are in posted status.
- Create a change reason on the *Maintain Change Reason Codes for Effort Certification and Payroll Accounting Adjustment* task.
- Set up payroll accounting adjustments.

### Context

You can make net zero adjustments to payroll accounting for cost allocations for 1 or more pay periods. You can also make adjustments to distribution percentages and correct cost center changes.

### Steps

1. Access the *Create Payroll Accounting Adjustments* task.
2. Select Employee, Pay Group, Company, and Change Reason.

If you have a simple adjustment with only 1 pay period and no distribution splits, click OK and go to step 4.

3. If you have complex adjustments with multiple pay periods or distribution splits in 1 pay period, you can simplify entering the adjustments by completing the Optional Parameters.

- a) Enter 1 or more Pay Periods and select *On-cycle* or *Off -cycle* Payroll Result Type.

When you select the Enable Payroll Result Type to Default to On-Cycle and Off-Cycle check box on the Accounting Adjustments tab of the Maintain Payroll Accounting Options task, Workday enables both *On Cycle* and *Off Cycle* as the default payroll result type.

Note: If the pay period you want to select is unavailable, check that payroll is complete for the employee or pay group and that the journal lines are in posted status.

- b) To adjust distribution percents and have Workday calculate the Debit Amount and Hours, consider:

Field	Description
Position	Add a row for each position and pay component combination to adjust.
Pay Component(s)	Earnings and employer-paid expenses.
Costing Company	Enter a costing company to make accounting adjustments for a specified position and pay component. You can enter a costing company only when you enable intercompany accounting.
Worktags	Workday enters the default worktags from the worker's current organization assignments, such as <i>Cost Center</i> , <i>Location</i> , and <i>Region</i> .  If you configured related worktags, Workday adds them here.
Distribution Percent	Enter a percent for each position and pay component combination if less than 100%. The total must equal 100%.

When you click OK, Workday:

- Displays an adjustment section for each pay period that you entered.
  - Calculates and displays the Debit Amount and Hours based on the distribution splits you entered.
4. Click Add to enter adjustment details:
- For a simple adjustment, select Payroll Result, Position(s), Pay Component(s), and Change Reason.
  - For complex adjustments, enter additional pay period and position combinations. If they have distribution splits, you must calculate the Debit Amount for each position and pay component combination that you add.
5. Select Refresh Journal Lines.
6. Review the Current Journal Lines and the Proposed Adjustments grid. If you entered multiple pay periods, scroll down to see each of the adjustment sections that Workday created. You can enter or revise the proposed adjustments.
7. (Optional) Select Combine Identical Adjustments to aggregate identical rows with Budget Date, Position, Pay Component, and Worktag Overrides in the Proposed Adjustments grid.

8. From the Summary Totals section, select the relevant Pay Components, Worktags, or a combination of Pay Components and Worktags based on the proposed adjustments.  
You can select only 1 worktag per dimension. Example: You can select only 1 Cost Center, 1 Fund, or 1 Location.
9. Click Update Amounts to verify the distribution percentage of the adjustment you're changing.  
Based on the pay components and worktags you select, Workday calculates:
  - Current Total Amount as sum of amounts from current journal lines.
  - Proposed Total Amount as sum of amounts from proposed journal lines.
  - Difference as current total amount - proposed total amount.
  - Percent of Proposed as total selected proposed amount/ total proposed amount.
- 10.(Optional) Add one or more Attachments for each pay period.

## Result

- The adjustments create a new journal line with:
  - A reversal entry of the original journal lines.
  - A replacement entry with the updated costing allocation.

Actual pay for the worker doesn't change. You can readjust adjusted journal lines.

- Workday creates reversal fringe benefit journals to reverse the original fringe journals, recalculates fringe, and creates new fringe benefit journals.
- Your business process might take you through additional steps based on the change reason.
- The payroll result displays all adjustment-related journals (including adjustment fringe benefits) on the Other Accounting tab.
- Worker history displays the Payroll Accounting Adjustment events.
- When the period end date is in a closed ledger period, Workday:
  - Posts the adjustment journals in the next open period.
  - Sets the accounting date to the first day of this period.
- Workday calculates the hours on the adjusted journal line based on the percentage distribution of earnings.

## Next Steps

For pay periods with payroll accounting adjustments for workers, you must rescind the adjustment before running these tasks:

- Cancel Pay Complete
- Reversal Pay Calculation

To rescind an adjustment, select Business Process > Rescind from the related actions menu of a completed payroll accounting adjustment event. If multiple adjustments exist for a worker, you must rescind them individually in reverse order for every subsequent payroll result that contains an adjustment. Rescinded journal lines then become available for adjustment again.

Related Information

### Concepts

[Setup Considerations: Payroll Accounting Adjustments](#) on page 849

[Concept: Business Process Management](#)

### Tasks

[Steps: Set Up Payroll Accounting Adjustments](#) on page 446

## Example: Adjust Payroll Accounting Cost Center

This example illustrates how to adjust a worker's payroll accounting for a cost allocation applied to the wrong cost center.

### Context

For the 2014-01-05 to 2014-01-11 pay period, the payroll administrator at Global Modern Services discovers:

- She incorrectly costs an employee's pay to the 5000 Office of the CFO cost center.
- The correct cost center for that pay period is 1000 Office of the CEO.

She uses the Create Payroll Accounting Adjustment task to make a net zero correction to the costing of the employee's base pay earning. She doesn't need to create an on-demand payment.

### Prerequisites

- Verify that payroll is complete for employee Aidan Mitzner and his pay group, *Administration - Corporate*.
- Configure the *Create Payroll Accounting Adjustments* business process and security policy in the Core Payroll functional area.
- Configure these domains in the Core Payroll functional area to give the payroll administrator access to the employee's payroll results:
  - *Reports: Pay Calculation Results for Worker (Results)*
  - *Reports: Pay Calculation Results for Pay Group (Accounting Results)*
  - *Reports: Pay Calculation Results for Organization (Accounting Results)*
- Create a change reason called *Cost Center Adjustment* on the Maintain Change Reason Codes for Effort Certification and Payroll Accounting Adjustment task.

### Steps

1. Access the Create Payroll Accounting Adjustments task. As you complete the task, consider:

Option	Description
Employee	Aidan Mitzner
Pay Group	Administration - Corporate
Company	Global Modern Services
Change Reason	Cost Center Adjustment

2. Click Add. On the Adjustments section, consider:

Option	Description
Payroll Result	Aidan Mitzner: 01/11/2011 (Regular) - Complete
Position(s)	P-00147 Executive Assistant - Aidan Mitzner
Pay Components	Base Pay
Change Reason	Cost Center Adjustment

3. Click Refresh Journal Lines.

The Current Journal Lines grid includes the incorrect cost center in the Worktags column: *Cost Center: 5000 Office of CFO*.

Option	Description
Debit Amount	1615.39

Option	Description
Position	P-00147 Executive Assistant - Aidan Mitzner
Pay Component	Base Pay
Worktags	Fund 101: General Admin Cost Center: 5000 Office of CEO Location: New York Region: Headquarters - Corporate
Budget Date	01/11/2011

4. Add a row to the Proposed Adjustments grid and enter the same options as in the Current Journal Lines grid, except for the cost center in the Worktags column:

Option	Description
Debit Amount	1615.39
Position	P-00147 Executive Assistant - Aidan Mitzner
Pay Component	Base Pay
Worktags	Fund 101: General Admin Cost Center: 1000 Office of CEO Location: New York Region: Headquarters - Corporate
Budget Date	01/11/2011

If you enter Position first, Workday populates some of the fields for you.

## Result

After the payroll administrator submits the adjustment, she can see that it's successfully completed on the employee's profile, Job > Worker History. If she clicks *Payroll Accounting Adjustment for 2014-01-05 to 2014-01-11*, she can verify that it's the same as the proposed adjustment she submitted.

When she completes the payroll accounting adjustment, Workday creates a new journal with *Payroll Accounting Adjustment* as the journal source. This journal posts to the ledger period associated with the payroll period, if the ledger period is open. If the ledger period isn't open, the journal posts to the next available ledger period.

She also looks at Pay > Results on the worker profile, drills into the results for this period, and selects the Other Accounting tab. When she clicks the View Journal button, she can verify the net zero adjustment and see that the worktags include the updated cost center.

Ledger Account	Debit Amount	Credit Amount	Worktags
6000: Salaries and Wages	1,615.39		Cost Center: 1000 Office of CEO Fund 101: General Admin Location: New York Region: Headquarters - Corporate

Ledger Account	Debit Amount	Credit Amount	Worktags
6000: Salaries and Wages		1,615.39	Cost Center: 5000 Office of CEO  Fund 101: General Admin  Location: New York  Region: Headquarters - Corporate

## Example: Adjust Payroll Accounting Distribution Percentage

This example illustrates how to adjust a worker's payroll accounting to split cost allocations between cost centers.

### Context

You incorrectly applied Aidan Mitzner's full base pay for the January 15th pay period of 1615.39 to cost center 50000 Office of the CEO. The costing split should have been:

- 1,211.54 (75%) for the 50000 Office of the CEO cost center.
- 403.85 (25%) for the 10000 Office of the CEO cost center.

Use the Create Payroll Accounting Adjustment task to make a net zero correction to his base pay costing so you don't need to create an on-demand payment.

### Prerequisites

- Verify that payroll is complete for employee Aidan Mitzner and his pay group, *Administration - Corporate*.
- Security: Configure these domains in the Core Payroll functional area:
  - *Reports: Pay Calculation Results for Organization (Accounting Results)*
  - *Reports: Pay Calculation Results for Pay Group (Accounting Results)*
  - *Reports: Pay Calculation Results for Worker (Results)*
  - *Set Up: Payroll (Calculations - Payroll Specific)*
- Configure the *Create Payroll Accounting Adjustments* business process.
- Configure the Hourly Pay Earning with the *General Ledger: Hours* group in the Related Calculation.
- Create a change reason called *Cost Share Adjustment* on the Maintain Change Reason Codes for Effort Certification and Payroll Accounting Adjustment task.

### Steps

1. Access the Create Payroll Accounting Adjustments task.
2. Enter these values:

Option	Description
Employee	Aidan Mitzner
Pay Group	Administration - Corporate
Company	Global Modern Services
Change Reason	Cost Share Adjustment

3. Select these Optional Parameters to identify the pay period:

Option	Description
Pay Periods	01/05/2014 - 01/11/2014 (Weekly (Monday - Sunday))
Payroll Result Type	On Cycle

4. Enter these values to adjust the cost center worktag and the distribution percents:

Position	Pay Component(s)	Worktags	Distribution Percent
P-00147 Executive Assistant - Aidan Mitzner	Base Pay	Fund 101: General Admin  Cost Center: 50000 Office of CFO  Location: New York  Region: Headquarters - Corporate	75
P-00147 Executive Assistant - Aidan Mitzner	Base Pay	Fund 101: General Admin  Cost Center: 10000 Office of CEO  Location: New York  Region: Headquarters - Corporate	25

5. Click OK.

6. Review your adjustments:

- The Position, Pay Component, and Worktags data are:
- The calculated debit amounts for the journal lines are: 1211.54 and 403.85.
- The Hours also reflect the specified percentages: 30 and 10.

Debit Amount	Position	Pay Component	Worktags	Budget Date	Hours
1211.54	P-00147 Executive Assistant - Aidan Mitzner	Base Pay	Fund 101: General Admin  Cost Center: 50000 Office of CFO  Location: New York  Region: Headquarters - Corporate	2014-01-11	30
403.85	P-00147 Executive Assistant - Aidan Mitzner	Base Pay	Fund 101: General Admin	2014-01-11	10

Debit Amount	Position	Pay Component	Worktags	Budget Date	Hours
			<i>Cost Center: 50000 Office of CFO</i> <i>Location: New York</i> <i>Region: Headquarters - Corporate</i>		

## Result

After you submit the adjustment, you can review it on Aidan Mitzner's worker profile, by selecting Job > Worker History.

Select Payroll Accounting Adjustment for 2014-01-05 to 2014-01-11 to verify the amounts.

You can also drill into the results for this period on the Other Accounting tab by accessing Pay > Results on the worker profile:

Debit Amount	Position	Pay Component	Worktags	Budget Date	Hours
1211.54	P-00147 Executive Assistant - Aidan Mitzner	Base Pay	<i>Fund 101: General Admin</i> <i>Cost Center: 50000 Office of CFO</i> <i>Location: New York</i> <i>Region: Headquarters - Corporate</i>	2014-01-11	30
403.85	P-00147 Executive Assistant - Aidan Mitzner	Base Pay	<i>Fund 101: General Admin</i> <i>Cost Center: 10000 Office of CEO</i> <i>Location: New York</i> <i>Region: Headquarters - Corporate</i>	2014-01-11	10

## Related Information

### Concepts

Concept: Business Process Management

Concept: Step Conditions

### Tasks

Create Business Process Condition Rules

[Edit Business Processes](#)

[Edit Business Process Security Policies](#)

## Concept: Operational Journal Reversals

Workday creates operational journals automatically when you complete operational transactions. When you cancel an approved operational transaction, you can generate an operational journal reversal. Reversal journals provide an audit trail of journal entries, enabling you to comply with legal requirements in countries where you can't modify or cancel posted journals.

Workday creates reversals of operational journals when you select the Always Reverse Operational and Noncontrolling Interest Journals check box in the Journal Options section on the Edit Tenant Setup - Financials task.

You can also consolidate payroll operational journals by selecting the Summarize Payroll Journals check box on the Maintain Payroll Journal Options task.

## Canceled Off-Cycle and On-Cycle Payroll Results

When you cancel an off-cycle or on-cycle payroll result and configure journal reversals and journal summarization, Workday:

- Keeps original operational and original summary journals in *Posted* status.
- Reverses and copies original operational journal.
- Summarizes reversal journal and changes status to *Posted*.
- Changes copied operational journal status to *Created*.

When you cancel an off-cycle or on-cycle payroll result and configure journal reversals but not journal summarization, Workday:

- Keeps original operational journal in *Posted* status.
- Reverses and copies original operational journal.
- Changes reversal journal status to *Posted*.
- Changes copied operational journal status to *Created*.

When you cancel an off-cycle or on-cycle payroll result and configure journal summarization but not journal reversals, Workday:

- Keeps original operational journal and summary journal in *Posted* status.
- Changes summarization journal status to *Created*.

When you cancel an off-cycle or on-cycle payroll result and haven't configured journal reversals or journal summarization, Workday changes the status of the operational journal from *Posted* to *Created*.

Related Information

### Tasks

[Cancel a Completed On-Cycle Payroll on page 669](#)

[Cancel Completed Off-Cycle Payroll on page 702](#)

[Steps: Set Up Payroll Accounting on page 442](#)

### Reference

[Reference: Payroll Accounting Statuses on page 842](#)

# Retroactive Payroll

## Process Retroactive Payroll

### Setup Considerations: Retroactive Pay Processing

You can use this topic to help make decisions when planning your configuration and use of retro processing. 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

The retro pay functionality enables you to react to past payroll activity in workers' current payroll by:

- Recalculating pay results for impacted prior periods, back to a specific date.
- Reporting differences between the original and the recalculated pay results.
- Paying the differences in the current period.

### Business Benefits

The retro pay functionality gives you the flexibility to adjust your current payroll to reflect updates to past payroll runs. Workday also enables you to:

- Pay those differences as part of the workers' regular pay or through on-demand payments.
- Keep track and audit those updates using reports.

### Use Cases

You can use the retro pay functionality to process past events, such as when you retroactively:

- Change a health care plan election for a worker.
- Enter a bonus for a worker.
- Hire or terminate a worker.

You can also process events workers enter, such as when they retroactively:

- Submit a leave of absence.
- Enter time off or time worked.

### Questions to Consider

Questions	Considerations
What time frame do you want to consider for retro events?	The No Retro Processing Prior To (NRPPT) date sets the earliest date for processing retro events for each worker. You can control this date at the level of the:

Questions	Considerations
	<ul style="list-style-type: none"> <li>Tenant by setting the maximum number of months before the current pay period to enable retro processing. The preset value is 24 and the maximum you can enter is 72. Example: You can exclude any events that occurred during previous tax years.</li> <li>Worker by setting the earliest date for retro processing. Example: You can exclude events for a worker before their rehire date.</li> </ul> <p>The tenant-level setting takes precedence over the worker-level NRPPT date.</p> <p>When you run the retro pay calculation, Workday changes that date based on the type of workers and events you're processing.</p> <p>You can move the NRPPT date forward or backward, but not before an unsupported retro event.</p>
When and how do you want to process retro differences?	<p>You can schedule:</p> <ul style="list-style-type: none"> <li>Retro pay calculations to start automatically, either once in the future or on a recurring basis.</li> <li>Pay calculations to run after each retro pay calculation to pay the workers' retro differences as soon as Workday generates them.</li> </ul> <p>You can pay the retro differences as part of the workers' regular pay or using on-demand payments such as for a bonus.</p> <p>When you need to review the retro results, you can temporarily suspend them and:</p> <ul style="list-style-type: none"> <li>Exclude them from further processing.</li> <li>Bring them back later by canceling the retro results and rerunning retro.</li> </ul> <p>Example: You terminated a worker's employment and entered a retroactive bonus. You want to confirm this bonus with another department before paying it, so you suspend the retro result. You can later process payment manually.</p>
How do you want to process retro differences for workers in multiple pay groups?	<p>You can configure a tenant-level setting to either:</p> <ul style="list-style-type: none"> <li>Forward retro differences to the workers' primary pay group.</li> <li>Treat the events as unsupported, so that you can process retro differences manually in the prior pay group.</li> </ul> <p>After you run retro, you can update the target pay group to another based on worker eligibility.</p>

Questions	Considerations
Which workers do you want to process with the retro pay calculation?	<p>When workers have existing pay results in completed pay periods, you can enter supported events to process them in retro.</p> <p>When workers have no pay results in completed pay periods, create off-cycle payments for prior periods instead of running retro. Example: You retroactively enter time worked for hourly workers who haven't logged any hours yet.</p>
How do you want to display retro results on payslips?	<p>You can use Report Designer to create specific payslip layouts. Example: You can display consolidated retro results instead of 1 line per retro result.</p>

## Recommendations

### Before Running the Retro Pay Calculation

Before running the retro pay calculation for the first time, avoid unexpected results by defining the Maximum Months Allowed For Retro Processing for your tenant. Workday determines the earliest period for which to recalculate earnings and deductions by:

- Finding the current start date of a worker's primary pay group.
- Setting the NRPPT date to the date that precedes the current period start date by the number of months you define.

You can then adjust that period for individual workers. For best performance, set the number of months to 24 or less.

Review which events that you can and can't process with the retro pay calculation in these reports:

- All Supported Payroll Retro Transaction Types
- All Unsupported Payroll Retro Transaction Types

To avoid workers' NRPPT dates set in the future after you run retro, which results in unprocessed retro for current and future-dated events:

- Create run categories with period schedules that don't go beyond the schedules of the regular run category. Example: You configure a nonregular category such as bonus or commission with an annual period schedule with periods from January 1 to December 31. After this period is complete, when workers have unsupported events, Workday considers December 31 as the last day of the completed pay period, even if the current month is June. Therefore, when you run

retro, Workday moves the NRPPT date to the future, to the last completed pay period plus 1 day (1 January 2021).

- Complete pay periods after the last completed period of the regular run category.

Workday recommends that when you configure pay components to recalculate in retro, you only reference other pay components that also recalculate in retro. This configuration ensures that retro uses correct amounts when calculating prior periods. Example: You leave the Do Not Recalculate During Retro check box clear on an earning. To reference another earning, select 1 with the check box clear. To reference a deduction, select 1 with the Recalculate During Retro selected.

You can use the Retro Calculation Processing Configuration task to not process retro before an effective date for supported retro events for:

- Completed periods without on-cycle or on-demand replacement results (except for retro leave of absence, retro hire, and retro termination).
- A worker's additional job for a completed period without on-cycle or on-demand replacement results.
- A worker's non-regular run category for a completed period without on-cycle or on-demand replacement results.

Once you select an effective date, Workday won't calculate retro differences for these scenarios for pay periods before that date. This avoids double payments if workers receive supported retro entries back to periods with unprocessed retro.

Before removing or modifying the effective date you initially set, ensure there's no retro processing in progress.

For Payroll for the U.S., Workday recommends enabling these tenant settings from the Pay/Retro Calculations > Retro Calculations - USA section of the Edit Tenant Setup - Payroll task:

- Enable Retro Processing from Different Tax Authorities to On-Cycle Payroll
- Enable Taxes on Retro Amounts from Prior Tax Authorities

With these tenant settings enabled, when you process retro pay for a worker with a tax authority in the retro period that's different from their tax authority in the current period, Workday pulls the retro pay into the current period and taxes it based on the tax authority in effect during the retro period.

For Payroll for Ireland and the UK, if you currently support future dated retro hires, we recommend you edit any relevant run categories to use this setup:

- Create a tenanted calculation that determines if the worker hire date is less than or equal to a certain date of the month, based on your business needs. Example: Worker: Hire Date <= 19th of the Month.
- Access the Create Run Category or Edit Run Category task.
- On the Workers To Process grid, configure the Active Status row as follows:
  - Add the new hire date condition.
  - Add the Workday delivered calculation *Retro Pay Calculation* as an OR statement. This is a Workday delivered value comparison calculation that specifies that the worker should be picked up by retro pay calculation

#### Running the Retro Pay Calculation

Run the retro pay calculation at least once before running each on-cycle pay, including the initial payroll run (manual or scheduled). This practice maximizes the number of supported retro events that Workday can process and forward to workers' regular pay results.

Consider the frequency for running retro when you enable continuous calculations, depending on how many retro events you process.

When updating configurations, use effective dating whenever possible to ensure that retro processing considers the new configuration.

Because retirement savings are a percentage of, or based on other pay components, don't recalculate them during retro to prevent:

- Double-counting those earnings.
- Potential regulatory limit issues.

After running retro, access the Retro Calculation Processing Report and resolve any negative retro differences to avoid errors in payroll.

#### Off-Cycle Payments for Pennsylvania Workers (USA)

When you create off-cycle payments for Pennsylvania workers using the Run Retro Pay Complete for Subset of Workers task from the Retro Calculation Processing Report with:

- The *Complete* option selected.
- The Primary EIT check box selected on the Add Worker US Tax Elections task.

The tax election configured takes precedence over the City Withholding (work) worktag override.

## Requirements

### For All Workers

However, Workday recommends you to verify the Pennsylvania city withholding when processing retro payroll.

Before running retro, make sure that the workers to process have:

- Existing completed pay results, except for leave of absence, hire, and termination. For those events, the retro pay calculation creates zero payroll results for the prior periods.
- Only supported retro events occurring after their NRPPT date. When they also have unsupported events, Workday moves their NRPPT date forward to exclude those events. However, Workday then ignores any supported events before the new NRPPT date.
- A target period that matches the current pay period. Example: An hourly worker hasn't entered time worked for the current pay period, so this period has no existing results. When you run retro for that worker, you can't forward retro differences to the current pay period.
- Only 1 company assigned (FRA, IRL, UK).
- Only 1 tax authority assigned (CAN, USA).

### For Specific Events

Configure run categories that you use in retro pay calculations to include specific statuses:

- Retro leaves of absence with Payroll Effect enabled: Select *On Leave* on the General and Nonactive (On Cycle, On Demand Replacement) tabs.
- Retro terminations, and supported events for terminated workers: Select *Terminated with Retro Differences* and *Terminated with Retroactive Events (for Retro Pay Calc only)* on the General tab.

Workday supports processing retro events from other pay groups when you enable it for your tenant. When the workers' primary pay group is a newly created pay group with no existing pay results, before running retro:

- Run and complete payroll for the first period of the period schedule assigned to the new pay group. Make sure that the pay group doesn't have an Override First Processing Period selected.
- Transfer the workers to the new pay group starting on the second period.

## Limitations

Limitation	Details
Unsupported retro events.	<p>The All Unsupported Payroll Retro Transaction Types report lists unsupported retro events by country. Process these events manually through payroll input or off-cycle payments.</p>
Updates that don't trigger the retro pay calculation.	<p>Workday doesn't handle changes to these settings as retro events:</p> <ul style="list-style-type: none"> <li>Definition of effective-dated pay components. Example: Changing the pay group detail eligibility.</li> <li>Effective date of compensation changes. Example: Backdating a change to a compensation plan.</li> </ul> <p>To process these changes, enter a supported retro event for the worker such as payroll input with a zero amount.</p>
Corrective retro for taxes.	<p>For Payroll for the UK, the retro pay calculation recalculates:</p> <ul style="list-style-type: none"> <li>National Insurance amounts for completed periods for a retro hire event.</li> <li>National Insurance, tax, student loan, and postgraduate loan amounts, and any pay components for apprenticeship levy, for a retro termination event.</li> </ul> <p>Workday doesn't recalculate for completed periods for any other taxes for Payroll for the UK.</p> <p>For Payroll for Ireland, for retro termination, the retro pay calculation:</p> <ul style="list-style-type: none"> <li>Recalculates tax, Pay Related Social Insurance (PRSI), and Universal Social Charge.</li> <li>Doesn't recalculate PRSI insurable weeks.</li> </ul> <p>For Payroll for Canada, France, Ireland, applicable taxes in the UK, and the U.S., Workday:</p> <ul style="list-style-type: none"> <li>Forwards retro differences between a worker's original and recalculated results to their current pay results.</li> <li>Applies the tax rates in effect for the regular run category in the current pay period.</li> </ul>
No supported events selection.	<p>When workers have supported events and no unsupported events, you can't select which events to process. Workday includes all supported events.</p>
Arrears.	<p>The retro pay calculation doesn't put deductions into arrears or recoup arrears generated in completed pay periods.</p>

Limitation	Details
	When you run retro for a deduction that went into arrears, Workday considers the arrears balance when calculating the retro differences. Example: A deduction of 100 went into arrears. When you retroactively change the deduction to 120, Workday calculates the retro difference as 20.
International assignments.	Workday doesn't process retro differences for workers on international assignments because of limitations related to currency conversion and tax implications.
Payment reversals (CAN, UK, USA)	When you forward retro differences to the current period from a period that you reversed, manually remove the differences in the current period. Example: You can offset retro differences using payroll input. When you forward retro differences to a period and later reverse that period, Workday: <ul style="list-style-type: none"> <li>• Recovers the retro differences.</li> <li>• Adds them to the worker's current pay results.</li> </ul>
Gross ups.	The retro pay calculation doesn't recalculate gross-up earnings.
Effective date of your first Workday Payroll transactions.	The retro pay calculation doesn't process any events before the effective date of your first Workday Payroll transactions.
Change to payroll processing position (USA)	Workday doesn't support retroactive changes to processing position that result in a tax authority change. Example: Retroactively changing a position attribute that's used to determine the processing position when the positions are in different work states.

## Tenant Setup

You can use the Edit Tenant Setup - Payroll task to:

- Exclude completed on-demand additional results in the current period when determining which periods to process in the retro pay calculation.
- Disable processing pay components with retro differences for non-active workers (terminated or on leave).
- Set the maximum number of months before the current period for considering retro events.
- Enable processing retro differences from another pay group in the workers' primary pay group.
- Enable processing retro differences from different tax authorities to on-cycle payroll for USA only.
- Enable tax calculation under the correct tax authority for retro pay for USA only.
- Set the retro target period when a worker has a completed replacement payment in the current period.

## Security

Configure the *Change No Retro Processing Prior To* business process and security policy, and these domains in the Core Payroll functional area:

Domains	Considerations
<i>Process: Off Cycle (On Demand)</i>	Enables users to include retro results in on-demand payments.
<i>Process: Run Batch Calculations (Retro Calculation)</i>	Enables users to: <ul style="list-style-type: none"> <li>Change the NRPPT date for multiple workers.</li> <li>Change the retro setting on a pay component.</li> <li>Run or schedule retro pay calculations.</li> </ul>
<i>Process: Run Batch Cancel (Retro Cancel)</i>	Enables users to cancel completed or in-progress retro results.
<i>Process: Run Batch Complete (Retro Complete)</i>	Enables users to complete retro results.
<i>Reports: Pay Calculation Results for Pay Group (Results)</i>	Enables users to review retro results on reports such as the Retro Calculation Processing Report. Managing retro results on this report requires security that's specific to each action. Example: Canceling retro results through the report requires access to the <i>Process: Run Batch Cancel (Retro Cancel)</i> domain in the Core Payroll functional area.

## Business Processes

Business Processes	Considerations
<i>Change No Retro Prior To Date</i>	Use this business process to change a worker's NRPPT date.
<i>Hire</i>	Use this business process to correct a worker's location retroactively, then run the retro pay calculation to calculate differences due to that change.
<i>Termination</i>	To exclude any pay period before a rehire date, add a <i>To Do</i> step to this business process to advance a worker's NRPPT date. When you rehire the worker, Workday doesn't process any retro events between the termination and the rehire date.

## Reporting

You can use the Pay Calculation Retro Result Lines for Pay Group report data source when creating custom reports on retro payments.

The date you enter as the Retro Processing Date on retro reports such as the Retro Calculation Processing Report or the Retro Pay Calculation Result Audit Detail Report reflects the date of the first retro pay calculation after your last complete. Example: When you Run Retro Pay Complete task for a full pay group on 03/06/2022 and then initiate the Run Retro Pay Calculation task on 03/08/2022, Workday uses 03/08/2022 as the Retro Processing Date.

Reports	Considerations
Payroll Changes Unprocessed for a Retro Run	Enables you to identify unprocessed and unsupported retro events that need a manual adjustment.
Retro Calculation Processing Report	<p>Enables you to review and troubleshoot retro results by filtering results using facets. Example: You can display workers with:</p> <ul style="list-style-type: none"> <li>Unprocessed events.</li> <li>Unsupported events.</li> <li>Negative retro differences.</li> <li>Nonactive statuses.</li> </ul> <p>You can also:</p> <ul style="list-style-type: none"> <li>Review the retro difference source on the subreports. Examples: Compensation change or bonus payment through payroll input.</li> <li>Suspend, cancel, or complete retro results for a subset of workers.</li> </ul> <p>When you run the retro pay calculation, Workday assigns statuses such as <i>Unprocessed</i> that you can use to filter results.</p>
Reversal Results with Retro (CAN, UK, USA)	Enables you to identify workers with retro differences when you later reversed the source or target period.

## Integrations

You can use these web services:

- Change No Retro Processing Prior To:* To change the NRPPT date by worker for multiple workers at a time.
- Import Payroll Off-Cycle Payment:* To pay retro differences through an off-cycle payment instead of the regular on-cycle payroll.

## Connections and Touchpoints

The retro pay calculation has touchpoints with all the supported events that you can process such as compensation changes or time tracking. You can view the full list by country using the All Supported Payroll Retro Transaction Types report.

Features	Considerations
Benefits.	<p>When workers have a supported retro event and you run retro, Workday processes all:</p> <ul style="list-style-type: none"> <li>Other supported events within the retro period.</li> <li>Benefits changes, even when they don't trigger retro.</li> </ul>
Earning or deduction limits.	You can limit retro payments based on pay components and related calculations.

Features	Considerations
	When you calculate the workers' current payroll, Workday includes retro differences in the current pay component value. When the total retro differences for the recalculated periods exceed an earning or deduction limit, Workday reduces those differences to the limit.
Multiple subperiods.	When forwarding retro results in payroll results with gross-to-net proration, Workday includes the differences to the first subperiod.
Payroll run categories.	<p>Payroll run categories determine which pay components to process based on worker eligibility. The retro pay calculation forwards retro differences from all run categories to the regular run category.</p> <p>Workday provides several processing statuses referring to retro that you can use to identify workers to process. Example: <i>Terminated with Retro Differences</i>.</p>
Pay balances.	<p>You can calculate and forward retro differences to the current pay period from earnings that are either from:</p> <ul style="list-style-type: none"> <li>Any completed periods.</li> <li>A period that falls within the current pay balance period.</li> </ul> <p>You can also exclude all retro differences from pay balances.</p>
Pay components.	<p>You can configure which pay components to recalculate in a retro pay calculation. Retro uses the pay component definition on its effective date when it falls within the processed period.</p> <p>Even when you don't configure pay components to recalculate, Workday always evaluates these pay component settings for workers who have a supported event:</p> <ul style="list-style-type: none"> <li>Worker eligibility criteria.</li> <li>Active or inactive status.</li> </ul> <p>Example: You leave Recalculate During Retro clear for a deduction and either:</p> <ul style="list-style-type: none"> <li>You deactivate the deduction for a completed period.</li> <li>The worker no longer meets the eligibility criteria.</li> </ul> <p>When you run retro for that period, Workday still refunds the deduction in the current period.</p>

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****Concepts**

[Setup Considerations: Retroactive Payroll Results](#) on page 894

[Concept: Retro Processing Periods](#) on page 904

[Concept: Retro and Pay Component Eligibility](#) on page 916

**Reference**

[Reference: Edit Tenant Setup - Payroll](#)

[The Next Level: Payroll Retroactive Processing Series](#)

[2022R2 What's New Post: Retro Processing and Gross-to-Net Proration](#)

## Steps: Set Up Retro Processing

**Prerequisites**

Review setup considerations for retro processing.

**Context**

Before you run the retro pay calculation to process past events, configure pay components, related calculations, and run categories.

**Steps**

1. (Optional) For Payroll for the U.S., select these check boxes from the Pay / Retro Calculations > Retro Calculations - USA section of the Edit Tenant Setup - Payroll task:

- Enable Retro Processing from Different Tax Authorities to On-Cycle Payroll
- Enable Taxes on Retro Amounts from Prior Tax Authorities

Selecting these check boxes enables Workday to forward retro differences to on-cycle payroll and calculate taxes for retro pay based on the tax authorities in effect during the retro periods.

2. Access the Create Earning task.

For earnings, leave the Do Not Recalculate During Retro or Always Gross-Up check box clear to have Workday recalculate the earning during retro pay calculations.

When you leave these check boxes clear and want to reference another pay component, Workday recommends that you select one configured to recalculate in retro. This configuration ensures that retro uses correct amounts when calculating prior periods.

Note: If you have a pay component that references a pay balance and is set to recalculate during retro, Workday recommends specifying Include All Retro Values Based on Earned Period on the pay balance rather than Include All Retro Values in Current Gross to Net to ensure that any retro amounts in your related calculations calculate correctly.

For Payroll for Canada, Ireland, the UK, and the U.S., to process retroactive changes to time off, use earnings rather than deductions to calculate the value of paid and unpaid time off. You can define negative earnings to subtract paid and unpaid time from a worker's base pay.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

3. Access the Create Deduction task.

Select the Recalculate During Retro check box to have Workday recalculate the deduction during retro pay calculations.

Workday recommends that:

- You don't select this check box for percentage-based deductions. Example: Percentage-based pension contributions.
- When you select this check box and want to reference another pay component, select 1 configured to recalculate in retro.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

4. (Optional) [Set Up Pay Component Related Calculations](#) on page 249.

To forward related calculations to the current period for a pay component, select Bring Forward Difference on the Retro Adjustment Type tab of the calculation.

When you leave the check box clear, Workday pulls the full amount of the calculation into the worker's current period.

5. Access the Edit Run Category task.

To process retro for terminated workers, configure these statuses on the General tab:

- *Terminated with Retroactive Events (for Retro Pay Calc only)*: To calculate retro differences for terminated workers, for events occurring during or after the period that includes the termination date.
- *Terminated with Retro Differences*: To pay retro differences for terminated workers when you run payroll.

Security: *Set Up: Payroll Pay Group Specific* domain in the Core Payroll functional area.

6. (Optional) Access the Configure Smart Calculation Event Processing task.

Access the Payroll Retro Event Categories tab.

For each event, select which countries to exclude from triggering retro in the Processing Configuration column.

If you change back the setting to include the event, Workday considers that event for prior periods where you didn't run retro for the workers. Example: In January, you exclude the *Transfer Employee* event from triggering retro. In February, you transfer Janet effective in January. That transfer doesn't trigger retro. In March, you change the setting to include the event. When you run retro, Workday recalculates her pay to consider the transfer in January.

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

7. (Optional) Access the Retro Calculation Processing Configuration task.

This enables you to not process retro before an effective date for these scenarios:

- Supported retro event for completed periods (except retro leave of absence, retro hire, and retro termination) without on-cycle or on-demand replacement results.
- Supported retro for the worker's additional job for a completed period without on-cycle or on-demand replacement results.
- Supported retro for the worker's non-regular run category for a completed period without on-cycle or on-demand replacement results.

Once you select a country and an effective date, Workday won't calculate retro differences for these scenarios for pay periods before that date. This avoids double payments if workers receive supported retro entries back to periods with unprocessed (but resolved) retro.

Before removing or modifying the effective date you initially set, ensure there is no retro in progress.

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

## Next Steps

To change the retro setting of a pay component, add a new effective date.

For Payroll for Ireland and the UK, if you currently support future dated retro hires, we recommend you edit any relevant run categories to use this setup:

- Create a tenanted calculation that determines if the worker hire date is less than or equal to a certain date of the month, based on your business needs. Example: Worker: Hire Date <= 19th of the Month.
- Access the Create Run Category or Edit Run Category task.
- On the Workers To Process grid, configure the Active Status row as follows:
  - Add the new hire date condition.
  - Add the Workday delivered calculation *Retro Pay Calculation* as an OR statement. This is a Workday delivered value comparison calculation that specifies that the worker should be picked up by retro pay calculation

Related Information

### Concepts

[Concept: Retro and Run Categories](#) on page 916

[Concept: Retro and Pay Component Eligibility](#) on page 916

### Reference

[2022R2 What's New Post: Retro Processing and Gross-to-Net Proration](#)

## Steps: Process Retro Payroll

### Prerequisites

- Review setup considerations for retro processing.
- Set up retro processing.
- Run retro, cancel the results, and set an initial No Retro Processing Prior To date using the *Change No Retro Processing Prior To* web service. This practice reduces the number of unsupported retro events when you first run retro.

### Context

You can recalculate workers' earnings and deductions for a supported retro event in completed pay periods. You can then process the differences in the workers' payroll.

### Steps

1. [Schedule Retro Pay Calculations](#) on page 878 or [Calculate Retro Payroll](#) on page 876.  
Run a retro pay calculation to generate retro differences.
2. Review retro results.  
See [Steps: Manage Retro Results](#) on page 901.
3. [Calculate On-Cycle Payroll](#) on page 651 or [Process Retro Differences in On-Demand Payments](#) on page 884.  
Recalculate payroll to pay the retro differences.  
When workers have additional retro events after you calculate their regular payroll, you must recalculate that regular payroll.  
You can view the processed retro differences on the Gross to Net and Additional Pay Components tabs of the workers' payroll results.

4. Access the Run Retro Pay Complete task.

Complete retro results for pay groups and pay periods with:

- No payroll process running for any pay groups.
- No in-progress on-demand replacement payments.
- No workers with a retro pay calculation status of *Requires Recalculation* or *Error*. Correct and recalculate retro as needed for those workers. Example: When you complete on-demand additional payments while retro is *In Progress*, Workday assigns the *Requires Re-calculation* status to the retro result.

Workday marks retro results as *Complete* and you can't rerun retro or suspend the results.

Security: *Process: Run Batch Complete (Retro Complete)* domain in the Core Payroll functional area.

5. **Complete Payroll** on page 659.

Run your final pay calculation and complete it.

Complete off-cycle payments with retro before completing on-cycle payments for the same period.

## Calculate Retro Payroll

### Prerequisites

- Set up retro processing.
- Enter an event for a completed period such as a payroll input.
- Ensure that no on-cycle payroll processes are running for any pay groups.
- Security: *Process: Run Batch Calculations (Retro Calculation)* domain in the Core Payroll functional area.

### Context

When workers have supported retro events, you can calculate differences in earnings and deductions by running the retro pay calculation. Workday then forwards the retro differences to the next open regular pay period.

Workday recommends that you calculate retro payroll before every regular payroll calculation, including the initial payroll run (manual or scheduled). This practice maximizes the number of supported events Workday processes in a worker's regular payroll results. For best performance:

- Consider the frequency for running retro when you enable continuous calculations, depending on the number of retro events to process.
- You can limit the retro run to specific workers using the Employees to Calculate field.
- Run smart retro or retro by calculation statuses once per period.

For Payroll for Canada, France, and the U.S., retro doesn't recalculate taxes in the prior period and applies the tax rate:

- Effective for the target period in which you process the differences.
- Of the regular run, including for bonus earnings that on-cycle pay calculations tax at a supplemental rate.

### Steps

1. Access the Run Retro Pay Calculation task.

2. As you complete the task, consider:

Option	Description
Smart Retro	To process workers with supported or unsupported retro events since the last retro run, and workers who have results with the

Option	Description
	<i>Requires Re-calculation status.</i> The <i>Requires Re-calculation</i> status could be because of other pay results, and not just supported or unsupported events.
Smart Retro by Events	To process workers with 1 or more specific supported or unsupported retro event type.
Calculation Statuses	To process workers with specific statuses, or workers with no new event since the last retro run. Example: Select this option to process configuration changes. <i>Not Yet Started</i> is the only available status the first time you process a pay group.
Workers	To select specific workers by name or ID, including workers with no new event since the last retro run. Example: Select this option to process configuration changes.
Comma Separated Employee IDs	To process multiple workers by their employee IDs. This option only runs on valid IDs that you enter from the pay group that correspond to workers who have supported retro events.

Smart retro calculations consider the events listed on the Payroll Retro Event Categories tab of View Payroll Event Categories report.

## Result

The retro pay calculation creates retro results for all workers with supported or unsupported events. However, Workday only generates differences for workers with supported retro events whose effective date is on or after the workers' No Retro Processing Prior To (NRPPT) date. Retro also sets the status of the workers' open payroll results to *Waiting to pick up Retro Difference*, and assigns the NRPPT date for:

- Workers with unsupported events to 1 day after the last period with completed on- or off-cycle results.
- New hires to the later of:
  - The start date of the first processing period of their pay group, and
  - The date determined by the Maximum Months Allowed For Retro Processing field on the Edit Tenant Setup - Payroll task.
- All other workers to the later of the first pay period with completed results, and 24 months before you run retro.

When forwarding the retro differences to payroll results with gross-to-net proration, Workday forwards the differences to the first subperiod.

## Example

In January, you select the Recalculate during Retro check box for the United Way deduction that Melissa has. You also add a 100 ongoing pay input override.

In March, you increase her deduction by adding a 30 pay input adjustment effective January 1. You process the retro event for the target period of March and run payroll. Retro processes a 30 difference for both January and February and 30 for the increased deduction.

	January	February	March	YTD
Original United Way Deduction	100	100	100	300
Retro for January			30	30
Retro for February			30	30
Increased deduction			30	30
Total	100	100	190	390

## Next Steps

- Review retro results.
- Rerun the retro pay calculation for 1 or more workers whenever you have more prior period changes. You can run retro for individual workers from the related actions menu of the worker or the result.

## Related Information

### Concepts

[Setup Considerations: Retroactive Pay Processing](#) on page 862

[Setup Considerations: Retroactive Payroll Results](#) on page 894

### Reference

[Reference: Retro Processing Statuses](#) on page 886

## Schedule Retro Pay Calculations

### Prerequisites

- Set up retro processing.
- Security: *Process: Run Batch Calculations (Retro Calculation)* domain in the Core Payroll functional area.

### Context

You can schedule retro calculations to start automatically and run in the background, either once in the future or on a recurring basis.

### Steps

1. Access the Pay Calculation Scheduler task.
2. From the Run Type prompt, select *Retro Pay Calculation Scheduler*.
3. As you complete the task, consider:

Option	Description
Pay Run Groups and/or Pay Group Details	You can select any pay groups for which you ran retro at least once, including pay groups whose retro results you canceled.
Employees to Calculate	By including only workers with events that impact retro, you can minimize processing time for recalculations. Workday recommends that you select smart calculations to consider only workers with new events since the last run.

Option	Description
Launch Pay Calculation after Retro	<p>Starts a pay calculation for the same pay group details immediately following the retro pay calculation.</p> <p>Security: <i>Process Run Batch Calculations (Pay Calculation)</i> domain in the Core Payroll functional area.</p>
Allow after First Manual Retro Calculation	<p>Initiates a recurring retro run only after you run the Run Retro Pay Calculation task once for the pay group.</p>
Stop Day(s) before Payment Date of Target Period	<p>Stops scheduled recurring calculations a specified number of days before the payment date of the target period.</p> <p>The target period is the payroll period pulling the retro differences.</p>
Skip Processing if Retro Pay Calculation Is in Progress	<p>Skips the scheduled calculation when a retro run is in progress for the same pay group details.</p>
Skip Processing if Retro Pay Calculation Has Been Processed within Last x Hour(s)	<p>Skips the scheduled calculation when you ran retro for the same pay group details within the specified number of hours.</p>

## Next Steps

You can:

- Enable notifications to receive messages when processes start, finish, or encounter errors.
- Run the Process Monitor report for information about completed or skipped calculations.

Related Information

### Concepts

[Concept: Workday Scheduled Processes](#)

### Tasks

[Schedule Payroll Calculations](#) on page 654

[Steps: Set Up Workday Notifications](#)

## Steps: Process Retro Differences from Tax Authority Change (USA)

### Prerequisites

[Steps: Set Up Retro Processing](#) on page 873

### Context

You can associate taxes on retro pay with the tax authority in effect during the corresponding retro pay period. Workday:

- Calculates retro differences for earnings and deductions.
- Forwards the retro differences to the current pay period.
- Associates taxes on the retro difference with the tax authorities in effect during the retro pay periods.
- Calculates taxes on retro pay based on the worker's current tax rates, elections, and rules.

## Steps

- Select these check boxes from the Pay / Retro Calculations > Retro Calculations - USA section of the Edit Tenant Setup - Payroll task:
  - Enable Retro Processing from Different Tax Authorities to On-Cycle Payroll
  - Enable Taxes on Retro Amounts from Prior Tax Authorities

Selecting these check boxes enables Workday to forward retro differences to on-cycle payroll and calculate taxes for retro pay based on the tax authorities in effect during the retro pay periods.

- [Calculate Retro Payroll](#) on page 876

Run a retro pay calculation to generate retro differences.

- Review retro results.

See: [Steps: Manage Retro Results](#) on page 901

- [Calculate On-Cycle Payroll](#) on page 651

Recalculate payroll to pay the retro differences.

When workers have additional retro events after you calculate their regular payroll, you must recalculate that regular payroll.

You can view the processed retro differences on the Gross to Net and Additional Pay Components tab of the worker's payroll results.

- Access the Run Retro Pay Complete task.

Complete the retro results for pay groups and pay periods with:

- No payroll process running for any pay groups.
- No in-progress on-demand replacement payments.
- No workers with a retro pay calculation status of *Requires Recalculation* or *Error*. Correct and recalculate retro as needed for those workers.

Example: When you complete on-demand additional payments while retro is *In Progress*, Workday assigns the *Requires Recalculation* status to the retro result.

Workday marks retro results as *Complete* and you can't rerun retro or suspend the results.

- [Complete Payroll](#) on page 659

Run your final pay calculation and complete it.

Complete off-cycle payments with retro before completing on-cycle payments for the same period.

## Result

Workday resolves the taxes for retro period tax authorities on a single pay result with 1 payroll result line displaying per:

- Tax for the current period.
- Tax for each retroactive period that has different applicable tax authorities than the current pay result.

## Related Information

### Concepts

[Concept: Retro Differences from Tax Authority Changes \(USA\)](#) on page 880

[2024 R2 Feature: Retroactive Pay with Different Tax Authorities for On-Cycle Payroll](#)

## Concept: Retro Differences from Tax Authority Changes (USA)

When you select Enable Retro Processing from Different Tax Authorities to On-Cycle Payroll and Enable Taxes on Retro Amounts from Prior Tax Authorities in your tenant, Workday:

- Calculates retro differences for earnings and deductions and forwards them to the current pay period.
- Associates taxes on the retro difference with the tax authorities in effect during the retro pay periods.
- Calculates taxes on retro pay based on the worker's current tax rates, elections, and rules.
- Displays source tax authorities that includes the work and resident tax authority details from each individual payroll result processed by retro on the retro worker result.
- Displays retro tax authorities for pay components in the Retro Period Tax Authorities column on a payroll result.
- Displays a separate payroll result line for each unique combination of source period and current period that have different tax authorities.

During pay calculation, Workday calculates retro periods before the current period. When there is more than 1 retro period, Workday calculates them in alphanumerical order based on the retro period tax authorities and then by these dimensions:

1. Work state
2. Work city
3. Work county
4. SUI state
5. Resident state
6. Resident city
7. Resident county
8. Resident school district

With only the Enable Retro Processing from Different Tax Authorities to On-Cycle Payroll tenant setting enabled, Workday processes retro differences in on-cycle payments and forwards them to the current pay period. Workday taxes the retro differences based on the current tax authority.

You can use on-demand additional payments to process retro differences from tax authorities for workers:

- Who have taxes for both U.S. states and territories
- In Pennsylvania who:
  - Selected or cleared the Primary EIT check box on their work city tax election since the retroactive period.
  - Have an OMWJ tax allocation set up for a city in Pennsylvania that's different from the primary EIT city designated tax election.

Workday only applies pay input for pay component related calculations to the current pay period. You can adjust the retro period by adding an input adjustment to balance the total for the current and retro pay periods.

Workday includes the retro taxes and earnings that are paid on on-cycle pay results in the disposable income calculation on a worker's income withholding order.

Workday uses the effective date of worker's tax elections to determine whether a local tax is included in the retro pay period. When you process retro differences for workers with local tax elections, consider:

Use Case	Tax Election Adjustment
The worker's tax election is no longer applicable.	Add a new local tax election and select the Inactive check box with an effective date for when the local tax election is no longer applicable.
The worker has a tax election for a new city or county.	Add a new local tax election for the worker's city or county.

## Example

As of January 1, 2024, James lives in Cleveland, Ohio and works in Toledo, Ohio earning 3000 per pay period. As a payroll administrator, you run pay calculation and complete for 2 pay periods in January:

- 2024-01-01 to 2024-01-15
- 2024-01-16 to 2024-01-31

On February 1, 2024, James moves to New York when he now lives and works. James also receives a retroactive compensation change of 1000 per pay period, effective January 1, 2024.

You run the retro pay calculation and then you run pay calculation and complete for the current pay period in February. The Compensation section of the Gross to Net tab on James' payroll result displays the retroactive payments for January along with the tax authorities in effect during those retro periods.

Pay Component	Retro Period	Retro Period Tax Authorities	Amount
Base Pay	2024-01-16 to 2024-01-31	State (Work): Ohio State (SUI): Ohio State (Resident): Ohio City (Work): Toledo City (Resident): Cleveland	(3000)
Base Pay	2024-01-16 to 2024-01-31	State (Work): Ohio State (SUI): Ohio State (Resident): Ohio City (Work): Toledo City (Resident): Cleveland	4000
Base Pay	2024-01-01 to 2024-01-15	State (Work): Ohio State (SUI): Ohio State (Resident): Ohio City (Work): Toledo City (Resident): Cleveland	(3000)
Base Pay	2024-01-01 to 2024-01-15	State (Work): Ohio State (SUI): Ohio State (Resident): Ohio City (Work): Toledo City (Resident): Cleveland	4000
Base Pay			4000

Because the tax authorities in effect during the 2 retro pay periods are the same, Workday displays the aggregated amounts for gross wages, subject wages, and taxable wages for each pay component on the Taxes section of the Gross to Net tab.

Pay Component	Worktags	Retro Period Tax Authorities	Amount	Related Calculation	Amount
Federal Withholding USA		State (Work): Ohio State (SUI): Ohio State (Resident): Ohio City (Work): Toledo City (Resident): Cleveland	78.33	Gross Wages	2000
				Subject Wages	2000
				Taxable Wages	2000
State Withholding USA	Ohio	State (Work): Ohio State (SUI): Ohio State (Resident): Ohio City (Work): Toledo City (Resident): Cleveland	47.41	Gross Wages	2000
				Subject Wages	2000
				Taxable Wages	2000

If the retro periods have different applicable tax authorities, then Workday displays separate pay result lines for each retro period.

#### Related Information

##### Concepts

##### 2024 R2 Feature: Retroactive Pay with Different Tax Authorities for On-Cycle Payroll Tasks

Steps: Process Retro Differences from Tax Authority Change (USA) on page 879

## Process Retro Differences in On-Demand Payments

### Prerequisites

- Define which pay components to calculate for on-demand payments.
- Run retro pay calculations and review the results.
- Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

### Context

When you run retro and have retro differences, you can pay them using on-demand payments for the current pay period and regular run categories.

Note: When you override a payment date and retro replaces an on-demand replacement result, the payment date of the zero result will be the period default payment date. In addition, the retro calculation for the period will use the period payment date instead of the original on-demand replacement payment date.

Payroll for Ireland doesn't support on-demand replacement payments.

### Steps

1. Access the Run On Demand Payment for Worker task or click Actions > Payroll > Run On Demand Payment from a worker's profile.
2. Select Create Additional Payment or Create Replacement Payment.  
Leave the Prior Period check box clear.  
You can't include retro differences in prior period payments.
3. In the Payment Date field, select a date on or after the period start date.
4. In the Reference Worktags section, review the worktags you've currently set up for the earnings and deductions.  
The Other Authority worktag displays the current voluntary and mandatory tax authorities of a worker as of the subperiod end date.
5. In the Override Worktags section, enter overrides for existing worktags.  
You can override a worker's:
  - Company other than the current primary job company (AUS, CAN, IRL, UK, USA).
  - Resident and work tax authority at the state, county, and local level (FRA, USA) and the province, county, and local level (CAN).
  - Other authorities to include changes to any voluntary tax authority options. Workday automatically resolves the mandatory tax authorities based on your current work or resident state (AUS, CAN, IRL, UK, USA).
6. In the Retro Results section, select Include Retro Differences in Payment.
7. To pay retro differences only, delete the empty row in the Input grid.

### Result

Workday processes the retro differences in the on-demand payment rather than in worker's next regular on-cycle payroll.

Note: For Payroll for the UK, when you run pay complete for an on-demand additional payment with a position-based pay component for a worker, make a retro company change within that on-demand period, then run retro, retro creates a negative earnings difference in the amount of the on-demand payment. In other words, the on-demand additional payment is not applied. This is because the company for the on-demand payment does not match the current company. If you want to apply an on-demand additional payment with a retro company change, we recommend that you manually create a pay input for the worker.

## Next Steps

For Payroll for Canada and the U.S., when a worker has retro differences from companies other than their current primary job company, access the related actions menu of the payroll retro worker result to view the:

- Source company that the retro difference is from.
- Target payroll result that Workday processes the difference in.

Recalculate any *In Progress* on-cycle payments.

Related Information

### Concepts

[Setup Considerations: On-Demand Payments](#) on page 683

### Tasks

[Steps: Set Up Retro Processing](#) on page 873

[Steps: Manage Retro Results](#) on page 901

## Concept: Cancel a Retro Pay Calculation

You can use the Run Retro Pay Cancel task to cancel retro results for pay groups or pay run groups:

- When no on-cycle payroll processes are running for any pay groups.
- Before the results have a *Complete* status.

Example: Janet is on unpaid leave in the current pay period and is back on the next period. You enter a retro event that generates a negative pay result on her current payroll. You can cancel the retro result to process the differences in her next pay period.

When you cancel retro results, Workday updates the workers':

- No Retro Processing Prior To date to the value before you ran retro.
- Retro pay calculation status to *Not Yet Started*.

After you adjust entries for the pay group such as with payroll inputs and rerun retro, Workday processes the events again.

## Concept: Cancel a Completed Retro Pay Calculation

You can use the Cancel Retro Complete task to cancel a completed retro pay calculation for pay groups or pay run groups when:

- No on-cycle payroll processes are running for any pay groups.
- The pay groups or pay run groups have a *Completed* or *Completed with Exceptions* status.
- No other pay groups have retro results with an *In Progress* status.
- You haven't included the differences in completed payroll.

Workday recommends that you use this feature sparingly to avoid unexpected results when you already closed the ledger period. Example: You can use this feature for errors that affect a large population within a pay group whose retro results are complete.

When you need to cancel retro results that you completed at different times, you must cancel them in reverse completion order, including any completed on or off-cycle payroll as well. Example: You complete two separate retro pay calculations, then run and complete a payroll calculation that includes the completed retro calculations. You find inaccuracies in the first set of retro results and want to cancel them. You must first cancel the completed the completed payroll calculation, and then run Cancel Retro Complete and Run Retro Pay Cancel for the second retro pay calculation before doing the same for the first completed retro pay calculation.

When you cancel completed retro results, Workday changes the status of canceled completed retro pay results to *In Progress*.

## Reference: Retro Processing Statuses

Workday displays retro statuses on retro pay calculation tasks and reports such as Run Retro Pay Calculation or Retro Calculation Processing Report.

A Retro Status applies to individual workers.

Status	Description
<i>Cannot Process Retro – has unsupported Retro events</i>	Worker has unsupported retro changes that require manual adjustments.
<i>Supported Retro to process</i>	Worker has supported retro changes that require processing.
<i>Suspended Retro to exclude</i>	Worker has supported retro changes and you suspended the results.
<i>Cannot Process Retro – Retro Change Date Event in progress</i>	Worker's No Retro Processing Prior To date is changing. You can recalculate or cancel retro for the worker, but you can't suspend or complete their retro results.

A Retro Pay Calculation Status applies to calculated or completed retro runs for entire pay groups. Canceling retro results for 1 worker or a subset of workers in a pay group doesn't trigger status updates.

Status	Description
<i>In Progress</i>	The Run Retro Pay Calculation task results include no <i>In Error</i> or <i>Requires Re-calculation</i> statuses.
<i>Completed</i>	The Run Retro Pay Complete task results include no <i>In Error</i> or <i>Requires Re-calculation</i> statuses.
<i>Complete with Exceptions</i>	The Run Retro Pay Complete task results include 1 or more retro results not in an <i>In Progress</i> status, such as: <ul style="list-style-type: none"> <li><i>In Error</i>. You can correct the error, run the Run Retro Pay Calculation task again, and complete the retro.</li> <li><i>Requires Re-calculation</i>. You can run the Run Retro Pay Calculation task again and complete the retro.</li> </ul>
<i>Pending Prior Retro</i>	There's a change in a worker's pay group, and the Run Retro Pay Calculation task includes 2 retro worker results: <ul style="list-style-type: none"> <li>1 set to <i>Requires Re-calculation</i> processed first.</li> <li>The other set to <i>Pending Prior Retro</i> processed second.</li> </ul> When you recalculate retro, Workday: <ul style="list-style-type: none"> <li>Removes <i>Requires Re-calculation</i> for the retro worker result processed first.</li> </ul>

Status	Description
	<ul style="list-style-type: none"> <li>• Changes Pending Prior Retro to Requires Re-calculation for the retro worker result processed second.</li> </ul>

#### Related Information

##### Concepts

[Concept: Retro Processing Statuses with Multiple Retro Runs](#) on page 910

[Concept: Supported, Unsupported, and Unprocessed Retro Events](#) on page 908

## Reference: Supported Retro Events

The retro pay calculation supports specific retro events in various categories for active and terminated workers. You can access the:

- All Supported Payroll Retro Transaction Types report to view what countries support each retro transaction type.
- Payroll Retro Event Categories tab on the View Payroll Event Categories report to view the individual events included in a category.

Event Category	Description
Additional jobs	<p>The retro pay calculation can process a retro additional job when the new job is in the same pay group and company as the worker's existing job.</p> <p>You can enter a retro change for a worker with multiple positions. Workday then recalculates pay components for all of the worker's positions that are in the pay group.</p> <p>Note: Payroll for Ireland doesn't support additional jobs.</p>
Benefits	<p>The retro pay calculation supports:</p> <ul style="list-style-type: none"> <li>• Changes to rates and deductions, such as <i>Change Benefits</i> and <i>Change Benefits Annual Rate</i>.</li> <li>• Compensation changes that cause Workday to recalculate benefit deductions configured to recalculate during retro.</li> </ul>
Compensation	<p>The retro pay calculation supports several compensation changes, including one-time payments and bonuses.</p>
Leave of absence (request and return)	<p>The retro pay calculation processes retro leave of absence for leave types that both:</p> <ul style="list-style-type: none"> <li>• Have payroll effect.</li> <li>• Are part of your run category.</li> </ul>
Other data change	<p>The retro pay calculation processes these change job events in the same tax authority:</p> <ul style="list-style-type: none"> <li>• Data change</li> <li>• Demotion</li> <li>• Promotion</li> <li>• Lateral move</li> </ul>

Event Category	Description
	<ul style="list-style-type: none"> <li>• Swap positions</li> <li>• Transfer</li> </ul>
Payroll input	<p>You can process retro payroll input for:</p> <ul style="list-style-type: none"> <li>• Deductions that you set to recalculate during retro.</li> <li>• Earnings, unless you set them to always gross up or not to recalculate during retro.</li> </ul>
Retro Company Change (UK)	<p>When you submit a company change for a worker effective in a completed period, the retro differences are calculated for each of the periods between the period in which the company transfer falls and the current period, and those differences are brought forward to the current pay period.</p>
Retro End Additional Job (CAN)	<p>The retro pay calculation supports retroactively:</p> <ul style="list-style-type: none"> <li>• Ending an additional job.</li> <li>• Corrections to ending an additional job.</li> <li>• Rescinding the ending an additional job</li> </ul>
Retro hire	<p>The retro pay calculation supports:</p> <ul style="list-style-type: none"> <li>• Corrections to a retro hire (CAN, USA).</li> <li>• Hires entered retroactively (CAN, IRL, UK, USA).</li> <li>• Hires entered retroactively for workers with or without payroll results on the previous pay period (FRA).</li> </ul>
Retro Pay Group Change (CAN)	<p>The retro pay calculation supports changing a worker's pay group in a retro pay period.</p>
Retro Tax Authority Change (CAN)	<p>The retro pay calculation supports retroactively changing a worker's tax authority due to a work location or residence change.</p>
Retro transfer (IRL)	<p>When you retroactively transfer a worker between companies under the same Employer Registration Number (ERN), Workday calculates the retro differences for each of the periods between the period in which the transfer falls and the current period, and brings those differences forward to the current pay period.</p> <p>When you retroactively transfer a worker between companies under different Employer Registration Numbers (ERN), you need to report the employment end date to Revenue. See <a href="#">Concept: Retro Differences That Require Manual Adjustments</a>.</p> <p>Payroll for Ireland doesn't support retro transfers between pay groups.</p>
Retro termination	<p>The retro pay calculation supports:</p> <ul style="list-style-type: none"> <li>• Terminations entered retroactively.</li> </ul>

Event Category	Description
	<ul style="list-style-type: none"> <li>• Rescinding terminations retroactively.</li> <li>• Corrections to a retro termination.</li> </ul>
Time entry	The retro pay calculation supports retro time entry for time tracking.
Time off	<p>When you enter retro time off, the retro pay calculation recalculates:</p> <ul style="list-style-type: none"> <li>• Paid or unpaid time off earnings directly affected by the change.</li> <li>• Earnings indirectly affected by the change, such as when time off reduces base pay earnings.</li> </ul>

#### Related Information

##### Concepts

[Concept: Supported, Unsupported, and Unprocessed Retro Events on page 908](#)

## Reference: Change No Retro Processing Prior to Dates

After you run retro for a pay group, Workday sets the No Retro Processing Prior To (NRPPT) date of the workers in the pay group. When workers have no in-progress retro results, you can change that date using these tasks and web service. The new date must be after any unsupported events that workers have.

Task or Web Service	Description	Date Change Applies to
Edit Tenant Setup - Payroll task	You can use the Maximum Months Allowed For Retro Processing field to define the maximum number of months before the current pay period to enable retro processing. The preset value is 24, and the maximum you can enter is 72. Example: You can exclude any events that occurred during previous tax years.	All workers.
Change No Retro Prior To Date task	<p>Enables pay partners to submit a request to you to change an existing NRPPT date. Workday routes the request for approval as part of the <i>Change No Retro Prior To Date</i> business process. Workday also sets the:</p> <ul style="list-style-type: none"> <li>• Worker's retro status to <i>Cannot Process Retro - Retro Change Date Event in Progress</i>.</li> <li>• Retro calculation status to <i>Error</i>.</li> </ul> <p>Before you approve the request, pay partners can cancel it by accessing the Worker History.</p>	1 worker.

Task or Web Service	Description	Date Change Applies to
	They can also recalculate or cancel the workers' retro results, but can't run retro for another supported event for them.	
Change No Retro Processing Prior to Date for Group of Workers task	Enables you to change the NRPPT date to 1 day after the last pay period with completed pay results.	All workers in selected pay groups or pay run groups.
<i>Change No Retro Processing Prior To web service</i>	Enables you to select different NRPPT dates by worker. When you don't specify an NRPPT date, Workday sets the new date to 1 day after the workers' last completed pay results.	Multiple workers.

#### Related Information

##### Concepts

[Concept: Retro Processing Periods on page 904](#)

## FAQ: Retroactive Processing

- [How do I restart a retro calculation after it stops? on page 890](#)
- [Can I retroactively rehire a worker \(CAN, FRA, IRL, UK, USA\)? on page 891](#)
- [When we rehire employees, how do we prevent the retro pay calculation from including pay periods from their previous employment? on page 891](#)
- [Can I rescind a retro hire? on page 891](#)
- [How can I exclude supported retro events that occurred in the previous tax year from retro pay calculations? on page 892](#)
- [Does Workday process retroactive changes when I add or edit an earning or deduction definition? on page 892](#)
- [How can I ensure that balances are correct for on-demand additional payments that are In Progress during retro processing \(CAN, FRA, IRL, UK, USA\)? on page 892](#)
- [Why doesn't a bonus compensation plan with a retroactive effective date trigger a retro event? on page 892](#)

How do I restart a retro calculation after it stops?

When a retro calculation fails or you cancel it before it finishes, access the Run Retro Pay Calculation task to restart it. In most cases, you should use the same Employees to Calculate option used on the original run.

Original Run	Restarted Run
<i>Smart Retro</i>	<p>Select <i>Smart Retro</i> when you restart.</p> <p>If results are in error after the restarted run, calculate retro again. This time:</p> <ul style="list-style-type: none"> <li>• Select Calculation Statuses.</li> </ul>

Original Run	Restarted Run
	<ul style="list-style-type: none"> <li>From the prompt, select <i>In Error</i>.</li> </ul>
<i>Smart Retro by Events</i>	<p>Select the same events when you restart.</p> <p>If results are in error after the restarted run, calculate retro again. This time:</p> <ul style="list-style-type: none"> <li>Select Calculation Statuses.</li> <li>From the prompt, select <i>In Error</i>.</li> </ul>
<i>Calculation Statuses</i>	<p>Select the same result statuses when you restart.</p> <p>Note: Unless you have specific result statuses to calculate, you can save time by selecting <i>Smart Retro</i> instead.</p> <p>If results are in error after the restarted run, calculate retro by status again, this time selecting <i>In Error</i>.</p>
<i>Workers</i>	Select the same subset of workers when you restart.

Can I retroactively rehire a worker (CAN, FRA, IRL, UK, USA)?

For Payroll for Canada, France, Ireland, the UK, and the U.S., yes, move the No Retro Processing Prior (NRPPT) date to 1 day after the termination of the previous employment. For Payroll for Canada and the U.S., you can process workers who had a different company or tax authority in their previous employment.

When we rehire employees, how do we prevent the retro pay calculation from including pay periods from their previous employment?

Use the Change No Retro Prior To Date task to advance the employee's NRPPT date.

Can I rescind a retro hire?

Yes, but you must cancel the retro results before rescinding the hire.

How can I exclude supported retro events that occurred in the previous tax year from retro pay calculations?

Use the Change No Retro Prior To Date task to push out the NRPPT date of the employee.

For Payroll for Ireland, Revenue recommends that you don't process retro differences when a retro termination crosses tax years. Workday recommends you suspend the retro result to ensure the values aren't processed in the current tax year.

Does Workday process retroactive changes when I add or edit an earning or deduction definition?

Changing the definition of an effective-dated earning or deduction doesn't trigger a retro pay calculation. Retro picks up the change when the worker has a supported retro event in the period it processes. Workday uses the pay component definitions effective in the retro periods.

How can I ensure that balances are correct for on-demand additional payments that are *In Progress* during retro processing (CAN, FRA, IRL, UK, USA)?

Determine whether the retro differences impact the on-demand additional payment:

- Balances.
- Limits (CAN, IRL, UK, USA).

If they do, update them by either:

- Recalculating the on-demand additional payments.
- Setting the on-demand additional payments to include retro differences.

Why doesn't a bonus compensation plan with a retroactive effective date trigger a retro event?

A bonus compensation plan isn't one of the compensation plan types that trigger a retro event. Only these types trigger a retro event:

- Allowance Amount Plan
- Allowance Percent Plan
- Allowance Unit Plan
- Calculated Plan
- Hourly Plan
- Salary Period Plan
- Salary Plan
- Salary Unit Plan

## Related Information

### Concepts

[Concept: Retro Processing Periods](#) on page 904

[Concept: Retro and Pay Component Eligibility](#) on page 916

### Tasks

[Steps: Set Up Compensation Components](#)

## Troubleshooting: Retro Termination Errors When Crossing a Tax Year (UK)

Cause: Attempting to apply retro termination from a previous tax year to the current tax year.

Solution: Use recalculated amounts in retro results for the last pay period of the tax year to submit an update to previous tax year amounts to HMRC.

### Steps

1. Identify the retro calculation values for the terminated worker.

To find the values for:

- 1 worker, display their retro results.
- Multiple workers, run the Retro Calculation Processing Report.

Security: *Reports: Pay Calculation Results for Pay Group (Results)* domain in the Core Payroll functional area.

2. Cancel the worker's retro result. From the worker's related actions menu, select Retro Pay Calculation > Cancel.

3. Access the Run On Demand Payment for Worker task.

Run an on-demand additional payment for the worker for the last pay period of the previous tax year. Use the worker's termination date as the Sub-Period Target Date and Payment Date.

Adjust the affected pay components using the retro results in error from step 1.

Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

4. If necessary, to be able to complete the on-demand additional payment, use a net pay adjustment to set the net pay to zero.

5. Access the Add Worker UK RTI Details task.

Enter the Late PAYE Reporting Reason: *H. Correction to earlier submission*.

Security: *Worker Data: Payroll (Company Specific) - UK* domain in the UK Payroll functional area.

6. Send the off-cycle payment details to HMRC.

- For the 2020-2021 tax year onwards, submit an FPS.
- For the 2018-2019 and 2019-2020 tax years, submit an EYU.

7. For the 2020-2021 tax year onwards, submit an EPS to HMRC.

8. Access the Change No Retro Prior To Date task.

Enter the period begin date for the first pay period of the tax year as the worker's Proposed Value of No Retro Processing Prior To date.

Security: Configure the *Change No Retro Prior To Date* business process and security policy in the Core Payroll functional area.

9. Access the Run Retro Pay Calculation task.

Recalculate the worker's payment.

Security: *Process: Run Batch Calculations (Retro Calculation)* domain in the Core Payroll functional area.

10. Generate any required forms.

HMRC guidance says you:

- Don't need to create a new P45 because the termination is in a previous tax year, out of date, and can't be used for a new employment.
- Can give the worker a letter showing the amendment as a statement of earnings.

### Related Information

#### Tasks

[Create On-Demand Additional Payments](#) on page 693

## Reference

Reference: Change No Retro Processing Prior to Dates on page 889

Workday Community: Workday Payroll for UK Year-End & Year-Start Checklist

# Review Retroactive Payroll Results

## Setup Considerations: Retroactive Payroll Results

You can use this topic to help make decisions when planning your configuration and use of retroactive payroll results. 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 They Are

Retroactive payroll results enable you to iteratively:

- Review retro results.
- Pay the calculated differences.
- Make necessary payroll adjustments.

## Business Benefits

Workday helps reduce manual processing and improve payroll efficiency by providing a centralized report that you can use to:

- Review retro results and understand their impact on workers' regular pay.
- Take action on those results for 1 or multiple workers at a time.

## Use Cases

You can review retro results for workers:

- With high-value retro differences in earnings or deductions.
- Who transferred companies in prior periods.
- With bonuses from pay groups other than their current primary pay group.
- With negative retro differences.

You can take action on some or all results, such as:

- Processing them in on- or off-cycle payments.
- Suspending them when you don't want to process the retro differences in payroll.

## Questions to Consider

Questions	Considerations
Which retro results do you want to look at?	The Retro Calculation Processing Report provides filters for common characteristics that you can use to select workers to review. Examples:

Questions	Considerations
	<ul style="list-style-type: none"> <li>• Retro transaction types such as payroll inputs or retro terminations.</li> <li>• Retro statuses such as unsupported or unprocessed events.</li> <li>• Earning and deduction difference amounts such as negative or zero net differences.</li> <li>• Source of retro differences such as from other pay groups or companies.</li> <li>• Worker types such as active or on leave.</li> </ul> <p>After you filter the workers, the subreports provide detailed information to help you make decisions on how to resolve unexpected results. Example: You can analyze differences that retro calculates but doesn't process in the workers' on-cycle payroll in the Payroll Results Report.</p>
How do you want to resolve retro differences?	<p>Depending on whether you react to retro results for subsets of workers or a whole pay group, you can use the Retro Calculation Processing Report or dedicated tasks. On the report, you can:</p> <ul style="list-style-type: none"> <li>• Complete retro results and pay the differences as part of the workers' regular on-cycle pay or using on-demand payments.</li> <li>• Suspend retro results and bring them back later by canceling them and running retro again.</li> <li>• Cancel retro results, and make necessary adjustments before running retro again.</li> </ul> <p>Using dedicated tasks, you can:</p> <ul style="list-style-type: none"> <li>• Cancel or complete retro results for an entire pay group.</li> <li>• Move the workers' No Retro Processing Prior To (NRPPT) date to exclude from retro events occurring before that date.</li> </ul> <p>Example: You run retro for a pay group, and some workers have unexpected earning differences. To pay the differences to the other workers in the pay group, you can either:</p> <ul style="list-style-type: none"> <li>• Suspend the unexpected results and complete retro for the pay group. When you run regular payroll, Workday pays the retro differences you didn't suspend.</li> <li>• Complete only the expected retro results and pay those differences as off-cycle payments to the corresponding workers.</li> </ul>
Do you need to pay retro differences for unprocessed retro events?	<p>For Workday to generate retro results for a supported event, it must occur:</p> <ul style="list-style-type: none"> <li>• After the workers' NRPPT date.</li> </ul>

Questions	Considerations
	<ul style="list-style-type: none"> <li>In a prior period where there's no unsupported event. When workers have unsupported retro events, Workday moves their NRPPT date to the day after the last period with completed pay results.</li> </ul> <p>If any of these conditions aren't met, Workday assigns the <i>Unprocessed</i> status to the results. Example: You run retro for a bonus effective in a period where the worker has no existing pay results.</p> <p>You can:</p> <ul style="list-style-type: none"> <li>Change the effective date of the retro event to fall in a period where the workers have a pay result or after the workers' NRPPT date.</li> <li>Move the NRPPT date in the past so that Workday considers the event. You can't move the date before an unsupported retro event. When you modify a deduction that you processed in retro, set an NRPPT date that's after your edit. Otherwise, you can create a new effective-dated snapshot for the deduction.</li> <li>Run prior period off-cycle payments for the period you want to process in retro to generate pay results.</li> </ul>
Do you need to pay retro differences for unsupported retro events?	<p>When workers have an unsupported event, Workday:</p> <ul style="list-style-type: none"> <li>Doesn't calculate retro differences and advances the workers' NRPPT date to the last completed period plus 1 day.</li> <li>Assigns the <i>Unsupported</i> status to the results.</li> <li>Doesn't consider any other events, supported or unsupported, in the period processed in retro.</li> </ul> <p>You can enter manual adjustments for unsupported events such as with a payroll input or off-cycle payments.</p> <p>Workday doesn't consider these changes as retro events:</p> <ul style="list-style-type: none"> <li>Definition of effective-dated pay components. Example: Changing the pay group detail eligibility.</li> <li>Effective date of compensation changes. Example: Backdating a change to a compensation plan.</li> </ul>

Questions	Considerations
	To process these changes, you can enter a supported retro event for the worker such as payroll input with a zero amount.
What's your timeline for running retro (CAN, IRL, UK, USA)?	<p>Depending on your retro run timeline in relation to payroll, these retro results can require manual adjustments in the target period:</p> <ul style="list-style-type: none"> <li>A worker transfers companies, pay groups, or tax authorities after you run retro and before you complete payroll. You can run the Retro Results Report of the Retro Calculation Processing Report to identify these results.</li> <li>You create reversals after you run retro and before you run payroll in the current pay period. You can run the Reversal Results with Retro report to identify these results.</li> </ul> <p>Note: Payroll for Ireland doesn't support retro result reversals.</p>
Do you need to resolve negative net pay results?	<p>Some retro events can result in negative net pay, such as retro terminations or retro leaves of absence. You can resolve a negative net pay by either:</p> <ul style="list-style-type: none"> <li>Creating an earning or deduction of the same amount that resolves the pay period to zero net pay.</li> <li>Canceling the retro result and setting the NRPPT date after the termination date.</li> <li>Suspending the retro result.</li> </ul>

## Recommendations

Review which events you can and can't process in retro in these reports:

- All Supported Payroll Retro Transaction Types
- All Unsupported Payroll Retro Transaction Types

Complete or cancel retro payroll calculations for pay groups at the pay group level. Example: Canceling retro results for each worker individually doesn't update the pay group retro pay calculation status to *Not Yet Started*.

When you create off-cycle payments by completing retro results using the Retro Calculation Processing Report, create new batch IDs to help track those payments.

After you close the ledger period, don't run the Cancel Retro Complete task to avoid unexpected accounting impacts.

For Payroll for Ireland, Revenue recommends that you don't process retro differences when a retro termination crosses tax years. Workday recommends you suspend the retro result to ensure the values aren't processed in the current tax year.

## Requirements

No impact.

## Limitations

You can't:

- Cancel completed retro results by worker.
- Manage individual retro events from the same retro worker result; you can only do so by worker, subsets of workers, or pay groups. Example: A worker has a compensation change and a spot bonus. To cancel the bonus, you also have to cancel the compensation change.
- Have more than 1 retro worker result per worker in 1 open retro calculation.
- Unsuspend completed retro results. You can cancel the completed result and recalculate retro for the workers.

## Tenant Setup

No impact.

## Security

Configure the *Change No Retro Processing Prior To* business process and security policy and these domains in the Core Payroll functional area:

Domains	Considerations
<i>Self-Service: My Pay Dashboard</i>	Enables users to configure the Pay Cycle Command Center dashboard to add reports or tasks.
<i>Set Up: Payroll (Reporting)</i>	Enables users to view the lists of supported and unsupported retro events.

Configure these domains in other functional areas:

Domains	Considerations
<i>HCM All Organizations</i> in the Staffing functional area	Enables users to run the Audit - Workers with Multiple Jobs having Different Organization Assignments report to identify workers who might require manual payroll adjustments due to multiple jobs.
<i>System Auditing</i> in the System functional area	Enables users to run the View Audit Trail report to understand the chain of events for a worker.
<i>Worker Data: Historical Staffing Information</i> in the Staffing functional area	Enables users to run the View Worker History report to identify workers who might require manual payroll adjustments due to unsupported retro events.

## Business Processes

You can add the *Review Payroll Input by Worker(s)* action step to the *Pay Cycle Event* business process to identify payroll inputs that you include in retro results. You can also add *To Do* steps as reminders to run the:

- Retro Calculation Processing Report to take action on retro results for 1 or more workers.
- Run Retro Pay Calculation and Run Retro Pay Complete tasks to recalculate and complete retro after you reviewed retro results. You can't add those tasks directly as action steps.

You can use the *Change No Retro Prior To Date* business process to change a worker's NRPPT date.

## Reporting

You can use the Payroll Retro Worker Results report data source to create custom reports on retro payments.

You can use this dashboard and these reports to manage retro results:

Reports or Dashboards	Considerations
Pay Cycle Command Center dashboard	<p>You can add the Retro Differences worklet to the dashboard to gain insights into retro differences in earnings and deductions:</p> <ul style="list-style-type: none"> <li>• Targeted to selected pay periods.</li> <li>• Targeted and picked up by a payroll result in selected pay periods.</li> <li>• Targeted and not yet picked up by a payroll result in selected pay periods.</li> </ul> <p>You can also add the Retro Calculation Processing Report as a menu item for quick access to its subreports.</p>
Retro Calculation Processing Report	<p>Enables you to:</p> <ul style="list-style-type: none"> <li>• Review and troubleshoot retro results by filtering results using facets.</li> <li>• Take action for selected workers, such as complete or cancel results.</li> </ul>
All Earnings and All Deductions reports	Enables you to identify which pay components you configure to recalculate during retro.
Audit - Workers with Multiple Jobs having Different Organization Assignments report	Enables you to identify workers with multiple jobs in different pay groups and companies, which can generate unprocessed retro results. Those results then require manual processing such as with payroll inputs.
Payroll No Retro Processing Prior To Date for Group of Workers report	Enables you to view the NRPPT date for workers by pay groups that Workday applies the next time you run retro. This report can help understand why retro doesn't generate results for some supported events.
Reversal Results with Retro report (CAN, UK, USA)	Enables you to identify workers with retro differences when you reverse the source or target period after running retro.
View Audit Trail report	Enables you to view a chain of events made for workers over a period of time to understand their retro results.
View Payroll Event Categories report	<p>Enables you to access the Payroll Retro Event Categories tab to identify the individual payroll event types that retro processes. This report provides more details about retro triggering events. Example: A retro company transfer can include these payroll event types:</p> <ul style="list-style-type: none"> <li>• Change Organization Assignments for Worker</li> </ul>

Reports or Dashboards	Considerations
	<ul style="list-style-type: none"> <li>Move Worker (By Organization)</li> <li>Move Workers</li> <li>Switch Primary Job</li> </ul>
View Worker History report	Enables you to view the worker's staffing history to help identify unsupported events that other users might have entered such as a retro company change.

## Integrations

You can use these web services:

- Change No Retro Processing Prior To:* To change the NRPPT date by worker for multiple workers at a time. Doing so enables you to exclude periods with retro results you can't process, such as because of unsupported retro events.
- Import Payroll Off-Cycle Payment:* To pay retro differences through off-cycle payments.

## Connections and Touchpoints

Features	Considerations
FLSA calculations (USA)	When retro impacts FLSA adjustments, FLSA pay results don't display until you complete retro and recalculate results.
Off-cycle payments	<p>After you verify the retro results, you can process payment to:</p> <ul style="list-style-type: none"> <li>Subsets of workers by creating on-demand additional payments with the Retro Calculation Processing Report.</li> <li>Individual workers by creating on-demand additional or replacement payments with the Run On Demand Payment for Worker task.</li> </ul> <p>Note: Payroll for Ireland doesn't support on-demand replacement payments.</p> <p>For Payroll for the U.S., you can also use these tasks to pay differences as on-demand additional payments from companies that both:</p> <ul style="list-style-type: none"> <li>Go through a merger.</li> <li>Aren't predecessors of the workers' current primary job company.</li> </ul>
On-cycle pay calculation	When you complete regular payroll for a pay group whose retro results aren't all complete, Workday assigns the <i>Complete with Exceptions</i> status to the on-cycle payroll.

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****Concepts**[Setup Considerations: Retroactive Pay Processing on page 862](#)[Concept: Retro Processing Statuses with Multiple Retro Runs on page 910](#)**Tasks**[Steps: Set Up Custom Dashboards](#)**Reference**[The Next Level: Retroactive Processing Delivered Reports, Touch Points, and Common Scenarios](#)[Reference: Retro Processing Statuses on page 886](#)[Reference: Pay Calculation Statuses on page 840](#)

## **Steps: Manage Retro Results**

**Prerequisites**

- Review setup considerations for retroactive payroll results.
- Run retro pay calculations.
- Security: *Reports: Pay Calculation Results for Pay Group (Results)* domain in the Core Payroll functional area.

**Context**

After you run retro and before running on-cycle pay calculations, you can verify retro results:

- By pay group and retro processing dates.
- For specific workers using facets, such as the worker status.

You can then determine how to manage them such as by suspending or canceling the results.

For Payroll for France, when workers change companies after you run retro and before you complete regular payroll, Workday forwards the differences to the current company.

**Steps**

1. Run the Retro Calculation Processing Report for an overview of retro results such as the:

- Volume of transactions.
- Transaction types.
- Whether there's unprocessed or unsupported retro.

2. Use the facets to filter specific workers whose results you want to review.

Example: You can select workers with unprocessed retro or high-value retro differences.

3. Run the Retro Results Report to verify how Workday processes retro events, including unprocessed retro.

Drill down into results for details such as the event types or their effective date.

4. Run the Payroll Results Report to verify the impacts on the workers' on-cycle payroll.

Drill down into results for details such as the breakdown of each pay component processed in retro.

5. Address any retro changes that Workday doesn't calculate automatically with manual adjustments such as payroll inputs.

For Payroll for Canada, Ireland, the UK, and the U.S., see [Concept: Retro Differences That Require Manual Adjustments on page 912](#).

6. (Optional) [Complete Retro Results for Workers on page 903](#).

7. (Optional) Select the workers whose results you want to suspend and click Suspend.  
Ensure that workers have in-progress retro results with the *Supported Retro to process* status.  
See [Concept: Suspended Retro Results](#) on page 911.  
Security: *Process: Run Batch Complete (Retro Complete)* domain in the Core Payroll functional area.
8. (Optional) Select the workers whose results you want to cancel and click Cancel.  
Ensure that no on-cycle payroll processes are running for any pay groups. When you cancel retro results for subsets of workers, Workday:
  - Doesn't reset the workers' retro pay calculation status to *Not Yet Started*. Workday resets that status only when you use the Run Retro Pay Cancel task.
  - Updates the workers' No Retro Processing Prior To (NRPPT) date to the value before you ran retro.

When you rerun retro, Workday processes the supported events again.  
Security: *Process: Run Batch Cancel (Retro Cancel)* domain in the Core Payroll functional area.
9. [Calculate On-Cycle Payroll](#) on page 651.  
Workday pulls retro differences into the workers' current payroll run. You can view the processed differences on the Gross to Net and Additional Pay Components tabs of the View Payroll Result report on the worker profile. These differences are from recalculated prior periods.
- 10.(Optional for Payroll for Canada, the UK, and the U.S.) Run the Reversal Results with Retro report to identify retro differences that Workday calculates but doesn't forward to the workers' on-cycle payroll because of reversals.

### Example

In January, the Payroll Changes Unprocessed for a Retro Run report identifies a compensation change for Dan Johnson as *Unprocessed*. You determine that he had a retroactive salary increase of 200 per month, effective January 1, entered on February 15. You also learn that his NRPPT date is February 1.

Because the effective date of the change is before his NRPPT date, the Run Retro Pay Calculation task only recalculates results for February.

To pay Dan the 200 owed for January, you enter pay input for the current open period.

	January	February 1	February 15	February	March
Base pay	3,000			3,200	3,200
In Workday		Change NRPPT date.	Enter retroactive salary increase for 200, effective January 1.		Run report, which identifies unprocessed change: 200 for January.
Retro pay					Pay input for 200.
Total	3,000			3,200	3,400

### Next Steps

Complete the retro pay calculation for the pay group and run payroll.

Related Information

#### Concepts

[Concept: Retro Processing Statuses with Multiple Retro Runs](#) on page 910

## Tasks

[Add Payroll Input for Workers on page 617](#)

## Reference

[Reference: Retro Processing Statuses on page 886](#)

[The Next Level: Retroactive Processing Delivered Reports, Touch Points, and Common Scenarios](#)

## Complete Retro Results for Workers

### Prerequisites

- Review the retro results.
- Ensure that no on-cycle payroll processes are running for any pay groups.
- Ensure that no on-demand replacements payments are in progress for the period you want to complete.
- Security: *Process: Run Batch Complete (Retro Complete)* domain in Core Payroll functional area.

### Context

You can use the Retro Calculation Processing Report to:

- Complete retro results for workers that you select from a pay group.
- Identify unpulled retro results (a worker's retro result without a target payroll result).
- Create on-demand additional payments based on retro results.

You can't use retro results as inputs to on-demand additional payments for workers that already have either:

- A priority 1 on-demand additional payment for the same period.
- An *In Progress* pay result that includes forwarded retro differences.
- An associated regular payroll that's complete.

Workday recommends that you don't enter any additional pay components for OMWJ workers after creating off-cycles using the Retro Calculation Processing Report, as retro doesn't apply the additional pay components according to your OMWJ splits after you've override the worktags.

### Steps

1. Access the Retro Calculation Processing Report.
2. As you complete the report, consider:

Option	Description
Pay Run Groups and/Or Pay Group Details	Select to complete retro results for the workers with relevant pay groups.
Retro Processing Date	The date you enter reflects the date of the first retro pay calculation after your last retro complete.
Display Only ~Workers~ with Unpulled Retro Results	Select to identify unpulled retro results (retro worker result without a target payroll result).  For a worker with multiple retro results, Workday displays all the retro worker results, when you: <ul style="list-style-type: none"> <li>• Enter multiple retro processing dates.</li> <li>• Select the check box.</li> </ul>

3. Select the workers whose results that you want to complete and click Complete.

4. To pay retro differences as on-demand additional payments to the worker, consider:

Option	Description
Create Off-cycle Inputs	Select to display on-demand payment options.
Exclude Retro Results Already Included in On-cycle (CAN, USA)	Select to ensure that you don't create any off-cycle inputs for the already paid retro differences. This check box displays only when you select Create Off-cycle Inputs.  Workday recommends you perform the Run Pay Calculation task before selecting this check box.
Batch ID	Select <i>Payroll Off-Cycle</i> .
Payment Date	Select the latest start date of all periods with retro differences for the pay group that you're processing.
Payment Type Override	Select <i>Check</i> .  When you don't configure a check type on the Maintain Payment Types task, Workday uses each worker's payment elections.

5. Select the OK to Proceed check box.

## Next Steps

Review the retro results for the entire pay group and recalculate payroll.

Note: For Payroll for the UK, Workday only creates one payment when you:

1. Access the Find Subset of Workers for Retro Complete task.
2. Enable the Create Off-Cycle Inputs setting.
3. Process retro complete with a retro company change.
4. View Processed Off-Cycle Inputs from the View Background Process page.

Additionally, no company override worktag displays.

### Related Information

#### Tasks

[Process Retro Differences in On-Demand Payments](#) on page 884

## Concept: Retro Processing Periods

### No Retro Processing Prior to Date

A worker's No Retro Processing Prior To (NRPPT) date determines the earliest period for which Workday recalculates earnings and deductions for supported retro events. Workday selects the pay components to recalculate according to their retro setting and effective date. For any changes that occur before that date, you must manually calculate and enter the differences, such as with payroll inputs.

When you run the retro pay calculation for workers with supported retro events, Workday:

- Detects all events for the workers, but only calculates differences for supported events occurring after the workers' NRPPT date.
- Reports differences for the events in each period processed in retro, from the workers' NRPPT date to the current pay period.
- Reports with a status of *Unprocessed* events linked to pay components with an effective date before the worker's NRPPT date.

When the NRPPT date falls midperiod, Workday:

- Ignores that period, and considers events in the next period.
- Doesn't create a zero pay result while calculating retro.

You can view workers' NRPPT dates on retro reports before and after you run retro such as the Retro Calculation Processing Report. You can view the NRPPT date used for the next retro run on the Payroll No Retro Processing Prior To Date for Group of Workers report.

### How Workday Assigns the No Retro Processing Prior to Date

Preset Timeframe at Tenant Level

In the preset configuration, Workday processes past events up to 24 months before the workers' current pay period. You can change this timeframe in the Maximum Months Allowed For Retro Processing field on the Edit Tenant Setup - Payroll task. For optimized performance, Workday recommends that you set the limit to 24 months or fewer.

Run Retro Pay Calculation

When you run the retro pay calculation, Workday sets the NRPPT date for:

- Workers with unsupported events to 1 day after the last period with completed on- or off-cycle results.
- New hires to the later of:
  - The start date of the first processing period of their pay group, and
  - The date determined by the Maximum Months Allowed For Retro Processing field on the Edit Tenant Setup - Payroll task.
- All other workers to the later of the first pay period with completed results, and 24 months before you run retro.

Suspend Retro Results

When you suspend a worker's retro results, Workday changes their NRPPT date to the day after the last period with completed results.

Cancel Retro Results

When you cancel a worker's retro results, Workday reverts their NRPPT date to the value it was before you ran retro.

### Impacts of Changing the No Retro Processing Prior to Date

You can change the NRPPT date that Workday assigns to workers, but only do so when necessary because:

- Setting the date too far back can impact performance.
- Setting it too far forward can require you to process too many retro events manually.

You can't move a worker's NRPPT date before an unsupported event.

Changing the NRPPT date doesn't trigger a retro pay calculation. When the new NRPPT date is before the original date, you can generate retro differences for previously unprocessed events only when:

- They were unprocessed because they occurred before the original NRPPT date, or in the same period as that date.
- You run retro again for the worker to process a new supported event.

You can manage the other unprocessed events with pay inputs or off-cycle payments.

## Examples

### No Retro Processing Prior to Date and Supported Retro Events

John has an NRPPT date of January 1. On April 20 of the same year, you enter a 10% retro pay increase effective February 1. When you run retro on April 25, John has no unsupported retro, so Workday:

- Doesn't change the NRPPT date.
- Process the pay increase because it's effective after the worker's NRPPT date.

### No Retro Processing Prior to Date and Unsupported Retro Events

John has an NRPPT date of January 1. You enter these retro events for him:

- April 5: Pay group transfer effective March 25.
- April 20: 10% retro pay increase effective February 1.

When you run retro on April 25, Workday:

- Detects the pay group transfer as an unsupported retro event.
- Changes the worker's NRPPT date to April 1. This new date is the day after the end date of his last completed payroll period (March).
- Doesn't process the pay increase because it's effective before the worker's new NRPPT date.

### Midperiod No Retro Processing Prior to Date and Supported Events

John has an NRPPT date of January 1 and the pay period is from December 25 to January 10. On February 1, you enter a 10% retro pay increase effective January 5. When you run retro, John has no unsupported retro, so Workday doesn't change the NRPPT date. However, Workday doesn't process the pay increase because it's effective in the same period as the worker's NRPPT date.

### No Retro Processing Prior To Date and Effective-Dated Pay Components

You have a deduction for which the Recalculate During Retro check box is clear. On January 16, you select the check box and add an effective date of that day to the deduction.

You enter a supported event effective on January 2 for James, Carrie, and Richard. They all have different NRPPT dates. You run retro for the January 1 to January 15 pay period to process that event. Workday compares the deduction effective date against each worker's NRPPT date to calculate the deduction and retro differences for the event:

Worker	NRPPT Date	Deduction	Supported Event
James	January 1	Unprocessed	Processed

Worker	NRPPT Date	Deduction	Supported Event
		The deduction effective date is after the period considered in retro.	The event is effective after the NRPPT date.
Carrie	January 15	Unprocessed The deduction effective date is after the period considered in retro.	Unprocessed The event is effective before the NRPPT date.
Richard	February 1	Unprocessed The deduction effective date is before the NRPPT date.	Unprocessed The event is effective before the NRPPT date.

The workers have another supported event effective on January 16 so you run retro for the January 16 to January 31 pay period. Since the deduction effective date is in the period processed in retro, Workday always calculates the event, but processes it according to the NRRPT dates:

Worker	NRPPT Date	Deduction	Supported Event
James	January 1	Processed	Processed The event is effective after the NRPPT date.
Carrie	January 15	Processed	Processed The event is effective after the NRPPT date.

Worker	NRPPT Date	Deduction	Supported Event
			NRPPT date.
Richard	February 1	Processed	Unprocessed The event is effective before the NRPPT date.

## Related Information

### Reference

[Reference: Change No Retro Processing Prior to Dates](#) on page 889

## Concept: Supported, Unsupported, and Unprocessed Retro Events

### What Triggers Retro

Some events that you or someone else in your organization enter can trigger retro pay calculations. You can also select workers to process in smart retro using those events. The Payroll Retro Event Categories tab on the View Payroll Event Categories report lists individual retro triggering events for each category. A triggering event can be a supported or unsupported event. Examples:

- A change in benefit election deductions triggers retro, but not a change in benefit dependents.
- A compensation change triggers retro and is a supported event.
- A pay group change triggers retro but isn't a supported event for Payroll for Australia, France, Ireland, the UK, and the U.S.
- A company change triggers retro but isn't a supported event for Payroll for Canada.

A company change is a supported event for Payroll for Ireland only when the companies share the same Employer Registration Number.

When an event triggers retro, Workday considers all events from the last completed period to the No Retro Processing Prior To (NRPPT) date. Those events include both supported and unsupported events, regardless of whether they're related to the triggering event.

Example for Payroll for Australia, France, Ireland, the UK, and the U.S.: The current pay period is July, and Meghan has a retro bonus to process from June. Your payroll administrator enters a pay group change also effective in June but doesn't notify you. When you run retro, Workday considers both the bonus and the pay group change.

Example for Payroll for Canada: The current pay period is July, and Meghan has a retro bonus to process from June. Your HR partner enters a company change also effective in June but doesn't notify you. When you run retro, Workday considers both the bonus and the company change.

### Supported Events

Workday generates retro differences that you can pay in target pay periods for workers when you enter events for them that both:

- Trigger retro pay calculations.
- Are supported events.

You can identify supported events for each country in the All Supported Payroll Retro Transaction Types report.

### Unsupported Events

Workday doesn't calculate retro differences for unsupported events regardless of the retro setting on the pay component. You can view these events on the All Unsupported Payroll Retro Transaction Types report. When you run retro for workers with unsupported events, Workday:

- Identifies the event as *Unsupported* in reports.
- Changes the workers' NRPPT date to 1 day after the last period with completed results.
- Ignores any events, supported or unsupported, before that date.

You can review these events on the Retro Calculation Processing Report and make manual adjustments as needed.

For Payroll for Australia, France, the UK, and the U.S., when you retroactively make changes to a worker's pay group and have a supported retro event, Workday processes the supported retro event only when the effective date of the supported retro event overlaps with the payroll results affected by the pay group change. Example: You complete pay calculations for January, February, and March. You retroactively make changes to the worker's pay group in February and then run pay calculation and complete for April. If you enter retro pay input in April, Workday processes retro for this supported event as the payroll results for April aren't affected by the pay group change. If you add payroll input to any of the prior pay periods such as January, February, or March, Workday doesn't process retro for this supported event and identifies the unsupported retro pay group change.

For Payroll for Canada, when you retroactively make a company change to a worker and have a supported retro event, Workday processes the supported retro event only when the effective date of the supported retro event overlaps with the payroll results affected by the company change. Example: You complete pay calculations for January, February, and March. You retroactively make changes to the worker's company in February and then run pay calculation and complete for April. If you enter retro pay input in April, Workday processes retro for this supported event as the payroll results for April aren't affected by the company change. If you add payroll input to any of the prior pay periods such as January, February, or March, Workday doesn't process retro for this supported event and identifies the unsupported retro company change.

For Payroll for Ireland, when you retroactively transfer a worker between companies with the same ERN and have a supported retro event, Workday processes the supported retro event only when the effective date of the supported retro event overlaps with the payroll results affected by the company change. Example: You process a worker's February transfer in April and then run pay calculation and complete for April. If you enter retro pay input in:

- April, Workday processes retro for this supported event as the payroll results for April aren't affected by the company change.
- A completed prior period (Example: March), Workday doesn't process retro for this supported event and identifies the unsupported retro company change.

### Unprocessed Supported Events

When workers have a supported retro event such as a payroll input, any of these factors can cause Workday not to consider it in retro:

- The event occurs before the worker's NRPPT date, or in the same period as that date.
- The worker has unsupported events occurring in the same pay period.
- You select the Do Not Recalculate During Retro or Always Gross-Up check box on the earning related to the event.
- You leave the Recalculate During Retro check box clear on the deduction related to the event.
- The worker isn't eligible for the pay component related to the event.

- For Payroll for Canada and the U.S., the worker has positions in more than 1 company and they have no existing pay results in those companies. Workday reports the entry as processed but doesn't generate any results to forward to their current payroll. You can identify workers with multiple jobs in different pay groups and companies on the Audit - Workers with Multiple Jobs having Different Organization Assignments report. Example: Jane is in company A and you enter an additional job in company B and a bonus for the same period retroactively. When you run retro, Workday processes the retro bonus but doesn't pay it in company B.

When you run retro for workers with unprocessed events:

- Workday identifies those events as *Unprocessed* in reports.
- You can adjust the configuration and run retro again to process them. Example: You can manually resolve unsupported events and move the workers' NRPPT date before the unprocessed event occurs.

### Retroactive Changes to Processing Position (CAN, USA)

When you use a position override to determine a worker's payroll processing position, retroactive changes to position override attributes can cause the processing position to change. Changing the processing position isn't a retro event and doesn't trigger a retro calculation. But when a supported retro event occurs, Workday rederives the processing position when you run the retro calculation.

Example: Ben has 2 positions in the same pay group and company. His primary position is the payroll processing position. You retroactively adjust Ben's scheduled weekly hours, so that his additional position becomes his processing position. When a supported retro event occurs, Workday uses the additional position to calculate retro differences.

Retroactive changes to the processing position can also affect worker eligibility for pay components in the retro period.

Related Information

#### Concepts

[Setup Considerations: Retroactive Payroll Results](#) on page 894

#### Reference

[Reference: Supported Retro Events](#) on page 887

## Concept: Retro Processing Statuses with Multiple Retro Runs

When you run retro for pay groups or pay run groups, Workday assigns the *In Progress* retro pay calculation status to:

- The processed pay groups.
- The results of the workers in the pay groups.

You can complete or cancel some workers' retro results within those in-progress pay groups. When you run retro again for the pay groups, Workday ignores workers with completed retro results. To process them, the retro pay calculation status of the pay group must be *Complete* or *Not Yet Started*. Workday updates its *In Progress* status based on how you manage retro results in those pay groups.

### Complete Retro Results for Workers

You can update the pay group retro pay calculation status to *Complete* by completing all workers' retro results when you access 1 of these tasks:

- Run Retro Pay Complete.
- Run Retro Pay Complete for Subset of Workers from the Retro Calculation Processing Report.
- Related actions menu of the payroll retro worker result by selecting Retro Pay Calculation > Complete.

Example: Pay group PG1 has 5 workers. You enter supported retro events for all workers and run retro. Then you:

- Access the Run Retro Pay Complete for Subset of Workers task for 3 workers.
- Complete the other 2 workers' retro results by accessing their related actions menu.

Workday updates the retro pay calculation status of PG1 to *Complete*.

### **Cancel Retro Results for Workers**

You can only update the pay group retro pay calculation status to *Not Yet Started* when you access the Run Retro Pay Cancel task. Workday keeps that status to *In Progress* when you access 1 of these tasks:

- Run Retro Cancel for Subset of Workers from the Retro Calculation Processing Report.
- Related actions menu of the payroll retro worker result by selecting Retro Pay Calculation > Cancel.

Example: Pay group PG1 has 5 workers. You enter supported retro events for all workers and run retro. Then you:

- Access the Run Retro Cancel for Subset of Workers task for 3 workers.
- Cancel the other 2 workers' retro results by accessing their related actions menu.

The retro pay calculation status of PG1 remains *In Progress*.

### **Complete and Cancel Retro Results for Workers**

Canceling retro results for 1 worker or a subset of workers doesn't trigger status updates. When you complete some workers' retro results and cancel others, Workday doesn't update the pay group retro pay calculation status.

Example: Pay group PG1 has 5 workers. You enter supported retro events for all workers and run retro. Then you:

- Access the Run Retro Pay Complete for Subset of Workers task for 3 workers.
- Cancel the other 2 workers' retro results by accessing their related actions menu.

The retro pay calculation status of PG1 remains *In Progress*.

#### Related Information

##### **Tasks**

[Steps: Manage Retro Results on page 901](#)

##### **Reference**

[Reference: Retro Processing Statuses on page 886](#)

### **Concept: Suspended Retro Results**

You can use the Retro Calculation Processing Report to suspend retro results for workers you select from a pay group to:

- Temporarily exclude workers' retro results from on-cycle and off-cycle calculations.
- Review and correct the suspended results.

Example: You terminate Eric retroactively, but have already paid his earnings until the current pay period. When you run retro, Workday generates a difference for the overpaid amount. You want to review that amount, so you suspend his retro result to exclude it from his on-cycle result.

When you suspend retro results, Workday updates the workers':

- Retro processing status to *Suspended Retro to exclude*.
- Pay calculation status to *Requires Recalc due to Retro*.

- No Retro Processing Prior To (NRPPT) date to 1 day after the end date of the last completed pay period. When you cancel suspended retro results, Workday moves the NRPPT date back to the date before the suspension.

You can bring back the suspended retro results by canceling them and rerunning retro. When you complete the retro period, you can no longer cancel suspended results. To process them, cancel the completed retro before canceling the suspended results.

#### Related Information

##### **Concepts**

[Concept: Retro Limits and Balances with Suspended Retro Results on page 925](#)

##### **Tasks**

[Steps: Manage Retro Results on page 901](#)

##### **Reference**

[Reference: Retro Processing Statuses on page 886](#)

[Workday 32 What's New Post: Suspend Retro Results](#)

## Concept: Retro Differences That Require Manual Adjustments

This topic provides information on retro differences that require manual adjustments for these countries:

- Canada
- Ireland
- The UK
- The U.S.

Depending on when you enter supported retro events and process payroll, Workday can create retro results that require manual adjustments in the target pay period.

### Company, Pay Group, or Tax Authority Transfers

Tax authority transfers apply to Payroll for Canada and Payroll for the U.S. only.

Payroll for Ireland supports retro pay processing for transfers between companies with the same Employer Registration Number (ERN). For company transfers with different ERNs, you need to report the employment end date on Revenue Online Services (ROS). Workday doesn't amend your journal for retro transfers. Payroll for Ireland doesn't support retro pay processing for pay group transfers.

Workday processes retro differences in the on-cycle payroll of a worker's current company, pay group, and tax authority, even when they transfer:

- After you run the retro pay calculation for supported events.
- And before you complete on-cycle payroll in the current pay period.

Because you enter those transfers after running retro, they don't generate unsupported retro events. However, if you run retro again, Workday now considers the transfers as unsupported events.

You can identify the resulting retro differences in the Payroll Retro Changes that Invalidate Retro Difference(s) report. Then, you can adjust the current payroll and process them in the correct company, pay group, or tax authority.

#### Example

The current pay period is April, and Bill is in company B.

He submits his time entry for March. You run and complete retro for this event. Later in April, the HR partner enters a company transfer from company A to company B, effective on March 1. Therefore the time entry applies to company A. When you run the April payroll, Workday processes the retro time

entry in company B instead of company A. Once you identify the retro differences, you can adjust the payroll in both companies by reversing the payment in company B. Then, you can run an on-demand additional payment in company A.

## Source Period Reversals

Payroll for Ireland doesn't support reversals.

When you have retro differences from a prior period that you reverse, and run payroll in the current pay period, Workday:

- Doesn't reverse the retro differences.
- Processes them in the current pay period.

You can identify those retro differences in the Reversal Results with Retro report. Then, you can offset the payment in the current pay period.

### Example

The current pay period is April.

Bill submits his time entry for March. You run and complete retro for this event. Due to errors in the March payroll, you reverse it. When you run the April payroll, Workday includes again the retro time entry for March. You can run an on-demand additional payment to offset the retro differences.

## Target Period Reversals

Payroll for Ireland doesn't support reversals.

When you process retro differences in a pay period that you later reverse, Workday pays the differences in the current or a future pay period. The period Workday selects for processing can be different from the reversed pay period. You can identify the retro differences in the Reversal Results with Retro report. Then, you can process payment in the reversed pay period.

### Example

In March, Bill submits his time entry for February. You run and complete retro for this event, and Workday processes the differences in the March payroll.

In April, due to errors in the March payroll, you reverse it, which also reverses the retro differences. You can run an on-demand additional payment to process the reversed retro differences to Bill.

## PRSI Values (IRL)

When you retrospectively hire a worker, Workday calculates the worker's insurable weeks in the current period. You need to adjust the the number of insurable weeks manually.

When you retrospectively terminate a worker and process on-cycle payroll to correct the overpayment, Workday returns the correct PRSI class for the worker at the time of termination but may not report the correct PRSI subclass. You must access ROS to adjust the PRSI subclass manually.

### Related Information

#### Concepts

[Concept: Off-Cycle Payments](#) on page 703

## FAQ: Retro Results

Why does Workday display a retro difference for a pay component that isn't related to the supported change I entered?

Why doesn't Workday adjust a pay component for a pay period?

Can I reverse a zero pay result created by retro leave of absence?

After retroactively terminating a worker, how can I resolve a negative net pay period due to negative retro differences?

Why does retro processing include unsupported retro events that you've rescinded or canceled?

### Related Information

#### Reference

[Reference: Retro Processing Statuses on page 886](#)

The retro pay calculation found another supported retroactive change and displays all retro differences.

Workday doesn't adjust a pay component if you add it as an override amount for the period using payroll input.

You can't reverse a zero pay result. However, you can remove it by canceling the retro result that contains the retro leave event.

For Payroll for Canada, Ireland, the UK, and the U.S., you can resolve a negative net pay in one of these ways:

- Creating an earning or deduction of the same amount that resolves the pay period to a zero net pay.
- Canceling the retro result and setting the No Retro Processing Prior To date after the termination date.
- Suspending the retro result.

For Payroll for France, you can use these Workday-delivered pay components to resolve a negative net pay due to negative retro differences:

- *Negative Net Pay Advance [FRA]*
- *Repayment of Previous Negative Net Salary [FRA]*

For Payroll for Ireland, use the *IRL Adds to Net [IRL]* earning to resolve a negative net pay.

Retro processing picks up both supported and unsupported events regardless of whether you've canceled or rescinded them. As a consequence, canceling or rescinding an unsupported retro event won't change the status of the retro result to supported.

## FAQ: Unprocessed Retro Changes

Why doesn't Workday process the retro event I entered?

The most common reasons are:

- The event is unsupported, or there's another unsupported event in the same prior period. You can process the event manually such as with a payroll input.
- The event occurred in a period or for a run category where the worker has no payroll results. You can process the event manually such as with a payroll input.

- The event occurred before the worker's No Retro Processing Prior To (NRPPT) date, or in the same period as that date. You can process the event manually such as with a payroll input.
- The retro pay calculation completed with exceptions. You can address the exceptions and rerun retro.

Why does the retro pay calculation include current period events as unprocessed?

The retro pay calculation considers events occurring in the current pay period when:

- The current on-cycle payroll is in-progress.
- You complete off-cycle results, or results from other run categories, after the start of the current pay period.

Example: You have a biweekly regular run category and a monthly bonus run category. The current on-cycle pay period is August 15 to August 31 and is in progress. When you complete results in the bonus run category for August, the retro pay calculation evaluates any events from August 15 to August 31 and marks them as *Unprocessed*.

#### Related Information

##### Tasks

[Steps: Set Up Compensation Components](#)

[Add Payroll Input for Workers on page 617](#)

## Troubleshooting: Retro and Pay Calculations Produce Different Balances

Cause: You suspended retro results for the worker and changed their No Retro Processing Prior To date to an earlier date.

Solution:

#### Steps

1. Access 1 of these tasks:

- Create Earning
- Create Deduction

Create a memo pay component to offset the result you want to suspend.

Ensure that the memo pay component updates pay balances and limits without impacting workers' gross pay to prevent a retro amount in the next on-cycle pay results.

Example: To offset a suspended retro result of 100, create a memo deduction of the same value for the source period.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the Run Retro Pay Calculation task.

When you rerun retro, Workday applies the memo pay component and excludes the amount from balances, limits, and pay balances.

Security: *Process: Run Batch Calculations (Retro Calculation)* domain in the Core Payroll functional area.

3. Access the Run Pay Calculation task.

When you rerun the pay calculation, Workday excludes the suspended retro result from the pay result in the target period.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

#### Related Information

##### Concepts

[Concept: Retro Limits and Balances with Suspended Retro Results on page 925](#)

## Concepts: Retroactive Processing Touchpoints

### Concept: Retro and Run Categories

You can configure your regular pay run category for both:

- Retro payroll calculations, to calculate retro differences.
- Payroll calculations, to process calculated retro differences.

#### Retro Payroll Calculations

For retro payroll calculations, Workday uses the run category to determine:

- Which workers to process.
- Which pay components to recalculate for a prior period.

Workday automatically processes all workers with supported retro events, who are:

- Active.
- On leave.

To process terminated workers with supported retro events, you can select *Terminated with Retroactive Events (for Retro Pay Calc only)* from the Status prompt.

#### Payroll Calculations with Retro Differences to Process

As with any payroll calculation, Workday uses the Workers to Process grid to determine which workers with retro differences to process.

Workday always processes retro differences identified by a retro calculation, regardless of the:

- Pay component eligibility.
- Pay components on the Nonactive (On Cycle, On Demand Replacement) tab of the run category.

Select the Disable Automatic Retro Differences Processing for Non-Active Workers check box on the Edit Tenant Setup - Payroll task to continue to use your pay component configuration on the nonactive tab for run categories when processing retro entries in the pay calculation.

#### Multiple Run Categories for a Pay Group

When you run the Run Retro Pay Calculation task, Workday detects retro changes for all run categories associated with the selected pay group. Example: When a worker is processed on the regular run category, Workday also detects any retro changes for the worker based on the pay components in a bonus run category.

### Concept: Retro and Pay Component Eligibility

These factors can affect a worker's eligibility for a pay component during retro processing.

## Effective Dating

The Recalculate During Retro setting on deductions and the Do Not Recalculate During Retro setting on earnings are effective-dated. To change the retro setting on a pay component, add a new effective date. If you don't, any setting changes apply to all periods regardless of a worker's No Retro Processing Prior To (NRPPT) date. When you add a new effective date, you can:

- Reset the Recalculate During Retro setting for the earning or deduction for the intended time frame.
- Advance the NRPPT date to limit how far back Workday processes events for a worker.

When Workday processes a pay component in a prior period, it evaluates the pay component definition based on the appropriate effective date.

You can change the NRPPT date to ensure that no retroactive changes get processed before you want to process the pay component.

## Pay Component Eligibility

When a retro pay calculation processes a pay component in a prior period, it evaluates the:

- Worker eligibility criteria as of the pay component effective date.
- Worker data based on the effective date of the retroactive event.
- Active or inactive status of the pay component for the period.

Regardless of the Retro Calculation setting, Workday processes retro differences when you update:

- Worker eligibility criteria.
- The active or inactive status of the pay component.

Workday recommends that when you configure pay components to recalculate in retro, you only reference other pay components that also recalculate in retro. This configuration ensures that retro uses correct amounts when calculating prior periods. Example: You leave the Do Not Recalculate During Retro check box clear on an earning. To reference another earning, select 1 with the check box clear. To reference a deduction, pick 1 with the Recalculate During Retro selected.

You can configure the Disable Automatic Retro Differences Processing for Non-Active Workers field on the Edit Tenant Setup - Payroll task to use your pay component configuration on the nonactive tab for run categories when processing retro entries in payroll.

Example: Effect of changes to worker eligibility criteria

To be eligible for a car allowance earning in January, employees must work in city 1, city 2, or city 3.

At the beginning of February, you change the worker eligibility rules. Employees must now work in city 1 or city 3 to receive the car allowance. To make the change, you create a new effective-dated definition.

In February, Nancy, who works in city 2, gets a 100 car allowance that's retroactive to January. You run a retro pay calculation in March. It doesn't generate any differences for the January car allowance earning because your definition has an effective date for February.

Note: Editing a pay component definition without effective dating can affect employee pay during retro processing. These impacts are especially likely when you change eligibility criteria.

	January	February	March
Rule	Must work in city 1, city 2, and city 3.	Effective-dated change: Must work in city 1 or city 3.	Must work in city 1 or city 3.
Event		Nancy, in city 2, gets car allowance effective January.	Run retro.
Retro difference			Zero.

#### Example: Effect of changes to worker data

Only full-time employees are eligible for a bonus earning. Monica was a full-time employee in January and switched to part time with an effective date in February.

In March, you enter a 1000 bonus for Monica for January. Monica passes the eligibility requirement because she was full-time when the retro event occurred. The retro pay calculation creates a 1000 retro difference for the earning, to pay Monica in the current period.

	January	February	March
Rule	Bonus for full-time employees.	Bonus for full-time employees.	Bonus for full-time employees.
Event		Monica switches to part time.	<ul style="list-style-type: none"> <li>• Enter a bonus for Monica.</li> <li>• Run retro.</li> </ul>
Retro difference			1000.

#### Example: Effect of changes to the active or inactive status of a pay component

Global Modern Services (GMS) has a new health plan coming into effect starting March. In March, you deactivate the deduction for the previous health plan. You also leave the Recalculate During Retro check box clear on the deduction definition.

The deduction for the previous health plan was 50 per month. Alex receives a 1000 bonus in January. He now has a supported retroactive change, so you

run the retro pay calculation in the current period (March). The retro pay calculation generates these retro differences:

- 50 \* 2 as a refund for the deductions in January and February, because it considers all pay components for eligibility.
- 1000 for the bonus.

	January	February	March
Rule	50 health plan deduction.	50 health plan deduction.	50 health plan deduction.
Event	Alex gets a bonus.		<ul style="list-style-type: none"> <li>• Inactivate the previous health plan deduction.</li> <li>• Enter a bonus for Alex.</li> <li>• Run retro.</li> </ul>
Retro difference			$50 + 50 + 1000 = 1100$

### Benefit Plans and Coverage/Cost as of Payment Date

The retro pay calculation processes pay periods whose end date is on or after the effective date of a retro event. When you map benefit plans to pay components, you can select the Coverage/Cost as of Payment Date check box, to define how Workday applies the deduction begin date. When you select Coverage/Cost as of Payment Date:

- In pay calculations, Workday compares the deduction begin date with the payment date instead of the pay period end date.
- In retro pay calculations, Workday uses the pay period end date to determine the retro period to process. Workday doesn't include events falling outside the considered period.

Example: You run payroll biweekly and have completed the pay period from January 1 to January 15. The payment date for that period is January 18. The benefits at your company have a coverage begin date of January 1. You select Coverage/Cost As Of Payment Date on the deduction mapped to the benefit plan. You enter a benefit change effective on January 16. When you run retro, Workday:

- Considers the period from January 15 to January 31 based on the retro event.
- Doesn't consider any events falling outside the retro period, regardless of the deduction mapping and the payment date.

## Adding and Removing Pay Components from a Run Category

Retro pay calculations recalculate all pay components configured for retro for the run category and pay group processed in the prior period. These pay components include earnings and deductions that you added or removed after the original calculation.

- Added pay components: Retro processes added pay components when the worker meets eligibility requirements in the prior period.
- Removed pay components: Retro can generate negative differences, reflecting the original resolved value of the earnings in the prior period. Alternatively, you can deactivate the earnings and deductions as of a certain date and keep them in the run category definition.

Related Information

### Concepts

[Concept: Effective Dating for Earnings and Deductions](#) on page 299

### Tasks

[Map Pay Components to Benefit Plans](#) on page 261

## Concept: Retro and Pay Balances

You can configure pay balances to:

- Include all retro differences in the current balance period regardless of the period earned.
- Only include the retro differences that fall within the pay balance period.
- Exclude all retro differences for pay components that you don't calculate in retro.

Workday recommends that you don't change existing pay balances that you process in retro. Instead, create pay balances with a new effective date. This practice helps ensure accurate retro pay calculations.

### Retro Calculation Examples

The balance period is January through December. Susan receives an ongoing monthly bonus of 100. In March of the current balance period, you enter:

- A 50 retro bonus for December in the previous year.
- A 25 retro bonus for January.

Depending on how you want to include retro values, you could configure the pay balance in 3 different ways:

#### Include All Retro Values in Current Gross to Net

Workday includes the bonuses regardless of the source period. The pay balance in March is:

$$100 \text{ (January ongoing bonus)} + 100 \text{ (February ongoing bonus)} + 100 \text{ (March ongoing bonus)} + 50 \text{ (December bonus)} + 25 \text{ (January bonus)} = 375$$

#### Include All Retro Values Based on Earned Period

Because Susan earned the 50 bonus before the current balance period, Workday excludes it. The pay balance in March is:

$$100 \text{ (January ongoing bonus)} + 100 \text{ (February ongoing bonus)} + 100 \text{ (March ongoing bonus)} + 25 \text{ (January bonus)} = 325$$

#### Exclude Values from Current Gross to Net During Calculation and Include All Retro Values Based on Earned Period

Workday:

- Excludes the current period ongoing bonus.
- Excludes the December bonus because Susan earned it before the current balance period.

- Includes the January bonus because it's paid in the current balance period.

The March pay balance is:

$$100 \text{ (January ongoing bonus)} + 100 \text{ (February ongoing bonus)} + 25 \text{ (January bonus)} = 225$$

Note: If you have a pay component that references a pay balance and is set to recalculate during retro, Workday recommends specifying Include All Retro Values Based on Earned Period on the pay balance rather than Include All Retro Values in Current Gross to Net to ensure that any retro amounts in your related calculations calculate correctly.

### Exclude Retro Values Examples

#### Exclude Retro Values from Balances for Pay Components that Calculate in Retro

To configure a pay balance to exclude retro amounts, select the Include All Retro Values Based on Earned Period option and select a Balance Period of *Current Period*.

Note: This exclusion only works when the pay component that uses the pay balance is configured to calculate in retro.

#### Exclude Retro Values from Balances for Pay Components that don't Calculate in Retro

To exclude all retro values, create an arithmetic calculation that uses 2 different pay balances.

Example: You have a deduction that doesn't Recalculate during Retro. The Calculation on that deduction is a percentage of an earning that does recalculate in retro (excluding retro amounts).

- Set up *Pay Balance 1*, based on the earning, and select these values:
  - The Include All Retro Values in Current Gross to Net option.
  - A Balance Period of *Current Period*.
- Set up *Pay Balance 2*, based on the earning, and select these values:
  - The Exclude Values from Current Gross to Net During Calculation check box.
  - The Include All Retro Values in Current Gross to Net option.
  - A Balance Period of *Current Period*.
- Access the Create Arithmetic Calculation task and complete these fields:

1st Operand	Operator	2nd Operand
<i>Pay Balance 1</i>	<i>Subtract</i>	<i>Pay Balance 2</i>

#### Related Information

##### Tasks

[Create Pay Balances](#) on page 326

## Concept: Retro and Limits

You can limit retro pay calculations based on:

- Earnings.
- Deductions.
- Pay component related calculations (PCRCs).

When you calculate payroll for the target period, Workday includes retro differences to the current earning or deduction.

Workday reduces the total retro difference for the recalculated periods to the earning and deduction limit when those differences exceed that limit.

### Example: Deduction Limit

Flora earns weekly base wages of 1000. She has a deduction that is 20% of base pay with a limit of 250 each period. Workday deducts 200 for each of the first and second weekly periods.

In week 3, Flora receives a retroactive increase to 1200 for her base pay effective week 1. This change increases her regular deduction to 240. To complete the adjustment, week 3 needs a total deduction of 320 (240 + 80 in retro). This adjustment exceeds the 250 limit set for Flora.

Workday takes the retro deduction first, which is 40 each week, or 80 total. Given the 250 limit, there's 170 left for the week 3 deduction, the remaining 70 of which goes into arrears.

Workday calculates her total base pay:

	Week 1	Week 2	Week 3
Base pay amount	1000	1000	1200
Retro base pay amount	200	200	
Total base pay amount	1200	1200	1200

Workday calculates the total deduction due:

	Week 1	Week 2	Week 3
Deduction: 20% up to 250 before increase	200	200	
Deduction: 20% up to 250 after increase	240	240	240

	Week 1	Week 2	Week 3
Retro deduction difference	40	40	80
Sum of deductions due in week 3			320

Workday calculates the retro amount and arrears up to the limit:

	Week 1	Week 2	Week 3
Sum of deductions due in week 3			320
80 retro deduction taken up to the 250 limit			$250 - 80 = 170$
170 remaining deducted from the 240 regular deduction			$240 - 170 = 70$
Amount due in arrears			70

#### Example: Earning Limit

Jane is eligible for wellness reimbursements of up to 600 for the year. She receives a payment of 200 for each of the first 2 monthly pay periods. In month 3, she receives a retroactive increase for the first month to 350 so you run the retro pay calculation.

Workday generates a 150 difference for the first pay period and forwards it to the current pay period.

When you calculate payroll for the current period, Workday considers the total retro difference for the reimbursement (150). When it calculates the current reimbursement ( $150 + 400$  previously paid = 550), it is below the 600 limit by 50. Workday calculates a current value of the Wellness reimbursement of 50.

	Month 1	Month 2	Month 3
Wellness reimbursement	200	200	50

	Month 1	Month 2	Month 3
Retro increase			150

Related Information

### Tasks

[Set Up Earning or Deduction Limits](#) on page 255

[Set Up Pay Component Related Calculations](#) on page 249

## Concept: Retro and Arrears

The Run Retro Pay Calculation task doesn't put deductions into arrears or recoup arrears generated in completed pay periods. Workday considers arrears when calculating the retro difference for a deduction that had a prior period arrears balance.

When a retro deduction and a regular deduction combined exceed worker's pay, Workday applies the amount to retro first and forwards the remainder to regular pay. Workday then places the amount over the limit in arrears.

### Example: Deduction with Prior Period Arrears Balance

Helen earns a base pay for the current period of 120. Their pay isn't enough to cover a lower priority deduction, so part of it goes into arrears:

	Current Amount	Amount Taken	Arrears Amount
Base pay	120		
Medical deduction	- 100	- 100	
Dental deduction	- 24	- 20	- 4

After the pay period is complete, you increase Helen's base pay retroactively to 150. The medical deduction increases to 110, and the dental deduction increases to 25. When you run retro, Workday calculates these differences:

	Current Amount	Amount Taken	Arrears Amount	Retro Difference
Base pay	150			150 - 120 = 30
Medical deduction	- 110	- 100		110 - 100 = - 10
Dental deduction	- 25	- 20	- 4	25 - 20 - 4 = - 1

### Example: Arrears Recouped from Refunded Deduction

John is on a biweekly pay schedule. On August 1, they have a qualifying event and wants to waive medical coverage but notifies you only on August 17. John is also on unpaid leave from August 16 to August 31. On August 17, you enter a retro benefit change, and run retro and payroll. John doesn't have any regular pay to cover his deductions in the current pay period. Workday recoups the deductions from the refunded retro amount, and puts the remaining deduction into arrears:

	August 1 - August 15	August 16 - August 31
Base pay	200	Zero
Medical deduction	- 30	30 (retro refund)
Dental deduction	- 20	- 20

	August 1 - August 15	August 16 - August 31
Commuter benefit deduction	- 15	- 15
Remaining pay	200 - 30 - 20 - 15 = 135	30 - 20 - 15 = - 5

### Example: Negative Retro Difference

When you make a retroactive change to a deduction with arrears that results in a negative retro difference, Workday recoups those deductions before recouping other deductions with arrears.

Bob is on a monthly pay schedule. In January, their medical deduction of 100 goes into arrears. You retroactively place Bob on leave beginning January 16. When you run retro in February, Workday calculates a retro difference of -50. Bob returns from leave on February 1. When you run on-cycle payroll for February, Workday attempts to recoup the arrears for the medical deduction first, because it has a negative retro difference. Workday then attempts to recoup other deductions with arrears balances.

### Example: Negative Retro Difference with Insufficient Minimum Net Pay

Barb's medical deduction of 150 goes into arrears for 2 periods. They then request that you retroactively cancel their medical coverage due to a life event. When you run retro, Workday calculates a -300 retro difference. Barb's base pay for the current period is 50, and they have a dental deduction of 100. Minimum net pay is zero. When you run on-cycle payroll, Workday first resolves current period deductions, and then attempts to recoup deductions with negative retro differences before recouping other deductions with arrears balances.

	Retro Pay Calc	On-Cycle Pay Calc	Amount Available for Deductions / Recouping	Notes
Medical Retro Difference	-300	-300		
Base Pay		50	50 - (-300) = 350	Workday adds negative retro difference to net pay.
Dental Deduction		100	350 - 100 = 250	Workday takes dental deduction first.
Medical Arrears Balance	300	300 - 250 = 50	250 - 250 = zero	Workday recoups partial arrears balance.
Net Pay		Zero	Zero	

To identify workers with negative retro differences, you can run the Retro Calculation Processing Report and its subreports Retro Results Report and Payroll Results Report.

#### Related Information

##### Concepts

[Setup Considerations: Net Pay Validation and Arrears](#) on page 399

[Concept: Arrears Processing](#) on page 418

[Concept: Retro and Limits](#) on page 922

### Concept: Retro Limits and Balances with Suspended Retro Results

When you suspend retro results for workers, Workday:

- Excludes the results from on-cycle and off-cycle pay calculations.
- Moves the workers' No Retro Processing Prior To (NRPPT) date to the first day of the next completed period.

When workers have supported retro events in periods before their new NRPPT date, you can move that date to an earlier date to process those events. Workday still applies the suspended results in balances and limits you recalculate for prior periods in retro pay calculations, including results for FLSA calculations for Payroll for the U.S. Running retro again after moving the NRPPT date can generate discrepancies.

You can create memo pay components to offset results you want to suspend to resolve the discrepancies between retro and pay results. When you rerun retro and pay calculations, Workday:

- Applies the memo pay component in retro and excludes the amount from balances, limits, and pay balances, as configured.
- Excludes the suspended retro result from the pay result in the target period.

Note: To avoid pay calculations processing retro differences in workers' next on-cycle payroll, make sure those memo pay components:

- Only update pay balances and limits.
- Don't impact workers' gross pay.

Example: To offset a 100 suspended retro result, create a memo deduction of 100 for the source period.

#### Example: Limits Without Suspended Retro Results

Mary has a monthly commuting allowance of 100 with a quarterly limit of 1,300. In February, your company updates this allowance to 500 effective January 1. You run retro to process a payment for this change in the on-cycle results:

	Retro Pay Calculation	Pay Calculation
January	500 (new allowance) - 100 (previous paid allowance) = 400 QTD allowance balance: 500 Remaining balance: 800	Forwarded retro difference: 400 QTD allowance balance paid: 500 Remaining balance: 800
February		Allowance for the month: 500 QTD allowance balance paid: 1,000 Remaining balance: 300

In March, your company updates the allowance to 700 effective January 1, but the quarterly limit

remains 1,300. You run retro again to process a payment for this change:

	Retro Pay Calculation	Pay Calculation
January	700 (new allowance) - 500 (previous paid allowance) = 200 QTD allowance balance: 700 Remaining balance: 600	Forwarded retro difference: 200 QTD allowance balance paid: 700 Remaining balance: 600
February	600 (remaining balance) - 500 (previous paid allowance) = 100 QTD allowance balance: 1300 Remaining balance: Zero	Forwarded retro difference: 100 QTD allowance balance paid: 1300 Remaining balance: Zero
March		Allowance for the month: Zero

Mary reaches the quarterly limit in February both using the retro pay calculation and the regular pay calculation.

#### Example: Limit in Retro with Suspended Results

Mary has a monthly commuting allowance of 100 with a quarterly limit of 1,300. In February, your company updates this allowance to 500 effective January 1. She changes pay groups in February, so the January increase is from a different pay group. You don't want to process the January increase in her current pay group, so you:

1. Run retro and suspend her retro result for January. Workday moves her NRPPT date to February 1.
2. Run the pay calculation for February.

Workday applies the suspended result to limits in retro and excludes it from pay results in the target period. The retro results are identical to the previous example, but pay results differ:

	Retro Pay Calculation	Pay Calculation
January	<p>500 (new allowance) - 100 (previous paid allowance) = 400</p> <p>QTD allowance balance: 500 (400 suspended retro result included)</p> <p>Remaining balance: 800</p>	<p>Forwarded retro difference: Zero</p> <p>QTD allowance balance paid: 100 (400 suspended retro result excluded)</p> <p>Remaining balance: 1200</p>
February		<p>Allowance for the month: 500</p> <p>QTD allowance balance paid: 600</p> <p>Remaining balance: 700</p>

In March, to process the allowance increase to 700, you:

1. Move the worker's NRPPT date to January 1.
2. Run retro.
3. Run the pay calculation for March.

The retro results are identical to the example without suspended results but the pay results differ:

	Retro Pay Calculation	Pay Calculation
January	<p>700 (new allowance) - 100 (previous paid allowance) - 400 (suspended result) = 200</p> <p>QTD allowance balance: 700 (400 suspended</p>	<p>Forwarded retro difference: 200</p> <p>QTD allowance balance paid: 300 (400 suspended retro result excluded)</p> <p>Remaining balance: 1000</p>

	Retro Pay Calculation	Pay Calculation
	retro result included) Remaining balance: 600	
February	600 (remaining balance) - 500 (previous paid allowance) = 100 QTD allowance balance: 1300 Remaining balance: Zero	Forwarded retro difference: 100 QTD allowance balance paid: 300 (QTD allowance balance paid in January) + 500 (previous paid allowance in February) + 100 (forwarded retro difference in February) = 900 Remaining balance: 400
March		Allowance for the month: 400 QTD allowance balance paid: 1300 Remaining balance: Zero

Mary reaches her quarterly limit:

- In February for the retro pay calculation.
- In March for the regular pay calculation.

When you have a supported event in March and run retro, Workday reverses the 400 paid for that month. You can create a memo deduction of 400 for January that offsets the suspended result without impacting the worker's net pay. The limits are

then consistent between the retro and regular pay calculations.

## Related Information

### Concepts

[Concept: Retro and Pay Balances](#) on page 920

[Concept: Retro and Limits](#) on page 922

### Tasks

[Steps: Manage Retro Results](#) on page 901

### Reference

[FAQ: Earnings and Deductions](#) on page 268

## Concept: Retro Payroll Accounting

You can run the Maintain Payroll Accounting Options task secured to the *Set Up: Payroll (Calculations – Payroll Specific)* domain in the Core Payroll functional area to configure retro costing. The task enables you to update the retro result lines for the retro pay period instead of the current period to reflect:

- Costing rules.
- Budget date.
- Payroll attributes.

When you select the Enable Retroactive Costing check box on the task, Workday applies retro to all types of costing, including:

- Earnings.
- Deductions.
- Employer-paid expenses.
- Fringe recovery.

You can also select specific Earnings to Exclude from Retro Costing, to keep the costing in the current pay period. If there are multiple retro events during a period, Workday evaluates the retro costing rules. Workday applies effective dates for costing and retro events.

For Payroll for the U.S., the Configuration for Retro Lines with Salary Cap Grant section enables you to have the system charge retro amounts either over or under a salary cap grant by default when you run retro payroll calculations. You can also configure retro lines specific to salary cap grants to cost fully over or under the cap for certain job families, job family groups, and job profiles. If the job profile associated with a retro line matches the job profile you specify or belongs to the job family or job family group that you configure, then the behavior you select applies to the retro line.

### Retroactive Costing

In July, a worker receives a bonus pay of 1000 that is retroactive to the month of January. Their cost center in January was CC100. In March, they moved to a different department and their cost center changed from CC100 to CC500. Their current pay period is July. When you Enable Retroactive Costing and run a retro pay calculation for the bonus pay, Workday applies the costing from the retro pay period instead of the current period. Their bonus is charged to cost center CC100 instead of CC500.

### Retro Costing to Salary Cap Grant (USA)

You have a worker who is a full-time professor earning a salary associated with a grant subject to a salary cap: SOC Grant A.

- They earn \$72,000 as a base annual salary, and they're on a monthly period schedule earning \$6,000 per month.
- SOC Grant A is subject to the award salary cap of \$240,000 base annual salary, or \$20,000 per month.

The worker is subject to these costing allocation rules:

- For salary covered by the grant subject to the salary cap: SOC Grant A, Fund A, Cost Center A at 100%.
- For the salary over the cap portion: Fund B, Cost Center B at 100%.

Default	SOC Suballocation	Distribution Percent
SOC Grant A Fund A Cost Center A		100%
	Fund B Cost Center B	100%

The worker earns their normal monthly salary from January to June. In July they receive an annual salary increase to \$84,000, or \$7,000 per month, which is retroactive to June. When you run the Run Retro Pay Calculation task in July, Workday pulls in the worker's salary increase as a retro event. After the next payroll calculation, the Actuals journal reflects the retro differences and the costing configuration for lines with salary over the cap grants.

If you have Default Over Cap selected, Workday allocates the retroactive \$1,000 to the worker's suballocation, which is Fund B, Cost Center B for June, and the current \$7,000 to SOC Grant A, Fund A, Cost Center A. The Actuals journal on the worker's payroll result for July displays their current payroll period earnings and the retro earnings lines:

Default	SOC Suballocation	Distribution Amount	Budget Date
	Fund B Cost Center B	1000	2023-06-30
SOC Grant A Fund A Cost Center A		7000	2023-07-31

If you have Default Under Cap selected, Workday allocates the retroactive \$1,000 and the current \$7,000 to SOC Grant A, Fund A, Cost Center A for June:

Default	SOC Suballocation	Distribution Amount	Budget Date
SOC Grant A Fund A Cost Center A		1000	2023-06-30
SOC Grant A Fund A Cost Center A		7000	2023-07-31

If you configure a row in the table to have Professor as a Job Profile or select the Job Family to which the Professor job belongs, then retro processing respects your choice to Cost Fully Over Cap or Cost Fully Under Cap for those selections rather than follow your default choice.

#### Related Information

##### Tasks

[Define Cost Allocations for a Worker](#) on page 550

[Define Cost Allocations for Employer-Paid Expenses](#) on page 559

[Set Up Retro Costing for Payroll Accounting](#) on page 564

## Concept: Retro Events and Establishments (FRA)

Workday Payroll for France only supports DSN reporting for retro terminations and retro hires when the establishment remains the same for the previous and following contracts.

Example: Retroactive Termination and Hire to Change an Employment

In February, you submit a DSN with this data:

Contract Dates	Establishment	Contract
January 1 - ongoing	Establishment 1	Contract 1

In March, you retroactively terminate the position for Contract 1, and retroactively hire the position for Contract 2. You produce a DSN that reflects this data.

Workday supports DSN reporting for the retroactive change, as long as Contract 1 and Contract 2 are with the same establishment.

Contract Dates	Establishment	Contract
January 1 - February 5	Establishment 1	Contract 1
March 3 - ongoing	Establishment 1	Contract 2

When there's a retroactive change in the establishment, Workday treats the change as a supported retro change but doesn't support DSN reporting for it.

Contract Dates	Establishment	Contract
January 1 - February 5	Establishment 1	Contract 1
March 3 - ongoing	Establishment 2	Contract 2

Example: Retroactive Hire and Termination to Insert an Employment

In February, you submit a DSN with this data:

Contract Dates	Establishment	Contract
January 1 - February 5	Establishment 1	Contract 1
March 3 - ongoing	Establishment 1	Contract 3

In March, you retroactively insert a new short-term employment for Contract 2 through a retroactive hire and termination. You produce a DSN that reflects this data.

Workday supports the retroactive change, as long as all 3 contracts are with the same establishment.

Contract Dates	Establishment	Contract
January 1 - February 5	Establishment 1	Contract 1
February 10 - February 20	Establishment 1	Contract 2
March 3 - ongoing	Establishment 1	Contract 3

When there's a retroactive change in the establishment, Workday treats the change as a supported retro change but doesn't support DSN reporting for it.

Contract Dates	Establishment	Contract
January 1 - February 5	Establishment 1	Contract 1
February 10 - February 20	Establishment 2	Contract 2
March 3 - ongoing	Establishment 1	Contract 3

#### Related Information

##### Concepts

[Concept: Retro Events and Terminated Workers](#) on page 936

## Supported Retroactive Features

### Concept: Retro Payroll Input

You can run the Retro Pay Calculation task to recalculate prior periods results in retro for workers when:

- You enter payroll input for a prior period.
- Workers have prior results for the period and run category.

### What Workday Processes

When you run retro, Workday processes retro payroll inputs for the workers, including one-time payments.

Example: When you enter a retro payroll input in January that's only eligible for a bonus run category, Workday:

- Processes the payroll input only when the worker has results in January for the bonus run category.
- Ignores it when the worker has results in January only for the regular run category.

Deleting payroll inputs doesn't remove the associated workers' retro results. To adjust retro payroll inputs that you already included in retro results, cancel those results before loading the new payroll inputs and rerunning retro. Doing so ensures that Workday doesn't consider the retro period of the initial payroll input in the new retro pay calculation.

## Pay Groups with Multiple Run Categories

Workday detects retro changes for all run categories associated with a pay group.

## Earning and Deduction Calculations

When processing retro payroll input, Workday:

- Recalculates deductions that have payroll input when they're set to Recalculate during Retro.
- For Payroll for Canada, France, Ireland, the UK, and the U.S., recalculates earnings that have payroll input when they're not set to Do Not Recalculate during Retro or Always Gross Up.

Note: Workday reports payroll input for pay components not configured for retro as unprocessed retro events.

Workday only overrides earning and deduction eligibility requirements when payroll input exists for the worker in the current pay period.

Workday uses the rates in effect on the dates specified for the payroll input.

## Worktags

Workday carries forward any worktags you enter on retro payroll input.

Example for Payroll for Canada and the U.S.: When you select a worktag for a different tax authority than in the original calculation, Workday uses the new worktag.

Example for Payroll for France: When you select a worktag for a different tax election than in the original calculation, Workday uses the new worktag.

Related Information

### Tasks

[Steps: Set Up Payroll Input](#) on page 611

[Steps: Manage Retro Results](#) on page 901

## Concept: Retro Leave of Absence

Workday processes retroactive leaves of absence for:

- Leave types that have Payroll Effect selected on the Create Leave Type task.
- Run categories that have *On Leave* statuses set on these tabs of the Create Run Category task:
  - General
  - Nonactive (On Cycle, On Demand Replacement)

The retro pay calculation doesn't support multiple returns from leave in 1 leave event. To return workers or correct returns from multiple leave types, do so for each type in a separate event.

Workday uses the pay components, pay component groups, and leave types that you select on the run category.

When you run the retro pay calculation, it creates subperiods to accommodate the leave and calculates the differences from the original pay results.

## Missing Prior Periods

Workday supports retroactive leave of absence changes for periods with no on-cycle results between the leave period and the current period. The retro pay calculation creates a zero pay result for the missing

periods, including periods with on-demand additional payments. The zero pay result is created after the payroll has a status of *Complete*, so it doesn't affect accounting.

You can't reverse a zero pay result created by retro leave of absence, but you can remove it. To remove the zero result, cancel the retro result that contains the retro leave event.

### Proration Method Changes (CAN, FRA, IRL, UK, USA)

When changing the proration method of a pay component from gross-to-net to pay component proration, do so for all of their effective-dated definitions. This practice prevents unexpected results in the prior period that retro recalculates.

#### Examples

Mary receives base wages of 10,000 for March 1 through 31. On March 11, Mary left work quickly for a family medical emergency. She didn't have time to fill out the leave request and stayed out of work for a week. In April, she submitted a family medical leave request for March 11 through 18.

The company family medical leave plan pays 66% of her regular salary. You configured *Family Medical Leave* to have payroll effect. Mary belongs to a run category that includes the *Benefits During Leave* pay component group. In this example, you configure base wages to prorate by calendar days.

#### Retro Results With Prior Period Pay Results

When you run the retro pay calculation, the results include a subperiod for the leave.

Pay Period	Base Wages
March 1 - 31 pay period.	(10,000)
March 1 - 10 subperiod.	$10,000 / 31 * 10 = 3,225.80$
March 11 - 18 leave subperiod.	$10,000 / 31 * 0.66 * 8 = 1,703.23$
March 19 - 31 subperiod.	$10,000 / 31 * 13 = 4,193.55$
Retro pay adjustment in April.	(877.42)

#### Retro Results Without Prior Period Pay Results

If Mary didn't enter any hours for March, her pay period would be missing. Workday creates a zero paid period in order to process the leave of absence. Workday then creates 3 subperiods and adjusts the leave pay retroactively, carrying it forward to April. The pay result displays the payments carried forward to the current period, including payment for the family medical leave.

Pay Period	Base Wages
March 1 - 31 pay period.	No original result. Workday creates a zero result.
March 1 - 10 subperiod.	$10,000 / 31 * 10 = 3,225.80$

Pay Period	Base Wages
March 11 - 18 family leave subperiod.	$10,000 / 31 * 0.66 * 8 = 1,703.23$
March 19 - 31 subperiod.	$10,000 / 31 * 13 = 4,193.55$
Retro pay adjustment in April.	9,122.58

## Related Information

### Concepts

[Concept: Effective Dating for Earnings and Deductions](#) on page 299

### Reference

[2021R1 What's New Post: Payroll Proration Framework](#)

## Concept: Retro Events and Terminated Workers

When you configure run categories to include workers with supported retro events and retro differences processed in payroll, you can calculate their pay after you retroactively:

- Terminate their employment.
- Rescind a termination.
- Correct a termination date.
- Enter supported events for terminated workers during or after the period that includes the termination date.

Payroll for France supports DSN reporting for retro terminations only in these cases:

- Retroactive hire followed by a retroactive termination.
- Retroactive termination in the previous month of the DSN.
- Retroactive termination followed by rehiring in the current month of the DSN.
- Retroactive termination followed by a retroactive rehiring in the same month as the retroactive termination.

Workday doesn't support DSN reporting when there's a change in establishment due to a retroactive termination and rehiring.

## What Workday Processes

When you retroactively terminate workers and run the Retro Pay Calculation task, Workday processes:

- Their pay results until the termination date.
- Any other supported retro events you enter for them.

For midperiod terminations, Workday creates subperiods and prorates the pay component amounts when you configure it.

Workday Payroll for Ireland recommends that you process an additional gross payment after leaving a worker in a separate off-cycle run to ensure accurate:

- Calculation of the gross additional payment.
- Reporting to Revenue of the PRSI subclass.

## Retro Termination and Insurable Weeks (IRL)

When you calculate retro payroll and then process the differences in an on-cycle payroll, Workday reports the number of insurable weeks as at the date of termination. As a result, the next payroll submission (RTR) Workday submits to Revenue may report a negative number of insurable weeks.

## Retro Termination on the Last Day of the Month (FRA, IRL, UK)

Retroactively terminating a worker on the last day of the month without rehiring them can produce a retroactive result missing a target pay period. This occurs when there's no difference retro difference in the gross pay.

For Payroll for France, to ensure accurate DSN reporting, add payroll input to create a payroll result for the current payroll period before processing retro.

For Payroll for Ireland and the UK, to report an end date for a retro terminated worker on your payroll submission, add a payroll input.

## Negative Pay Periods

Workers terminated retroactively can have negative retro differences, which can result in negative net pay for the pay period. Example: Retroactively terminating employment of a salaried worker. You can resolve negative net pay manually such as by suspending the retro result or offsetting it with a memo earning.

## Missing Prior Periods

You can retroactively terminate workers with an effective date in a period where they have no existing payroll results, such as when you:

- Terminate a worker's employment and rescind the termination.
- Move a retro termination date to another completed pay period.

Workday creates a zero pay result for any missing payroll periods, from the period start date to the termination date. The employee self-service Pay dashboard and worker profile hide payslips generated by retro termination events with zero pay results.

## Example

James receives a biweekly salary of 5,000 processed twice a month and prorated by calendar days. James leaves his job on July 10, but the payroll partner enters the termination on July 15. Workday already processed James's 5,000 wage.

When you run the retro pay calculation, Workday creates subperiods and generates a negative 2,000 retro difference.

Pay Period	Processing Date	Base Wages
July 1 - July 15	July 13	5,000
July 1 - July 9 subperiod		$5,000 / 15 * 9 = 3,000$
July 10 - July 15 subperiod	July 27	$5,000 / 15 * 5 = (2,000)$

## Related Information

### Concepts

[Concept: Retro Events and Establishments \(FRA\) on page 932](#)

### Tasks

[Steps: Manage Retro Results on page 901](#)

### Reference

[FAQ: Retro Results on page 914](#)

## Concept: Retro Time Off

The retro pay calculation reprocesses prior period earnings when a worker enters time off. Dates for this time off must be after the worker's No Retro Processing Prior To date. The recalculations include:

- For Payroll for Australia:
  - Paid or unpaid time off earnings directly affected by the change.
  - Earnings indirectly affected by the change. Example: Ordinary pay that is reduced by the hours paid as time off.
- For Payroll for Canada, Ireland, the UK, and the U.S.:
  - Paid or unpaid time off earnings directly affected by the change.
  - Earnings indirectly affected by the change. Base pay earnings are salary minus (paid + unpaid time) to avoid double paying employees for the hours they aren't working.
- For Payroll for France:
  - Earnings for paid time off.
  - Deductions for paid or unpaid time off where Recalculate for Retro is selected.

## Examples

You process payroll monthly. March is the last completed payroll period.

- For Payroll for Australia, on April 5, you enter 8 hours of Annual Leave for Marion on March 3, affecting these earnings:
  - Annual Leave Pay. Defined as Annual Leave hours x hourly rate, where hourly rate is 30/hour.
  - Ordinary pay. Defined as (scheduled hours in the month - paid time off and leave hours) x hourly rate.
- For Payroll for Canada and the U.S., on April 5, you enter 8 hours of PTO for Marion for March 3, affecting these earnings:
  - Vacation Pay. Defined as vacation hours x hourly rate, where hourly rate = 20/hour.
  - Base Pay. Defined as salary - paid time off.
- For Payroll for France, on April 5, you enter 8 hours of paid vacation for Marion for March 3, affecting these earnings and deductions:
  - Vacation Time Off deduction. Defined as vacation hours x hourly rate, where hourly rate = 20/hour.
  - Vacation Pay earning. Defined as vacation hours x hourly rate, where hourly rate is from the Vacation Time Off deduction.
- For Payroll for Ireland and the UK, on April 5, you enter 8 hours of holiday for Marion for March 3, affecting these earnings:
  - Holiday Pay. Defined as holiday hours x hourly rate, where hourly rate = 20/hour.
  - Base Pay. Defined as salary - paid time off.
- On April 5, you run the retro pay calculation.
- On April 8, you calculate her regular payroll results.

When you run the retro pay calculation, Workday recalculates her March earnings and subtracts her prior results to determine the retro differences:

For Payroll for Australia:

Earning	Recalculated Results	Prior Results	Retro Differences
Annual Leave Pay	7.6 hours of annual leave x 30/hour = 228	0 for month of March	228 - 0 = 228
Ordinary Pay	(164.67 - 7.6) x 30 = 4712.1	4940.1	4712.1 - 4940.1 = -228

For Payroll for Canada and the U.S.:

Earning	Recalculated Results	Prior Results	Retro Differences
Vacation Pay	8 hours of PTO x 20/ hour = 160	0 for month of March	160 - 0 = 160
Base Pay	3467 - 160 = 3307	3467 (standard monthly salary)	3307 - 3467 = -160

For Payroll for France:

Pay Components	Recalculated Results	Prior Results	Retro Differences
Vacation Pay	8 hours of PTO x 20/ hour = 160	0 for month of March	160 - 0 = 160
Vacation Time Off	8 hours of PTO x -20/ hour = -160	0 for month of March	-160 - 0 = -160

For Payroll for Ireland and the UK:

Earning	Recalculated Results	Prior Results	Retro Differences
Holiday Pay	8 hours of holiday x 20/ hour = 160	0 for month of March	160 - 0 = 160
Base Pay	3467 - 160 = 3307	3467 (standard monthly salary)	3307 - 3467 = -160

For Payroll for Australia, Canada, Ireland, the UK, and the U.S., when you run the regular on-cycle payroll for April, Workday pulls the retro differences into her current payroll results. On her payslip, she sees the current period earnings:

For Payroll for Australia:

Earnings	Dates	Hours	Rate	Amount	YTD
Ordinary Pay	04-01-2010 to 04-30-2010	164.67	30/hour	4940.10	

For Payroll for Canada, Ireland, the UK, and the U.S.:

Earnings	Dates	Hours	Rate	Amount	YTD
Base Pay	04-01-2010 to 04-30-2010	N/A	N/A	3467	13868

For Payroll for France, when you run the regular on-cycle payroll for April, Workday pulls the retro differences into her current payroll results. On the Summary tab of her pay results, you can see:

- The current period earnings.
- Differences from recalculated periods, including the dates of the source periods that produced the retro differences.

Pay Components	Retro Period	Rate	Amount (Retro Differences)
Vacation Time Off	03-01-2010 to 03-31-2010	-20	- 160

Pay Components	Retro Period	Rate	Amount (Retro Differences)
Vacation Pay	03-01-2010 to 03-31-2010	20	+ 160

For Payroll for Australia, Canada, Ireland, the UK, and the U.S., the payslip displays earnings differences from recalculated periods below the current results. It also includes the dates of the source periods that produced the retro differences:

For Payroll for Australia:

Earnings	Dates	Hours	Rate	Amount (Retro Differences)
Annual Leave Pay	03-03-2010 to 03-31-2010	7.6	30	+228
Ordinary Pay	03-03-2010 to 03-31-2010	157.07	30	-228

For Payroll for Canada and the U.S.:

Earnings	Dates	Hours	Rate	Amount (Retro Differences)
Base Pay	03-01-2010 to 03-31-2010	N/A	N/A	- 160
Vacation Pay	03-01-2010 to 03-31-2010	8	20	+ 160

For Payroll for Ireland and the UK:

Earnings	Dates	Hours	Rate	Amount (Retro Differences)
Base Pay	03-01-2010 to 03-31-2010	N/A	N/A	- 160
Holiday Pay	03-01-2010 to 03-31-2010	8	20	+ 160

## Concept: Retro End Additional Job (CAN)

You can run a retro pay calculation to recalculate prior period results for a worker with multiple jobs when:

- An additional job ends.
- You correct or rescind the ending of an additional job.

### What Workday Process

When you retroactively end an additional job for a worker and run a retro pay calculation, Workday processes:

- The worker's pay results until the end date for the additional job.
- Any other supported retro events that you enter for them.

For midperiod job end dates, Workday creates subperiods and prorates the pay component amounts when you configure it.

When you retroactively end an additional job for a worker with multiple jobs, you can:

- Process their retro differences in the current on-cycle pay result for their primary position if their primary position is in the same company as their additional job.
- Create an on-demand additional payment to process retro differences for an ended job in a different company than their primary position.

### **Negative Pay Periods**

Worker's with retroactive job end dates can have negative retro differences, which can result in negative net pay for a pay period. You can resolve negative net pay by suspending the retro result or offsetting it with a memo earning.

### **Example**

Haley has an additional job that is in the same pay group as her primary job, but for a different company. At the additional job, Haley receive pay of 5,000 twice a month and prorated by calendar days. Haley's additional job ends on September 9, but the payroll partner processes the End Job task on September 16. Workday already processed Haley's 5,000 payment for the September 1-15 pay period.

After you run the retro pay calculation, you'll need to process an on-demand additional payment for Haley's retro differences because the ended additional job was in a different company (See: [Concept: Retro Events from Other Companies \(CAN, USA\)](#) on page 944). Workday creates subperiods and generates a negative 2,000 retro difference.

Pay Period	Processing Date	Base Wages
September 1-15	September 13	5,000
September 1-9 subperiod		$5,000 / 15 * 9 = 3,000$
September 10-15 subperiod	September 27	$5,000 / 15 * 5 = (2,000)$

### **Concept: Retro Hire**

For workers that meet the processing criteria on the run category, you can run the Retro Pay Calculation task to recalculate their pay after you retroactively:

- Hire or rehire them.
- Correct their hire date.
- Correct their location as part of the *Hire* business process.

### **What Workday Processes**

When you retroactively hire workers, Workday processes pay results for them starting from their hire date. For midperiod hires, Workday creates subperiods, and prorates the pay component amounts when you configure it.

When calculating results for a retro hire, Workday also processes:

- Any other supported retro events. Examples: Retro time entry, time off.
- Unsupported retro events that have the same effective date as the retro hire. Example: Company assignments.

For Payroll for the UK, for National Insurance (NI) amounts, Workday:

- Calculates NI in the pay period when earned, not when paid.
- Uses the rates and thresholds of the current period.
- Uses the latest NI category. Example: The worker's category changes between their retro hire date and the current payroll processing date.

For Payroll for Ireland, Workday calculates the worker's insurable weeks in the current period. You need to adjust the the number of insurable weeks manually.

For Payroll for Australia PAYG amounts:

- If the retro hire happened in a previous tax year, Workday calculates the PAYG amount using Method B(ii). The superannuation is calculated using the rate as of the payment date of the retro hire period
- If the retro hire happened in the current tax year, Workday calculates the PAYG amount using the regular calculation.

For Payroll for France and the UK, Workday doesn't process terminations or the end of additional jobs as part of a retro hire.

### **Missing Prior Periods**

During a retro pay calculation, Workday calculates the difference between original payroll results and recalculated results. However, in many cases workers hired retroactively don't have any on-cycle payroll results for the prior period. For these workers, Workday creates a zero pay result for any missing payroll periods, starting from the hire date.

The employee self-service Pay dashboard and worker profile hide payslips generated by retro hire events with zero pay results.

### **Hires Skipped in Pay Calculations**

On-cycle payroll calculations can skip hires because the hire period either:

- Has no existing pay or retro pay results. Example: You hire a worker and assign them to a nonpaying pay group.
- Has pay results that don't account for the hires. Example: You cancel the results, or don't recalculate them after the hire is complete.
- Has run category criteria that exclude the hires. Example: You configure your run category to ignore any hires after the 20th of each month.

When the hire effective date is in the most recent period recalculated in retro, Workday processes it as a retro hire. Workday recommends that the first time you run retro for a new period, you do so by calculation statuses. This practice helps ensure that retro considers all those hires. If you find that the calculation missed some workers, you can select them by running retro by workers.

Example: In June, you enter a hire for Paul with a start date in July. Due to missing documents, you assign Paul to a nonpaying pay group in July. When you run the July payroll, Workday skips the hire. In August, Paul submits all his documents, so you move him to a regular pay group from his original hire date in July. When you run retro, Workday processes a retro hire for him effective in July.

Related Information

Reference

[FAQ: Retroactive Processing](#) on page 890

### **Concept: Retro Pay Group Change (CAN)**

After you enable retro processing for multiple pay groups on the Edit Tenant Setup - Payroll task, you can process supported retro events for workers who change pay groups during a current or retro pay period.

Example: You transfer a worker from an hourly pay group to a salaried pay group and enter time retroactively for the hourly pay group. You run retro to calculate the wages owed to the worker for the hours worked in the first pay group.

### **What Workday Processes**

When you assign a worker to a new pay group that has a period start date for a completed pay period and then run the retro pay calculation, Workday calculates the worker's retro differences and forwards them to the current on-cycle pay period.

For midperiod pay group changes, Workday creates subperiods for the old pay group and the new pay group, and prorates the worker's pay component amounts.

## Concept: Retro Events from Other Pay Groups

This topic applies to:

- Payroll for Canada
- Payroll for France
- Payroll for the UK
- Payroll for the U.S.

After you enable retro processing for multiple pay groups on the Edit Tenant Setup - Payroll task, you can process supported retro events for workers who:

- Have 1 or more jobs in the same or different tax authority during the source and target periods for Payroll for Canada and the U.S.
- Have 1 or more jobs in the same company during the source and target periods for Payroll for France and the UK.
- Change pay groups during the current pay period.

Example: You transfer a worker from an hourly to a salaried pay group and enter time retroactively for the hourly pay group. You run retro to calculate the wages owed to the worker for the hours worked in the first pay group.

### What Workday Processes

When you run the Retro Pay Calculation task in a worker's primary pay group, Workday processes:

- Retro differences in the on-cycle pay results or on-demand additional payments for the target pay group. That pay group is the current primary pay group.
- All pay components, including pay components ineligible for the target pay group or run category.

You can override the target pay group and pay period for a retro result. Example: To enter a future-dated pay group transfer, select Retro Pay Calculation > Update from the related actions menu on a worker's retro result. Available pay groups are based on worker eligibility.

When you override the target and recalculate retro, Workday resets the target pay group and pay period to the previous value.

For Payroll for Canada, Workday doesn't support retro differences for workers with Records of Employment (ROEs) who transfer pay groups. You can adjust ROE for the period with the retro event by either:

- Entering a payroll input.
- Running an on-demand additional payment.

### Transfers to Pay Groups with No Existing Pay Results

After you transfer workers to newly created pay groups and run retro, Workday updates the workers' No Retro Processing Prior To (NRPPT) date. Their new NRPPT date is the first day of the first processing period of the new pay group.

Processing the retro events for those workers requires that you:

- Don't define a first period to process on the pay group in the Override First Processing Period field.
- Assign a new period schedule to the pay group. The first period of the schedule must be 1 period before the worker's start date in the new pay group.
- Run and complete the pay calculation for the first period of the new pay group before transferring the worker.

## Transfers from or to Pay Groups Paid on a Lag

A pay group paid on a lag is a pay group with a pay period schedule associated to a different schedule. Example: You map a weekly time tracking schedule to a biweekly pay period schedule.

You can transfer workers from or to pay groups paid on a lag. When you run retro, Workday checks for unprocessed time entries up to 60 days before the run.

## Pay Groups in Reports

The View Payroll Results and View Retro Results reports display the source pay group. The View Payroll Retro Worker Result report displays the target pay group.

Related Information

### Tasks

[Add Payroll Input for Workers](#) on page 617

[Create On-Demand Additional Payments](#) on page 693

### Reference

[Reference: Edit Tenant Setup - Payroll](#)

## Concept: Retro Events from Other Companies (CAN, USA)

This topic applies to:

- Payroll for Canada
- Payroll for the U.S.

You can process supported retro events from companies other than the workers' current primary job when workers:

- Have 1 or more jobs in different companies in the same or different tax authority. Processing jobs in multiple pay groups requires that you enable the corresponding setting on the [Edit Tenant Setup - Payroll](#) task.
- Transfer between different companies in the current pay period.

For Payroll for the U.S., for cross-company FLSA payments, you can enter bonus details and coverage dates for each company that workers had results in.

## What Workday Processes

The Retro Pay Calculation task generates retro differences for supported events that occur in companies workers are assigned to. When you run payroll, Workday processes the differences from the workers' current primary job company in their on-cycle pay. For differences from other companies, you can process on-demand additional payments using the:

- Run On Demand Payment for Worker task for individual workers.
- Run Retro Pay Complete for Subset of Workers task for groups of workers, where you can exclude current company retro results.

## Mergers and Acquisitions (USA)

Workday processes workers' retro differences in their on-cycle pay when:

- The differences are from companies that go through a merger and acquisition.
- The companies that the differences are from are predecessors to the workers' current primary job company.

In other merger cases, you can pay the differences using on-demand additional payments. Example: Brian is currently in company C. He was previously in company A, which company B acquired. You want to pay Brian a retro bonus from company A. Since company A isn't a predecessor to company C, you run an on-demand additional payment for the bonus in company A.

## Retro Differences in Reports

You can run retro reports, such as subreports of the Retro Calculation Processing Report, to view:

- The source company of the retro differences.
- The target period for which Workday processes differences, including differences you forward to multiple pay periods.

### Example

Due to multiple reorganizations, Jane goes through several company transfers:

- In February, she's in company A.
- In April, she transfers to company B.
- In July, the current pay period, she transfers back to company A.

Jane is due a bonus from January and company B retroactively increases the gym membership allowance, so you:

- Enter a retro payroll input for the bonus.
- Run the retro pay calculation.

As the bonus originates in the same company as Jane's current company, Workday processes it for July when you run on-cycle payroll. As the allowance increase relates to company B, you can process it using an on-demand additional payment.

Related Information

#### Concepts

[Concept: Pay and Tax Calculation in Predecessor and Successor Companies \(USA\)](#) on page 1298

#### Tasks

[Process Retro Differences in On-Demand Payments](#) on page 884

[Create On-Demand Additional Payments](#) on page 693

## Concept: Retro Differences from Current Tax Authority Change (CAN, USA)

When you make changes to a worker's tax authority in a current pay period and have a supported retro event back to a previous tax authority, Workday:

- Calculates retro differences for earnings and deductions and forwards it to the current pay period.
- Displays Source Tax Authorities that includes the Work and Resident tax authority details from each individual payroll result processed by retro, on the retro worker result.

### Example

Due to work relocation, Tara has changes to the tax authority:

- In January 2022, the work location is New York.
- The work location changed from New York to California with an effective date of February 1, 2022. The location change has an effective date that falls in the current period of February 1, 2022 and isn't retroactive.

As a payroll administrator, you run pay calculation and complete for January and February.

In March 2022; worker's current work location is California. You enter a supported event dating back to January, where the tax authority is different from the current. You add payroll input for workers (supported event) to include a:

- Bonus of \$1000 for January.
- Commission of \$2000 for February

You then run Retro Pay Calculation and view the payroll retro worker results. Workday calculates earnings and deductions differences and displays Source Tax Authorities for each Retro Result:

- Bonus for New York, prior location.
- Commission for California, current location.

You can use:

- On-cycle payroll for March to pay the retro differences from California.
- On-demand additional payments for March to pay the retro differences from New York.

## Steps: Process Retro Differences from Current Tax Authority Change (CAN, USA)

### Prerequisites

- Steps: Set Up Retro Processing on page 873
- Calculate Retro Payroll on page 876

### Context

You can make changes to a worker's current tax authority for a supported retro event. Workday then calculates retro differences for earnings, and deductions and forwards it to the current pay period.

### Steps

1. Access the Run Pay Calculation task .

Process retro differences in on-cycle payments and forward the retro differences to the current pay period, when retro results have:

- The same or different source tax authorities as the current tax authorities for Payroll for Canada.
  - The same source tax authorities as the current tax authorities for Payroll for the U.S.
2. (Optional for Payroll for the U.S.) Access the Edit Tenant Setup - Payroll task and select the Pay / Retro Calculations > Retro Calculations - USA Enable Retro Processing from Different Tax Authorities to On-Cycle Payroll check box.

When you select the check box, Workday forwards all retro differences to on-cycle payroll and calculates taxes based on your current period tax authorities. In addition, if you'd rather use off-cycle payroll, you still have the ability to do so.

Eligibility for on-cycle includes retro results, where the source tax authorities and company are the same as the worker's current primary position.

3. Process Retro Differences in On-Demand Payments on page 884.

Process retro differences as on-demand additional payments in a tax authority other than a worker's current primary job. You can either:

- Run Retro Pay Complete for Subset of Workers from the Retro Calculation Processing Report. Select the Exclude Retro Results Already Included in On-cycle check box to ensure that you don't create any off-cycle inputs for the already paid retro differences. Or
- Access the Run On Demand Payment for Worker task and select the Create Additional Payment check box to add override worktags matching the previous source tax authorities.

Note: To process workers with multiple jobs in multiple pay groups, you must select the Enable Retro Processing in Primary Pay Group check box on the Edit Tenant Setup – Payroll task.

### Related Information

#### Reference

#### [2022R2 What's New Post: Retro Differences from Current Tax Authority Change](#)

## Concept: Retro Tax Authority Change (CAN)

Workday processes these Retro Tax Authority Change events for Payroll for Canada:

- Change Job
- Edit Position
- Move Worker
- Work Contact Change

To benefit from a Retro Tax Authority Change event for Payroll for Canada, select the Enable Retro Processing in Primary Pay Group check box on the Edit Tenant Setup - Payroll task.

### **What Workday Processes**

When you run and complete payroll for the current period and a worker has a Retro Tax Authority Change event, Workday processes the event in the current pay period and under the current tax authority. This enables you to run payroll without manual calculations and pay input.

Workday calculates taxes using the worker's primary pay group and reconciles any differences with the primary pay group's current tax authority.

You can view retro calculations in the Processed Retro Events tab of the View Payroll Retro Worker Result report.

### **Example**

Tiffany works in British Columbia. You've completed payroll for these periods:

- Period 1:08/05/24 - 08/16/24
- Period 2:08/19/24 - 08/30/24

Tiffany changed jobs in pay period 1 and now works in Quebec. In the current pay period, Period 3:09/02/24 - 09/13/24, you process the retro tax authority change when you run the current pay calculation.

1. In the Run Pay Calculation task:
  - Enter the current period.
  - Enter the current pay group.
  - Select Smart Calculation Based on Events > Job Change.
2. Run and complete the retro pay calculation.
3. Run the current period pay calculation (period 3) to pick up the retro results.

When you complete payroll for the current period:

- The taxes from the retro tax authority change calculate in the current period.
- Change Job displays in Processed Retro Events for Tiffany.
- Period 1 displays a retro result.

#### **Related Information**

#### **Reference**

[2024R2 Feature Release Note: Retro Transaction Types for Payroll for Canada](#)

## **Concept: Negative Tax Withholding for Negative Taxable Wages (USA)**

When you process retro pay input and a negative wage adjustment results, Workday can calculate negative taxes. This makes the tax adjustment process more efficient.

To use this feature:

- Select the Enable Negative Tax Withholding for Negative Wages on Payroll Result check box on the Edit Tenant Setup - Payroll task. When you select this check box, Workday can calculate taxes to be credited, if you process a retro pay input and the retro differences result in negative taxable wages for a tax authority.
- Select the Prior Period Tax Adjustment check box when you enter a retroactive pay input with a negative earning.

- Verify that negative taxable wages exist in a pay result, caused by retroactive pay calculation differences that were processed in the period.

Note: To ensure a worker receives a tax refund on their negative taxable wages, the worker must have a positive tax balance and you must apply State or Local worktags to the retroactive payroll input that you create to process their negative earnings.

This feature supports state withholding (work) taxes and these local withholding taxes, when the Do Not Allow Negative Tax Withholding field is set to *No*:

- Local City Withholding (Work) Employee and Employer*
- Local County Withholding (Work)*
- Local Other Taxes*

You can view the local tax authorities that don't support refunding taxes and whether negative tax withholding on a payroll result is enabled using the Do Not Allow Negative Tax Withholding report field. Workday recommends you run these reports to view which tax authorities don't support refunding taxes:

- All Payroll Tax Authorities
- View Payroll Other Tax Authorities

Use the Audit Prior Period Tax Adjustments – Retro Pay Input Causing Negative Taxable Wages report to:

- Audit prior period tax adjustments that were processed using retro payroll input with the Prior Period Tax Adjustments check box selected, that resulted in negative taxable wages on the payroll result. The audit also alerts you when the adjustment crosses a month, quarter, or year.
- View workers with incomplete payroll results that have negative taxable wages, which you can adjust before closing the payroll period.

#### Related Information

##### Reference

[2023R2 What's New Post: Enable Negative Tax Withholding for Negative Wages](#)

## Example: Process a Retro Pay Input with Negative Wages (USA)

This example demonstrates 1 way to process retro pay input with negative wages for a worker.

#### Context

Arnold lives and works in Alabama. In the *3/16/23-3/31/23* period, you applied a tax authority worktag override that assigned Arnold's wages to Georgia. These are the completed pay results for the semi-monthly periods:

- 03/01/23-03/15/23 - Salary = 10,000, AL taxable wages = 10,000*
- 03/16/23-03/31/23 - Salary = 10,000, Worktag override State:GA, GA taxable wages = 10,000*
- 04/01/23-04/15/23 - Salary = 10,000, AL taxable wages = 10,000*

You learn that Arnold worked in Oregon for the *03/16/23-03/31/23* pay period, not Georgia. You also learn that Arnold now lives and works in Colorado as of *04/16/23* and updated Workday with the new work and resident state. Arnold's next pay period will be taxed in Colorado. You need to move the *03/16/23-03/31/23* wages you processed with Georgia taxes to the new tax authority, Oregon. So, you process a one-time retroactive pay input that results in a negative earning for Georgia.

#### Prerequisites

Select the *Enable Negative Tax Withholding for Negative Wages* on Payroll Result check box on the Edit Tenant Setup - Payroll task. See: [Reference: Edit Tenant Setup - Payroll](#).

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

Security: *Process: Run Batch Calculations (Retro Calculation)* domain in the Core Payroll functional area.

## Steps

- Identify the pay result tax authorities to adjust. In this example, it's the tax authority for the *03/16/23-03/31/23 - Salary = 10,000, GA taxable wages = 10,000* semi-monthly pay period.
- Go to the Add Payroll Input by Worker task. Enter these options:

Option	Description
Worker	Arnold
Pay Component	Base Pay (Position)
Start Date	03/16/2023
End Date	03/31/2023
Processing Defaults	One-time Adjustment None of the above
Prior Period Tax Adjustment	Selecting this check box indicates you want Workday to calculate negative taxes for pay results with negative taxable wages as a result of retro differences.  This check box becomes selectable if you selected the Enable Negative Tax Withholding for Negative Wages on Payroll Result in Edit Tenant Setup - Payroll.

- Click OK.
- In Input, enter these details:

Option	Description
Position	Verify the correct position displays.
Processing Options	Verify you selected Regular Run Category.
Payroll Worktags	Enter <i>State: Georgia</i> .
Prior Period Tax Adjustment	Verify you selected the check box.
Input Details	<ul style="list-style-type: none"> <li>Type - enter Amount.</li> <li>Value - enter <i>-10000</i>.</li> </ul>

Option	Description
Position	Verify the correct position displays.
Processing Options	Verify you selected Regular Run Category.
Payroll Worktags	Enter <i>State: Oregon</i> .
Prior Period Tax Adjustment	Verify you selected the check box.
Input Details	<ul style="list-style-type: none"> <li>Type - enter Amount.</li> <li>Value - enter <i>10000</i>.</li> </ul>

Note: To ensure a worker receives a tax refund on their negative taxable wages, the worker must have a positive tax balance and you must apply State or Local worktags to the retroactive payroll input that you create to process their negative earnings.

- Click OK and Done.

6. Go to the Run Retro Pay Calculation task. See: [Calculate Retro Payroll](#) on page 876.
7. In the task, in Pay Run Groups and/or Pay Group Details, select Arnold's regular, semi-monthly pay group.
8. Click Done and Refresh.  
The retro pay result shows the negative earnings calculated for Georgia.

### Result

Once you include the retro differences in the current pay period result, you can view Arnold's negative taxable wages for Georgia. If Arnold has a tax balance in Georgia, the taxes are refunded.

Related Information

#### Reference

[2023R2 What's New Post: Enable Negative Tax Withholding for Negative Wages](#)

## Year-End Tax Reporting

### Set Up Year-End Tax Document Printing Options for Workers

#### Prerequisites

For Payroll for the U.S., set up your company for Puerto Rico, Guam, and U.S. Virgin Islands tax reporting to be able to select printing options for W-2PR, W-2GU, and W-2VI forms. Use the Edit Company State and Local US Tax Reporting task.

Security: *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.

#### Context

Payroll administrators and workers can view and print year-end forms and corrections through self-service.

Workday enables administrators to generate and print year-end forms and corrections for workers. You can:

- Give workers the ability to select whether to receive printed tax documents.
- Always print forms for terminated workers.

You can load year-end electronic printing elections for workers in bulk into Workday, and pull elections from Workday, using these web services:

- *Get Quarterly Worker Tax Data* for W-2PR, W-2GU, and W-2VI printing elections.
- *Get Tax Document Deliveries*.
- *Put Tax Document Delivery*.

Note: For the Put Tax Document Delivery web service:

- Enter USA in the Delivery Group field to make updates to the W-2 and W-2C forms.
- Enter 1 in the Override Default Delivery field so workers only receive electronic copies, or zero so workers receive both paper and electronic copies.

#### Steps

1. Access the Company Payroll Printing Options task.

2. For Payroll for the U.S., as you complete the Year End Tax Documents tab, consider:

Option	Description
Allow Workers to Opt Out of Paper Copy	Workers can have different printing elections by company.
Always Print Terminated Workers' Paper Copy	Available only if you select Allow Worker to Opt-Out of Paper Copy.  Select to print tax documents for terminated workers, including workers who elected to receive only electronic copies. When you generate the printed forms, Workday identifies terminated workers.
Always Print Leave Workers' Paper Copy	Available only if you select Allow Worker to Opt-Out of Paper Copy.  Select to print tax documents for workers on leave, including workers who elected to receive only electronic copies. When you generate the printed forms, Workday identifies workers on leave.
Truncate SSN on ~Employee~ Copy of W-2 and W-2C Forms	When selected, employees only see the last 4 digits of their SSN on their year-end forms.
Reset Workers' Year End Tax Documents Printing Elections	Select to remove worker settings for receiving only electronic copies. Workers must elect again to receive only electronic copies.

When you configure your company tax reporting to include Puerto Rico, Guam, and the U.S. Virgin Islands, select printing options in the relevant section:

- Puerto Rico
- Guam
- Virgin Islands

3. For Payroll for Canada, as you complete the Year End Tax Documents tab, consider:

Option	Description
Allow Workers to Opt-Out of Paper Copy: T4A-RCA, RL-2, and NR4	Select to enable workers to opt-out of paper copies of the T4A-RCA, RL-2, and NR4 forms created for any tax year.  Workers can have different printing elections by company.
Allow Workers to Opt-In to Paper Copy: T4, T4A, and RL-1	Select to provide all workers with only an electronic copy of their T4, T4A, and RL-1 forms, unless they elect otherwise.
Always Print Terminated Workers' Paper Copy	Available if you select either or both of the opt-in or opt-out check boxes.  Select to print tax documents for terminated employees, including workers who elected to receive only electronic copies. When you generate the printed forms, Workday identifies terminated workers.

Option	Description
Always Print Leave Workers' Paper Copy	<p>Available if you select either or both of the opt-in or opt-out check boxes.</p> <p>Select to print tax documents for workers on leave, including workers who elected to receive only electronic copies. When you generate the printed forms, Workday identifies workers on leave.</p>
Reset Workers' Year End Tax Documents Printing Elections	Select to remove worker settings for receiving only electronic copies.

## Result

For workers, the Edit button displays on My Tax Documents. The Payroll > Change My Tax Documents Printing Elections option displays on the related actions menu on the worker profile. Workers can use mobile to change existing elections.

## Next Steps

Workday displays electronic signature text for workers when they change their printing election. Use the Edit Tenant Setup - Payroll task to accept or override the Workday default.

For Payroll for the U.S., to identify employees receiving a printed copy, you can:

- Create a custom report using the Tax Document Printing Elections for USA Companies data source and these report fields:
  - Opted Out of W-2 Paper Copy
  - W-2 Print Election Updated By
  - W-2 Print Election Updated Date/Time
- Run either of these reports:
  - US Year End Tax Documents Printing Elections and select the Show Company Terminated and/or Leave Print Overrides check box. The report displays:
    - Workers who have pay results in the tax year and company you specify.
    - Year-end print elections in all companies the worker has been in.

For workers who haven't made an election, the report displays No in the Opted Out of Paper column and doesn't include data in the W-2 Print Election Updated By and W-2 Print Election Updated Date/Time columns.

- View Year End Tax Documents Printing Elections for Worker

For Payroll for Canada, to identify employees receiving a printed copy, you can:

- Run the CAN Year End Tax Documents Printing Elections report and select the Show Company Terminated and/or Leave Print Overrides check box.
- Create a custom report using the Tax Document Printing Elections for CAN Companies data source and these report fields:
  - Will Receive Paper T4/T4A/RL-1
  - T4/T4A/RL-1 Print Election Updated By
  - T4/T4A/RL-1 Print Election Updated Date/Time
  - Will Receive Paper T4A-RCA, RL-2, NR4
  - T4A-RCA, RL-2, NR4 Print Election Updated By
  - T4A-RCA, RL-2, NR4 Print Election Updated Date/Time

## Related Information

### Tasks

[Generate and Print Year-End Tax Forms \(USA\) on page 975](#)

[Generate and Print Year-End Tax Correction Forms \(USA\) on page 980](#)

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(CAN\) on page 989](#)

[Steps: Set Up, Audit, and Print Year-End Corrections \(CAN\) on page 1003](#)

### Examples

[Reference: Edit Tenant Setup - Payroll](#)

## Steps: Set Up Payroll Year-End Business Process

### Prerequisites

Review setup considerations for year-end tax reporting.

Security: These domains in the System functional area:

- *Business Process Administration*
- *Manage: Business Process Definitions*

### Context

These year-end business processes enable you to complete the series of steps for year-end reporting. You can specify the sequence of year-end tasks for your company and the roles responsible for their completion:

- *W-2 Year End Process (USA)*.
- *RL-1 Year End Process (Default) (CAN)*.
- *T4 Year End Process (Default) (CAN)*.

You can only launch the year-end business process from the Payroll Year End dashboard.

Some stand-alone year-end tasks can't run concurrently with the business process.

For Payroll for the U.S.:

Can Run Concurrently With the Business Process	Can Run Concurrently with the Business Process But Returns a Warning	Can't Run Concurrently with the Business Process
<ul style="list-style-type: none"> <li>• Company W-2 Audit</li> <li>• Maintain W-2 Sorting Setup</li> <li>• View W-2 Form Data</li> <li>• View W-2 Box Configuration</li> <li>• View W-2 Errors</li> <li>• W-2 Preview</li> </ul>	<ul style="list-style-type: none"> <li>• Create W-2 Forms</li> </ul>	<ul style="list-style-type: none"> <li>• Create W-2 Data</li> <li>• Publish US Year End Tax Documents</li> </ul>

For Payroll for Canada:

Business Process	Can Run Concurrently with the Business Process	Can Run Concurrently with the Business Process but Returns a Warning	Can't Run Concurrently with the Business Process
<i>RL-1 Year End Process (Default)</i>	<ul style="list-style-type: none"> <li>• RL-1 Preview</li> <li>• View RL-1 Form Data</li> <li>• View Canada Year End Form Box Configuration</li> <li>• PIER Exception Report</li> <li>• Maintain RL-1 Sorting Setup</li> </ul>	<ul style="list-style-type: none"> <li>• Create RL-1 Forms</li> </ul>	<ul style="list-style-type: none"> <li>• Create RL-1 Data</li> <li>• Publish Employee Canada Year End Forms</li> </ul>
<i>T4 Year End Process (Default)</i>	<ul style="list-style-type: none"> <li>• T-4 Preview</li> <li>• View T4 Form Data</li> <li>• View Canada Year End Form Box Configuration</li> <li>• PIER Exception Report</li> <li>• Maintain T4 Sorting Setup</li> </ul>	<ul style="list-style-type: none"> <li>• Create T4 Forms</li> </ul>	<ul style="list-style-type: none"> <li>• Create T4 Data</li> <li>• Publish Employee Canada Year End Forms</li> </ul>

When a step is already in progress in the business process, Workday processes the first completed task. Workday displays an error message to users who attempt to complete the task after that.

To initiate steps outside the year-end business process, see:

- [Steps: Set Up, Audit, and Print Year-End Tax Correction Forms \(USA\) on page 978](#)
- [Steps: Set Up, Audit, and Print Year-End Corrections \(CAN\) on page 1003](#)

## Steps

### 1. Create Custom Business Processes.

Navigate to the company to associate with the year-end business process and select Business Process > Create, Copy, or Link Definition from the related actions menu.

Select the Business Process Type you want to set up:

- *W-2 Year End Process (USA)*
- *RL-1 Year End Process (Default Definition) (CAN)*
- *T4 Year End Process (Default Definition) (CAN)*

## 2. Edit Business Processes.

You can select *To Do* from the Type prompt and add or create To Do steps from your year-end checklist, such as:

- Review year-end checklist.
- Review reporting requirements for the current tax year.
- Check company and employee data for annual reporting.
- Set up period schedules for payroll and absence.
- Set up new ledger periods to ensure they're in the *Open* status to avoid operational errors.
- Enable workers to opt out of paper copy of W-2 (USA).
- Check third party sick pay W-2 setup (USA).
- Set up FLSA calendars for the new year (USA).

## 3. Edit Business Process Security Policies.

For Payroll for the U.S., select *W-2 Year End Process* from the Business Process Type prompt.

## 4. Activate Pending Security Policy Changes.

## 5. Set up the Payroll Year End dashboard.

Access the Maintain Dashboards report to add year-end tasks as menu items on the dashboard.

See Reference: [Payroll Year-End Dashboard](#) on page 955.

## Result

You can initiate and complete the business process from the Payroll Year End Process worklet on the Payroll Year End dashboard.

### Related Information

#### Concepts

[Setup Considerations: Year-End Tax Reporting \(USA\)](#) on page 959

[Setup Considerations: Year-End Tax Reporting \(CAN\)](#) on page 983

#### Tasks

[Steps: Configure Business Process Definitions](#)

## Reference: Payroll Year-End Dashboard

The Payroll Year End dashboard provides easy access to:

- Commonly used year-end tasks.
- Current estimates for year-end forms.
- Past year-end form statistics.
- Year-end business processes.
- Status of year-end forms.

Security: *Management Dashboard: Payroll Year End* domain in the CAN Payroll or USA Payroll functional area.

Note: The Payroll Year End dashboard doesn't support companies that are in a company relationship.

The dashboard provides these year-end processing and form worklets:

Worklet	Description
Payroll Year End Process	<p>Displays:</p> <ul style="list-style-type: none"> <li>• The status of the year-end business process.</li> <li>• The person responsible for the next step.</li> </ul>

Worklet	Description
	You can launch the year-end business processes from this worklet only.
Last 5 Years (Forms/ Employees)	Displays: <ul style="list-style-type: none"><li>• Employee counts for original and corrected tax forms.</li><li>• Percentage of forms corrected by form type and tax year.</li><li>• Tax forms by employee, company, and tax year.</li></ul>
Estimated Form Types Needed (Employees)	Displays projected requirements for: <ul style="list-style-type: none"><li>• Form types for the selected tax year.</li><li>• Number of employees requiring each form by company.</li></ul>

### Payroll for the U.S.

You can add year-end tasks as menu items on the dashboard using the Maintain Dashboards report. Workday recommends that you add these tasks under these section labels:

Section Label	Item
Preparation	<ul style="list-style-type: none"> <li>• Create Ledger Year and Ledger Periods</li> <li>• Edit Company Third Party Personal US Tax Reporting</li> <li>• Edit Company Federal US Tax Reporting</li> <li>• Edit Tenant Setup - Payroll</li> <li>• View Earnings</li> <li>• View Deductions</li> <li>• Edit Period Schedule</li> <li>• View W-2 Box Configuration</li> <li>• Maintain W-2 Sorting Setup</li> <li>• Company Payroll Printing Options</li> </ul>
Audit	<ul style="list-style-type: none"> <li>• Audit - Negative Wages or Tax (by Worker)</li> <li>• W-2 preview</li> <li>• View W-2 Errors</li> <li>• Company W-2 Audits</li> <li>• Company W-2C Audit</li> </ul>
Create/Distribute	<ul style="list-style-type: none"> <li>• Create W-2 Data</li> <li>• View W-2 Form Data</li> <li>• View Third Party Sick Pay Recap Form Data</li> <li>• Create W-2 Forms</li> <li>• Cancel W-2 Data</li> <li>• Create W-2C Data</li> <li>• W-2C Preview</li> <li>• View Third-Party Sick Pay Correction Recap Form Data</li> <li>• Create W-2C Forms</li> </ul>

Section Label	Item
	<ul style="list-style-type: none"> <li>• Cancel W-2C Data</li> <li>• View Existing W-2/ W-2C Printing Run</li> <li>• Publish US Year End Tax Documents</li> <li>• Launch/ Schedule Integration</li> </ul>

### Payroll for Canada

You can add year-end tasks and reports as menu items on the dashboard using the Maintain Dashboards report. Workday recommends that you add them under these section labels:

Section Label	Item
Preparation	<ul style="list-style-type: none"> <li>• Edit Tenant Setup - Payroll</li> <li>• View Earnings</li> <li>• View Deductions</li> <li>• Edit Period Schedule</li> <li>• View Canada Year End Box Form Configuration</li> <li>• Company Federal CAN Tax Reporting</li> <li>• Company Province CAN Tax Reporting</li> <li>• Worker CAN Tax Elections</li> <li>• Company Payroll Printing Options</li> <li>• CAN Year End Tax Documents Printing Elections</li> <li>• Maintain Canada Year End Sorting Setup</li> <li>• Maintain RPP or DPSP Registration Number Configuration</li> <li>• Override RPP or DPSP Registration Number for Worker</li> <li>• View Override RPP or DPSP Registration Numbers</li> </ul>
Audit	<ul style="list-style-type: none"> <li>• PIER Exception Report - CPP/QPP</li> <li>• PIER Exception Summary - CPP/QPP</li> <li>• PIER Exception Report - CPP2/QPP2</li> <li>• PIER Exception Report - EI/QPIP</li> <li>• Canada Company Year End Audit</li> <li>• T4 Preview</li> <li>• T4 Preview - Other Info</li> <li>• T4 Corrections Preview</li> <li>• T4 Corrections Preview - Other Info</li> <li>• T4A Preview</li> <li>• T4A Preview - Other Info</li> <li>• T4A Corrections Preview</li> <li>• T4A Corrections Preview - Other Info</li> <li>• T4A-RCA Preview</li> <li>• T4A-RCA Corrections Preview</li> <li>• RL-1 Preview</li> <li>• RL-1 Preview - Additional Info</li> <li>• RL-1 Corrections Preview</li> <li>• RL-1 Corrections Preview - Additional Info</li> </ul>

Section Label	Item
	<ul style="list-style-type: none"> <li>• RL-2 Preview</li> <li>• RL-2 Preview - Additional Info</li> <li>• RL-2 Corrections Preview</li> <li>• RL-2 Corrections Preview - Additional Info</li> <li>• NR4 Preview</li> <li>• NR4 Corrections Preview</li> <li>• Year End Variance in T4 Box 14</li> <li>• Year End Variance in RL-1 Box A</li> </ul>
Create/Distribute	<ul style="list-style-type: none"> <li>• Create T4 Data</li> <li>• View T4 Form Data</li> <li>• View T4 Form Data - Other Info</li> <li>• View T4 Summary</li> <li>• Create T4 Forms</li> <li>• Create T4 Corrected Data</li> <li>• Create T4A Data</li> <li>• View T4A Form Data</li> <li>• View TA Form Data - Other Info</li> <li>• View T4A Summary</li> <li>• Create T4A Forms</li> <li>• Create T4A Corrected Data</li> <li>• Create T4A-RCA Data</li> <li>• View T4A-RCA Form Data</li> <li>• View T4A-RCA Summary</li> <li>• Create T4A-RCA Forms</li> <li>• Create RL-1 Data</li> <li>• View RL-1 Form Data</li> <li>• View RL-1 Form Data - Additional Info</li> <li>• View RL-1 Summary</li> <li>• Create RL-1 Forms</li> <li>• Create RL-1 Corrected Data</li> <li>• Create RL-2 Data</li> <li>• View RL-2 Form Data</li> <li>• View RL-2 Form Data - Additional Info</li> <li>• View RL-2 Summary</li> <li>• Create RL-2 Forms</li> <li>• Create RL-2 Corrected Data</li> <li>• Create NR4 Data</li> <li>• View NR4 Form Data</li> <li>• View NR4 Summary</li> <li>• Create NR4 Forms</li> <li>• Create NR4 Corrected Data</li> <li>• Publish Employee Canada Year End Tax Documents</li> <li>• Launch/ Schedule Integration</li> </ul>

Related Information

### Concepts

Concept: Custom Worklets

[Steps: Set Up Dashboards and Landing Pages](#)  
[Set Up Worklets](#)

## Year-End Tax Reporting (USA)

### Setup Considerations: Year-End Tax Reporting (USA)

You can use this topic to help make decisions when planning your configuration and use of USA year-end tax reporting. 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

Workday enables you to create and submit year-end data to tax-filing service providers or government agencies using a series of reports, tasks, and integrations. Workday supports these USA year-end tax forms:

- W-2
- W-2PR
- W-2GU
- W-2VI

### Business Benefits

Workday USA year-end tax reporting makes it easier to comply with year-end payroll requirements by:

- Maintaining payroll data in 1 system.
- Validating year-end data against government guidelines.
- Streamlining the creation of W-2 year-end tax forms by providing a business process.
- Streamlining the creation of W-2C, W-2PR, W-2GU, and W-2VI tax forms with tasks.
- Enabling you to audit W-2, W-2C, W-2PR, W-2GU, and W-2VI data using reports.
- Producing electronic copies of year-end tax forms for employees to access in employee self-service (ESS).
- Enabling you to submit year-end tax data to ADP, MasterTax, or Ceridian.
- Enabling you to create a custom integration to submit tax data to providers other than ADP, MasterTax, or Ceridian.

### Use Cases

- Preview year-end tax forms before the year-end process.
- Audit year-end data to identify and address company and employee discrepancies.
- Give employees the ability to opt out of a paper copy of their year-end tax forms.
- Correct year-end tax data within Workday.

## Questions to Consider

Questions	Considerations
Which year-end forms apply to your organization?	Map and test each year-end form that you intend to use for that tax year. Test the integration systems.
Which year-end adjustments will you be processing outside of regular payroll?	Gather the relevant information and enter the adjustments as a manual payment. Example: Third-party sick pay.
What data would you like to use to balance year-end form data?	Plan to create custom reports if required.
Have you verified that all pay components have the correct pay component groups configured?	Pay component groups control how Workday reports some amounts on year-end slips. Pay component groups can also control taxable wages on year-end forms.
Have you changed pay component groups after completing payroll?	You can create manual payments if you need to adjust balances.
Do you have tax adjustments to make?	<p>Use manual payments for adjustments where you need a specific result on the W-2 for withholding. Example: Overpayment to a pretax deduction that has met its limit.</p> <p>Use on-demand payments for adjustments where you don't need a specific result on the W-2 for withholding. Example: Check reversals.</p>
Do you want employees to be able to opt out of paper copies of their year-end forms?	You can setup options for year-end form printing for employees who want to change their printing elections.
Will you print and mail W-2 year-end forms, or use a tax-filing service provider?	<p>If you're going to print and mail year-end forms, order the forms and envelopes based on estimated W-2 counts. Workday recommends that you:</p> <ul style="list-style-type: none"> <li>Order the <i>4UPPERFI05 Greatland</i> form.</li> <li>Provide sufficient time and quantity for testing and reprints.</li> </ul>
How will you report tax filing data to government agencies?	<p>If you're using ADP, MasterTax, or Ceridian tax-filing service providers:</p> <ul style="list-style-type: none"> <li>Review the tax-filing service provider specifications. If your provider has differences from Workday, contact Support.</li> <li>Set up the integration systems.</li> <li>Map relevant pay components to tax-filing categories for integrations using the Maintain Payroll Tax Configuration task.</li> <li>Create test integration files to your tax-filing service provider in preparation for year-end.</li> </ul> <p>If you're not using those tax-filing service providers, plan for resources to determine how</p>

Questions	Considerations
	you'll report your tax filing data to government agencies.
Do you want to hide the control number from employees?	You might want to hide control numbers from employees in some cases. Example: A tax-filing service provider will be assigning control numbers for year-end forms.
Do you want to include third-party sick pay in W-2 forms?	You can edit company federal tax reporting to indicate that a third party will provide the W-2 for sick pay.
How will you report year-end data to the Social Security Agency (SSA)?	To report year-end data directly to the Social Security Agency, create a custom integration.

## Recommendations

In preparation of the year-end process, Workday recommends that you:

- Run the W-2 and U.S. territory preview and audit reports for year-end tax forms each quarter.
- Create test integration files of year-end data each quarter.

## Requirements

In order to produce accurate year-end reporting, you must maintain your tax and payroll data throughout the year.

At the beginning of the tax year:

- Set up fiscal years to support the entire tax year.
- Set up the period schedule for payroll and absence. Validate payment dates for the upcoming year against bank holidays.
- Build out FLSA calendars.
- Verify that new ledger year and periods are in open status.
- Update or add employee and employer tax rates. Example: State Unemployment Insurance rate.
- Review the Expiring Exempt Tax Elections report to communicate them to impacted workers.
- Access the Add Workers US Tax Election for Expiring Exempt report to create new default tax elections for workers.

As necessary, throughout the tax year:

- Review government reporting requirements for the current tax year.
- Run year-end preview and audit reports.
- Update federal, state, and local tax setup for your company.
- Update workers' alternate and processing work locations.

Near the end of the tax year:

- Ensure that you mapped pay components accurately, as this drives W-2 tax reporting in Workday. Use the View W-2 Box Configuration and View US Territory Year End Form Box Configuration reports.
- Complete all payrolls for the reporting year, including all off-cycles and manual adjustments.
- Verify the company addresses, tax IDs, and company name.
- Review earnings and deductions with annual limits.
- Test W-2 form data and printing before year-end.
- Test the ADP, Ceridian, and MasterTax integrations.

## Limitations

Workday doesn't support submitting year-end data directly to government agencies. Submit year-end data to tax-filing service providers using integrations, create a custom integration, or print year-end forms to submit them to government agencies.

Workday creates year-end data for all workers, not individual workers. To provide year-end data for an individual worker:

1. Run the W-2 / US Territory Year End Form Preview report.
2. Use the report to create the form manually using PDFs provided by the government.

For workers who have an international assignment position in the U.S., Workday doesn't support changing tax document printing elections through the ESS (employee self-service) My Tax Documents task.

## Tenant Setup

Workday uses electronic signature text for employees changing printing elections for year-end tax forms. You can configure electronic signature text options on the Edit Tenant Setup - Payroll task.

## Security

Domains	Considerations
<i>Business Process Administration and Manage: Business Process Definitions in the System</i> functional area.	Enables you to set up the business process for W-2 year-end tax forms.
<i>Management Dashboard: Payroll Year End</i> in the USA Payroll functional area.	Enables you to use and configure the Payroll Year End dashboard.
<i>Integration Build, Integration Event, and Integration Debug</i> in the Integration functional area.	Enables you to set up the integration systems to submit tax data to ADP, Ceridian, and MasterTax.
These domains in the USA Payroll functional area: <ul style="list-style-type: none"> <li>• <i>Process: Tax Filing/W-2s (Reports (USA))</i></li> <li>• <i>Process: US Territory Year End Forms (Reports)</i></li> <li>• <i>Reports: Pay Calculation Results for Worker (US Territory Year End Forms)</i></li> </ul>	Users with access to these domains can: <ul style="list-style-type: none"> <li>• Preview employee year-end data prior.</li> <li>• Calculate and extract wage data for a company.</li> <li>• Cancel extracted wage data.</li> <li>• Launch tax filing integrations to send year-end tax data to ADP, Ceridian, and MasterTax.</li> <li>• Give employees access to their year-end tax documents in Workday self-service.</li> <li>• Generate PDFs of the forms.</li> </ul> This access is for original, corrected, and amended forms.
<i>Process: W-2 Bulk Print</i> in the USA Payroll functional area.	Enables you to generate year-end tax form PDFs for a company.

## Business Processes

You can use the *W-2 Year End Process (Default)* business process to create W-2 year-end tax forms. You can access the business process from the Payroll Year End dashboard.

## Reporting

Reports or Dashboards	Considerations
Custom Reports	<p>You can create custom reports from report data sources secured to these business objects:</p> <ul style="list-style-type: none"> <li>• <i>Payroll Result</i></li> <li>• <i>Tax Document Delivery</i></li> <li>• <i>Worker</i></li> <li>• <i>W-2</i></li> <li>• <i>W-2C</i></li> <li>• <i>W-2 All</i></li> <li>• <i>W-2GU</i></li> <li>• <i>W-2PR</i></li> <li>• <i>W-2VI</i></li> </ul> <p>Use the Social Security Number-Truncated report field to verify a worker on a report without disclosing their private information.</p>
Payroll Compliance Dashboard	Review updates that Workday delivers to comply with government requirements.
Payroll Year End Dashboard	<p>Use the dashboard to access these W-2 reports as worklets:</p> <ul style="list-style-type: none"> <li>• Payroll Year End Process</li> <li>• Last 5 Years (Forms/ Employees)</li> <li>• Estimated Form Types Needed (Forms/ Employees)</li> </ul> <p>This feature doesn't support U.S. Territories, W-2C forms, and company relationships.</p>
Tenant Analyzer Profile	Verify that pay components are in the appropriate pay component group. You can use the PCGs for Payroll Calculations report on the Payroll profile group.
<ul style="list-style-type: none"> <li>• View Third Party Sick Pay Recap Form Data</li> <li>• Audit Negative Wage or Tax (by Worker)</li> <li>• Company W-2 Audit</li> <li>• View W-2 Errors</li> <li>• W-2 Preview</li> <li>• Company US Territory Year End Form Audit</li> <li>• View US Territory Year End Form Errors</li> <li>• US Territory Year End Form Preview</li> </ul>	Use these reports to audit year-end data.
Tax Filing Quarterly Data by Company Tax Filing Quarterly Data by Worker	<p>You can use these reports to create these forms manually:</p> <ul style="list-style-type: none"> <li>• 941</li> <li>• 940</li> <li>• State and locals annual tax</li> </ul>

## Integrations

Integrations	Considerations
<p><i>ADP Tax Filing Service - Quarterly</i></p> <p><i>MasterTax Tax Filing Service - Quarterly</i></p> <p><i>Ceridian Tax Filing Service - Annual</i></p>	Launches a preconfigured tax filing integration to send year-end data from Workday Payroll to your tax-filing service provider.
<i>TurboTax Integration</i>	Note: As of 2023-12-01, Intuit® no longer supports receiving W-2 forms into TurboTax® using this integration. Your employees can manually import or upload their W-2 tax form into TurboTax®. If you have questions, please contact your Workday representative.

Web Services	Considerations
<p><i>Get EFW2 Year End Worker Filing Data</i></p> <p><i>Get EFW2 Year End Employer Filing Data</i></p>	<p>Enables you to create integrations with the Social Security Administration (SSA) or other tax-filing service providers. When creating a Studio Integration, use both web services.</p> <p>The <i>Get EFW2 Year End Worker Filing Data</i> web service enables you to combine workers' earned state and local taxes by ID for companies with common paymaster relationships.</p>
<p><i>Get Tax Document Deliveries</i></p> <p><i>Put Tax Document Delivery</i></p> <p><i>Put W-2 W-2C Printing Election</i></p>	Enables you to load year-end printing elections for workers.
<i>Put Payroll Off-Cycle Payment</i>	Enables you to load off-cycle payments for workers.
<p><i>Get W-2PR Control Numbers (Web Service)</i></p> <p><i>Put W-2PR Control Numbers (Web Service)</i></p>	Enables you to load Puerto Rico Control Numbers to the W-2PR and W-2CPR forms.

## Connections and Touchpoints

Ensure that you provide any required year-end worker data, including:

- Contact information, such as home addresses, postal codes, and social security numbers.
- Alternate and primary work location or position job location.

Workday determines the work state of the employee from this information.

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: Year-End Tax Reporting \(USA\)](#) on page 970

[Setup Considerations: Adjustments for Prior Periods](#) on page 735

#### Tasks

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(USA\)](#) on page 971

#### Reference

[FAQ: Year-End Tax Reporting \(USA\)](#) on page 965

**Examples**

The Next Level: Payroll Year-End Series

**FAQ: Year-End Tax Reporting (USA)**

- Which address does Workday use for employees on year-end tax reporting forms? on page 965
- If the company has more than 1 address, what address does Workday use on the W-2? on page 966
- How can I display the amount for an earning on an employee's W-2? on page 966
- Where does Workday display totals for amounts reported for employees on year-end tax reporting forms? on page 967
- How do I file taxes for purged workers? on page 967
- The name of our company changed recently. How do we print the old name on the year-end tax reporting forms? on page 967
- How do I configure Box 13 for employees who haven't elected the company retirement plan? on page 967
- When can employees access tax documents through self-service? on page 967
- How do we unpublish year-end tax documents once employees can access them through self-service? on page 967
- How can employees select whether to receive an electronic copy only of their W-2? on page 967
- How can employees outside the U.S. view their year-end tax reporting forms? on page 967
- Why does the W-2 display the worker's entire income for their New York state wage, when they lived or worked in New York state or Yonkers only part of the year? on page 967
- Why doesn't the vendor's W-2 match Workday's W-2? on page 968
- How do I report on self-employment taxes for occupations such as clergy members? on page 968
- Why don't my periodic totals match my QTD and YTD wages and taxes? on page 968

Which address does Workday use for employees on year-end tax reporting forms?

The Usage you select on the Change Contact Information task for the home or work address determines the address hierarchy.

Workday uses the first address it finds for an employee in this hierarchy:

Address	Usage
Home	International Assignment
Home	Payroll Tax Form
Work	Payroll Tax Form
Home	Paycheck
Work	Paycheck
Home (Primary)	Mailing
Home	Mailing
Work (Primary)	Mailing
Work	Mailing
Home (Primary)	
Work (Primary)	
Business Location	

If the company has more than 1 address, what address does Workday use on the W-2?

The worker needs to have an International Assignment event for Workday to use their international event address.

Workday retrieves the address that's current when you create the form data or an employee accesses the data through self-service. However, the Schedule W-2 Pre-Print task enables you to generate W-2 PDFS for all employees in advance. Workday displays the address on the W-2 PDF that's current for the employee when you run the task.

**Example:** If an employee has a work address with a usage of *Payroll Tax Form*, Workday uses that address. If not, Workday looks for the next option, which is a home address with a usage of *Paycheck*.

Workday uses the selected primary address on the Edit Company Contact Information task as the employer's address in Box C of the W-2.

You can also use the *Payroll Tax Form* option on the Use For field in the Address section on the Edit Company Contact Information task. These reports and forms displays the payroll tax form address that you specify on the Edit Company Contact Information task:

- Company US Territory Year End Form Audit
- Company US Territory Year End Form Corrections Audit
- Company W-2 Audit
- Company W-2C Audit
- US Territory Year End Form Corrections Preview
- View Third Party Sick Pay Correction Recap Form Data
- View Third Party Sick Pay Recap Form Data
- View US Territory Year End Form Corrections Data
- View US Territory Year End Form Data
- View W-2 Data
- View W-2C Data
- W-2C Preview
- W-2 PDF form
- W-2C PDF form
- W-2PR PDF form
- W-2GU PDF form
- W-2VI PDF form

How can I display the amount for an earning on an employee's W-2?

Map the earning to *Box 14 - Other* using the View W-2 Box Configuration report.

**Example:** You map a third-party sick pay earning to *Box 14 - Other*. Workday will display the amount

Where does Workday display totals for amounts reported for employees on year-end tax reporting forms?

How do I file taxes for purged workers?

The name of our company changed recently. How do we print the old name on the year-end tax reporting forms?

How do I configure Box 13 for employees who haven't elected the company retirement plan?

When can employees access tax documents through self-service?

How do we unpublish year-end tax documents once employees can access them through self-service?

How can employees select whether to receive an electronic copy only of their W-2?

How can employees outside the U.S. view their year-end tax reporting forms?

Why does the W-2 display the worker's entire income for their New York state wage, when they lived or worked in New York state or Yonkers only part of the year?

paid to an employee using that earning on the employee's W-2.

You can view the totals on these reports:

- Company W-2 Audit
- Company W-2C Audit
- Company US Territory Year End Form Audit
- Company US Territory Year End Form Corrections Audit

Manually prepare tax files and year-end reports for purged workers. To view results for multiple workers based on company and year, access the Purged Workers with Completed Payroll Results report. The report won't return reversed pay results.

Enter the old name on the Company Name Override for Year End Forms field. Access the field on the Edit Company Federal US Tax Reporting task.

[See Configure Box 13 for Employees Who Didn't Elect the Company Retirement Plan \(USA\) on page 1202.](#)

Tax documents become available on the date you select for the company on the relevant task:

- Publish US Year End Tax Documents
- Publish US Territory Year End Tax Documents

Access the relevant task and change the availability date for the company:

- Publish US Year End Tax Documents
- Publish US Territory Year End Tax Documents

Workday will remove the documents from self-service, even though employees might have already accessed their forms.

[See Set Up Year-End Tax Document Printing Options for Workers on page 950.](#)

They can select Pay > Tax Documents on their worker profile.

Workday follows government guidelines for part-time New York state residents. Workday reports Federal Taxable wages (Box 1) in place of these boxes on an employee's W-2 as required:

- New York State Taxable wages (Box 16)
- Yonkers Local Taxable wages (Box 19)

Why doesn't the vendor's W-2 match Workday's W-2?

How do I report on self-employment taxes for occupations such as clergy members?

Why don't my periodic totals match my QTD and YTD wages and taxes?

The employee's W-2 published by a tax filing vendor doesn't always match the Workday W-2. This mismatch is due to interpretation differences of compliance departments. If your tax filing vendor sends the W-2 information to the government, Workday isn't the official record.

Example: Workday puts the CO-DNVR tax in Box 14. ADP puts the tax in Boxes 18, 19, and 20.

You can map custom pay components on the 2 – Additional federal income tax withheld box on the View W-2 Box Configuration report.

Workday sums the pay components of these boxes in Box 2 on Workday W-2 reports and forms:

- 2 – Additional federal income tax withheld
- 2 – Federal income tax withheld

Workday doesn't display this sum on the Workday tax filing reports or web services.

There are 2 possible reasons why your periodic totals don't match your QTD and YTD wages and taxes on these reports:

- Tax Filing Periodic Data by Company
- Tax Filing Periodic Data for Workers

The 2 possible reasons are:

- The periodic reports use pay period instead of pay date to derive amounts. Therefore, QTD and YTD amounts in the periodic reports can:
  - Represent a different quarter than you expect.
  - Differ from the quarterly reports.

Example: You run the periodic reports. The results for period 3/15/2019 – 3/31/2020 include pay dates 3/31/2020 and 4/2/2020. The QTD amount on the row for that period uses the quarter for the latest pay date, 4/2. It will report all amounts paid QTD in Q2 through 4/2. It won't include the amounts paid on 3/31 in the QTD on that row because 3/31 is Q1.

If you have an off-cycle result for the 3/15/2020 to 3/31/2020 period with a payment date of 4/2/2020, the Tax Filing Periodic for Workers report doesn't include this in the QTD value. Select the Include Payment Date check box to break the off-cycle result into a separate row. Workday displays the QTD represented on the off-cycle row for Q2 because this is the quarter the payment date is within. Workday doesn't

display the off-cycles value in the on-cycle row.

You run the quarterly reports for Q2: Tax Filing Quarterly Data by Company and Tax Filing Quarterly Data for Workers. Workday reports all amounts paid between April 1 to June 30.

- The periodic data in the tax filing periodic reports don't include history payments, but the QTD and YTD data do. If you request data for both history periods and current periods, only the current periods display in the reports. QTD and YTD amounts don't match the periodic amounts because:

- QTD Taxable Wages and YTD Taxable Wages include history payments. The periodic Taxable Wages and Subject Wages don't.
- QTD Tax Withheld and YTD Tax Withheld include history taxes withheld. The periodic Tax Withheld doesn't.

Example: Your employee, Jane Mavens, has a history payment for period 04/01/2013 - 04/07/2013 (Weekly) with pay date of 4/8/2013, in Q2. She also has a regular payment for period 04/08/2013 - 04/14/2013 (Weekly), also in Q2. The history payment has tax withheld of 200 USD, and taxable, subject, and gross wages for federal withholding of 1,000 USD. You request a periodic report for both pay periods. Workday returns only the regular period and includes the history amounts in the QTD and YTD amounts.

Periodic Tax Withheld	Periodic Taxable Wages	Periodic Subject Wages	Periodic Gross Wages
306.90 (no history)	1,583.08 (no history)	1,583.08 (no history)	1,615.39 (no history)

QTD Tax Withheld	QTD Taxable Wages	QTD Subject Wages	QTD Gross Wages
506.90 (306.90 + 200)	2,583.08 (1,583.08 + 1,000)	2,583.08 (1,583.08 + 1,000)	2,615.39 (1,615.39 + 1,000)

QTD Tax Withheld	QTD Taxable Wages	QTD Subject Wages	QTD Gross Wages
from history)	from history)	from history)	from history)

YTD Tax Withheld	YTD Taxable Wages	YTD Subject Wages	YTD Gross Wages
506.90 (306.90 + 200 from history)	2,583.08 (1583.08 + 1,000 from history)	2,583.08 (1,583.08 + 1,000 from history)	2,615.39 (1,615.39 + 1,000 from history)

## Year-End Tax Forms (USA)

### Concept: Year-End Tax Reporting (USA)

Year-End Dashboard and Business Process

The Payroll Year-End Dashboard provides easy access to year-end tasks, estimates, statistics, and the status of year-end forms.

You can process year-end tax reporting as part of the year-end business process or independently. You can only launch the configurable year-end business process from the Payroll Year-End Dashboard.

Completed Moment

Workday uses the last created tax data set when running some year-end tasks and reports. This tax data set might not reflect the current data.

Example: You run the Create W-2 Data task on January 5 and run an on-demand payroll on January 6. If you run the W-2 Preview report on January 10, the preview reports the data you created on January 5. It doesn't include the January 6 on-demand payment. However, if you select January 6 as the Completed Moment, the preview report returns data up to that date.

Alternatively, you can use the Cancel W-2 Data task to delete any data created earlier. Workday will then automatically return data for the current moment.

You can specify the Completed Moment on these tasks and reports:

- Company W-2 Audit
- Company W-2C Audit
- Company US Territory Year End Form Audit
- Company US Territory Year End Form Corrections Audit
- View W-2 Errors
- View US Territory Year End Form Errors

- W-2 Preview
- W-2C Preview
- Create W-2 Data
- Create W-2C Data
- Create US Territory Year End Form Data
- Create US Territory Year End Form Correction Data

## Steps: Set Up, Audit, and Print Year-End Tax Forms (USA)

### Prerequisites

- Review setup considerations for USA year-end tax reporting.
- Configure Box 13 for employees who didn't elect the company pension plan (doesn't apply to Puerto Rico).
- Map earnings and deductions to boxes on the year-end tax reporting form. You're responsible for mapping most data on the form; Workday maps some data, but you should still verify it.

### Context

Run at least 1 payroll before you create year-end tax forms. When you've completed all payroll, including all off-cycle payments, you can create, view, and print the year-end forms. If you set up U.S. payroll to include workers on international assignment in the U.S., Workday generates W-2s for those workers.

Workday populates year-end forms by combining worker data and pay component mapping. Workday maps some data on the year-end form, but you're responsible for mapping the rest of the data.

### Steps

1. [Define Year-End Tax Form Sort and Split Options \(USA\)](#) on page 974.
2. (Optional) Hide the control number from employees.

Access the relevant report and select Edit > Suppress Control Number Display on Form:

- View W-2 Box Configuration (for 2017 onward).
- View US Territory Year End Form Box Configuration (for 2017 onward for Guam and the U.S. Virgin Islands, and 2018 onward for Puerto Rico).

Workday will no longer display the control numbers on W-2 PDFs in Employee Self Service (ESS).

3. For workers in Puerto Rico, access the Edit Company State and Local US Tax Reporting task to configure control numbers for year-end tax forms.

On the Year End tab, enter the control numbers.

**Security:** *Process: US Territory Year End Forms (Run)* domain in the USA Payroll functional area.

You can use these web services to assign Puerto Rico Control Numbers to the W-2PR form:

- *Get W-2PR Control Numbers (Web Service)*
- *Put W-2PR Control Numbers (Web Service)*

You must run the Create US Territory Year End Form Data task before using the web services to update the Puerto Rico Control numbers.

**Security:** *Process: US Territory Year End Forms (Reports)* domain in the USA Payroll functional area.

Workday assigns a unique control number to each W-2PR form when you run the Create US Territory Year End Form Data task.

- Audit year-end data for 1 or more companies to ensure it's correct before creating data for a print run. Access the relevant report:

- Company W-2 Audit
- Company US Territory Year End Form Audit

Review summary year-end tax data for 1 or more companies.

When a third party provides year-end tax and tax forms for sick pay, the report includes a summary of payments and taxes (doesn't apply to U.S. territories).

For Puerto Rico workers, confirm the range of control numbers.

Security: These domains in the USA Payroll functional area:

- Process: Tax Filing/W2s (Reports) - USA*
- Process: US Territory Year End Forms (Reports)*

- Identify employees with year-end form errors before a print run:

Access the relevant report:

- View W-2 Errors
- View US Territory Year End Form Errors

If desired, use the Error Type field to filter the report to improve performance. When you don't select error types, Workday returns all W-2 errors (doesn't apply to U.S. territories).

Security: These domains in the USA Payroll functional area:

- Process: Tax Filing/W-2s (Reports) - USA Payroll*
- Process: US Territory Year End Forms (Reports)*

- Preview year-end tax data for employees in 1 or more companies before a print run.

Access the relevant report:

- W-2 Preview
- US Territory Year End Form Preview

Security: These domains in the USA Payroll functional area:

- Process: Tax Filing / W-2s (Reports) - USA*
- Process: US Territory Year End Forms (Reports)*

- Create year-end form data using the relevant task:

- Create W-2 Data
- Create US Territory Year End Form Data

- For workers in Puerto Rico, access the Assign W-2PR/W-2CPR Confirmation Number task.

Record the confirmation numbers you receive from the Puerto Rico Department of Treasury.

Security: *Process: US Territory Year End Forms (Run)* domain in the USA Payroll functional area.

- Access the relevant report to view employee wage and tax amounts to ensure that they're correct:

- View W-2 Form Data
- View US Territory Year End Form Data

Security: These domains in the USA Payroll functional area:

- Process: Tax Filing/W-2s (Reports) - USA*
- Process: US Territory Year End Forms (Reports)*
- Reports: Pay Calculation Results for Worker (US Territory Year End Forms)*

10. Create year-end tax forms using the relevant task:

- Create W-2 Forms
- Create US Territory Year End Forms

Except for U.S. territories, when a third party provides W-2s for sick pay, Workday includes a summary of third-party sick pay.

Security: These domains in the USA Payroll functional area:

- *Process: Tax Filing / W-2s (Reports) - USA*
- *Process: US Territory Year End Forms (Reports)*

11. (Optional) If there are errors in the extracted wage and tax data, cancel the data and correct any errors. Access the relevant task:

- Cancel W-2 Data
- Cancel US Territory Year End Form Data

If you've created W-2C data, you can't cancel W-2 data. You need to cancel the W-2C data first.

Security: These domains in the USA Payroll functional area:

- *Process: Tax Filing/W-2s (Run) - USA*
- *Process: US Territory Year End Forms (Run)*

12. [Generate and Print Year-End Tax Forms \(USA\)](#) on page 975.

13. Schedule when Workday generates W-2 form PDFs at the company level to reduce the processing load on your tenant during peak hours. Not available for correction forms.

Access the relevant task:

- Schedule W-2 Pre-Print
- Schedule US Territory Year End Tax Documents Pre-Print

The Request Name you enter displays in the Request column on the Process Monitor report.

Security: *Process: W-2 Bulk Print* domain in the USA Payroll functional area.

Workday displays a link to the W-2 PDF file on worker's profiles instead of the View/Print button. Employees can't access this link until you publish year-end tax forms to ESS.

(Optional) When a third party provides W-2s for sick pay, this task also generates a recap of third-party sick pay (doesn't apply to U.S. territories).

14. (Optional) [Publish Year-End Tax Forms to Self-Service \(USA\)](#) on page 976.

15. (Optional) [Launch an Integration](#).

Launch a preconfigured tax filing integration to send annual tax data from Workday Payroll to your tax-filing service provider.

Security: *Get* and *Put* integration permissions for these domains in the USA Payroll functional area:

- *Process: Tax Filing/W-2s (Reports) (USA)*
- *Process: US Territory Year End Forms (Reports)*

## Next Steps

Prepare for next year:

- Set up period schedules for payroll.
- Create new ledger periods and set the status to *Open*.

## Related Information

### Concepts

[Setup Considerations: Year-End Tax Reporting \(USA\)](#) on page 959

[Concept: Worker Tax Elections \(USA\)](#) on page 1262

[Concept: Tax Filing Integration Launch Options](#)

## Tasks

- [Configure Box 13 for Employees Who Didn't Elect the Company Retirement Plan \(USA\) on page 1202](#)
- [Map Earnings and Deductions to W-2 Boxes \(USA\) on page 1200](#)
- [Map Earnings and Deductions to Year-End Forms for U.S. Territories \(USA\) on page 1201](#)
- [Open Ledger Periods for a New Fiscal Year on page 444](#)
- [Set Up Year-End Tax Document Printing Options for Workers on page 950](#)
- [Steps: Set Up Personal Information Fields](#)

## Reference

- [FAQ: Year-End Tax Reporting \(USA\) on page 965](#)
- [The Next Level: Payroll Year-End Analysis and Review](#)

## Define Year-End Tax Form Sort and Split Options (USA)

### Prerequisites

Security domains in the USA Payroll functional area:

- [Set up: Payroll \(Tax Filing/W-2s\) - USA](#)
- [Set up: Payroll \(US Territory Year End Forms\)](#)

### Context

Specify how to split year-end tax forms into batches for printing and how to sort forms within batches. The same settings apply to tax correction forms.

### Steps

1. Access the relevant sorting task:
  - [Maintain W-2 Sorting Setup.](#)
  - [Maintain US Territory Year End Form Sorting Setup.](#)
2. Complete these fields:

Option	Description
Year End Form Sorting Values	<p>Select one or more sort categories:</p> <ul style="list-style-type: none"> <li>• <i>Employee Status</i></li> <li>• <i>Company</i></li> <li>• <i>Location</i></li> <li>• <i>Zip Code</i></li> </ul> <p>Use the Order column to define the sort order. The sort order determines the values for the control number in Box D on the tax form. Example: The employee status displays:</p> <ul style="list-style-type: none"> <li>• A for terminated.</li> <li>• B for on leave.</li> <li>• C for active.</li> </ul>
Split File	<p>To split the forms into separate batch files, select the sort value for splitting the forms. Workday uses the split option to determine the filename. Example: If you split files by zip code, Workday names each batch after the zip code of the employees it contains.</p>

Option	Description
	<p>Example: If you split files by employee status, Workday names each batch after the status of the employees it contains in this order:</p> <ul style="list-style-type: none"> <li>• Terminated</li> <li>• Workers on Leave</li> <li>• Active</li> </ul> <p>If you don't select a split option, Workday automatically splits the forms by company.</p>

## Result

When you generate forms for printing, Workday groups the forms into batch files according to the split and sort options you selected.

## Example

You're the Payroll Administrator for Global Modern Services, Inc (USA). You want to split year-end forms into different batch files by location; and within each location grouping, sort by employee status and zip code.

- In the Year End Form Sorting Values column, select:
  1. *Location*
  2. *Employee Status*
  3. *Zip Code*
- Select the Split File check box for *Location*.

When you generate the forms, the value in Box D on Betty Liu's W-2 is *San Franci.Y.94070*, which reflects her location, employee status, and zip code.

## Next Steps

Workday uses the sort order to determine the values for the control number on the tax form. You can hide the control number from employees on their tax forms in employee self-service. Access the relevant report and select Edit > Suppress Control Number Display on Form:

- View W-2 Box Configuration for 2017 onward.
- View US Territory Year End Form Box Configuration for 2017 onward for Guam and the Virgin Islands.

## Generate and Print Year-End Tax Forms (USA)

### Prerequisites

- Use the relevant task to tell Workday how to sort and organize the forms into separate batch files:
  - Maintain W-2 Sorting Setup
  - Maintain US Territory Year End Form Sorting Setup
- If necessary, adjust the default top and left print alignment settings for the year-end form on the Edit Tenant Setup - Payroll task (applies only to U.S. states).
- Security: These domains in the USA Payroll functional area:
  - *Process: Tax Filing / W-2s (Run) - USA*
  - *Process: US Territory Year End Forms (Reports)*
  - *Reports: Pay Calculation Results for Worker (Tax Filing/W-2s) - USA*
  - *Reports: Pay Calculation Results for Worker (US Territory Year End Forms)*

## Context

You can generate PDF forms for printing after creating year-end tax data.

## Steps

1. Access the relevant task:
  - Create W-2 Forms
  - Create US Territory Year End Forms
  - Create W-2 Forms for a Large Number of Workers for 300,000 or more workers.
2. Click Refresh to view the status of the PDF generation process. When the process is complete, open the PDF files at the bottom of the page.

## Result

Workday prints the front image of the year-end form only.

## Next Steps

Use condensed 4up (quadrant) form stock with a preprinted back. Workday doesn't support the use of any other form stock. Workday recommends you use the Greatland® 4upperfi05 form stock (applies to U.S. states only).

If the forms are error-free:

- Print the PDFs and distribute them to employees.
- Publish the forms to employee self-service (ESS), when applicable.

If there are errors, cancel the forms with the relevant task. If you've created W-2C data, you can't cancel W-2 data. You need to cancel the W-2C data first.

- Cancel W-2 Data
- Cancel US Territory Year End Form Data

Correct the errors and create the year-end form data again.

## Related Information

### Tasks

[Set Up Year-End Tax Document Printing Options for Workers](#) on page 950

### Reference

[FAQ: Year-End Tax Reporting \(USA\)](#) on page 965

[Reference: Edit Tenant Setup - Payroll](#)

## Publish Year-End Tax Forms to Self-Service (USA)

### Prerequisites

- View W-2 and US Territory year-end form data.
- Security: These domains in the USA Payroll functional area:
  - *Process: US Territory Year End Forms (Reports)*
  - *Process: Tax Filing/W-2s (Reports) - USA*

## Context

Publish year-end tax forms so that employees can use self-service to view and print their forms. This feature is available for tax year:

- 2010 onward for W-2, W-2C forms.
- 2018 onward for W-2PR, W-2CPR, W-2GU, W-2CGU, W-2VI, and W-2CVI forms.

## Steps

1. Access the relevant task.
  - Publish US Year End Tax Documents
  - Publish US Territory Year End Tax Documents
2. Select the companies for which you want to publish year-end tax forms.
3. Enter the dates you want employees to be able to access their forms. As you complete the task, consider:

Option	Description
Electronic-only Availability Date	Employees who opt in to receive only an electronic copy of their W-2 form will be able to access their form on this date.
Electronic and Paper Copy Availability Date	Employees who opt in to receive both an electronic copy and a paper copy of their W-2 form will be able to access their form on this date.  If you don't enter a date in this field, it will populate the Electronic-only Availability Date.

You can update or remove the availability date by accessing this task again.

The Issued Date displays the last date you extracted W-2 data using the relevant task.

- Create W-2 Data
- Create US Territory Year End Form Data

## Result

- Forms are available as a related action for a worker by selecting Payroll > Tax Documents. In addition to desktop, workers can view and print year-end forms using Workday on Android, iPad, and iPhone.
- Terminated workers can view their W-2 forms on mobile by searching for the My Tax Documents task.
- Workday displays a View/Print button on the worker profile. If you preprint the forms, Workday displays a link to the W-2 PDF file on the worker profile.
- A W-2 form that is compatible with accessible readers is available for employees. Employees can select the Accessible Form button on the My Tax Documents task. This button displays when employees select the Simplified View check box on the Change Preferences task. (This feature doesn't apply to U.S. Territories.)

## Next Steps

- You can unpublish the forms from self-service once the availability date has passed. Access the relevant task and changing the availability date:
  - Publish US Year End Tax Documents
  - Publish US Territory Year End Tax Documents

Workday recommends that you create correction forms instead of unpublishing forms, as employees might have already accessed their forms.

- You can schedule generation of original W-2, W-2PR, W-2GU, and W-2VI form PDFs. Access the relevant task:
  - Schedule W-2 Pre-Print
  - Schedule US Territory Year End Tax Documents Pre-Print

Scheduling the generation reduces the processing load on your tenant during peak hours and includes a link directly to the W-2 PDF on the worker profile.

Related Information

**Reference**

[FAQ: Year-End Tax Reporting \(USA\)](#) on page 965

## Year End Tax Reporting Corrections (USA)

### Steps: Set Up, Audit, and Print Year-End Tax Correction Forms (USA)

#### Prerequisites

Correct errors in the existing year-end tax forms:

- Correct earnings and deductions mapped to tax reporting forms using the reports:
  - View W-2 Box Configuration
  - View US Territory Year End Form Box Configuration
- Correct employee data. See [Steps: Set Up Personal Information](#).
- Correct year-to-date wage or tax amounts. See:
  - *Concept: Adjust Prior Period Payments.*
  - *Concept: Off Cycle Payments.*

#### Context

Prepare and print employee copies of corrected year-end tax forms.

#### Steps

1. [Define Year-End Tax Form Sort and Split Options \(USA\)](#) on page 974.
2. Audit corrected tax data for 1 or more companies to ensure it's correct before creating corrected data for a print run. Access the relevant report:
  - Company W-2C Audit
  - Company US Territory Year End Form Corrections Audit

These reports return corrections made since the last created data set. Example: You make corrections and run the Company W-2C Audit report. The report returns the boxes that have

corrections. You run the Create W-2C Data task and then run the Company W-2C Audit report. The report returns no data until you make corrections again.

When a third party provides year-end tax and tax forms for sick pay, the report includes a summary of payments and taxes (doesn't apply to U.S. territories).

For Puerto Rico workers, confirm the range of control numbers.

You can use these web services to update Puerto Rico Control Numbers to the W-2CPR form:

- *Get W-2PR Control Numbers (Web Service)*
- *Put W-2PR Control Numbers (Web Service)*

You must run the Create US Territory Year End Form Data task before using the web services to update the Puerto Rico Control numbers.

Security: These domains in the USA Payroll functional area:

- *Process: Tax Filing/W2s (Reports) - USA*
- *Process: US Territory Year End Forms (Reports)*

3. Identify employees with form errors before creating corrected data for a print run. Access the relevant report:

- View W-2 Errors
- View US Territory Year End Form Errors

If desired, use the Error Type field to filter the report to improve performance. When you don't select error types, Workday returns all W-2 errors. Doesn't apply to U.S. territories.

Security: These domains in the USA Payroll functional area:

- *Process: Tax Filing/W-2s (Reports) - USA Payroll*
- *Process: US Territory Year End Forms (Reports)*

4. Preview tax data for employees in 1 or more companies before creating corrected data for a print run.

Access the relevant report:

- W-2C Preview
- US Territory Year End Form Corrections Preview

Security: These domains in the USA Payroll functional area:

- *Process: Tax Filing / W-2s (Reports) - USA*
- *Process: US Territory Year End Forms (Reports)*

5. Create year-end tax forms using the relevant task:

- Create W-2C Data.
- Create US Territory Year End Form Corrections Data.

Except for U.S. territories, when a third party provides W-2s for sick pay, Workday includes a summary of third-party sick pay.

Security: These domains in the USA Payroll functional area:

- *Process: Tax Filing/W-2s (Run) – USA*
- *Process: US Territory Year End Forms (Run)*

6. Access the relevant report to corrected data:

- View W-2C Form Data
- View US Territory Year End Form Corrections Data

Security: These domains in the USA Payroll functional area:

- *Process: Tax Filing/W-2s (Reports) – USA*
- *Process: US Territory Year End Forms (Reports)*

7. (Optional) If there are errors in the extracted wage and tax data, cancel the data and correct any errors. Access the relevant task:
  - Cancel W-2C Data.
  - Cancel US Territory Year End Form Data.

Security domains in the USA Payroll functional area:

- *Process: Tax Filing/W-2s (Run) – USA*
- *Process: US Territory Year End Forms (Run)*

8. Access the Assign W-2PR/W-2CPR Confirmation Number task.

For workers in Puerto Rico, record the confirmation numbers you receive.

Security: *Process: US Territory Year End Forms (Run)* domain in the USA Payroll functional area.

9. [Generate and Print Year-End Tax Correction Forms \(USA\)](#) on page 980.

- 10.(Optional) [Publish Year-End Tax Correction Forms to Self-Service \(USA\)](#) on page 981.

Make W-2C, W-2CPR, W-2CGU, and W-2VI forms available to employees through self-service.

- 11.(Optional) [Launch an Integration](#) .

Launch a preconfigured tax filing integration to send annual tax correction data from Workday Payroll to your tax-filing service provider.

The setup for running annual tax filing integrations for the W-2, W-2PR, W-2C, W-2CPR, W-2GU, W-2CGU, W-2VI, and W-2CVI forms are the same.

Security: *Get* and *Put* integration permissions for these domains in the USA Payroll functional area:

- *Process: Tax Filing/W-2s (Reports (USA))*
- *Process: US Territory Year End Forms (Reports)*

## Related Information

### Tasks

[Define Year-End Tax Form Sort and Split Options \(USA\)](#) on page 974

[Set Up Year-End Tax Document Printing Options for Workers](#) on page 950

### Reference

[FAQ: Year-End Tax Reporting \(USA\)](#) on page 965

[The Next Level: Adjustments, Corrections, and Reconciliations](#)

## Generate and Print Year-End Tax Correction Forms (USA)

### Prerequisites

- Use the relevant task to tell Workday how to sort and organize the forms into separate batch files:
  - Maintain W-2 Sorting Setup
  - Maintain US Territory Year End Form Sorting Setup
- If necessary, adjust the top and left print alignment settings for the year-end form on the Edit Tenant Setup - Payroll task (applies only to U.S. states).
- Security: These domains in the USA Payroll functional area:
  - *Process: Tax Filing / W-2s (Reports) - USA*
  - *Process: US Territory Year End Forms (Reports)*
  - *Reports: Pay Calculation Results for Worker (Tax Filing/W-2s) - USA*
  - *Reports: Pay Calculation Results for Worker (US Territory Year End Forms)*

### Context

You can generate PDF forms for printing after creating corrections for year-end tax data.

## Steps

1. Access the relevant task:

- Create W-2C Forms
- Create US Territory Year End Forms for the Correction type.

Option	Description
Companies	If you don't select a company, Workday generates forms for all workers with correction data in the selected tax year.
Worker	You can select workers whose date and time-stamped wage and tax data includes changes or corrections made since the creation of their year-end tax reporting form.

2. Click Refresh to view the status of the PDF generation process. When the process is complete, open the PDF files at the bottom of the page.

## Result

Workday prints the front image of the year-end form only.

## Next Steps

Use condensed 4up (quadrant) form stock with a pre-printed back. Workday doesn't support the use of any other form stock. Workday recommends you use the Greatland® 4upperfi05 form stock (applies to U.S. states only).

If the forms are error-free:

- Print the PDFs and distribute them to employees.
- Publish the forms to employee self-service (ESS), when applicable.

If there are errors, use the relevant task to cancel the forms:

- Cancel W-2C Data
- Cancel US Territory Year End Form Data

Correct the errors and create the year-end correction data again.

## Related Information

### Tasks

[Publish Year-End Tax Correction Forms to Self-Service \(USA\)](#) on page 981

[Steps: Set Up, Audit, and Print Year-End Tax Correction Forms \(USA\)](#) on page 978

### Reference

[FAQ: Year-End Tax Reporting \(USA\)](#) on page 965

## Publish Year-End Tax Correction Forms to Self-Service (USA)

### Prerequisites

- View W-2C and US Territory corrections form data.
- Security: These domains in the USA Payroll functional area:
  - *Process: US Territory Year End Forms (Reports)*
  - *Process: Tax Filing/W-2s (Reports) - USA*

## Context

Publish year-end tax forms so that employees can use self-service to view and print their forms. This feature is available for tax year:

- 2010 onward for W-2, W-2C forms.
- 2018 onward for W-2PR, W-2CPR, W-2GU, W-2CGU, W-2VI, and W-2CVI forms.

## Steps

1. Access the relevant task:
  - Publish US Year End Tax Documents
  - Publish US Territory Year End Tax Documents
2. Select the companies for which to publish correction forms.
3. Enter the date you want employees to be able to access their forms in these fields:
  - Electronic-only Availability Date
  - Electronic and Paper Copy Availability Date

You can update or remove these dates by accessing this task again.

The Issued Date displays the last date you extracted W-2C data using the relevant task.

- Create W-2C Data
- Create US Territory Year End Form Corrections Data

## Result

- Forms are available as a related action for a worker by selecting Payroll > Tax Documents. In addition to desktop, workers can view and print year-end forms using Workday on Android, iPad, and iPhone.
- Terminated workers can view their W-2 forms on mobile by searching for the My Tax Documents task.
- A W-2C form that is compatible with accessible readers is available. Employees can select the Accessible Form button on the My Tax Documents task. This button displays when employees select the Simplified View check box on the Change Preferences task. (This feature doesn't apply to U.S. Territories.)

## Next Steps

You can unpublish the forms from self-service once the availability date has passed by accessing the relevant task and changing the availability date.

- Publish US Year End Tax Documents
- Publish US Territory Year End Tax Documents

Workday recommends that you create correction forms instead of unpublishing forms, as employees might have already accessed their forms.

Related Information

### Tasks

[Set Up Year-End Tax Document Printing Options for Workers](#) on page 950

### Reference

[FAQ: Year-End Tax Reporting \(USA\)](#) on page 965

# Year-End Tax Reporting (CAN)

## Setup Considerations: Year-End Tax Reporting (CAN)

You can use this topic to help make decisions when planning your configuration and use of Canada year-end tax reporting. 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

Workday enables you to create and submit year-end tax data to government agencies using a series of reports, tasks, and integrations. Workday supports these Canadian year-end tax forms:

- T4
- T4A
- T4A-RCA
- RL-1
- RL-2
- NR4

### Business Benefits

Workday Canada year-end tax reporting makes it easier to comply with year-end payroll requirements by:

- Maintaining payroll data in 1 system.
- Validating year-end data against government guidelines.
- Streamlining the creation of T4 and RL-1 year-end tax forms by providing business processes.
- Simplifying the creation of T4A, T4A-RCA, RL-2 and NR4 tax forms with tasks.
- Enabling you to audit T4, RL-1, T4A, T4A-RCA, RL-2, and NR4 data using reports.
- Producing electronic copies of year-end tax forms for employees to access in employee self-service (ESS).
- Enabling you to correct year-end tax forms in Workday.

### Use Cases

- Preview year-end tax forms before the year-end process.
- Identify company, employee, or Pensionable and Insurable Earnings Review (PIER) exceptions.
- Give employees the ability to opt in or out of a paper copy of their year-end tax forms.
- Give employees access to print and view their electronic year-end tax forms in ESS.

### Questions to Consider

Questions	Considerations
Which year-end forms will you need to create for your organization?	Map and test each year-end form you intend to use. Test the integration systems.

Questions	Considerations
Which year-end adjustments will you be processing outside of regular payroll?	Identify the year-end adjustments. Enter the adjustments as a manual payment. Example: Personal use of a company car.
What data would you like to use to balance year-end?	Plan to create custom reports if required.
Have you verified that all pay components have the correct pay component groups configured?	Pay component groups control how Workday reports some amounts on year-end forms. Example: Amounts processed for a pay component in the <i>Income Taxable</i> pay component group are reported in Box 14 of the T4.
Have you changed pay component groups after completing payroll?	You can create manual payments if you need to adjust balances.
Do you have to make tax adjustments?	Use manual payments for adjustments when you need a specific result on the T4 for withholding. Example: Recording third-party payments. Use on-demand payments for adjustments when you don't need a specific result on the T4 for withholding. Example: Check reversals.
Do you want to enable employees to receive hard copies of their T4, T4A, and RL-1 year-end forms?	You can set up document printing options for employees who want to change their printing elections. Example: Terminated employees might want a paper copy of their year-end forms.
Do you want employees to be able to opt out of paper copies of their T4A-RCA, RL-2, and NR4 year-end forms?	You can set up document printing options for employees who want to change their printing elections.

## Recommendations

In preparation for the year-end process, Workday recommends that you run preview and audit reports for year-end tax forms each quarter.

## Requirements

To produce accurate year-end reporting, maintain tax and payroll data throughout the year.

At the beginning of the tax year:

- Set up fiscal years to support the entire tax year.
- Set up the period schedule for payroll and absence. Validate payment dates for the year against bank holidays.
- Verify that new ledger periods are in open status.
- Update or add tax rates.
- Ensure that appropriate pay components are mapped accurately using the View Canada Year End Form Box Configuration report. This drives tax reporting in Workday.

As necessary, throughout the tax year:

- Review Canada Revenue Agency and Revenu Québec reporting requirements for the current tax year.
- Run year-end preview and audit reports.
- Run PIER reports.
- Update federal and provincial tax setup for your company.

- Update workers' alternate and payroll processing work locations.

Toward the end of the tax year:

- Complete all payrolls for the reporting year, including off-cycles and manual adjustments.

## Limitations

Workday creates year-end data for all workers, not individual workers. To provide year-end data for an individual worker:

1. Run the T4 / T4A / T4A-RCA / RL-1 / RL-2 / NR4 Preview report.
2. Use the report to create the form manually using PDFs from the Canada Revenue Agency or Revenu Québec.

## Tenant Setup

Workday uses electronic signature text for employees changing printing elections for year-end tax forms. You can configure electronic signature text options on the Edit Tenant Setup - Payroll task.

## Security

Domains	Considerations
<i>Business Process Administration and Manage: Business Process Definitions in the System</i> functional area.	Enables you to set up the business processes for T4 and RL-1 year-end tax forms.
<i>Management Dashboard: Payroll Year End</i> in the CAN Payroll functional area.	Enables you to use and configure the Payroll Year End dashboard.
<i>Integration Build and Integration Configure</i> in the Integration functional area.	Enables you to set up the integration systems to submit year-end tax forms to the Canada Revenue Agency and Revenu Québec.
<i>Process: Year End (Reports) - CAN</i> in the CAN Payroll functional area.	Enables you to preview employee data and form data and generate PDFs of the forms.
<i>Process: Year End (Run) - CAN</i> in the CAN Payroll functional area.	Users with access to this domain can: <ul style="list-style-type: none"> <li>• Calculate and extract wage data.</li> <li>• Cancel extracted wage data.</li> <li>• Review a summary of year-end data.</li> <li>• Give employees access to year-end tax documents in ESS.</li> </ul>

## Business Processes

You can use the *T4 Year End Process (Default)* and *RL-1 Year End Process (Default)* business processes. You can access both business processes from the Payroll Year End dashboard.

## Reporting

Reports or Dashboards	Considerations
Payroll Compliance dashboard	You can review Workday-delivered compliance updates.
Payroll Year End dashboard	Launch business processes to create your T4 and RL-1 year-end tax forms. View past and current

Reports or Dashboards	Considerations
	<p>year-end form statistics for T4 and RL-1 forms. Access these T4 and RL-1 reports as worklets:</p> <ul style="list-style-type: none"> <li>• Payroll Year End Process</li> <li>• Last 5 Years (Forms/ Employees)</li> <li>• Estimated Form Types Needed (Forms/ Employees)</li> </ul>
Tenant Analyzer profile	<p>Verify that pay components are in the appropriate pay component group using the PCGs for Payroll Calculations report on the Payroll profile group.</p>
<ul style="list-style-type: none"> <li>• Company Canada Year End Audit</li> <li>• PIER Exception Report - CPP/QPP</li> <li>• PIER Exception Report - EI/QPIP</li> <li>• PIER Exception Summary - CPP/QPP</li> <li>• PIER Exception Report - CPP2/QPP2</li> <li>• T4 Preview</li> <li>• T4 Preview - Other Info</li> <li>• T4A Preview</li> <li>• T4A Preview - Other Info</li> <li>• T4A-RCA Preview</li> <li>• RL-1 Preview</li> <li>• RL-1 Preview- Additional Info</li> <li>• RL-2 Preview</li> <li>• RL-2 Preview - Additional Info</li> <li>• NR4 Preview</li> <li>• Report Worker Province of Employment and Location</li> <li>• Year End Variance in T4 Box 14</li> <li>• Year End Variance in RL-1 Box A</li> </ul>	<p>Use these reports to audit company and employee data.</p> <p>Workday recommends that you resolve any exceptions before creating year-end data, as they might cause your integration file to fail.</p>
Custom Reports	<p>You can create custom reports from report data sources secured to Canadian year-end tax reporting business objects.</p>

## Integrations

You can create these integrations to submit year-end forms to government agencies:

Integrations	Considerations
<a href="#">Annual Tax Filing - CRA (T4)</a>	<p>Generates a year-end T4 <i>Statement of Remuneration Paid</i> file for submission to the Canada Revenue Agency (CRA).</p>
<a href="#">Annual Tax Filing - CRA (T4A)</a>	<p>Generates a year-end T4A file for submission to the CRA.</p>
<a href="#">Annual Tax Filing - CRA (NR4)</a>	<p>Generates a year-end NR4 file for submission to the CRA.</p>
<a href="#">Annual Tax Filing - RQA (RL-1)</a>	<p>Generates a year-end RL-1 statement of employee taxes file for submission to Revenu Québec.</p>

Integrations	Considerations
<i>Annual Tax Filing - RQA (RL-2)</i>	Generates a year-end RL-2 statement of employee taxes file for submission to Revenu Québec.
Web Services	Considerations
<i>Put Payroll Off-Cycle Payment</i>	Enables you to load off-cycle payments for workers.
<i>Put Tax Document Delivery</i>	Enables you to load year-end printing options for workers.
<i>Put Payroll Employer RPP or DPSP Registration Number Configuration</i>	Enables you to load RPP and DPSP numbers in bulk.
<i>Get Payroll CAN Year End Forms</i>	Enables you to retrieve employee Canada year-end form data for use with third-party vendors.

### Connections and Touchpoints

Ensure that you provide any required year-end worker data, including:

- Contact information, such as home address and social insurance numbers.
- Alternate and payroll processing work locations or position job locations, which Workday uses to determine the province of employment.

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

[Setup Considerations: Adjustments for Prior Periods](#) on page 735

#### Tasks

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(CAN\)](#) on page 989

[Steps: Set Up Payroll Year-End Business Process](#) on page 953

#### Examples

[The Next Level: Canadian Payroll Year-End Session](#)

## FAQ: Year-End Tax Reporting (CAN)

- [How do I edit or correct year-end forms once the tax year is over?](#) on page 987
- [Which address does Workday use for employees on T4, T4A, T4A-RCA, RL-1, and RL-2 forms?](#) on page 988
- [When can employees access tax documents through self-service?](#) on page 988
- [How do we unpublish year-end tax documents once employees can access them through self-service?](#) on page 988
- [How does Workday determine the Payroll Account Number \(PAN\)?](#) on page 989
- [Can I create year-end forms if a worker has a missing Social Insurance Number \(SIN\)?](#) on page 989
- [How do I configure default dental benefit codes?](#) on page 989

How do I edit or correct year-end forms once the tax year is over?

Access the applicable Corrections Preview report for the form and make the necessary edits or corrections.

Which address does Workday use for employees on T4, T4A, T4A-RCA, RL-1, and RL-2 forms?

For detailed instructions on correcting year-end forms, see: [Steps: Set Up, Audit, and Print Year-End Corrections \(CAN\)](#) on page 1003.

The address Workday uses for employees on these forms depends on what usage you indicate for each address you add for a worker. Use the Change Contact Information task to select usage for employee addresses (both work and home). You can view an employee's address usage on their worker profile.

Example: If you select *Payroll Tax Form* as a usage option for an employee's work address, Workday uses that address on these forms. If you don't choose that option for the employee's work address, Workday looks for the next option where you selected *Paycheck*.

Use this table to view the hierarchy of usage.

Address	Usage
Home	International Assignment
Home	Payroll Tax Form
Work	Payroll Tax Form
Home	Paycheck
Work	Paycheck
Home (Primary)	Mailing
Home	Mailing
Work (Primary)	Mailing
Work	Mailing
Home (Primary)	
Work (Primary)	
Business Location	

For Workday to use an employee's international address on these forms, create an international assignment event for the worker using the Start International Assignment task.

When can employees access tax documents through self-service?

Once you create the year-end forms, tax documents become available on the date you select for the company on the Publish Employee Canada Year End Tax Documents task.

How do we unpublish year-end tax documents once employees can access them through self-service?

Access the Override Employee Self Service Year End Tax Documents Availability Date task. Select the affected companies. Override the Availability Date that you selected on the Publish Employee

How does Workday determine the Payroll Account Number (PAN)?

Canada Year End Tax Documents task for the companies.

Workday removes the documents from self-service, even though employees might have already accessed their forms. This task is only available for companies, not individual workers.

The Payroll Account Number (PAN) is 15 characters and identifies the company account. The PAN consists of the 9-digit business number, *RP*, and the 4-digit reference number. You can configure the:

- *Business Number* in the Tax IDs tab on the Edit Company Tax Details task.
- Reference Number in the Reference Number Criteria Assignment tab on the Edit Company Federal CAN Tax Reporting task.

Can I create year-end forms if a worker has a missing Social Insurance Number (SIN)?

Example: The business number for your company is 123456789. The reference number for full-time employees at your company is 0001, and for part-time employees with no benefits is 0002. The PAN is 123456789RP0001 for full-time employees, and 123456789RP0002 for part-time employees.

How do I configure default dental benefit codes?

Workday populates 9 zeroes for a worker with a missing SIN in the T4, T4A, T4A-RCA, RL-1, and RL-2 reports, forms, and tasks. Workday also populates 9 zeroes for the integration files. It's the employer's responsibility to inform Service Canada if the employee hasn't provided a SIN.

At the company level, use the Maintain Dental Benefits Recipient Code Configuration task to configure dental benefit code rules for workers and terminated workers' T4 and T4A forms.

At the worker level, use the Override Dental Benefits Recipient Code for Worker task to override the company-level default value for a worker's access to employer-offered dental benefits.

## Related Information Tasks

[Steps: Set Up, Audit, and Print Year-End Corrections \(CAN\)](#) on page 1003

### Reference

[FAQ: Processing Payroll Adjustments for Year-End \(CAN\)](#) on page 1000

## Year-End Tax Forms (CAN)

### Steps: Set Up, Audit, and Print Year-End Tax Forms (CAN)

#### Prerequisites

- Review setup considerations for Canada year-end tax reporting.
- Map earnings and deductions to T4, T4A, T4A-RCA, RL-1, and RL-2 boxes.

- Ensure that employee contact information is accurate.
- Complete at least 1 payroll for the reporting year.

## Context

You can create year-end data for these forms after completing at least 1 payroll for the reporting year:

- T4
- T4A
- T4A-RCA
- RL-1
- RL-2
- NR4

When you've completed at least 1 payroll for the reporting year, you can preview year-end data. When you've completed all payrolls (including all off-cycle payments such as manual adjustments), you can preview, create, view, and publish the actual year-end forms.

To populate year-end forms, Workday uses:

- Worker data.
- Pay component mapping.

Workday maps some data on the year-end forms. You're responsible for mapping the rest of the data, such as custom pay components.

## Steps

1. [Define Year-End Tax Form Sort and Split Options \(CAN\)](#) on page 995.
2. Access the relevant report to audit any differences in income reported in the applicable box details:
  - Year End Variance in T4 Box 14
  - Year End Variance in RL-1 Box A

To view TD1-IN Exempt wages on the Year End Variance reports, use the Canada Year End Form Box Configuration task to map Box 71 and Box R. If you don't map the boxes, the reports are blank.

Use these fields to report on a worker's federal and provincial exempt wages:

- Federal Income Tax (FIT) (CAN) - Exempt Wages
- Province Income Tax (QC-PIT) (CAN) - Exempt Wages

Use these fields to create custom reports and report Box G-1 wages on the RL-1 tax form to capture taxable wages where no QPP or QPP2 contributions were withheld.

- QPP Taxable Wages (no contribution)
- QPP2 Taxable Wages (no contribution)

3. [Audit PIER Exceptions](#) on page 996.

Identify any contribution discrepancies to Canada Pension Plan (CPP), Quebec Pension Plan (QPP), Canada Pension Plan - Second Contribution (CPP2), Quebec Pension Plan - Second Contribution (QPP2), Employment Insurance (EI), and Quebec Parental Insurance Plan (QPIP).

Resolve any exceptions before creating year-end data to avoid a PIER listing from the Canada Revenue Agency requiring you to remit any balances due.

4. Access the Canada Company Year End Audit report.

Returns company level exceptions, such as invalid payroll account numbers.

Workday recommends that you resolve any exceptions before creating year-end data, as they might cause your integration file to fail.

**Security:** *Process: Year End (Reports)* - CAN domain in the CAN Payroll functional area.

5. Access the Annual Taxable Income for Bonus Calculation field on the applicable report to audit any bonus payments.
6. Access the relevant report to audit employee data and correct any discrepancies before generating year-end data:
  - T4 Preview
  - T4A Preview
  - T4A-RCA Preview
  - RL-1 Preview
  - RL-2 Preview
  - NR4 Preview

You can run the preview reports as often as needed. Correct any errors.

You can filter the preview reports to review critical, warning, or information exceptions. Resolve any critical exceptions before creating year-end data as they might cause your integration file to fail. Workday recommends that you also resolve warning exceptions.

*Security: Process: Year End (Reports) - CAN domain in the CAN Payroll functional area.*

7. Access the relevant report to audit the Other Information and Additional Information box details by box code:

- T4 Preview – Other Info
- T4A Preview – Other Info
- RL-1 Preview – Additional Info
- RL-2 Preview – Additional Info
- View T4 Form Data – Other Info
- View T4A Form Data - Other Info
- View RL-1 Form Data – Additional Info
- View RL-2 Form Data - Additional Info

The reports only list the boxes that have amounts for employees in them.

You can filter the preview reports to review critical, warning, or information exceptions. Resolve any critical exceptions before creating year-end data as they might cause your integration file to fail. Workday recommends that you also resolve warning exceptions.

*Security: Process: Year End (Reports) - CAN domain in the CAN Payroll functional area.*

8. Access the relevant task to create year-end data, after you've addressed all exceptions reported in the previous reports:

- Create T4 Data
- Create T4A Data
- Create T4A-RCA Data
- Create RL-1 Data
- Create RL-2 Data
- Create NR4 Data

Calculate and extract wage and tax data for a company.

*Note:* You can only run these tasks once per tax year.

*Security: Process: Year End (Run) - CAN domain in the CAN Payroll functional area.*

9. Access the relevant report to review form data for each worker:

- View T4 Form Data
- View T4A Form Data
- View T4A-RCA Form Data
- View RL-1 Form Data
- View RL-2 Form Data
- View NR4 Data

Example: Review the dental benefits configured using the Maintain Dental Benefits Recipient Code Configuration task in Box 045 and Box 015 on the T4 and T4A forms.

For 2022 onwards, Workday displays the status of the year-end tax form as *In-Progress* or *Approved*.

You can filter the form data reports to review critical, warning, or information exceptions. Resolve any critical exceptions before creating year-end data as they might cause your integration file to fail. Workday recommends that you also resolve warning exceptions.

Security: *Process: Year End (Reports)* - CAN domain in the CAN Payroll functional area.

10. [Approve Year-End Data \(CAN\)](#) on page 997.

For 2022 and beyond, approving year-end data is required. For years prior to 2022, approving year-end data isn't required.

11. Access the relevant report to review the data in each box for each payroll account and identification number:

- View T4 Summary
- View T4A Summary
- View T4A-RCA Summary
- View RL-1 Summary
- View RL-2 Summary
- View NR4 Summary

Select companies with approved year-end data.

You can use the data in this report to prepare the summary for Canada Revenue Agency or Revenu Québec.

Security: *Process: Year End (Run)* - CAN domain in the CAN Payroll functional area.

12.(Optional) If the year-end data has any errors or critical exceptions, you can cancel the data and correct any errors.

Access the relevant task:

- Cancel T4 Data
- Cancel T4A Data
- Cancel T4A-RCA Data
- Cancel RL-1 Data
- Cancel RL-2 Data
- Cancel NR4 Data

Select companies with approved year-end data.

Compare the Process Entry Moment of the relevant Cancel task to the Creation Date Time on the relevant View Form Data report. Verify that you're canceling the correct data.

Workday recommends that you use the audit reports to preview year-end data before creating it. Cancel data only when necessary.

Note: Don't cancel data that you've submitted to a government agency.

Security: *Process: Year End (Run)* - CAN domain in the CAN Payroll functional area.

Workday cancels the most recent form data that you created for the Tax Year and Company selected.

13. Set up and launch the relevant tax filing integration. Select companies with approved year-end data. Submit the tax filing to the appropriate government agency. See:

- Steps: Set Up Canadian Revenue Agency T4 Integration.
- Steps: Set Up Canadian Revenue Agency T4A Integration.
- Steps: Set Up Canadian Revenue Agency NR4 Integration.
- Steps: Set Up Revenue Agency Quebec RL-1 Integration.
- Steps: Set Up Revenue Agency Quebec RL-2 Integration.

14. After confirming that the government agency accepted the tax filing, access the relevant task:

- Create T4 Forms
- Create T4A Forms
- Create T4A-RCA Forms
- Create RL-1 Forms
- Create RL-2 Forms
- Create NR4 Forms

Select companies with approved year-end data.

Generate PDFs of the forms and save them for printing and future reference.

In the Type field, Workday displays:

- *Original* if all the forms in the batch are original.
- *Corrected* if any of the forms in the batch are corrections.

For T4A-RCA, you can create:

- *Employee Forms* to distribute to employees.
- *Employer Forms* to print and submit to Canada Revenue Agency. Workday includes the *Payroll Account Number*, Box 61, on these forms.

For NR4, Workday creates additional NR4 forms when the worker has more than:

- 1 country code to report.
- 1 Non-Resident Tax Account.
- 2 lines to report for a worker because of more than 2 income codes or an exemption. Workday creates an *Original-Overflow* form type when a worker has more than 2 income codes.

**Security:** *Process: Year End (Reports)* - CAN domain in the CAN Payroll functional area.

15. (Optional) For original year-end forms, access the Schedule Year End Form Pre-Print task. Select companies with approved year-end data.

Create a PDF file of year-end tax forms for all workers. You can schedule the task to run now or later.

Workday displays the precreated PDF for employees after you publish the tax documents.

16. Access the Publish Employee Canada Year End Tax Documents task for the company. Select companies with approved year-end data.

Specify a date from which workers can access their year-end tax documents on the My Tax Documents task in employee self-service (ESS). By accessing this task again, you can update the availability date or remove it if the availability date is in the future.

The Created Date/Time displays the last date and time that you extracted the year-end data using the relevant create data task.

Workday recommends that you set the Availability Date after Canada Revenue Agency and Revenu Québec have accepted the forms by integration.

To unpublish the forms from self-service once the availability date has passed, access the Override Employee Self Service Year End Tax Documents Availability Date task. You can only run this task for companies, not individual workers. Workday recommends that you create correction forms instead of unpublishing forms as employees might have already accessed their forms.

You can also use the *Get Payroll CAN Year End Forms* web service to collect employee year-end data. You or your third-party vendor can use the data for year-end form processing. Example: You pass the year-end form data on to the vendor so they can print and send the forms to your employees.

**Security:** *Process: Year End (Run)* - CAN domain in the CAN Payroll functional area.

**Related Information****Concepts**

[Setup Considerations: Year-End Tax Reporting \(CAN\) on page 983](#)

**Tasks**

[Map Earnings and Deductions to Year-End Boxes \(CAN\) on page 1402](#)

**Examples**

[2024R2 Feature Release Note: Box G-1 Enhancements for Quebec Pension Plan](#)

**Define Year-End Tax Form Sort and Split Options (CAN)****Prerequisites**

Security: *Process: Year End (Run)* - CAN domain in the CAN Payroll functional area.

**Context**

You can specify how Workday splits year-end forms into batches for printing and how Workday sorts them within batches.

The sort order applies to T4, T4A, T4A-RCA, RL-1, RL-2, and NR4 original and corrected forms.

**Steps**

1. Access the Maintain Canada Year End Sorting Setup task.
2. As you complete the task, consider:

Option	Description
Year End Form Sorting Values	<p>Select 1 or more sort categories to define their order for the PDF file you generate with the Create Forms task.</p> <p>Example: Select <i>Employee Status</i> and then <i>Company</i>; Workday lists workers first by employee status (terminated, leave, active) and then by company within each employee status set.</p> <p>For printed PDF year-end forms, the default sort order is:</p> <ul style="list-style-type: none"> <li>• Company</li> <li>• Last Name</li> <li>• First Name</li> <li>• Middle Initial</li> </ul>
Split File	<p>Select to split the forms into separate PDFs by the Year-end Form Sorting Values.</p> <p>If you don't select a split option, Workday organizes the forms into batch files and names the forms by company.</p> <p>The split option determines the names of the batch files.</p> <p>Example: When you split files by company, Workday:</p> <ul style="list-style-type: none"> <li>• Splits the PDF into batch files by company.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Names each batch file after the company of the employees it contains.</li> </ul> <p>Example: When you split files by employee status, Workday:</p> <ul style="list-style-type: none"> <li>Splits the PDF into batch files by employee status.</li> <li>Names each batch file after the status of the employee in this order:           <ul style="list-style-type: none"> <li>Terminated</li> <li>Leave</li> <li>Active</li> </ul> </li> </ul>

## Related Information

### Tasks

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(CAN\) on page 989](#)

[Steps: Set Up, Audit, and Print Year-End Corrections \(CAN\) on page 1003](#)

### Audit PIER Exceptions

#### Prerequisites

- Complete at least 1 payroll for the year.
- Security: *Process: Year End (Reports)* - CAN domain in the CAN Payroll functional area.

#### Context

You can run the Pensionable and Insurable Earnings Review (PIER) exception reports to identify any contribution discrepancies to:

- Canada Pension Plan (CPP)
- Quebec Pension Plan (QPP)
- Employment Insurance (EI)
- Quebec Parental Insurance Plan (QPIP)

Adjusting these discrepancies before processing year end data helps you avoid a PIER listing from the Canada Revenue Agency requiring you to remit any balances due.

The reports also provide an option to verify the employer contributions to:

- Canada Pension Plan
- Employment Insurance
- Quebec Pension Plan
- Quebec Parental Employment Insurance

#### Steps

- Access the relevant report:

Option	Description
PIER Exception Report - EI/QPIP	This report displays EI and QPIP contributions for a worker per reference number.
PIER Exception Report - CPP/QPP	This report displays CPP and QPP contributions for a worker per reference number.

Option	Description
PIER Exception Summary - CPP/QPP	<p>Use this report to:</p> <ul style="list-style-type: none"> <li>Determine why a worker's Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) is over-or under-withheld.</li> <li>Determine why they're exempt.</li> </ul> <p>This report groups information based on Company for CPP and QPP deductions and determines potential reasons for an exception. (transfer between CPP and QPP, CPP/QPP Exemptions, birth day events).</p>
PIER Exception Report - CPP2/QPP2	<p>Use this report to:</p> <ul style="list-style-type: none"> <li>View details about a worker's contributions to the Canada Pension Plan - Second Contribution (CPP2) and Quebec Pension Plan - Second Contribution (QPP2).</li> <li>View details about the employer's contributions to CPP2 and QPP2.</li> </ul>

- Correct any exceptions.
- Rerun the report and repeat the verification and correction steps until the report displays no exceptions.

#### Related Information

##### Tasks

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(CAN\)](#) on page 989

[Steps: Set Up, Audit, and Print Year-End Corrections \(CAN\)](#) on page 1003

##### Reference

[Reference: Reports for Post-Payroll](#) on page 674

##### Examples

[2024R2 Feature Release Note: PIER Exception Report - CPP2/QPP2](#)

#### Approve Year-End Data (CAN)

##### Prerequisites

- Audit employee data and correct any critical exceptions.
- Create year-end data after you've addressed all exceptions in the preview reports.
- Security: *Process: Year End (Run)* - CAN domain in the CAN Payroll functional area.

##### Context

For 2022 onward, you must approve your year-end data before submitting your tax filings to the Canada Revenue Agency or Revenu Québec. Workday enables you to approve data for year-end tax forms and corrections. This approval process can help you resolve issues that might cause your integration files to fail.

##### Steps

- Access the Approve Year End Form Data task.

Note: The Approve Year End Form Data task doesn't display for year-end tax data created before 2022.

2. After you complete the Approve Year End Form Data task, confirm that you have no exceptions or warnings at the company level or employee level.
3. (Optional) Confirm that the value in the Approved Form Count column is the same number as the number of tax forms you created.
4. (Optional) To cancel your approval of the year-end tax data, access the Rescind Approve Year End Form Data task.

## Result

After you approve your year-end data, you can select your company from the Companies prompt when you access the Launch/Schedule Integration task for tax filing.

## Next Steps

Set up and launch your tax filing integration.

### Reference: Year-End Data Requirements (CAN)

#### Company-Level Exceptions

Workday reports these exceptions for year-end forms on the Canada Company Year End Audit report. Workday recommends that you resolve these exceptions before creating year-end data, as they might cause your integration file to fail.

Exception	Year-end Forms Affected	How to Correct It
Missing or invalid employer name and address.	T4 T4A T4A-RCA RL-1 RL-2 NR4	Edit Company Contact Information  <i>Security: Set Up Company: General</i> in the Common Financial Management functional area.
Missing or invalid payroll account number.	T4 T4A T4A-RCA	<a href="#">Set Up Company Federal Taxes (CAN) on page 1379</a>
Missing contact name, email address or phone number.	T4 T4A NR4	<a href="#">Set Up Company Federal Taxes (CAN) on page 1379</a>
Missing or invalid identification number. Missing transmitter number. Missing contact name or contact phone number.	RL-1 RL-2	<a href="#">Set Up Company Province and Territory Taxes (CAN) on page 1383</a>
Missing nonresident account number.	NR4	<a href="#">Set Up Company Federal Taxes (CAN) on page 1379</a>

#### Employee-Level Exceptions

Workday reports these exceptions for year-end forms on these year-end audit reports:

- T4 / T4A / T4A-RCA / RL-1 / RL-2 / NR4 Preview
- View T4 / T4A / T4A-RCA / RL-1 / RL-2 / NR4 Form Data

Workday recommends that you resolve these exceptions before creating year-end data, as they might cause your integration file to fail.

Exception	Year-end Form	How to Correct It
Negative amounts in any of the boxes.	T4 T4A T4A-RCA RL-1 RL-2 NR4	Select the relevant task: <ul style="list-style-type: none"> <li>• Run Manual Payment for Worker <i>Security: Process: Off Cycle (Manual Payment) domain in the Core Payroll functional area.</i></li> <li>• Run On-Demand Payment for Worker <i>Security: Process: Off Cycle (On Demand) domain in the Core Payroll functional area.</i></li> <li>• Add Payroll Input by Worker <i>Security: Worker Data: Payroll (Payroll Input) in the Core Payroll functional area.</i></li> </ul>
Missing or invalid primary address of the employee.	T4 T4A T4A-RCA RL-1 RL-2 NR4	Change Contact Information <i>Security: Person Data: Work Contact Information in the Contact Information functional area.</i>
Missing or invalid Social Insurance Number (SIN).	T4 T4A T4A-RCA RL-1 RL-2 NR4	Edit Government IDs Configure the <i>Edit Government IDs</i> business process and security policy in the Onboarding, Personal Data, and Staffing functional areas.
Missing RPP and DPSP numbers.	T4	<a href="#">Steps: Set Up RPP and DPSP Registration Number Configuration on page 1395.</a>

#### Related Information

##### Tasks

[Steps: Set Up Payroll Taxes \(CAN\) on page 1377](#)

## FAQ: Processing Payroll Adjustments for Year-End (CAN)

- [How can I make year-end adjustments?](#) on page 1000
- [When do I make adjustments to year-end data using the year-end corrections process?](#) on page 1001
- [How do I correct pay results reported in the wrong province of employment for a worker?](#) on page 1001
- [How do I correct pay results reported in the wrong reference number?](#) on page 1001

How can I make year-end adjustments?

Workday provides multiple options for year-end adjustments. We provide these options as examples. We recommend you choose the method that works best for your organization. We recommend that best practice is to process adjustments in your Sandbox tenant. Use year-end preview reports, like T4 Preview, to confirm that processed adjustments calculate and report as expected before you create year-end data.

- Use the Run Manual Payment for Worker task to report specific wages and statutory deductions.

Example: You want to report a stock option that exercised after the last on-cycle payroll of the year. The stock vendor provided the withheld taxes to report. Select Prior Period and choose a pay period that was in the prior tax year (like December 16-31, 2022) to allocate the adjustment. Select a Reason for the adjustment. If desired, use the Create Payroll Action Reason task to assign a specific reason code to report on later. Ensure that the Payment Date is within the tax year (Dec 31, 2022).

- Use the Run On Demand Payment for Worker to make adjustments where Workday will automatically calculate the gross to net. This includes employer paid taxes, such as Workers Compensation, Employer Health Tax, and so on.

Example: You want to report a taxable benefit like a gift card a worker received or personal car usage. The taxable benefit occurs after the last on-cycle payroll for the year processes. Select Prior Period and choose a pay period that was in the prior tax year (Dec 16-31, 2022) to allocate the adjustment. Select a Reason for the adjustment. If desired, use the Create Payroll Action Reason task to assign a specific reason code to report on later. Ensure that the Payment Date is within the tax year (Dec 31, 2022).

Making these types of year-end adjustments generates an off-cycle payroll that you need to run

When do I make adjustments to year-end data using the year-end corrections process?

and complete. You can then create the necessary accounting files for this run as you would for any other off-cycle payroll processed throughout the year.

When:

- You created year-end data.
- You sent the integration (XML) file.
- CRA or Revenu Quebec successfully received it.

How do I correct pay results reported in the wrong province of employment for a worker?

Override the Province Authority (Work) using the Override Worktags section of either the Run On Demand Payment for Worker or the Run Manual Payment for Worker task.

Select the correct province in the Province Authority (Work) prompt if it's different than what the Reference Worktags section reports.

You need to make the entry twice. Enter once to remove the previous value by entering a negative value for the incorrect province. Enter a second time to add the new value to the correct province.

Update the pay component related calculations (PCRCs) (like Subject Wages) in addition to the amounts when you do a manual payment for the worker.

How do I correct pay results reported in the wrong reference number?

Use the Override Worktags section of the Run Manual Payment for Worker task. Select the Company and correct the reference number in the Payroll Reference Number prompt.

You need to make the entry twice. Enter once to remove the previous value by entering a negative value for the incorrect reference number. Make the entry a second time to add the new value to the correct reference number.

Update the pay component related calculations (PCRCs) (like Subject Wages) in addition to the amounts when you do a manual payment for the worker.

## Related Information

### **Concepts**

[Concept: Year-End Form Corrections \(CAN\)](#) on page 1002

### **Tasks**

[Steps: Set Up, Audit, and Print Year-End Corrections \(CAN\)](#) on page 1003

[Override Worktags for Manual Payments](#) on page 724

### **Reference**

[FAQ: Year-End Tax Reporting \(CAN\)](#) on page 987

## Year End Tax Reporting Corrections (CAN)

### Concept: Year-End Form Corrections (CAN)

You might need to resolve errors or make adjustments to original year-end forms submitted to Canada Revenue Service and Revenue Quebec. Workday creates these kinds of corrected forms:

- Amended
- Canceled
- Additional

#### Amended

You make adjustments for an employee who received a year-end form that was incorrect. Workday then prints:

- *AMENDED* on the T4, T4A, T4A-RCA, and NR4 forms
- *MODIFIE* on the RL-1 and RL-2 forms
- Code A on the RL-1 and RL-2 forms and the forms:
  - Include all RL-1 or RL-2 data, not only the changed data.
  - Have a new serial number, which includes the original serial number.
  - *Amended-Overflow* on the NR4 form when you amend NR4 data for a worker with an *Original-Overflow* form.

You edit a worker's name effective on or before December 31 after submitting the reports for that tax year. When you create corrected data, Workday creates amended T4, T4A, T4A-RCA, and NR4 forms with the updated name.

#### Canceled

You adjust data for workers who incorrectly received a year-end form, or whose form has the wrong Social Insurance Number (SIN). Workday updates the forms:

- Creates an additional form with the corrected or new SIN.
- Prints *CANCELLED* on the T4, T4A, T4A-RCA, and NR4 forms.
- Prints ANNULE and D on the reprinted RL-1 and RL-2 forms.

You edit a worker's name effective on or before December 31 after submitting forms for that tax year. Workday creates:

- Canceled RL-1 and RL-2 forms with the previous name.
- New RL-1 and RL-2 forms with the updated name when you create corrected data.

Workday prints *Cancelled-Overflow* on the NR4 form when you cancel NR4 data for a worker with an *Original-Overflow* form.

Additional

You make adjustments for an employee:

- Who didn't previously receive a year-end form.
- Whose form has the wrong Social Insurance Number (SIN).

Workday then prints:

- *ADDITIONAL* on the T4, T4A, T4A-RCA, and NR4 forms.
- Code *R* on both Original and Additional RL-1 and RL-2 forms.

## **Steps: Set Up, Audit, and Print Year-End Corrections (CAN)**

### **Prerequisites**

Have approved year-end data.

Resolve errors in the original T4, T4A, T4A-RCA, RL-1, RL-2, or NR4, which can result from incorrect:

- Pay component mapping.
- Year-to-date wage or tax amounts.
- Employee data.

After you've submitted data for relevant year-end tax forms to Canada Revenue Service and Revenue Quebec:

- T4
- T4A
- T4A-RCA
- RL-1
- RL-2
- NR4

### **Context**

When you discover adjustments after submitting year-end forms to Canada Revenue Agency and Revenue Quebec, you can create and submit amended, canceled, or additional forms.

### **Steps**

1. [Define Year-End Tax Form Sort and Split Options \(CAN\) on page 995](#).

2. Access the relevant report to audit any differences in income reported in the applicable box details:

- Year End Variance in T4 Box 14
- Year End Variance in RL-1 Box A

To view TD1-IN Exempt wages on the Year End Variance reports, use the Canada Year End Form Box Configuration task to map Box 71 and Box R. If you don't map the boxes, the reports are blank.

Use these fields to report on a worker's federal and provincial exempt wages:

- Federal Income Tax (FIT) (CAN) - Exempt Wages
- Province Income Tax (QC-PIT) (CAN) - Exempt Wages

Use these fields to create custom reports and report Box G-1 wages on the RL-1 tax form to capture taxable wages where no QPP or QPP2 contributions were withheld.

- QPP Taxable Wages (no contribution)
- QPP2 Taxable Wages (no contribution)

3. [Audit PIER Exceptions on page 996.](#)

Identify any contribution discrepancies to Canada Pension Plan (CPP), Quebec Pension Plan (QPP), Canada Pension Plan - Second Contribution (CPP2), Quebec Pension Plan - Second Contribution (QPP2), Employment Insurance (EI), or Quebec Parental Insurance Plan (QPIP).

Resolve any exceptions before creating year-end data to avoid a PIER listing from the Canada Revenue Agency requiring you to remit any balances due.

4. Access the Canada Company Year End Audit report.

Returns company level exceptions, such as invalid payroll account numbers.

Workday recommends that you resolve any exceptions before creating year-end data, as they might cause your integration file to fail.

*Security: Process: Year End (Reports) - CAN domain in the CAN Payroll functional area.*

5. Access the Annual Taxable Income for Bonus Calculation field on the applicable report to audit any bonus payments.

6. Access the relevant report to audit employee data and correct any discrepancies:

- T4 Corrections Preview
- T4A Corrections Preview
- T4A-RCA Corrections Preview
- RL-1 Corrections Preview
- RL-2 Corrections Preview
- NR4 Corrections Preview

Select companies with approved year-end data.

You can run the preview reports as often as needed. Correct any errors.

You can filter the preview reports to review critical, warning, or information exceptions. Resolve any critical exceptions before creating year-end data as they might cause your integration file to fail.

Workday recommends that you also resolve warning exceptions.

*Security: Process: Year End (Reports) - CAN domain in the CAN Payroll functional area.*

7. Access the relevant report to audit the Other Information and Additional Information box details by box code:

- RL-1 Corrections Preview – Additional Info
- T4 Corrections Preview – Other Info

Select companies with approved year-end data.

The reports only list the boxes that have amounts for employees in them.

You can filter the preview reports to review critical, warning, or information exceptions. Resolve any critical exceptions before creating year-end data as they might cause your integration file to fail. Workday recommends that you also resolve warning exceptions.

**Security:** *Process: Year End (Reports)* - CAN domain in the CAN Payroll functional area.

8. Access the relevant task, after you've addressed all exceptions reported in the previous reports:

- Create T4 Corrected Data
- Create T4A Corrected Data
- Create T4A-RCA Corrected Data
- Create RL-1 Corrected Data
- Create RL-2 Corrected Data
- Create NR4 Corrected Data

Select companies with approved year-end data.

Calculate and extract corrected year-end form data.

**Security:** *Process: Year End (Run)* - CAN domain in the CAN Payroll functional area.

9. Access the relevant report to review form data for each worker:

- View T4 Form Data
- View T4A Form Data
- View T4A-RCA Form Data
- View RL-1 Form Data
- View RL-2 Form Data
- View NR4 Form Data

**Example:** Review the dental benefits configured using the Maintain Dental Benefits Recipient Code Configuration task in Box 045 and Box 015 on the T4 and T4A forms.

For 2022 onwards, Workday displays the status of the year-end tax form as *In-Progress* or *Approved*.

In the Types field, you can filter the report to view the corrections items by selecting:

- *Additional*
- *Amended*
- *Cancelled*

You can filter the form data reports to review critical, warning, or information exceptions. Resolve any critical exceptions before creating year-end data as they might cause your integration file to fail. Workday recommends that you also resolve warning exceptions.

**Security:** *Process: Year End (Reports)* - CAN domain in the CAN Payroll functional area.

#### 10. [Approve Year-End Data \(CAN\)](#) on page 997.

Approve corrected year-end data before accessing relevant tasks and reports. For 2022 and beyond, approving year-end data is required. For years prior to 2022, approving year-end data isn't required.

11. Access the relevant report to review the data in each box for each payroll account and identification number:

- View T4 Summary
- View T4A Summary
- View T4A-RCA Summary
- View RL-1 Summary
- View RL-2 Summary
- View NR4 Summary

Select companies with approved year-end data.

You can use the data in this report to prepare the summary for Canada Revenue Agency or Revenu Québec.

**Security:** *Process: Year End (Run) - CAN domain* in the CAN Payroll functional area.

12.(Optional) If the year-end data has any errors or critical exceptions, you can cancel the data and correct any errors.

Access the relevant task:

- Cancel T4 Data
- Cancel T4A Data
- Cancel T4A-RCA Data
- Cancel RL-1 Data
- Cancel RL-2 Data
- Cancel NR4 Data

Select companies with approved year-end data.

Compare the Process Entry Moment of the relevant Cancel Data task to the Creation Date Time on the relevant View Form Data report. Verify that you're canceling the correct data.

**Note:** Don't cancel data that you've submitted to a government agency.

**Security:** *Process: Year End (Run) - CAN domain* in the CAN Payroll functional area.

Workday cancels the most recent form data that you created for the Tax Year and Company selected. Workday cancels the data and all forms created in the same batch.

13. Set up and launch the relevant tax filing integration. Select companies with approved year-end data. Submit the tax filing to the appropriate government agency. See:

- Steps: Set Up Canadian Revenue Agency T4 Integration.
- Steps: Set Up Canadian Revenue Agency T4A Integration.
- Steps: Set Up Canadian Revenue Agency NR4 Integration.
- Steps: Set Up Revenue Agency Quebec RL-1 Integration.
- Steps: Set Up Revenue Agency Quebec RL-2 Integration.

14. After confirming that the government agency accepted the tax filing, access the relevant task:

- Create T4 Forms
- Create T4A Forms
- Create T4A-RCA Forms
- Create RL-1 Forms
- Create RL-2 Forms
- Create NR4 Forms

Select companies with approved year-end data.

Generate the corrected, amended, or added PDFs and save them for printing, integration, and future reference.

The Type field displays *Original* if all the forms in the batch are original and *Corrected* if any of the forms in the batch are corrections.

For T4A-RCA, you can create these form types:

- *Employer Forms*, to print and submit to Canada Revenue Agency. Workday prints Box 61, *Payroll Account Number*, on these forms.
- *Employee Forms*, to distribute to employees.

For NR4, Workday creates additional NR4 forms when the worker has more than:

- 1 country code to report.
- 1 nonresident tax account.
- 2 lines to report for the worker because of more than 2 income codes or exemptions. Workday creates an *Original-Overflow* form type when a worker has more than 2 income codes.

Security: *Process: Year End (Reports)* - CAN domain in the CAN Payroll functional area.

15. Access the Publish Employee Canada Year End Tax Documents task for the company. Select companies with approved year-end data.

Specify a date from which workers can access their year-end tax documents on the My Tax Documents task in employee self-service (ESS). By accessing this task again, you can update the availability date or remove it if the availability date is in the future.

The Created Date/Time displays the last date and time that you extracted the year-end data using the relevant create data task. Workday recommends that you set the Availability Date after Canada Revenue Agency and Revenu Québec have accepted the forms through the integration.

To unpublish the forms from self-service once the availability date has passed, access the Override Employee Self Service Year End Tax Documents Availability Date task. You can only run this task for companies, not individual workers. Workday recommends that you create correction forms instead of unpublishing forms as employees might have already accessed their forms.

You can also use the *Get Payroll CAN Year End Forms* web service to collect employee year-end data. You or your third-party vendor can use the data for year-end form processing. Example: You pass the year-end form data on to the vendor so they can print and send the forms to your employees.

Security: *Process: Year End (Run)* - CAN domain in the CAN Payroll functional area.

## Related Information

### Concepts

[Concept: Year-End Form Corrections \(CAN\)](#) on page 1002

[Concept: Off-Cycle Payments](#) on page 703

[Concept: Adjust Prior Period Payments](#) on page 742

### Tasks

[Map Earnings and Deductions to Year-End Boxes \(CAN\)](#) on page 1402

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(CAN\)](#) on page 989

**Reference**[FAQ: Year-End Tax Reporting \(CAN\) on page 987](#)[FAQ: Processing Payroll Adjustments for Year-End \(CAN\) on page 1000](#)**Examples**[Steps: Set Up Personal Information Fields](#)[2024R2 Feature Release Note: Box G-1 Enhancements for Quebec Pension Plan](#)

# Payroll for the U.S.

## Payroll for the U.S.

Use these quick links to view Payroll for the U.S. features:

- [FLSA Wages \(USA\)](#)
- [FLSA Company Relationships \(USA\)](#)
- [Flat Sum Bonuses \(USA\)](#)
- [Third-Party Sick Pay \(USA\)](#)
- [Tip Wages and Taxes \(USA\)](#)
- [Examples: Earnings and Deductions \(USA\)](#)
- [Salary Over the Cap \(USA\)](#)
- [Tax Setup \(USA\)](#)
- [Worker Tax Elections \(USA\)](#)
- [Quarterly Tax Reporting \(USA\)](#)
- [Company Relationships \(USA\)](#)
- [Withholding Orders \(USA\)](#)
- [Year-End Tax Forms \(USA\)](#)
- [Year-End Tax Corrections \(USA\)](#)

## FLSA Wages (USA)

### Setup Considerations: Payroll Processing for the Fair Labor Standards Act (FLSA)

You can use this topic to help make decisions when planning your configuration and use of FLSA. 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

When configured, Workday processes payroll in compliance with the Fair Labor Standards Act (FLSA) to pay employees at the required rate for overtime hours. Example: Nonexempt employees who work more than 40 hours in a week must receive overtime pay at the rate of 1.5 times their regular rate of pay.

There are times when an employee receives additional pay for a work period, such as a bonus. You enter that bonus as pay input and provide coverage dates. The bonus effectively adds to the hourly pay rate used to calculate the overtime premium. Workday can automatically:

- Adjust the FLSA regular rate on each FLSA work period impacted by the bonus.
- Recalculate any overtime premium.
- Pay the difference.

Workday FLSA payroll processing enables:

- FLSA work periods that cross pay periods.
- Manual and on-demand payroll results to accumulate by FLSA work period.
- Retro processing of FLSA eligible bonuses.

## Business Benefits

Workday FLSA enables you to:

- Spend less time manually calculating FLSA rates.
- Increase the accuracy of FLSA processing.
- Reduce the need for corrections.

## Use Cases

When configured, Workday calculates FLSA for these work period types:

Work Period Durations	Employees
7-Day	Workers on a standard 40-hour, 7-day workweek.
14-Day	Healthcare workers on a standard 80-hour, 14-day workweek.
7 Day to 28 Day	<p>Public safety workers, such as police and fire, whose workweeks can range from 7 to 28 days. Each workweek length has a different number of hours and a different overtime threshold.</p> <p>Note: This work period type requires you to use either Workday Time Tracking or a third-party time tracking application. It requires the ability to calculate period-based overtime.</p>

## Questions to Consider

Questions	Considerations
Is your industry subject to FLSA rules for a standard 7-day, 40-hour workweek?	You can use the Workday-delivered work period type <i>Standard 7-day Workweek</i> . When the employee submits overtime, Workday calculates overtime based on work periods that are 7 days long. Example: An employee reports 40 regular hours and 7 overtime hours. Workday calculates 7 hours of overtime premium based on FLSA overtime rules and processes payroll accordingly.
Is your industry healthcare and subject to the FLSA 8/80 rule?	Use the Workday-delivered <i>Standard 14-day Workweek</i> . When the employee submits overtime, Workday calculates the overtime based on a 14-day work period. Example: A healthcare worker

Questions	Considerations
	works 56 hours in the first week and 27 hours in the second week, for a total of 83 hours. Workday calculates 3 hours of overtime premium and processes payroll accordingly.
Are you in the public safety industry, such as police or fire, where workweeks range from 7 days to 28 days?	<p>When the employee submits overtime, Workday references tables that contain the statutory overtime thresholds for workweeks of each duration. Workday then calculates overtime and processes payroll accordingly.</p> <p>Example: By regulation, firefighters working a 21-day workweek have a 159-hour statutory threshold. Police officers working a 21-day workweek have a 128-hour statutory threshold. Workday references the threshold for the 21-day workweek, calculates overtime for hours worked over 128, and processes payroll accordingly.</p>

## Recommendations

Set up your time tracking application to report regular and overtime hours. Example: When an employee works 48 hours in a workweek, your time tracking application reports 40 regular hours and 8 hours of overtime.

On your annual end-of-year checklist, ensure that you create FLSA work period calendars for the upcoming year.

When there's a midperiod pay group change, and you add a pay input with coverage dates that includes both pay groups; you must complete the on-cycle and pay the bonus on an off-cycle to the worker's current position and pay group.

When determining eligibility for a related calculation it's best practice to use the worker eligibility or a use a specific compensation element as opposed to adding additional complexity to the related calculation. This is regardless if your calculation includes numeric or non-numeric fields.

Process payroll in a sequential date order based on the start and end dates of the pay period. Use coverage start and end date to process a bonus (current or prior period). This ensures that the bonus is allocated to the appropriate FLSA subperiods and creates any premium adjustment differences if applicable. Example: As a payroll administrator, you:

- Run and complete a pay calculation for a worker for the pay period 10/02/2022 - 10/15/2022.
- Pay an annual bonus in between your next on-cycle for the work period 06/13/2021 - 06/11/2022.

When you process the non-regular bonus payroll, you can use the start date on or after your last completed on-cycle payroll, but before your next on-cycle payroll. This is because the start and end date of the bonus period doesn't affect the bonus allocation. Use the bonus coverage start and end date 06/13/2021 - 06/11/2022 to allocate to the appropriate FLSA subperiods.

When you reverse a previously completed payroll, manually remove the difference in the current period. Example: You can update the hours via time block when there's a correction to the hours for the worker.

When you need to update an FLSA pay component after you've completed your payroll results; Workday recommends that you create a new effective-dated snapshot and:

- Don't edit the existing effective-dated snapshot for the FLSA earning.
- Don't add or remove the non-effective dated FLSA pay component groups for the earning.

Automate updating your FLSA work period calendars by using the Schedule Work Period Calendar Update task.

## Requirements

For public safety overtime calculations, you must have either Workday Time Tracking or a third-party time tracking application. The time tracking application must have the ability to calculate period-based overtime.

Completed retro must have a target result. If you don't, it negatively impacts your FLSA calculation for that period. You can identify workers without a target result using the Retro Calculation Processing Report and selecting the Display Only Workers with Unpulled Retro Results check box.

## Limitations

Workday only calculates coverage dates back to the date that you enabled FLSA adjustments.

When a pay period spans multiple FLSA periods, ongoing gross-up amounts won't create FLSA subperiods. Workday pays the full grossed-up amount in the first FLSA period.

When creating an FLSA bonus earning:

- Directly reference the amount entered in the pay input or one-time payment as amount based and not rate based with percentages.
- You can't use a related calculation or a pay-component related calculation.

Workday doesn't support FLSA for workers who have an international assignment position in the U.S.

Buy Time Off shouldn't be considered FLSA eligible.

The Schedule Work Period Calendar Update task only flags FLSA work period calendars set to expire within 90 days of the current date. Example: If the current date is 2025-06-01 and your FLSA calendar is configured through 2026-01-01, the task doesn't proactively notify you about the expiring calendar.

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Process: Run Batch Calculations (Payroll Calculation)</i> domain in the Core Payroll functional area.	Enables users to view and process batch calculations for payroll.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> domain in the Core Payroll functional area.	Enables users to create and modify earnings and deductions.
<i>Set Up: Payroll (FLSA) - USA</i> domain in the USA Payroll functional area.	Enables users to create and modify FLSA configuration and earnings.

## Business Processes

No impact.

## Reporting

Reports	Considerations
FLSA Calendar Changes by Worker	<p>Use this report to see workers who changed FLSA calendars for completed or in-progress pay periods by:</p> <ul style="list-style-type: none"> <li>• Worker name.</li> <li>• Worker ID number.</li> <li>• FLSA Calendar as of Period Start Date.</li> </ul>

Reports	Considerations
	<ul style="list-style-type: none"> <li>• FLSA Calendar as of Period End Date.</li> </ul>
FLSA Processing Status for Group of Workers	<p>Use this report before running payroll to ensure that settings are correct. It indicates whether the period is in sync with the FLSA work period.</p> <p>Use it after processing payroll to view results and verify the status of any worker.</p>
Payroll Register	Use this report to review data by subperiod dates.
Pay Calculation Results for Group of Workers	Use this report to review data by subperiod dates.
View FLSA Work Period Calendar	Use this report to review work periods setup for an FLSA calendar.
View FLSA Work Period Calendar Rules	Use this report to review FLSA rules for payroll processing, their conditions, and the calendars that use them.

## Integrations

No impact.

## Connections and Touchpoints

Touchpoints	Considerations
Compensation	<p>Compensation plans tie to compensation elements, which in turn tie to payroll earnings. Without proper configuration, compensation amounts won't flow to payroll.</p> <p>Compensation plans, with their respective amounts, are associated with employees. This information passes to payroll for processing. Make sure that you configure eligibility rules for the plans correctly.</p> <p>Example: You can select the Enable Coverage Dates check box on One-Time Payment Plans .</p>
Time Tracking	<p>The 7-day to 28-day work period type requires you to use either:</p> <ul style="list-style-type: none"> <li>• Workday Time Tracking.</li> <li>• A third-party time tracking application that can calculate period-based overtime.</li> </ul>
Retro Differences from Current Tax Authority Change	When Workday forwards retroactive pay including overtime premiums in an on-demand payment with the tax authorities from the source period; you can pay subsequent overtime premium adjustments in the on-cycle payroll using current period tax authorities.
Payroll Processing Positions	Configuring the payroll processing position for multiple job workers:

Touchpoints	Considerations
	<ul style="list-style-type: none"> <li>• Impacts FLSA calendar membership and the determination of a worker's FLSA exemption status.</li> <li>• Affects only completed payroll results.</li> <li>• Impacts FLSA and retro calculations if the effective date falls within a period that's currently in progress.</li> </ul>

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

##### Concepts

[Concept: Payroll Processing for FLSA \(USA\)](#) on page 1019

##### Reference

[The Next Level: Payroll FLSA Series](#)

[The Next Level: FLSA Enhancements for Industry](#)

## Steps: Set Up Payroll for the Fair Labor Standards Act (USA)

### Prerequisites

The worker must be nonexempt.

Security: *Set Up: Payroll (FLSA) - USA* domain in the USA Payroll functional area.

### Context

When configured, Workday Fair Labor Standards Act (FLSA) payroll processing enables you to manage:

- FLSA work periods that cross pay periods.
- Manual and on-demand payroll results to accumulate by FLSA work period.
- Automatic adjustments to the overtime premium rate, which eliminates the need to run retro processing in certain scenarios.
- Retro processing of FLSA eligible bonuses.

### Steps

1. [Create FLSA Work Period Calendars Rules](#) on page 1015.  
Workday assigns workers to FLSA work periods based on the criteria that you specify in period calendar rules.
2. [Create FLSA Work Period Calendars \(USA\)](#) on page 1016.  
Workday uses FLSA work periods to calculate FLSA wages and taxes for assigned nonexempt workers.
3. [Schedule FLSA Work Period Calendar Update](#) on page 1018.
4. (Optional) Extend an FLSA work period calendar by building additional work period events.
  - a) Access the View FLSA Work Period Calendar task and select the calendar that you want to extend.
  - b) Select FLSA Work Period Calendar > Build Work Period Events from the related actions menu.
  - c) Enter the Number of Work Periods to extend.

This field automatically populates, but you can override the number.

Security: *Set Up: Payroll (FLSA) - USA* domain in the USA Payroll functional area.

5. Limit retroactive processing to recent FLSA configuration.

- a) Access the Change No Retro Processing Prior To Date for Group of Workers task.
- b) Select the Pay Run Group or Pay Group.

Workday changes the No Retro Processing Prior To date for the group to the last completed pay period plus one day. Workday no longer processes retro for periods before this date.

**Security:** *Process: Run Batch Calculations (Retro Calculation)* domain in the Core Payroll functional area.

6. Access the Create Earning task to configure FLSA earnings for automatic FLSA adjustment processing.

Create separate earnings for each FLSA calculation. Examples:

- An earning for regular hours, plus any over 40, at the FLSA regular rate
- An FLSA premium rate earning for overtime hours.
- An earning for FLSA straight time of overtime and overtime premium that includes both regular and premium earnings.
- An FLSA bonus earning to allocate earnings across a coverage period.

As you configure the earning, consider:

Option	Description
Calculation	<p>Workday provides several calculations that you can use to configure FLSA earnings.</p> <p>When creating an FLSA bonus earning, directly reference the amount entered in a pay input or one-time payment. You can't use a related calculation or a pay-component related calculation to calculate the bonus.</p>
Resolve by FLSA Period	<p>When you select this check box, Workday displays the earning on the FLSA tab of the View Payroll Results report. Workday applies the earning to the appropriate FLSA week based on the FLSA work period calendars.</p>
Allow Coverage Dates for Bonuses	<p>Select this check box to enable coverage dates for FLSA when you also select the Resolve by FLSA Period check box.</p> <p>You can then enter coverage dates on payroll input and one-time payments to determine how Workday allocates FLSA bonus amounts when the coverage dates span multiple FLSA periods.</p>
FLSA Bonus Allocation Across Coverage Dates	<p>Select an allocation method to determine how to pay FLSA bonuses on active and inactive periods. The allocation method that you select depends on whether you want to calculate and pay the bonus in nonactive periods.</p>

**Security:** *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

7. [Add Payroll Input for Workers](#) on page 617.

If you're adding payroll input for an FLSA bonus, add coverage dates. Workday then has the bonus allocate earnings across the coverage period and automatically adjust the FLSA premium rate.

## Result

You can now calculate payroll that includes FLSA payments, including FLSA bonuses that allocate the bonus across coverage dates. Workday automatically adjusts the FLSA premium rates and pays the difference.

### Related Information

#### Concepts

[Concept: Payroll Processing for FLSA \(USA\) on page 1019](#)

[Concept: FLSA Bonus Allocation on page 1021](#)

#### Reference

[Reference: FLSA Reports \(USA\) on page 1036](#)

[Setup Considerations: Payroll Processing for the Fair Labor Standards Act \(FLSA\) on page 1008](#)

## Create FLSA Work Period Calendars Rules

### Prerequisites

Security: *Set Up: Payroll (FLSA) - USA* domain in the USA Payroll functional area.

### Context

You can create Fair Labor Standards Act (FLSA) work period calendar rules that Workday uses to assign workers to FLSA work period calendars based on the criteria you specify. Example: You can create a rule to specify these criteria that identify the FLSA work period calendar to apply to the worker:

- Worker is Employee = Yes.
- Location Address - Country = United States of America.
- Pay Group = FLSA Bi-Weekly.

When you process payroll, Workday calculates earnings for US nonexempt workers in the FLSA Bi-Weekly pay group and based on the associated FLSA work period calendar. This processing can simplify setting up a new worker. Example: Once you assign a pay group, the rule automatically applies the correct FLSA work period calendar.

You can only assign workers to 1 FLSA work period calendar at a time.

Note: Workday doesn't display the FLSA tab on pay results when:

- You haven't assigned the FLSA calendar.
- The workers don't meet the eligibility criteria specified in the FLSA calendar rule.

### Steps

1. Access the Create FLSA Work Period Calendar Rule task.
2. Select an existing condition rule to modify it, or create a new rule in the Rule Conditions grid.
3. Select rules to configure in the \*Source External Field or Condition Rule field. Ensure the rules that you configure include all eligible workers in calendar membership.

Avoid unintentionally eliminating covered workers when selecting these conditions in the rule:

- Worker status. Example: You only include active workers. A worker goes on leave, and is no longer considered active. The worker has prior overtime that you still need to pay, but the worker is no longer considered eligible.
- Pay rate type. Example: You only include hourly workers. A worker goes from hourly to salaried. The worker has prior overtime that you still need to pay, but the worker is no longer considered eligible.

If you want exempt status in your rule, select *Exempt Status for FLSA Calendar Membership*.

## Result

When you process payroll, Workday calculates the worker's FLSA earnings based on the rules you configured. Workday displays the current FLSA calendar in the Pay Results section on the worker profile. When the worker isn't eligible for an FLSA calendar, Workday displays *No FLSA Calendar Assigned*.

## Example

You configure rules for a worker that transfers from a 7-day workweek to a 14-day workweek. The rule specifies the effective end date of the worker assigned to the 7-day workweek rule.

Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
<i>Worker is Employee</i>	<i>equal to</i>	<i>Value specified in this filter</i>	<i>Yes (selected)</i>
<i>Location Address - Country</i>	<i>in the selection list</i>	<i>Value specified in this filter</i>	<i>United States of America</i>
<i>Pay Group</i>	<i>in the selection list</i>	<i>Value specified in this filter</i>	<i>FLSA Semi-monthly</i>
<i>Current Effective Date and Time</i>	<i>less than</i>	<i>Value specified in this filter</i>	<i>1/20/2014</i>

The same worker transfers to a 14-day workweek. You create a rule that specifies the effective start date for the worker assigned to a 14-day workweek rule.

Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
<i>Worker is Employee</i>	<i>equal to</i>	<i>Value specified in this filter</i>	<i>Yes (selected)</i>
<i>Location Address - Country</i>	<i>in the selection list</i>	<i>Value specified in this filter</i>	<i>United States of America</i>
<i>Pay Group</i>	<i>in the selection list</i>	<i>Value specified in this filter</i>	<i>FLSA Semi-monthly</i>
<i>Current Effective Date and Time</i>	<i>greater than or equal to</i>	<i>Value specified in this filter</i>	<i>1/20/2014</i>

## Next Steps

Create FLSA work period calendars.

Related Information

### Concepts

[Concept: Payroll Processing for FLSA \(USA\) on page 1019](#)

[Setup Considerations: Payroll Processing for the Fair Labor Standards Act \(FLSA\) on page 1008](#)

### Tasks

[Create Business Process Condition Rules](#)

## Create FLSA Work Period Calendars (USA)

### Prerequisites

Create the rules that assign workers to FLSA work periods.

**Security:** Set Up: Payroll (FLSA) - USA domain in the USA Payroll functional area.

## Context

You can create FLSA work period calendars to automatically calculate FLSA wages and taxes for nonexempt workers. Workday Payroll then uses Fair Labor Standards Act (FLSA) work periods to calculate FLSA wages and taxes for assigned nonexempt workers.

Ensure that you create the calendar you want before running a payroll. You can't delete a calendar once Workday creates payroll results for it. When you have no payroll results for an FLSA work period calendar, you can access the Delete FLSA Work Period Calendar task to delete it.

**Note:** Don't move workers from 1 FLSA calendar to another because it can cause unexpected results when processing prior period adjustments.

## Steps

1. Access the Create FLSA Work Period Calendar task.
2. Select a Work Period Type.

When you select the Work Period Type, Workday populates the Number of Work Periods field on the Build FLSA Work Period Calendar Events task.

3. Select an FLSA Work Period Calendar Rule.
4. Select FLSA Work Period Calendar > Build Work Period Events from the related actions menu of the calendar.

You can override the number of weeks in the Number of Work Periods field.

Work Period Type	Number of Work Periods in 1 Year
Standard 7-day Workweek	53
14-day Workweek	27
Public Agency Work Period - 7 day through Public Agency Work Period - 28 day	Workday calculates the approximate number of work periods in a year.  Example: For a <i>Public Agency Work Period - 25 day</i> , there are 14.6 work periods in a year. Workday rounds this number up to 15.

5. Enter the first day of the first work period as a Start Date and click OK.

Based on the Work Period Type you select, Workday creates a calendar with approximate number work periods for the year.

Workday displays the worker's current FLSA calendar in the Pay Results section on the worker profile. When the worker isn't eligible for an FLSA calendar, Workday displays *No FLSA Calendar Assigned*.

## Next Steps

Create additional calendars as necessary for varying FLSA work weeks.

Create FLSA earnings.

Access the FLSA Processing Status for Group of Workers report to review preliminary information on worker eligibility for FLSA payroll processing.

Related Information

### Concepts

[Concept: Schedule Patterns](#)

## Schedule FLSA Work Period Calendar Update

### Prerequisites

Set up a FLSA work period calendar. See [Create FLSA Work Period Calendars \(USA\)](#).

Security: *Set Up: Payroll (FLSA) - USA* domain in the USA Payroll functional area.

### Context

You can use the Schedule FLSA Work Period Calendar Update task to automatically update your FLSA work period calendars on a regular or custom cadence. This task enables you to proactively identify and update FLSA work period calendars that will expire within 90 days of the current date.

### Steps

1. Access the Schedule FLSA Work Period Calendar Update task.
2. Complete the task:

Option	Description
Run Frequency	Select the run frequency of the scheduled update to the FLSA calendar.
Work Period Calendar	Select which FLSA calendars you want to schedule the update for.  If you don't select any calendars, Workday updates all FLSA calendars set to expire within 90 days of the current date.
Number of Work Periods	Select the number of work periods that you want to update.
End Date	For the Range of Recurrence, you can't schedule the FLSA calendar update to run more than 5 times after the end of the next calendar year.  Example: If you configure a monthly-scheduled FLSA calendar update starting in 2025, the final occurrence is in May, 2027.

### Result

You receive a notification on the bell icon in Workday when the scheduled update for the FLSA calendar is complete.

### Next Steps

When you use the Schedule FLSA Work Period Calendar Update task to automatically schedule an update, you can't delete the FLSA work period calendar update that the task creates.

To view, edit, or delete background processes for FLSA calendar updates, you can access the Scheduled Future Processes report and select *Schedule FLSA Work Period Calendar Update* from the Process prompt. See [Manage Scheduled Future Processes](#).

You can also access the Process Monitor report to view background processes for FLSA calendar updates that are currently running or that ran in the past.

## Concept: Payroll Processing for FLSA (USA)

### FLSA Work Period Types

Workday enables you to select these work period types when you process payroll for the Fair Labor Standards Act (FLSA):

FLSA Work Period Type	FLSA Worker Type
<i>Standard 7-day Workweeks</i>	Workers on a standard 40-hour, 7-day workweek.
14-day Workweeks	Healthcare workers on a standard 80-hour, 14-day workweek.
<i>Public Agency Work Periods</i>	Public safety workers, such as police and fire fighters, whose workweeks can range from 7 to 28 days. Each workweek length has a different number of hours and a different overtime threshold.

### FLSA Eligibility Status

You can only process FLSA payroll for nonexempt workers.

When an exempt worker has multiple positions across all companies and pay groups, Workday determines the worker exempt when the sum of exempt scheduled hours is greater than the sum of nonexempt scheduled hours for those positions. When the exempt and nonexempt scheduled hours are equal, Workday uses the exemption status of the primary or processing position. This happens regardless if the job is in the same company or a different company.

Workday uses the exempt status for the worker effective on the pay period end date, unless there's one complete FLSA subperiod where the worker is nonexempt.

If you pay a bonus to a nonexempt worker, the bonus will allocate by workweeks. If you pay a bonus for an exempt worker, then Workday pays the bonus in 1 lump sum.

Example: The semimonthly pay period is 2021-01-01 to 2021-01-15, and these dates are the FLSA period weeks:

1. 2020-12-27 to 2021-01-02.
2. 2021-01-03 to 2021-01-09.
3. 2021-01-10 to 2021-01-16.

## FLSA Bonus and Retroactive Transactions

If the worker has a job change to exempt on:

- 2021-01-02, Workday pays the bonus in a lump sum and there's no allocation.
- 2021-01-03 or later, Workday treats the entire period as nonexempt because the worker is nonexempt during the last day of the first FLSA subperiod. The bonus allocates over all 3 FLSA weeks.

Workday doesn't support calculating these FLSA bonus payments concurrent with a retroactive transaction that targets the same FLSA period:

- Nonregular run category (on-cycle or off-cycle) FLSA bonus with FLSA coverage dates in some situations.
- Prior period on-demand FLSA bonus with FLSA coverage dates.

To calculate the FLSA bonus, you must either:

- Complete the FLSA bonus before you add or calculate the retroactive transaction.
- Complete and pull the retroactive transaction into your next on-cycle payment. Complete that on-cycle payment before you calculate the FLSA bonus transaction.
- Use the current period for the FLSA bonus and pay it on-cycle.
- Pay the FLSA bonus in a period without retro.

As a general rule, you can't have both payments (the FLSA bonus and the retroactive transaction targeting the same FLSA period) in progress at the same time.

Workday defers and pays all FLSA premium adjustments to the payroll result where you target retro, when:

- You run a pay calculation for an on-demand payment or nonregular run category for an FLSA worker.
- The bonus payment is in the same FLSA period that you're processing a retro pay calculation.

Workday will also display a:

- Message where the adjustment is deferred, either on the FLSA or the Flat Sum Bonus tab on the payroll results.
- Warning on the Reversal Pay Calculation task when you're about to reverse bonus run category or on-demand results where Workday has deferred premiums.

**Related Information****Reference**[Reference: FLSA Reports \(USA\) on page 1036](#)**Examples**[Example: Create FLSA Regular Earning \(USA\) on page 1024](#)[Example: Create FLSA Premium Rate Earning \(USA\) on page 1025](#)[Example: Create FLSA Straight Time of Overtime and Overtime Premium \(USA\) on page 1028](#)

## **Concept: View FLSA Payroll Results**

### **View FLSA Payroll Result**

Payslips display Fair Labor Standards Act (FLSA) earnings broken out by FLSA workweek. When you select Resolve by FLSA on FLSA earnings, Workday displays the subperiod dates on the Gross to Net tab of the payroll results. When the worker has an FLSA calendar membership, an FLSA tab is available on pay results that identifies total FLSA wages, hours, and the FLSA rate by FLSA workweek. Click Wages or Hours to see detail by earning. When you run retro that impacts FLSA adjustments, FLSA pay results don't display until retro completes and results are recalculated.

**Payslip**

Payslips summarize FLSA wages by pay component, hours, rate, amount, and YTD. When you process more than 1 work period, Workday:

- Displays coverage dates for bonuses.
- Displays separate rows for each work period when the rates are different.
- Combines them when the rates are the same.

When the payroll input is daily and rates are the same for those days, Workday summarizes by earning and rate.

**Related Information****Tasks**[View Payroll Results on page 785](#)**Reference**[FAQ: View Payroll Results on page 843](#)

## **Concept: FLSA Bonus Allocation**

Workday calculates bonus amounts for FLSA-eligible workers on leave of absence (LOA) based on how you configure the bonus earning.

On the Create Earning task, your selections within the *Calculation Proration* section and the FLSA Bonus Allocation Across Coverage Dates field on the Effective Dated tab determine the bonus allocation. Here's what Workday does based on your configuration:

FLSA Bonus Allocation Across Coverage Dates	None of the Above	Prorate Using Days Worked	Prorate Using Calendar Days
Paid on Active Periods - Amount Reduced on Inactive Periods	Pays full bonus amount to active periods only, with an equal amount of the bonus allocated to each FLSA week.	Pays bonus to active periods only, prorated using working days. Reduces bonus amount by inactive days.	Pays bonus to active periods only, prorated using calendar days. Reduces bonus amount by inactive days.

FLSA Bonus Allocation Across Coverage Dates	None of the Above	Prorate Using Days Worked	Prorate Using Calendar Days
Paid on Active Periods - Full Amount	Pays full bonus amount to active periods only, with an equal amount of the bonus allocated to each FLSA week.	Pays full bonus amount to active periods only, prorated using working days.	Pays full bonus amount to active periods only, prorated using calendar days.
Paid on all Periods - Full Amount	Pays full bonus amount to all periods, with an equal amount of the bonus allocated to FLSA each week.	Pays full bonus amount to all periods, prorated using working days.	Pays full bonus amount to all periods, prorated using calendar days.
Paid on Periods with FLSA Hours - Full Amount	Pays full bonus amount to active periods, and to periods with FLSA hours reported, with an equal amount of the bonus allocated to each FLSA week.	Pays full bonus amount to active periods, and to periods with FLSA hours reported, prorated using working days. For LOA periods and proration purposes, any FLSA hours for the period count as if all 5 days had hours.  For workers who don't report time, such as exception hourly, Workday allocates bonuses with coverage dates for the current period based on proration settings. You can enter time manually to adjust amounts.	Pays full bonus amount to active periods, and to periods with FLSA hours reported, prorated using calendar days. For LOA periods and proration purposes, any FLSA hours for the period count as if all 7 days had hours.  For workers who don't report time, such as exception hourly, Workday allocates bonuses with coverage dates for the current period based on proration settings. You can enter time manually to adjust amounts.

Note: Workers must have pay results for a period to receive a bonus amount to that period. When the worker is on LOA for the entire period, there must be a zero amount pay result. Configure run categories to create results for workers on leave.

When you terminate a worker during the coverage window, Workday allocates the bonus to FLSA periods before the termination, based on proration settings.

Workday doesn't support the Prorate Using Annual Working Days option when you configure the FLSA Bonus Allocation Across Coverage Dates field. Workday uses the number of FLSA periods within coverage dates instead.

#### Related Information

##### Tasks

[Set Up Proration Calculations](#) on page 285

##### Examples

[Example: Set Up Pay Run Category for Workers on Leave](#) on page 145

## Concept: FLSA and Payroll Processing Position

You can configure the payroll processing position rules for workers with multiple jobs. Based on the rules you select, you must consider changes to their taxes related to FLSA.

The changes to taxes can occur when a worker is in different companies or pay groups with multiple gross-to-nets. On the Maintain Payroll Processing Position Rules task, when you configure:

- Primary position as the processing position, Workday uses the work state for the primary job to determine taxation regardless of which gross to net is being calculated.
- Position override as the processing position, Workday uses the work state based on each position. Also consider impacts to taxes when a worker with each position is in a different state. FLSA adjustments for overtime earned in 1 job can be paid on the other job. Example:

A worker has 2 jobs. Job 1 has a work state of Connecticut and Job 2 has a work state of New York. The worker gets paid regular, overtime, and a shift differential in each job. This creates 2 gross-to-net results (GTN 1 and GTN 2). Workday:

- For Job 1, calculates the FLSA overtime premium rate based on the earnings in the GTN1 and is taxed in Connecticut.
- For Job 2, calculates the FLSA overtime premium rate based on all the hours and wages including both GTN1 and GTN2. Overtime adjustments for both GTN1 and GTN2 are taxed in New York even though the original overtime for GTN1 was taxed in Connecticut.

Related Information

### Tasks

[Set Up Default Processing Position for Payroll \(CAN, USA\)](#) on page 591

## Concept: FLSA and Retro Differences from Current Tax Authority Change

When Workday forwards retroactive pay including overtime premiums in an on-demand payment with the tax authorities from the source period; you can pay subsequent overtime premium adjustments in the on-cycle payroll using current period tax authorities.

### FLSA Overtime Premium Adjustment

When Workday calculates FLSA overtime premium adjustments in the regular on-cycle pay result, the overtime premium is based on the source gross to net. However, the taxation for the adjustment occurs where the worker receives the adjustment using the current tax authorities (unless you specify a worktag override on the source result).

Depending on your business requirements, you'd need to make manual tax adjustments on the pay result where the adjustment occurs.

#### Example 1:

You process retro for a worker who moved from California to New York with an overtime premium that doesn't cross states.

In Period 1, you pay the California worker overtime and an FLSA bonus with coverage dates for the current period only. Effective for Period 2, the worker moves to New York.

When you add retroactive overtime back to Period 1, which is a supported retro event, Workday:

- Calculates retro differences.
- Pays overtime and premium in an on-demand payment for California (tax authority of the source period).

**Example 2:**

You process retro for a worker who moved from California to New York with an overtime adjustment that crosses states.

In Period 1, you pay the California worker overtime. Effective Period 2, the worker moves to New York. You pay an FLSA bonus with coverage dates back to Period 1. Workday calculates premium adjustments for the overtime in Period 1 and pays in the current state of New York.

When you add retroactive overtime back to Period 1, Workday:

- Calculates retro differences.
- Pays Overtime in an on-demand payment for California (tax authority of the source period).
- Pays FLSA premium adjustments in Period 3 in an on-cycle payment for New York (tax authority of the current period).

**Example: Create FLSA Regular Earning (USA)**

This example illustrates 1 way to create an FLSA regular rate earning. You can use an FLSA regular rate earning with an FLSA premium rate earning to calculate FLSA wages and display the payment rates on payslips.

**Context**

Terry needs to set up an FLSA earning for regular hours, plus any over 40, at the FLSA regular rate. She wants the rate to display on the worker's payslip.

**Prerequisites**

Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.

**Steps**

1. Access the Create Earning task.
2. Enter these values:

Option	Description
Name	<i>FLSA Regular Rate</i>
Code	<i>FLSA_REG</i>

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Select a future effective date
Calculation	<i>Hours (unprorated) * Rate</i>
Input Amount Allowed?	Select
Override Frequency	<i>Hourly</i>
Resolve by FLSA Period	Select

4. Enter these settings in a row on the Related Calculations grid:

Related Calculation	Groups	Default Calculation
<i>Hours (unprorated)</i>	<i>FLSA Hours [USA]</i>	<i>Payroll Input</i>

5. Enter these settings in a row on the Related Calculations grid:

Related Calculation	Override Calculation

<i>Rate</i>	<i>Compensation: Compensation Element Value (using PC Freq Override)</i>
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6. Select the appropriate Compensation Element.
7. Select *FLSA Wages [USA]* from the Groups prompt on the Non-Effective Dated tab.
8. Click OK.
9. In Related Calculations grid, from the related actions menu of *Hours(unprorated)*, select Relation Calculation --> Edit.
10. On the Edit Related Calculation task, select the Bring Forward Difference check box on the Retro Adjustment Type tab.
11. Click OK.
12. Click Done.

## Result

Workday:

- Prorates FLSA salaried and exception regular hourly earnings.
- Processes retro pay.
- Displays FLSA regular and premium rates on the worker's payslip.

## Next Steps

Set up payroll input for a pay component, such as hourly pay.

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

[Set Up Pay Component Eligibility](#) on page 243

[Map Pay Components to Benefit Plans](#) on page 261

[Add Payroll Input for Workers](#) on page 617

## Example: Create FLSA Premium Rate Earning (USA)

This example illustrates 1 way to create an FLSA premium rate earning that you can use with an FLSA regular rate earning to calculate FLSA wages.

### Context

Terry needs to set up an FLSA premium rate earning for overtime hours. She wants the rate to display on the workers' payslips.

### Prerequisites

Security: These domains in the Core Payroll functional area:

- [Set Up: Payroll \(Calculations - Payroll Specific\)](#)
- [Set Up: Payroll \(Calculations - Generic\)](#)

### Steps

1. Access the Create Related Calculation task.
2. Enter these settings:

Option	Description
Name	<i>FLSA Rate</i>

Option	Description
Code	<i>FLSA_RATE</i>
Category	<i>Payroll</i>

3. Select *FLSA Rate by Company and FLSA Period* (*returns 0 if FLSA Hours by Company and FLSA Period = 0*) from the Default Value prompt on the Value tab.
4. Click OK.
5. Click Done.
6. Access the Create Arithmetic Calculation task.
7. Enter these settings:

Option	Description
Name	<i>OT Premium Rate Calculation</i>
Category	<i>Payroll</i>
1st Operand	<i>FLSA Rate</i>
Operator	<i>Multiply</i>
2nd Operand	<i>0.5</i>

8. Click OK.
9. Click Done.
10. Access the Create Related Calculation task.
11. Enter these settings:

Option	Description
Name	<i>Premium Rate (1/2 of FLSA Rate)</i>
Code	<i>OT_RATE</i>
Category	<i>Payroll</i>

12. Select *OT Premium Rate Calculation* from the Default Value prompt on the Value tab.
13. Click OK.
14. Click Done.
15. Access the Create Arithmetic Calculation task.
16. Enter these settings:

Option	Description
Name	<i>Hours (unprorated) * Premium Rate (1/2 of FLSA Rate)</i>
Category	<i>Payroll</i>
1st Operand	<i>Hours (unprorated)</i>
Operator	<i>Multiply</i>
2nd Operand	<i>Premium Rate (1/2 of FLSA Rate)</i>

17. Click OK.
18. Click Done.
19. Access the Create Earning task.

20. Enter these values:

Option	Description
Name	<i>FLSA Premium Rate</i>
Code	<i>FLSA_PREM</i>

21. Select a future Effective Date on the Effective Dated tab.

22. Add a row on the Worker Eligibility grid and select *Payroll Input Exists for Pay Component (Sub Period)*.

23. Enter these settings in the Calculation Details section:

Option	Description
Calculation	<i>Hours (unprorated) * Premium Rate (1/2 of FLSA Rate)</i>
Input Amount Allowed?	Select
Override Frequency	<i>Hourly</i>
Resolve by FLSA Period	Select

24. Enter these settings in a row on the Related Calculations grid:

Related Calculation	FLSA Premium Calculation Type	Override Calculation	Input Allowed?	Do Not Store / Do Not Store if Zero
<i>Hours (unprorated)</i>	<i>FLSA Premium Hours</i>	<i>Payroll Input</i>	Select	<i>None of the above</i>

25. Enter these settings in a row on the Related Calculations grid:

Related Calculation	Override Calculation
<i>FLSA Rate</i>	<i>FLSA Rate by Company and FLSA Period (returns 0 if FLSA Hours by Company and FLSA Period = 0)</i>

26. Enter these settings in a row on the Related Calculations grid:

Related Calculation	FLSA Premium Calculation Type	Override Calculation	Do Not Store / Do Not Store if Zero
<i>Premium Rate (1/2 of FLSA Rate)</i>	<i>FLSA Premium Rate</i>	<i>OT Premium Rate Calculation</i>	<i>None of the above</i>

27. Click OK.

28. Click Done.

29. Select the *Hours (unprorated)* calculation on the Edit Related Calculation task.

30. Select the Bring Forward Difference on the Retro Adjustment Type tab.

31. Click OK.

32. Click Done.

## Result

Workday:

- Prorates FLSA salaried and exception hourly earnings that come from compensation.
- Processes retro pay.

## Next Steps

Set up payroll input for a pay component, such as hourly pay.

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

[Set Up Pay Component Eligibility](#) on page 243

[Map Pay Components to Benefit Plans](#) on page 261

[Add Payroll Input for Workers](#) on page 617

## Example: Create FLSA Straight Time of Overtime and Overtime Premium (USA)

This example illustrates 1 way to create an FLSA earning that includes both regular and premium earnings. You can't display separate FLSA rates on payslips when you combine earning types. Instead, Workday combines the regular rate of pay with the FLSA rate.

### Context

Terry wants to set up an FLSA earning that calculates regular and overtime hours.

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Related Calculation task.

2. Enter these settings:

Option	Description
Name	<i>FLSA - Payment for Straight Time of Overtime</i>
Code	<i>FLSA_STOT</i>
Category	<i>Payroll</i>

3. Select the Currency Related check box on the Value tab.

4. Select the Bring Forward Difference check box on the Retro Adjustment Type tab to avoid overstating FLSA wages.

5. Access the Create Related Calculation task.

6. Enter these settings:

Option	Description
Name	<i>FLSA Rate</i>
Code	<i>FLSA_RATE</i>
Category	<i>Payroll</i>

7. Select *FLSA Rate by Company and FLSA Period (returns 0 if FLSA Hours by Company and FLSA Period = 0)* from the Default Value prompt on the Value tab.

8. Access the Create Arithmetic Calculation task.

9. Enter these settings:

Option	Description
Name	<i>OT Premium Rate Calculation</i>
Category	<i>Payroll</i>

Option	Description
1st Operand	<i>FLSA Rate</i>
Operator	<i>Multiply</i>
2nd Operand	<i>0.5</i>

10. Access the Create Related Calculation task.

11. Enter these settings:

Option	Description
Name	<i>Premium Rate (1/2 of FLSA Rate)</i>
Code	<i>OT_RATE</i>
Category	<i>Payroll</i>

12. Select *OT Premium Rate Calculation* from the Default Value prompt on the Value tab.

13. Access the Create Arithmetic Calculation task.

14. Enter these settings:

Option	Description
Name	<i>Hours (unprorated) * Premium Rate (1/2 of FLSA Rate)</i>
Category	<i>Payroll</i>
1st Operand	<i>Hours (unprorated)</i>
Operator	<i>Multiply</i>
2nd Operand	<i>Premium Rate (1/2 of FLSA Rate)</i>

15. Access the Create Arithmetic Calculation task.

16. Enter these settings:

Option	Description
Name	<i>FLSA Straight Time of OT + OT Premium</i>
Category	<i>Payroll</i>
1st Operand	<i>FLSA - Payment for Straight Time of Overtime</i>
Operator	<i>Add</i>
2nd Operand	<i>Hours (unprorated) * Premium Rate (1/2 of FLSA Rate)</i>

17. Access the Create Earning task.

18. Enter these values:

Option	Description
Name	<i>FLSA Overtime (Straight Time and Overtime)</i>
Code	<i>FLSA_STOT</i>

19. On the Effective Dated tab, select a future Effective Date.

20. Select *Payroll Input Exists for Pay Components (Sub Period)* in the Worker Eligibility grid.

21. Enter these settings in the Calculation Details section:

Option	Description
Calculation	<i>FLSA Straight Time of OT + OT Premium</i>
Input Amount Allowed?	Select
Override Frequency	<i>Hourly</i>
Resolve by FLSA Period	Select

22. Enter these settings in a row on the Related Calculations grid:

Related Calculation	Groups	FLSA Premium Calculation Type	Default Calculation	Input Allowed?	Do Not Store / Do Not Store if Zero
<i>Hours (unprorated)</i>	<i>FLSA Hours [USA]</i>	<i>FLSA Premium Hours</i>	<i>Payroll Input</i>	Select	<i>None of the above</i>

23. Enter these settings in a row on the Related Calculations grid:

Related Calculation	Override Calculation	Do Not Store / Do Not Store if Zero
<i>Rate</i>	<i>Compensation: Compensation Element Value (Using PC Freq Override)</i>	<i>None of the above</i>

24. Enter these settings in a row on the Related Calculations grid:

Related Calculation	Groups	Override Calculation	Do Not Store / Do Not Store if Zero
<i>FLSA - Payment for Straight Time of Overtime</i>	<i>FLSA Wages [USA]</i>	<i>Hours (unprorated) * Rate</i>	<i>None of the above</i>

25. Enter these settings in a row on the Related Calculations grid:

Related Calculation	Default Calculation	Do Not Store / Do Not Store if Zero
<i>FLSA Rate</i>	<i>FLSA Rate by Company and FLSA Period (returns 0 if FLSA Hours by Company and FLSA Period = 0)</i>	<i>None of the above</i>

26. Enter these settings in a row on the Related Calculations grid:

Related Calculation	FLSA Premium Calculation Type	Default Calculation	Do Not Store / Do Not Store if Zero
<i>Premium Rate (1/2 of FLSA Rate)</i>	<i>FLSA Premium Rate</i>	<i>OT Premium Rate Calculation</i>	<i>None of the above</i>

27. Select *Base Pay - Academic Pay Enabled* from the Compensation Element prompt.

28. Click OK.

29. Click Done.

30. Select the *Hours (unprorated)* calculation on the Edit Related Calculation task.

31. Select the Bring Forward Difference on the Retro Adjustment Type tab.
32. Click OK.
33. Click Done.

## Result

Workday:

- Prorates FLSA salaried and exception hourly earnings that come from compensation.
- Processes retro pay.

## Next Steps

Set up payroll input for the pay component, such as hourly pay.

Related Information

### Tasks

[Set Up Pay Component Eligibility](#) on page 243

[Map Pay Components to Benefit Plans](#) on page 261

[Steps: Create Earnings](#) on page 229

[Add Payroll Input for Workers](#) on page 617

## Example: Create FLSA Bonus That Allocates Across a Coverage Period (USA)

This example illustrates 1 way to create an FLSA bonus earning that allocates across a coverage period.

### Context

Terry needs to set up an FLSA bonus earning that allocates across the period in which the employee earned it. She wants to pay the bonus earning in the first pay period in July but apply it to January through June. She needs to include the allocated bonus amount in the FLSA wages, which impacts the premium rates for the pay periods in those months.

Note: When creating an FLSA bonus earning, you must directly reference the amount entered in the pay input or one-time payment. You can't use a related calculation or a pay-component related calculation.

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Earning task.
2. Enter these values:

Option	Description
Name	<i>FLSA Bonus</i>
Code	<i>FLSA_BON</i>

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Select a future effective date.
Calculation	<i>Payroll Input</i>
Input Amount Allowed?	Select
Override Frequency	<i>Hourly</i>

Option	Description
Resolve by FLSA Period	Select
Allow Coverage Dates for Bonuses	Select  To allocate the bonus across a coverage period, select the check box for the Coverage Dates fields to display on the Add Payroll Input by Worker task.
FLSA Amount Allocation Across Coverage Dates	<i>Paid on Active Periods – Full Amount</i>  The allocation method you select depends on whether you want to calculate and pay the bonus in nonactive periods.

4. Select *FLSA Wages [USA]* from the Groups prompt on the Non-Effective Dated tab.  
Select other pay component groups as needed.
5. Click OK.
6. Click Done.

## Result

Workday:

- Adjusts the FLSA regular rate on each FLSA work period impacted by the bonus.
- Recalculates premium pay (half-time overtime premium).
- Pays the difference.

Workday displays FLSA adjustments for each active FLSA work period to which the bonus applies on the payroll results and on payslips. The payslips display FLSA adjustments in the Earnings section.

Related Information

### Concepts

[Concept: FLSA Bonus Allocation](#) on page 1021

### Tasks

[Set Up Pay Component Eligibility](#) on page 243

[Map Pay Components to Benefit Plans](#) on page 261

[Steps: Create Earnings](#) on page 229

[Add Payroll Input for Workers](#) on page 617

## Example: Create FLSA Gross-Up Bonus Earning

This example illustrates 1 way to create an FLSA bonus earning to use for gross-up bonuses.

### Context

Terry needs to set up an earning for FLSA bonus amounts that gross up from an input net amount.

### Prerequisites

Set up gross-up calculations.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Earning task.

2. Enter these settings:

Option	Description
Name	<i>FLSA Gross-Up Bonus</i>
Code	<i>FLSA_GUB</i>

3. Enter these settings on the Effective Dated tab:

Option	Description
Calculation	Select <i>Grossed up Amount</i> .
Input Amount Allowed?	Leave the check box clear for gross-up earnings.
Always Gross Up	Selected.
Gross-Up Type	Select a gross-up type. If you select <i>Company Specific Percentage</i> , enter the flat tax rate for the gross-up in the <i>Gross-Up Percentage</i> prompt.
Resolve by FLSA Period	Selected.
Allow Coverage Dates for Bonuses	Selected.  When you don't select this check box, the Coverage Dates fields don't display when you run the Add Payroll Input by Worker task, so you can't allocate the bonus across a coverage period.
FLSA Amount Allocation Across Coverage Dates	Select <i>Paid on Active Periods – Full Amount</i> .  The allocation method you select depends on whether you want to calculate and pay the bonus in nonactive periods.

4. From the Groups prompt on the Non-Effective Dated tab, select *FLSA Wages [USA]*, along with other pay component groups as needed.

## Result

When Terry adds payroll input for the bonus, she can enter the net amount for the worker to receive. Workday calculates the tax amounts.

### Related Information

#### Tasks

[Steps: Set Up Gross-Up Calculations](#) on page 332

## Example: FLSA Processing (USA)

This example demonstrates how Workday processes FLSA bonuses and overtime.

### Context

#### Workday FLSA Bonus and Overtime Process

Robert is a nonexempt FLSA worker who works a 40-hour work week at 25 USD per hour. On the week of 2019-11-01 to 2019-11-07, in addition to these hours, he works 3 overtime hours and is eligible for a 500 USD bonus payment.

The payroll administrator uses earnings, payroll input, and an on-demand additional payment to take into account these 3 components of his pay.

## Steps

1. Access the Create Earning task to create 2 FLSA earnings: 1 for the straight time and 1 for the premium rate to account for his overtime.
2. Access the Add Payroll Input by Worker task. Enter 43 hours for straight-time at a 25 USD per hour rate for regular pay.  
 $25 * 43 = 1,075 \text{ USD}$
3. Access the Run On Demand Payment for Worker task. Set up a nondiscretionary bonus payment of 500 USD for the same work period, which increases his total wages to 1,575 USD.
4. Access the Add Payroll Input task to enter 3 hours of premium pay for his overtime. The premium portion of the overtime is 0.5 of his premium rate:  
 $1,575 \text{ total straight time and bonus pay} / 43 \text{ hours} = 36.63 \text{ USD per hour FLSA premium rate}$   
 $0.5 * 36.63 = 18.315 \text{ premium portion}$   
 $3 \text{ overtime hours} * 18.315 = 54.95 \text{ USD}$

## Result

His total pay for the work period is:

$$(43 \text{ hours} * 25) + 500 + 54.95 = 1,629.95 \text{ USD}$$

### Payslip Including Overtime and Bonus

Description	Dates	Hours	Rate	Amount (USD)	YTD (USD)
FLSA Hourly Pay (Reg Hours)	2015-11-01 to 2015-11-07	43	25.00	1,075.00	1,075.00
FLSA Bonus	2015-11-01 to 2015-11-07	0	500	500	500
FLSA Overtime Premium	2015-11-01 to 2015-11-07	3	18.32	54.95	54.95
			Total:	1629.95	1629.95

Note: Workday aggregates the earnings on payslips when the rate is the same for multiple work periods.

### Related Information

#### Concepts

[Concept: Adjust Prior Period Payments](#) on page 742

[Concept: Payroll Process Workflow](#) on page 670

#### Tasks

[Steps: Process Payroll](#) on page 644

#### Reference

[FAQ: Payroll Processing](#) on page 679

## Example: FLSA Adjustment (USA)

This example demonstrates how to use Workday to make an FLSA adjustment.

### Context

During the payroll run for the work week 11/08 - 11/14, the payroll administrator realizes Robert should have received a 600 USD bonus, but he received 500 USD. She needs to pay Robert the 100 USD and apply it to the 11/01 - 11/07 pay period.

## Steps

1. Access the Add Payroll Input by Worker task.

2. Select the worker.
3. Select the Start Date and End Date of the pay period. (In this case, select the work week 11/08 - 11/14.)
4. Select the Pay Component. (In this case, *Bonus*.)
5. Select the Processing Defaults. (In this case, *One-time, Adjustment, and Regular Run Category*.)
6. Enter Coverage Dates 11/01 - 11/07.
7. After clicking OK, enter Input Details:
  - a) Type. (In this case, *Amount*.)
  - b) Value. (In this case *100.00*.)

## Result

When the payroll administrator processes payroll for 11/08 - 11/14, Workday automatically adjusts the overtime rate for the previous period 11/01 - 11/07. The on demand adjustment displays the 100.00 USD gross for the FLSA bonus and the FLSA rate difference:

FLSA Work Week	Hours	Rate (USD)
11/01/15 - 11/07/15	3	54.95 without 100 bonus.
11/01/15 - 11/07/15	3	58.43 with 100 bonus; a rate increase of 3.48.

In some cases, the net of an FLSA adjustment could be negative.

## FAQ: Fair Labor Standards Act (FLSA)

Can I process FLSA adjustments for all pay frequencies?

Yes. Set up the pay component that is paying the FLSA premium rate with these Workday-delivered FLSA related calculations:

- *FLSA Premium Hours*: Set up this calculation type on the related calculation that is using *Hours (unprorated)*.
- *FLSA Premium Rate*: Set up this calculation type on the related calculation for the premium, or half-time, portion of overtime.

Workday supports work periods not aligned with pay periods, such as monthly and semimonthly periods. Workday FLSA processing enables:

- FLSA work periods that cross pay periods.
- Manual and on-demand results to accumulate by FLSA work period.
- Retro adjustments for all pay frequencies.
- Automatic adjustments to the overtime premium rate in certain situations.

If I have multiple gross-to-net results with FLSA, does Workday review all of them to calculate the regular rate of pay?

Yes.

If workers changed FEINs or pay groups, would I be able to process the resulting subperiods as FLSA?

FLSA continues to calculate when you move workers from 1 pay group to another. However, Workday doesn't support FLSA calculations across

How can I process a quarterly bonus that prorates for each weekly period?

Does Workday summarize wages and adjustments on payslips and pay checks when I input hours daily?

Is FLSA a worktag?

companies for workers who move from 1 FEIN to another.

Workday FLSA processing supports multiple pay periods, so you can allocate a bonus across pay periods.

Yes. When payslips are configured, the FLSA wages and adjustments display in the Earnings section. There's no special payslip configuration required for FLSA.

No. Workday FLSA functions according to the Start Date and End Date for the work period. You can't use worktags to implement Workday-delivered FLSA.

#### Related Information

##### Tasks

[Steps: Set Up Payroll for the Fair Labor Standards Act \(USA\) on page 1013](#)

## Reference: FLSA Reports (USA)

These reports provide information about FLSA workers and processing.

Report	Security	Description
FLSA Calendar Changes by Worker	<i>Reports: Pay Calculation Results for Pay Group (Results)</i>	<p>Use this report to view workers who changed FLSA calendars for completed or in-progress pay periods by:</p> <ul style="list-style-type: none"> <li>• Worker name.</li> <li>• Worker ID number.</li> <li>• FLSA calendar as of pay period start date.</li> <li>• FLSA calendar as of pay period end date.</li> </ul>
FLSA Processing Status for Group of Workers	<i>Reports: Pay Calculation Results for Pay Group (Results)</i>	<ul style="list-style-type: none"> <li>• Access the Prior to Processing tab before running payroll to ensure that the settings are correct. Indicates whether the period is in sync with the FLSA work period.</li> <li>• Access the Post Processing tab after running payroll to view results and verify the status of any worker.</li> </ul> <p>Example:</p> <ul style="list-style-type: none"> <li>• Workers without an FLSA calendar.</li> <li>• The calendar used for workers</li> </ul>

Report	Security	Description
		eligible for multiple calendars.
Payroll Register	<i>Reports: Pay Calculation Results for Pay Group (Results)</i>	Displays data by subperiod dates.
Pay Calculation Results for Group of Workers	<i>Reports: Pay Calculation Results for Pay Group (Results)</i>	Displays data by subperiod dates.
View FLSA Work Period Calendar Rules	<i>Set Up: Payroll (FLSA) - USA</i>	Displays the rules that you set up for FLSA processing, their conditions, and the calendars that use them.
View FLSA Work Period Calendar	<i>Set Up: Payroll (FLSA) - USA</i>	Displays the work periods set up for an FLSA calendar. You can view the start and end dates of a 53-week calendar.

## Troubleshooting: Duplicated Ongoing Payroll Inputs in FLSA Processing (USA)

Cause: You don't configure the earning paid through payroll input for proration.

Solution:

### Steps

Security: These domains in the Core Payroll functional area:

- *Process: Run Batch Calculations (Pay Calculation)*
  - *Set Up: Payroll (Calculations - Payroll Specific)*
1. Access the Edit Earning task.
  2. In the Calculation Details section of the Effective Dated tab, select a proration method that isn't *None of the above*.
  3. Access the Run Pay Calculation task to recalculate payroll.

Related Information

### Concepts

Concept: [FLSA Bonus Allocation](#) on page 1021

### Tasks

[Set Up Proration Calculations](#) on page 285

## FLSA Company Relationships (USA)

### Setup Considerations: FLSA Company Relationships (USA)

You can use this topic to help make decisions when planning your configuration and use of FLSA Company Relationships. 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

You can set up FLSA company relationships for workers with multiple jobs across different companies to calculate:

- FLSA blended overtime premium.
- Flat Sum bonus overtime premium rate.

When you create an FLSA company relationship, to calculate FLSA blended overtime premium, Workday:

- Applies it to all FLSA overtime calculations for eligible employees.
- Aggregates the hours and wages of workers across 2 or more companies within the FLSA company relationship.

When you create an FLSA company relationship, to calculate Flat Sum Bonus overtime premium rate, Workday:

- Applies it to all Flat Sum Bonus overtime calculations for eligible employees.
- Uses all hours worked based on coverage dates across 2 or more companies within the FLSA company relationship.

## Business Benefits

Setting up an FLSA company relationship enables you to:

- Save time by automatically calculating FLSA blended overtime premiums.
- Easily report the hours and wages of workers across multiple companies.
- Save time by automatically calculating Flat Sum Bonus overtime premium rate.
- Easily report the total regular hours based on coverage dates.
- Reduce your manual effort and the need for manual calculations.

## Use Cases

FLSA	<p>Calculate an FLSA blended rate when the earnings affect the rate of pay for workers with multiple jobs across different companies.</p> <p>Example: A worker has 2 jobs. Each job has a unique company and a different rate of pay or additional earnings that impact the FLSA regular rate of pay. Job 1 (Company A) pays the worker 32 hours regular and 1 hour of overtime. Job 2 (Company B) pays a worker 8 hours regular and 1 hour of overtime.</p>
Flat Sum Bonus	<p>Calculate the Flat Sum Bonus overtime premium rate on total regular hours worked for a worker based on the bonus coverage dates across different companies.</p> <p>Example: A worker moves to a new company. Both companies are in an FLSA company relationship and the worker is paid a Flat Sum Bonus with coverage dates spanning between both companies. Job 1 (Company A) pays the worker 32 hours regular and 1 hour of overtime. Job 1 (Company B) pays a worker 8 hours regular and 1 hour of overtime.</p>

## Questions to Consider

Questions	Considerations
How do you set up FLSA company relationships?	You can use the Create FLSA Company Relationship task.
How does Workday pay overtime adjustments (FLSA)?	<p>Workday calculates the overtime adjustments on the last processed gross-to-net. The company that caused the adjustment pays the overtime adjustment.</p> <p>Use the intercompany accounting functionality to charge the overtime to the desired company.</p> <p>There are no changes to how Workday allocates bonus and applies the proration rules.</p>
How does Workday pay a prior period bonus (FLSA)?	<p>When the workers' jobs are in unique companies and the companies:</p> <ul style="list-style-type: none"> <li>• Are in an FLSA relationship, the overtime adjustments such as bonus is paid on the last gross-to-net of all the companies within the relationship.</li> <li>• Aren't in an FLSA relationship, the overtime adjustments are calculated independently for each company.</li> </ul>
How does Workday pay the bonus across multiple companies when a worker moves companies (FLSA and Flat Sum Bonus)?	<p>For FLSA: Workday pays the bonus and adjusts overtime to the current company. Since the worker is terminated in the prior company, use retro or prior period on-demand additional processing, when you need to pay a bonus back to the prior company.</p> <p>If you pay an FLSA bonus with coverage dates that crosses companies, Workday pays the bonus and adjusts overtime to the current company regardless if the company is an FLSA relationship or not.</p> <p>For Flat Sum Bonus: Workday calculates the Flat Sum Bonus premium rate for all hours within the bonus coverage period within the FLSA relationship. For companies that aren't in a company relationship:</p> <ul style="list-style-type: none"> <li>• If the bonus coverage dates are in the previous company, Workday doesn't calculate the Flat Sum Bonus premium rate. Use prior period on-demand additional payment or retro targeting the previous company to pay the Flat Sum Bonus premium rate</li> <li>• If the bonus coverage dates are in targeting both the previous and current or only the current company; Workday calculates only the overtime Flat Sum Bonus premium rate for the current company</li> </ul>

## Recommendations

Workday recommends that you enable payroll intercompany accounting to support FLSA company relationships. Make sure you:

- Include all companies within an FLSA Company Relationship on the intercompany profile.
- Set up payroll ledgers for each company for all configured operational transaction types.
- Open ledger periods for all configured operational transaction types for the period end date or in the future.
- Review cost center and company restrictions to ensure they're within the related companies and have valid operational transactions and worktag balancing rule configurations.
- Review, add, or update a worker's assigned costing.

Workday recommends you not to do reversals for workers with an FLSA adjustment or for workers with multiple jobs and companies. If you do so, you'd need to manually make adjustments going forward for the worker for that period.

## Requirements

To calculate FLSA blended overtime or Flat Sum Bonus overtime premium rate accurately, you must:

- Set up FLSA work period calendar rules. Companies must be in the same FLSA work period calendar and FLSA work period calendar rule.
- Create an FLSA company relationship.
- Have the same pay frequency (pay period start/end and check date) for each company in the FLSA company relationship.
- Have all companies in the same pay group.
- Have the same run category for regular pay.
- Use position-based earnings for regular and overtime hours.

## Limitations

Workday doesn't support future coverage dates.

## Tenant Setup

Workday aggregates all the hours and wages for nonexempt employees of all companies involved in the Single Legal Entity or Common Paymaster company relationship. An FLSA Company relationship isn't needed. Therefore, there could be an FLSA overtime adjustment for a different company on your current company payroll result. Workday recommends that you enable payroll intercompany accounting. You can disable the automatic FLSA overtime premium calculation to aggregate across companies by selecting the Disable Company Tax Relationships for FLSA and Flat Sum Bonus check box on the Edit Tenant Setup-Payroll task.

## Security

Users with security enabled for the *Set Up: Payroll (FLSA) - USA* domain in the USA Payroll functional area can set up FLSA company relationships.

## Business Processes

No impact

## Reporting

You can run the View FLSA Company Relationship report to verify the FLSA company relationships you've set up.

## Integrations

You can use these web services to update FLSA company relationships:

- *Get FLSA Company Relationships*
- *Put FLSA Company Relationship*

## Connections and Touchpoints

Touchpoint	Consideration
Single Legal Entity and Common Paymaster relationships	<p>For workers in a Single Legal Entity or Common Paymaster relationship, Workday automatically calculates FLSA overtime by aggregating hours and wages of workers across 2 or more companies defined for that relationship. Therefore, you needn't set up FLSA company relationships.</p> <p>However, if you do set it up, the FLSA company relationship always takes precedence over tax relationships when determining FLSA calculations.</p>

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

#### Concepts

[Setup Considerations: Common Paymaster Company Relationships \(USA\)](#) on page 1278

[Setup Considerations: Single Legal Entity Company Relationships \(USA\)](#) on page 1299

## Create FLSA Company Relationships (USA)

### Context

You can set up FLSA company relationships for workers with multiple jobs across different companies to calculate:

- FLSA blended overtime premium.
- Flat Sum bonus overtime premium rate.

When you create an FLSA company relationship, to calculate FLSA blended overtime premium, Workday:

- Applies it to all FLSA overtime calculations for eligible employees.
- Aggregates the hours and wages of workers across 2 or more companies within the FLSA company relationship.

When you create an FLSA company relationship, to calculate Flat Sum Bonus overtime premium rate, Workday:

- Applies it to all Flat Sum Bonus overtime calculations for eligible employees.
- Uses all regular hours worked based on coverage dates across 2 or more companies within the FLSA company relationship.

FLSA company relationship configuration takes precedence over tax relationships. You can use FLSA company relationships to calculate only FLSA and has no impact on tax relationships. Any changes to the relationship should be made prior to running the pay calculation. When you make changes to the company relationship, you must recalculate payroll. Workers with a midperiod company change will be in the company for the entire FLSA week. Workday recommends that you move all workers to a new company prior to calculating payroll.

Workday recommends that you enable payroll intercompany accounting to support FLSA company relationships. Make sure you:

- Include all companies within an FLSA Company Relationship on the intercompany profile.
- Set up payroll ledgers for each company for all configured operational transaction types.
- Open ledger periods for all configured operational transaction types for the period end date or in the future.
- Review cost center and company restrictions to ensure they're within the related companies and have valid operational transactions and worktag balancing rule configurations.
- Review, add, or update a worker's assigned costing.

## Steps

1. Access the Create FLSA Company Relationship task.
2. On the Effective Dated tab, consider:

Option	Description
Effective Date	Enter an effective date that's on or before the current date.  Adding or updating an effective date doesn't trigger a retro event. However, Workday uses the effective date in retro calculations when a worker has supported events such as compensation change or additional hours from a prior period.
Inactive	Inactivate a company relationship to no longer calculate the FLSA blended overtime premium or Flat Sum Bonus overtime premium rate for related companies as of the effective date.
Related Companies	Enter at least 2 companies. You can create any number of FLSA company relationships. However, you can't set up the same company in more than 1 relationship at a time. You can only select USA companies.

## Next Steps

You can use the Edit FLSA Company Relationship task to update an existing effective date or add a new effective date. To deactivate an active relationship going forward, you must add a new effective date and select the Inactive check box.

## Concept: Inactivate Company Relationships (USA)

You can select the Inactivate check box from the Edit FLSA Company Relationship task to disable an existing FLSA company relationship. When you deactivate an FLSA company relationship for workers with multiple jobs across different companies, Workday:

- Doesn't calculate the FLSA blended overtime premium.
- Doesn't calculate the Flat Sum Bonus overtime premium rate.

When the FLSA relationship is inactive and you pay an FLSA bonus with coverage dates going back to a period when the FLSA company relationship was active, Workday doesn't aggregate to calculate the blended rate. The overtime adjustments are calculated independently since the FLSA company relationship was inactive.

Example 1: The FLSA week is Sunday - Saturday. You had the FLSA company relationship for the semimonthly pay period 2023-04-01 to 2023-04-15 set to active. You deactivate the FLSA company relationship on 2023-04-16. Workday considers the entire FLSA week (2023-04-12 to 2023-04-18) inactive because the status was deactivate at the FLSA period end date (2023-04-18).

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

When the FLSA company relationship is inactive and you run retro going back to a period when the FLSA company relationship was active, Workday calculates retro based on the status of that period.

Example 2: The FLSA week is Sunday - Saturday. You had the FLSA company relationship for the semimonthly pay period 1 (2023-04-01 to 2023-04-15) set to active. You add a new effective dated snapshot and then set the relationship to inactive on 2023-04-16. After you complete your payroll for the pay period 2 (2023-04-16 to 2023-04-30), you then change the worker's compensation effective on 2023-04-01. When you process retro:

Workday calculates pay period 1 (2023-04-01 to 2023-04-15) based on the active status of the FLSA company relationship.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Workday calculates pay period 2 (2023-04-16 to 2023-04-30) based on the inactive status of the FLSA company relationship.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Example 3: The FLSA week is Sunday - Saturday. You had the FLSA company relationship for the semimonthly pay period 1 (2023-04-01 to 2023-04-15) set to active. You update the existing effective dated snapshot and then set the relationship to inactive on 2023-04-16. After you complete payroll for the pay period 2 (2023-04-16 to 2023-04-30), you then change the worker's compensation effective on 2023-04-01. When you process retro:

Workday calculates pay periods 1 and 2 based on the inactive status of the FLSA company relationship.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

## Concept: FLSA Company Relationships (USA)

You can calculate FLSA blended overtime premium for workers with multiple jobs across different companies. When you Create FLSA RelationshipWorkday:

- Applies it to all FLSA overtime calculations for eligible employees.
- Calculates FLSA overtime premiums by aggregating the hours and wages of employees across 2 or more companies within the FLSA company relationship.

Example: Sam has 2 jobs and each job has a unique company. You:

- Create an FLSA relationship for both companies (Company A and Company B).
- Assign a worker to a 7-day FLSA week calendar with a weekly payroll period.

Sam's pay for Job A (Company A) is \$20 per hour and Job B (Company B) is \$23. At Job A (Company A), Sam works 32 hours regular and 1 hour overtime. At Job B (Company B), they work 8 hours regular and 1 hour of overtime. Since the companies are in an FLSA relationship, Workday calculates the FLSA overtime premium at the blended rate of pay.

Sam receives 2 gross-to-net payslips, 1 for each company.

- Workday processes Job A first. Since Job B hasn't been processed yet, Workday calculates FLSA rate and includes wages and hours only for Job A.

Job/ Company	Description	Dates	Hours	Rate	Amount	YTD
Job A (Company A)	Hourly	2023-05-01 to 2023-05-07	32	\$20	\$640	\$640
Job A (Company A)	Overtime Straight Time	2023-05-01 to 2023-05-07	1	\$20	\$20	\$20
Job A (Company A)	Overtime Premium	2023-05-01 to 2023-05-07	1	\$10	\$10	\$10

- Calculations for Gross-to-net for Job A (Company A):

FLSA Eligible Wages and Hours:	<ul style="list-style-type: none"> <li>• 32 regular hours @ \$20.00 per hour = \$640.00</li> <li>• 1 overtime hour (1x) @ \$20.00 per hour = \$20.00</li> </ul>
FLSA Overtime Calculation:	<ul style="list-style-type: none"> <li>• FLSA rate = \$660.00 (total wages) divided by 33 total hours worked) = \$20.00</li> </ul>

	<ul style="list-style-type: none"> <li>• FLSA Premium Rate = <math>\\$20.00 * 0.5 = \\$10.00</math></li> </ul>
Total Overtime due to the Worker:	$\$20.00 (1x) + \$10.00 (\text{Premium}) = \$30.00$

- Workday processes Job B next, and calculates FLSA rate to include hours and wages for both Job A and Job B. Overtime adjustments are made for Job A overtime based on the new FLSA rate. Gross-to-net for Job B (Company B):

Job/ Company	Description	Dates	Hours	Rate	Amount	YTD
Job B (Company B)	Hourly	2023-05-01 to 2023-05-07	8	\$23	\$184	\$184
Job B (Company B)	Overtime Straight Time	2023-05-01 to 2023-05-07	1	\$23	\$23	\$23
Job B (Company B)	Overtime Premium	2023-05-01 to 2023-05-07	1	\$10.33	\$10.33	\$10.33
Job A (Company A)	Overtime Premium Adjustment	2023-05-01 to 2023-05-07	1	-\$10	-\$10	\$0.33
Job A (Company A)	Overtime Premium Adjustment	2023-05-01 to 2023-05-07	1	\$10.33	\$10.33	\$0.33

The YTD for Job A (Company A) is \$0.33 because it's the YTD for Company A that's paid on the result of Job B (Company B).

- Calculations for Gross-to-net for Job B (Company B):

FLSA Eligible Wages and Hours:	<ul style="list-style-type: none"> <li>• Job A (Company A): 32 regular hours @ \$20.00 per hour = \$640.00</li> <li>• Job A (Company A): 1 overtime hour (1x) @ \$20.00 per hour = \$20.00</li> <li>• Job B (Company B): 8 regular hours (1x) @ \$23.00 per hour = \$184.00</li> <li>• Job B (Company B): 1 overtime hour (1x) @ \$23.00 per hour = \$23.00</li> </ul>
FLSA Overtime Calculation:	<ul style="list-style-type: none"> <li>• FLSA rate = \$867.00 (total wages from both companies) divided by 42 (total hours from both companies) = \$20.65</li> <li>• FLSA Premium Rate = <math>\\$20.65 * 0.5 = \\$10.33</math></li> </ul>
Total Overtime due to the Worker:	<ul style="list-style-type: none"> <li>• Job A company A: Premium adjustment only - \$10.33 (new FLSA Premium rate) – \$10.00 (premium rate from GTN1) = 0.33</li> <li>• Job B company B: \$23.00 (1x) + \$10.33 (Premium) = \$33.33</li> </ul>

## Concept: Flat Sum Bonus with FLSA Company Relationship (USA)

You can calculate Flat Sum Bonus overtime premium rate for workers with multiple jobs across different companies. When you Create FLSA RelationshipWorkday:

- Applies it to all Flat Sum Bonus overtime calculations for eligible employees.
- Uses all regular hours worked based on coverage dates across 2 or more companies within the FLSA company relationship.

Example: Sam has 2 jobs and each job has a unique company. You:

- Create an FLSA relationship for both companies (Company A and Company B).
- Assign a worker to a 7-day FLSA week calendar with a weekly payroll period.

At Job A (Company A), Sam works 8 hours regular and 1 hour overtime. At Job B (Company B), they work 32 hours regular and 1 hour of overtime. A Flat sum bonus of \$100 is paid for each job. Since the companies are in an FLSA relationship, Workday calculates the Flat Sum Bonus overtime premium rate using the total regular hours worked for both companies.

Sam receives 2 gross-to-net payslips, 1 for each company.

- Workday processes Job A first. Since Job B hasn't been processed yet, Workday calculates Flat Sum Bonus Overtime rate only for Job A Flat Sum Bonus and overtime hours.

Job/ Company	Description	Dates	Hours	Rate	Amount	YTD
Job A (Company A)	Hourly	2023-05-01 to 2023-05-07	8	\$25	\$200	\$200
	Flat Sum Bonus	2023-05-01 to 2023-05-07			\$100	\$100
Job A (Company A)	Overtime Straight Time	2023-05-01 to 2023-05-07	1	\$12.50	\$12.50	\$12.50
Job A (Company A)	Flat Sum Bonus Overtime Premium	2023-05-01 to 2023-05-07		\$3.75	\$3.75	\$3.75

- Calculations for Gross-to-net 1 for Job A (Company A):

Flat Sum Bonus Eligible Hours:	<ul style="list-style-type: none"> <li>• Company A and Company B total regular hours = 40</li> <li>• Company A and Company B total overtime hours = 2</li> </ul>
Overtime Premium Rate: Flat sum bonus amount /Number of regular hours in the pay period) x 1.5	(\$100 / 40) * 1.50 = \$3.75 that will be applied to Overtime hours for Job A (Company A)

Workday processes Job B next, and calculates the Flat Sum Bonus Overtime rate to include hours for both Job A and Job B. Job A (Company A) and Job B (Company B) are in an FLSA relationship therefore there's a blended rate that's calculated in the second Gross-to-net:

Job/ Company	Description	Dates	Hours	Rate	Amount	YTD

Job B (Company B)	Hourly	2023-05-01 to 2023-05-07	32	\$20	\$640	\$640
	Flat Sum Bonus	2023-05-01 to 2023-05-07			\$100	\$100
Job B (Company B)	Overtime Straight Time	2023-05-01 to 2023-05-07	1	\$20	\$20	\$20
Job B (Company B)	Overtime Premium	2023-05-01 to 2023-05-07	1	\$10.54	\$10.54	\$10.54
	Flat Sum Bonus Premium	2023-05-01 to 2023-05-07		\$7.50	\$7.50	\$7.50
Job A (Company A)	Overtime Premium	2023-05-01 to 2023-05-07		\$10.54	\$10.54	\$1.79
Job A (Company A)	Flat Sum Bonus Overtime Premium	2023-05-01 to 2023-05-07		\$3.75	\$3.75	\$1.79
Job A (Company A)	Overtime Premium	2023-05-01 to 2023-05-07		-\$12.50	-\$12.50	\$1.79

- Calculations for Gross-to-net 2 for Job B (Company B):

FLSA Eligible Wages and Hours:	<ul style="list-style-type: none"> <li>• Job A (Company A): 8 regular hours (1x) @ \$25.00 per hour = \$200.00</li> <li>• Job A (Company A): 1 overtime hour (1x) @ \$25.00 per hour = \$25.00</li> <li>• Job B (Company B): 32 regular hours (1x) @ \$20.00 per hour = \$640.00</li> <li>• Job B (Company B): 1 overtime hour (1x) @ \$20.00 per hour = \$20.00</li> </ul>
FLSA Overtime Calculation:	<ul style="list-style-type: none"> <li>• FLSA rate = \$885.00 (total wages from both companies) divided by 42 (total hours from both companies) = \$21.071</li> <li>• FLSA Premium Rate = \$21.071 * 0.5 = \$10.535</li> </ul>
Total Overtime due to the Worker:	<ul style="list-style-type: none"> <li>• Job A company A: Premium adjustment only - \$10.54 (new FLSA Premium rate) – \$12.50 (premium rate from GTN1) = - \$1.96 (negative)</li> <li>• Job B company B: \$20.00 (1x) + \$10.54 (Premium) = \$30.54</li> </ul>
Flat Sum Bonus Eligible Hours	<ul style="list-style-type: none"> <li>• Company A and Company B total regular hours = 40</li> </ul>

	<ul style="list-style-type: none"> <li>Company A and Company B total overtime hours = 2</li> </ul>
Overtime Premium Rate: Both Flat sum bonus amount /Number of regular hours in the pay period) x 1.5	<ul style="list-style-type: none"> <li><math>(\\$200 / 40) * 1.50 = \\$7.50</math> that will be applied to Job B (Company B)</li> <li><math>\\$7.50 - \\$3.75</math> (Flat sum bonus rate from GTN1) = <math>\\$3.75</math> difference that will be applied to Job A (Company A)</li> </ul>

## Concept: FLSA Calculation Impacts When Workers Move Companies (USA)

Workday processes FLSA for workers that move companies the same regardless of whether the companies are in an FLSA relationship or not. When a worker moves from 1 company to another and you pay a bonus with start and end dates to the current job with the coverage dates going back to the prior company, Workday pays the bonus and adjusts the overtime only to the current designated company. If you target the bonus to the prior company, you should process retro with accurate start and end dates as well as coverage dates for the company.

Example 1: Paying an FLSA bonus with coverage dates targeted to the current and prior company.

Sam works in Job A (Company A), gets paid 40 hours regular and 1 hour of overtime, for pay period 1 (2023-05-01 to 2023-05-07). They move to Job B (Company B) during pay period 2 (2023-05-08 to 2023-05-14); get paid 40 hours regular, 1 hour of overtime, and an FLSA bonus with coverage dates 2023-05-01 to 2023-05-14. Workday:

- Pays the bonus amount based on the allocation rules set on the earnings code.
- Adds the bonus amount only to the FLSA wages of the current company (pay period 2). This impacts overtime premiums only for the current company.

Use retro or prior period on-demand additional processing, when you need to pay a bonus back to the prior company.

Example 2: Paying an FLSA bonus with coverage dates targeted only to the prior company.

Sam works in Job A (Company A), gets paid 40 hours regular and 1 hour of overtime, for pay period 1 (2023-05-01 to 2023-05-07). They move to Job B (Company B) during pay period 2 (2023-05-08 to 2023-05-14), get paid 40 hours regular, 1 hour of overtime, and an FLSA bonus with coverage dates 2023-05-01 to 2023-05-07. Workday:

- Pays the bonus amount based on the allocation rules set on the earnings code.
- Adds the bonus amount only to the FLSA wages of the current company (pay period 2). The bonus is considered a non-FLSA bonus. The worker wasn't working in Job B (Company B) during pay period 1 (2023-05-01 to 2023-05-07) so there are no FLSA earnings to calculate.

Use retro or prior period on-demand additional processing, when you need to pay a bonus back to the prior company.

Example 3: Paying FLSA bonus when moving midperiod

Sam works in Job A (Company A), gets paid 40 hours regular and 1 hour of overtime, for pay period 1 (2023-05-01 to 2023-05-07). They move to Job B (Company B) during pay period 2 (2023-05-08 to 2023-05-14). For pay period 2, they get paid 40 hours regular, 1 hour of overtime, and an FLSA bonus with coverage dates 2023-05-01 to 2023-05-07. Workday:

- Allocates bonus to the FLSA week belonging to Company B where the worker moved to the new company midperiod.
- Pays the bonus amount based on the allocation rules set on the earnings code.
- Adds the bonus amount only to the FLSA wages for the current company (pay period 2). This impact the overtime premiums only for the current company.

Use retro or prior period on-demand additional processing, when you need to pay a bonus back to the prior company.

## Concept: Flat Sum Bonus Calculation Impacts When Workers Move Companies (USA)

Flat Sum Bonus is based on coverage dates regardless of a worker's position, job, or company. Coverage dates determine how the bonus and regular hours are considered for Flat Sum Bonus calculations.

If a worker moves from 1 company to another and the companies are in an FLSA relationship:

<p>Example 1: Paying a Flat Sum Bonus with coverage dates targeted to the current and prior company.</p>	<p>Sam works in Job A (Company A), gets paid 40 hours regular and 1 hour of overtime, for pay period 1 (2023-05-01 to 2023-05-07). They move to Job B (Company B) during pay period 2 (2023-05-08 to 2023-05-14). For pay period 2, they get paid 40 hours regular, 1 hour of overtime, and a Flat Sum Bonus with coverage dates 2023-05-01 to 2023-05-14.</p> <p>Workday calculates Flat Sum overtime premium rate based on the total hours for both prior and current company</p>
<p>Example 2: Paying a Flat Sum Bonus with coverage dates targeted only to the prior company.</p>	<p>Sam works in Job A (Company A), gets paid 40 hours regular and 1 hour of overtime, for pay period 1 (2023-05-01 to 2023-05-07). They move to Job B (Company B) during pay period 2 (2023-05-08 to 2023-05-14). For pay period 2, they get paid 40 hours regular, 1 hour of overtime, and a Flat Sum Bonus with coverage dates 2023-05-01 to 2023-05-07.</p> <p>Workday calculates Flat Sum Bonus overtime premium rate based on total hours for the prior company.</p>
<p>Example 3: Paying Flat Sum Bonus when moving midperiod.</p>	<p>Sam works in Job A (Company A), gets paid 40 hours regular and 1 hour of overtime, for pay period 1 (2023-05-01 to 2023-05-07). They move to Job B (Company B) during pay period 2 (2023-05-08 to 2023-05-14). For pay period 2, they get paid 40 hours regular, 1 hour of overtime, and a Flat Sum Bonus with coverage dates 2023-05-01 to 2023-05-07.</p> <p>Workday calculates Flat Sum Bonus overtime premium rate based on total hours for the prior company.</p>

## Flat Sum Bonuses (USA)

### Setup Considerations: Flat Sum Bonuses (USA)

You can use this topic to help make decisions when planning your configuration and use of Workday flat sum bonus functionality. 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

Workday developed flat sum bonus functionality in response to a California Supreme Court ruling (*Alvarado v. Dart Container Corporation*) which addressed the method employers in California should use to calculate the bonus overtime premium when a worker receives a flat sum bonus. The method outlined by the California Supreme Court is different from the method used to calculate bonus overtime premium under the federal Fair Labor Standards Act (FLSA).

If your state doesn't require special calculation of flat sum bonus overtime premiums, you don't need to set up this functionality. You would continue to use the existing FLSA functionality.

## Business Benefits

Configuration of flat sum bonus functionality helps you be compliant with California overtime rules for hourly workers.

## Use Cases

To reduce compliance risk and manual entries, you can set up a flat sum bonus earning to use special state rules.

## Questions to Consider

Question	Considerations
Have you implemented Workday FLSA functionality?	<p>Flat sum bonus functionality requires FLSA functionality. That is, the calculation uses FLSA work period calendar rules and work period calendars.</p> <p>If you have an existing FLSA earnings code, you can update the earning to include flat sum bonus. Workday then looks at the employee's work state to determine whether to pay the bonus overtime premium using FLSA or flat sum bonus rules.</p>
How do your employees report overtime hours?	<p>You can report regular and overtime hours for a flat sum bonus either by:</p> <ul style="list-style-type: none"> <li>• Day using pay input or Workday Time Tracking.</li> <li>• Week by aggregating hours and aligning your coverage dates with an FLSA workweek.</li> </ul> <p>These 2 ways are the only ways to be compliant.</p>

## Recommendations

Create separate earnings for regular time and overtime hours. This configuration enables you to display straight time overtime and overtime premium as separate rates in pay results.

When you need to update an flat sum bonus pay component after you've completed your payroll results; Workday recommends that you create a new effective-dated snapshot and:

- Don't edit the exiting effective-dated snapshot for the flat sum bonus earning.
- Don't add or remove the non-effective dated flat sum bonus pay component groups for the earning.

## Requirements

- Either Workday Time Tracking or a third-party time tracking application that has the ability to calculate period-based overtime.
- Pay input must be one-time, not ongoing, and include start and end dates.
- A flat sum bonus entered by pay input must have a single direct amount entry. Don't enter a value for any PCRC (except for the Workday-owned Net for Gross-Up PCRC, where applicable). The entry of a PCRC causes the input to revert and processes as a standard earning without any flat sum bonus-specific functionality.

## Limitations

The Workday flat sum bonus overtime functionality:

- Works going forward after setup. You can't run retro on a period before it was set up.
- Is for hourly workers only.
- Only validates that the worker has a flat sum bonus and has overtime. It doesn't validate whether a worker is exempt or nonexempt.
- Doesn't support adjusting regular hours on an on-demand payment for a previously paid flat sum bonus. Adjusting regular hours won't create an overtime adjustment to the overtime premium caused by the flat sum bonus.
- Requires you to complete on cycle pay results before an on-demand additional payment for a flat sum bonus for the same period can resolve. A flat sum bonus paid as on demand additional only resolves the overtime premium for completed payroll results.
- Doesn't count paid time off entered through Absence Management as worked hours.
- Doesn't support Tax Location Mapping (TLM) or hours adjusted by TLM.
- Doesn't support the automatic adjustment of overtime premium caused by a previously paid flat sum bonus when regular hours are subsequently added or adjusted within its coverage period.

The Workday flat sum bonus earnings code:

- Can't be future-dated.
- Doesn't enable you to pay a Flat Sum Bonus through Workday Time Tracking.
- Requires you to pay using pay input or one-time payments.
- Doesn't prorate.

Workday doesn't support this use case:

1. In pay period 1, you pay the worker regular and overtime hours in an on-cycle payment. You run and complete payroll.
2. In pay period 2, you pay the worker for the regular and overtime hours worked. You include a flat sum bonus with coverage dates that cover pay periods 1 and 2. You run and complete payroll.
3. You use pay input to enter additional overtime hours for pay period 1. You run and complete this payment as a prior period on-demand additional payment.

Since you paid the flat sum bonus in pay period 2, Workday doesn't adjust the overtime premium for pay period 1.

## Tenant Setup

When you report an aggregate number of hours for the workweek and you don't align the coverage dates with the FLSA workweek, Workday automatically:

- Extends the coverage dates to include the FLSA workweek, capturing all regular hours in the FLSA workweek.
- Calculates the overtime premium.
- Applies that premium to all overtime hours in the extended period.

If you don't want Workday to extend the coverage dates, you can select the Disable FLSA Period Alignment for Flat Sum Bonus Coverage Date check box on the Edit Tenant Setup - Payroll task. When you disable FLSA period alignment, Workday:

- Still refers to FLSA workweeks.
- Disregards all hours that aren't part of a full FLSA week based upon coverage dates.

In the overtime premium calculation for the bonus, Workday doesn't include hours that fall outside the coverage dates that are within the FLSA week.

## Security

Domain	Considerations
<i>Process: Run Batch Calculations</i> in the Core Payroll functional area.	Users secured to this domain can view and process payroll batch calculations.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	Users secured to this domain can create and modify earnings and deductions.
<i>Set Up: Payroll (FLSA) - USA</i> in the USA Payroll functional area.	Users secured to this domain can create and modify FLSA configuration and earnings.

## Business Processes

No impact.

## Reporting

Report	Considerations
FLSA Calendar Changes by Worker	<p>Use this report to review workers who changed FLSA calendars for completed or in-progress pay periods by:</p> <ul style="list-style-type: none"> <li>• FLSA Calendar as of Period End Date.</li> <li>• FLSA Calendar as of Period Start Date.</li> <li>• Worker ID number.</li> <li>• Worker name.</li> </ul>
FLSA Processing Status for Group of Workers	<p>Use this report before running payroll to verify settings. It indicates whether the period is in sync with the FLSA work period.</p> <p>Use it after processing payroll to view results and verify the status of any worker.</p>
Payroll Register	Use this report to review FLSA payroll results data by subperiod dates.
Pay Calculation Results for Group of Workers	Use this report to review FLSA payroll results data by subperiod dates.
View FLSA Work Period Calendar Rules	Use this report to review FLSA rules for payroll processing, their conditions, and the calendars that use them.
View FLSA Work Period Calendar	Use this report to review work periods set up for an FLSA calendar.

## Integrations

No impact.

## Connections and Touchpoints

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.

## Concept: Overtime Payments for Flat Sum Bonuses (USA)

California calculates the rate of the bonus overtime premium for flat sum bonuses differently from the method prescribed by the federal Fair Labor Standards Act (FLSA).

You can create 2 types of flat sum bonus overtime earnings. The difference between them is how Workday displays the overtime rates on payslips. When you combine the overtime regular hours and overtime premium hours into 1 earning, Workday displays an aggregated overtime rate. Workday displays rates separately when you use separate earnings for:

- Regular overtime hours.
- Hours that earn the overtime premium rate.

Workday calculates overtime premium rates and processes flat sum bonuses when you:

- Configure Workday for the flat sum bonus functionality.
- Report regular and overtime hours by day using pay input or Workday Time Tracking.
- Report aggregated hours using pay input and align your coverage dates with an FLSA workweek.
- Enter bonus coverage dates using pay input or a one-time payment configured to use coverage dates.

### Requirements

To calculate flat sum bonus overtime, you must configure:

- FLSA work period calendar rules.
- FLSA work period calendars.
- Configure earnings to support the flat sum bonus calculation.

Workday uses submitted payroll input or approved time blocks to calculate the flat sum bonus overtime premium. When you submit payroll input or approved time blocks in error, correct the error in the original source. Example: A worker submits a time block through Time Tracking and it's approved. However, the worker didn't actually work the time. You correct the error in Time Tracking.

Provide coverage dates. If you do, Workday calculates the flat sum bonus using California flat sum bonus rules. If you don't, when you set up the bonus as:

- A stand-alone flat sum bonus earning without FLSA configured, the bonus has no overtime premium impact.
- A combination of both FLSA and flat sum bonus, Workday adds the flat sum bonus to FLSA wages. It's added because it's a member of the *FLSA Wages* pay component group.

### Example: Flat Sum Bonus Calculation

In 1 pay period, Catherine works 40 regular and 10 overtime hours, and receives a 50 USD flat sum bonus. Her regular pay rate is 20USD/hour. Her pay for the week is 1 118.75 USD, calculated as:

Calculation	Example
Base pay for the 40-hour week The regular rate x the number of regular hours.	$20 \text{ USD} \times 40 = 800 \text{ USD}$
Overtime rate Regular rate x 1.5.	$20 \text{ USD} \times 1.5 = 30 \text{ USD}$
Overtime pay Overtime rate x number of overtime hours.	$30 \text{ USD} \times 10 = 300 \text{ USD}$
Overtime premium rate (Flat sum bonus amount /Number of regular hours in the pay period) x 1.5.	$(50 \text{ USD} / 40) \times 1.5 = 1.875 \text{ USD}$
Overtime premium Overtime premium rate x number of overtime hours.	$1.875 \text{ USD} \times 10 \text{ hours} = 18.75 \text{ USD}$
Pay for regular hours + Pay for overtime hours + bonus overtime premium.	$800 + 300 + 18.75 = 1,118.75 \text{ USD}$

### Overtime Earnings Impacted by a Flat Sum Bonus

You can create 2 types of overtime earnings with impact to flat sum bonus overtime premium. The difference between them is how Workday displays the overtime rates on payslips:

Earnings	Impact	Action
Create a combined overtime earning.	The straight time of overtime and the overtime premium display as 1 aggregated rate.	Modify your existing FLSA combined overtime earning.
Create separate	The straight time of overtime and	Modify your FLSA overtime

Earnings	Impact	Action
<p>earnings for the:</p> <ul style="list-style-type: none"> <li>• Regular time of overtime.</li> <li>• Overtime premium.</li> </ul>	<p>the overtime premium display as separate rates.</p>	<p>premium earning to support the flat sum bonus calculation.</p>

#### Reporting Daily Hours with Coverage Dates that Align with the FLSA Workweek

Ideally, you report actual hours worked for each day in the FLSA workweek and align the coverage dates with the FLSA workweek. Workday calculates the bonus overtime premium based on all regular hours worked within the workweek. Workday reports the coverage dates on payslips.

#### Reporting Aggregated Hours with Coverage Dates that Align with the FLSA Workweek

If you're not able to report actual daily hours, you can report an aggregate number of hours for the workweek and align the coverage dates with the FLSA workweek. Workday calculates the bonus overtime premium based on all regular hours worked within the workweek. Workday reports the coverage dates Workday used in the calculation on payslips.

#### Reporting Aggregated Hours with Coverage Dates that Don't Align with the FLSA Workweek

When you report an aggregate number of hours for the workweek and you don't align the coverage dates with the FLSA workweek, Workday automatically:

- Extends the coverage dates to include the FLSA workweek, capturing all regular hours in the FLSA workweek.
- Calculates the bonus overtime premium.
- Applies that premium to all overtime hours in the extended period.
- Workday automatically considers all pay-component related calculations (PCRCs) on a flat sum bonus overtime earning to be aggregate when even 1 PCRC on the earning has the Aggregate check box selected.

If you don't want Workday to extend the coverage dates, you can select the Disable FLSA Period Alignment for Flat Sum Bonus Coverage Date check box on the Edit Tenant Setup - Payroll task. When you disable FLSA period alignment, Workday doesn't include hours that fall outside the coverage dates within the FLSA week in the overtime premium calculation for the bonus. When using Disable FLSA Period Alignment for Flat Sum Bonus Coverage Date feature the aggregate check box must be selected on the hours PCRC for all FLSA earnings code.

Workday still refers to FLSA workweeks and disregards all hours that aren't part of a full FLSA week based upon coverage dates.

Example: You enter a flat sum bonus with coverage dates 1 - 30. You select the Disable FLSA Period Alignment for Flat Sum Bonus Coverage Date check box on the Edit Tenant Setup-Payroll task. Therefore, Workday doesn't extend the coverage dates to include the hours for days outside an FLSA work period. In this case, the first and last weeks of the month aren't complete FLSA work periods. Workday ignores them and those hours aren't included in the flat sum bonus overtime premium calculation.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

#### Multi-Jurisdiction Considerations

When you have a mobile workforce with workers who move from 1 tax jurisdiction to another during a work period, Workday uses these factors to calculate which rules to apply when calculating the overtime premium:

- Gross-to-net end date.
- Coverage dates.
- Tax authority exceptions.

When you pay a flat sum bonus for a mobile workforce, Workday uses the end date of the last gross-to-net within the coverage period to calculate the overtime premium.

Examples:

Jurisdiction Change	Ongoing Multiple Work Jurisdictions (OMWJ) Configured	Coverage Dates	Calculation
CA to AZ	No	Coverage dates fall within the first gross-to-net.	Workday calculates the bonus overtime premium using only the hours in

			the first subperiod.
CA to AZ	No	Gross-to-Net end date falls within the second subperiod.	No flat sum bonus overtime premium.
CA	Yes	Gross-to-Net end date falls within the second subperiod.	California rules are used to calculate the bonus overtime premium. Workday ignores the subperiod end date for OMWJ.

Tax authority overrides on hours don't impact flat sum bonus overtime premium calculations. Flat sum bonus functionality is managed at the worker level. When a worker is eligible, all worked hours are considered in the overtime premium calculation, regardless of jurisdiction.

If a worker has a retroactive bonus, or a bonus with previous coverage dates, Workday uses the FLSA or flat sum bonus rules of the state the worker is currently in. You can pay the bonus using prior state rules. Target the bonus overtime premium dates to the prior period and override the state worktag. Example: A worker moves from CA to AZ with a gross-to-net end date falling within the second FLSA subperiod. You edit the bonus to target the coverage dates to the first subperiod. You override the state worktag to CA. Workday now calculates bonus overtime premium using flat sum bonus rules.

## Steps: Set Up Overtime Payments for Flat Sum Bonuses (USA)

### Context

You can configure Workday to process flat sum bonuses according to tax authority regulations.

## Steps

1. Edit your regular hourly earning to support a flat sum bonus.

Access the Edit Earning task. Add the *Flat Sum Bonus Regular Hours [USA]* pay component group to the Groups column for the Hours row in the Related Calculations grid.

Do this for all regular earnings.

2. [Add a Flat Sum Bonus to an Existing Bonus Earning \(USA\)](#) on page 1058.

Create a flat sum bonus earning by itself or combine it with your existing FLSA bonus earning.

3. [Define Exceptions for a Flat Sum Bonus \(USA\)](#) on page 1059.

Identify exceptions for processing the flat sum bonus earning.

4. Edit overtime earnings to include a flat sum bonus.

These examples illustrate how to update your FLSA overtime earnings to include flat sum bonus overtime premium impact:

- [Example: Modify an Overtime plus Overtime Premium Earning to Support Flat Sum Bonuses \(USA\)](#) on page 1060.
- [Example: Modify an Overtime Premium Earning to Support Flat Sum Bonuses \(USA\)](#) on page 1063.

5. Access the Maintain Payroll Payslip Configuration task.

On the Sections tab, select your flat sum bonus overtime premium rate calculation from the Related Calculation(s) 2 prompt.

Access the Printing tab and select the Breakout FLSA Earnings by Workweek on Payslip check box.

Security: *Set Up: Payroll (Reporting)* domain in the Core Payroll functional area.

6. Access the Edit One-Time Payment Plan task.

Select an Effective Date that is today or in the future.

Select the Enable Coverage Dates check box.

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

7. Review flat sum bonus payroll results and calculation details.

[See Concept: Flat Sum Bonus Payroll Results \(USA\)](#) on page 1059.

## Result

Workday supports flat sum bonus overtime premium calculations when you:

- Report time daily.
- Report time as an aggregate number of hours for a period that aligns with an FLSA workweek.
- Enter coverage dates when paying a flat sum bonus.

## Related Information

### Concepts

[Concept: Overtime Payments for Flat Sum Bonuses \(USA\)](#) on page 1053

### Tasks

[Define Payslips](#) on page 487

[Create Compensation Elements](#)

[Create One-Time Payment Plans](#)

[Steps: Create Earnings](#) on page 229

## Add a Flat Sum Bonus to an Existing Bonus Earning (USA)

### Prerequisites

- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Context

You can edit an existing bonus earning or create a new flat sum bonus earning. This topic provides instructions for editing your existing bonus earning.

## Steps

1. Access the Edit Earning task.
2. Select your bonus earning.
3. Add an Effective Date that is today or in the future.
4. Select the Subject to State Rules for Flat Sum Bonus check box in the FLSA section.
5. Select the Allow Coverage Dates for Bonuses check box in the Coverage Dates section.

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

## Define Exceptions for a Flat Sum Bonus (USA)

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Context

In certain states, receipt of a flat sum bonus impacts the rate paid to workers for overtime. You can configure Workday to apply *Flat Sum Bonus Rules [USA]* when calculating a flat sum bonus for those states.

## Steps

1. Access the Maintain Tax Authority Exceptions Pay Component Groups task.
2. Select the *Flat Sum Bonus Rules [USA]* pay component group.
3. On the Exceptions for Flat Sum Bonus tab, add a row and enter these values:

Option	Description
Payroll State Authority	Example: <i>California</i>
Flat Sum Bonus Earning	Select the earning you want to use to calculate a flat sum bonus. Example: <i>Flat Sum Bonus [USA]</i> .

## Result

Example: When a California worker receives a flat sum bonus, Workday calculates the earning and overtime using California state rules.

## Next Steps

To verify that Workday will use the rule, view Exceptions for Flat Sum Bonus in the Groups section of the Non-Effective Dated tab of the earning.

## Concept: Flat Sum Bonus Payroll Results (USA)

The Flat Sum Bonus Premium Tab

The Flat Sum Bonus Premium tab on pay results displays when you calculated a bonus using the *Flat Sum Bonus Rules* pay component group. You can use

this information to gain insight into how the overtime premium was calculated and to reconcile issues:

- Flat Sum Bonus
- Bonus Amount
- Position
- Coverage Dates
- Extended Coverage Dates
- Total Regular Hours
- Worked Hours Not Paid
- Rate

Extended Coverage Dates only displays when you're passing aggregated hours and:

- The Disable FLSA Period Alignment for Flat Sum Bonus Coverage Date check box on the Edit Tenant Setup – Payroll task is clear.
- You haven't aligned your flat sum bonus with an FLSA workweek.

Worked Hours Not Paid only displays when regular hours:

- Were reported as worked and were therefore included in the flat sum bonus rate calculation.
- Don't appear to be paid on the Gross to Net tab.

When you calculate and complete payroll for a Flat Sum Bonus worker with an FLSA company relationship, Workday displays these sections on the payroll result of the Flat Sum Bonus Premium tab:

- Contributed Regular Hours
- Impacted Premium Earnings

Workday also displays these columns on the Contributed Regular Hours and Impacted Premium Earnings sections:

- Earnings
- Start Date - End Date
- Company
- Worktag
- Hours

The Flat Sum Bonus Premium tab is visible on a payroll result only when there's an Flat Sum Bonus Pay Input

## **Example: Modify an Overtime plus Overtime Premium Earning to Support Flat Sum Bonuses (USA)**

This example illustrates 1 way to modify an existing FLSA earning that calculates overtime plus overtime premium to include a flat sum bonus.

### **Context**

You want to set up an overtime earning that calculates pay for overtime hours for both the regular rate and the overtime premium rate.

## Prerequisites

Set up FLSA in your tenant, including:

- *FLSA Calendar Rules*
- *FLSA Calendars*

Set up earnings for:

- Bonus.
- FLSA Straight Time of Overtime + Overtime Premium.
- Regular hours.

Security:

- *Run Batch Calculations* in the Core Payroll Functional area.
- *Set Up: Payroll (Calculations - Payroll Specific)* in the Core Payroll functional area.
- *Set Up: Payroll (FLSA) - USA domain* in the USA Payroll functional area.

## Steps

1. Access the Create Arithmetic Calculation task.

2. Enter these values:

Option	Description
Name	Flat Sum Bonus Premium Rate * 1.5
Category	Payroll
1st Operand	Aggregated Flat Sum Bonus Supplemental Rate
Operator	Multiply
2nd Operand	By Category > Type > Constant Value Calculation > 1.5.
Rounding	Round to nearest 0.01

3. Access the Create Related Calculation task.

4. Enter these values:

Option	Description
Name	Flat Sum Bonus OT Premium Rate
Code	FSBOT
Category	Payroll
Default Value	Flat Sum Bonus Premium Rate * 1.5
Proration	None of the above

5. Access the Create Arithmetic Calculation task.

6. Enter these values:

Option	Description
Name	Hours (unprorated) * Flat Sum Bonus OT Premium Rate
Category	Payroll
1st Operand	Hours (unprorated)
Operator	Multiply

Option	Description
2nd Operand	<i>Flat Sum Bonus OT Premium Rate</i>

7. Access the Create Related Calculation task.

8. Enter these values:

Option	Description
Name	Flat Sum Bonus OT Premium Amount
Code	FSBOTAMT
Category	Payroll
Default Value	<i>Hours (unprorated) * Flat Sum Bonus OT Premium Rate</i>
Proration	<i>None of the above</i>

9. Access the Create Arithmetic Calculation task.

10. Enter these values:

Option	Description
Name	FLSA - Straight Time of OT + OT Premium + Flat Sum Bonus OT Premium Amount
Category	Payroll
1st Operand	<i>FLSA - Straight Time of OT + OT Premium</i>
Operator	<i>Add</i>
2nd Operand	<i>Flat Sum Bonus OT Premium Amount</i>

11. Access the Edit Earning task.

12. Select your existing earning that calculates FLSA straight time of overtime plus the overtime premium.

13. Select a date that is today or later from the Add New Effective Date calendar prompt.

14. Select *FLSA - Straight Time of OT + OT Premium + Flat Sum Bonus Premium Amount* in the Calculation section.

15. Locate the Hours (unprorated) row in the Related Calculations grid and ensure that the Aggregate check box isn't selected.

When you record daily hours for workers, the Aggregate check box shouldn't be selected. However, when you provide weekly aggregated hours, select the Aggregate check box and align coverage dates with an FLSA workweek. These are the only ways to be compliant.

Note: When any overtime earnings exist that are configured to support flat sum bonus premiums and those earnings have any PCRCs marked as Aggregate, Workday automatically aligns all flat sum bonus coverage dates to FLSA work period boundaries.

16. Add a row to the bottom Related Calculations grid.

17. Enter these values:

Option	Description
Related Calculation	<i>Flat Sum Bonus OT Premium Rate</i>
FLSA Premium Calculation Type	<i>Flat Sum Bonus Premium Rate</i>
Do Not Store / Do Not Store if Zero	<i>None of the above</i>

Option	Description
Display Current / Current and Balances	<i>Display Current</i> (displays the premium rate in pay result).
Do Not Apply Percentage Splits / Apply Percentage Splits	<i>Do Not Apply Percentage Splits</i>

18. Add another row to the Related Calculations grid and enter these values:

Option	Description
Related Calculation	<i>Flat Sum Bonus OT Premium Amount</i>
Do Not Store / Do Not Store if Zero	<i>None of the above</i>
Display Current / Current and Balances	<i>Display Current</i> (displays the premium rate in pay results)
Do Not Apply Percentage Splits / Apply Percentage Splits	<i>Do Not Apply Percentage Splits</i>

## Result

Workday calculates pay for overtime hours for both the regular rate and the overtime premium rate according to applicable state rules.

## Next Steps

Duplicate these steps to create a double-time earning, replacing 1.5 with 2.0.

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

## Example: Modify an Overtime Premium Earning to Support Flat Sum Bonuses (USA)

This example illustrates 1 way to modify your existing FLSA overtime premium earning to include the flat sum bonus overtime premium.

### Context

You want to modify your FLSA overtime premium earning to include the overtime premium for a flat sum bonus. The earning requires specific calculations, so Matt creates them before selecting them in the earning.

### Prerequisites

Set up FLSA in your tenant, including:

- [FLSA Calendars](#)
- [FLSA Calendar Rules](#)
- FLSA overtime premium rate earning

Security:

- [Process: Run Batch Calculations](#) in the Core Payroll Functional area.
- [Set Up: Payroll \(Calculations - Payroll Specific\)](#) in the Core Payroll functional area.
- [Set Up: Payroll \(FLSA\) - USA domain](#) in the USA Payroll functional area.

## Steps

1. Access the Create Arithmetic Calculation task.
2. Enter these values:

Option	Description
Name	Flat Sum Bonus OT Premium Rate * 1.5
Category	<i>Payroll</i>
1st Operand	<i>Aggregated Flat Sum Bonus Supplemental Rate</i>
Operator	<i>Multiply</i>
2nd Operand	1.5
Rounding	<i>Round to the nearest 0.01</i>

3. Access the Create Related Calculation task.
4. Enter these values:

Option	Description
Name	Flat Sum Bonus OT Premium Rate
Code	FSBOT
Category	<i>Payroll</i>
Default Value	<i>Flat Sum Bonus OT Premium Rate * 1.5</i>
Proration	<i>None of the above</i>

5. Access the Create Arithmetic Calculation task.
6. Enter these values:

Option	Description
Name	Hours Unprorated * Flat Sum Bonus OT Premium Rate
Category	<i>Payroll</i>
1st Operand	<i>Hours (unprorated)</i>
Operator	<i>Multiply</i>
2nd Operand	<i>Flat Sum Bonus OT Premium Rate</i>

7. Access the Create Related Calculation task.
8. Enter these values:

Option	Description
Name	Flat Sum Bonus OT Premium Amount
Code	FSBOTAMT
Category	<i>Payroll</i>
Default Value	<i>Hours (unprorated) * Flat Sum Bonus OT Premium Rate</i>
Proration	<i>None of the above</i>

9. Access the Create Arithmetic Calculation task.

10. Enter these values:

Option	Description
Name	FLSA OT + FSB OT Premium
Category	Payroll
1st Operand	<i>Hours * Overtime Rate</i>
Operator	Add
2nd Operand	<i>Flat Sum Bonus OT Premium Amount</i>

11. Access the Edit Earning task.

12. Select your FLSA overtime premium earning.

13. In the Add New Effective Date calendar prompt, select today or later.

14. Select *FLSA OT + FSB OT Premium* from the prompt in the Calculation field.

15. In the *Hours (unprorated)* row of the Related Calculations grid, clear the Aggregate check box.

When you record daily hours for workers, the Aggregate check box shouldn't be selected. However, when you provide weekly aggregated hours, select the Aggregate check box and align coverage dates with an FLSA workweek. These are the only ways to be compliant.

Even if you report daily hours, when you include an Override Calculation on the Hours pay component related calculation to generate the number of hours based on straight time hours, Workday aggregates the hours in the workweek to calculate the flat sum bonus overtime premium. You must line up the bonus coverage dates with the FLSA workweek to be compliant.

Note: When any overtime earnings exist that are configured to support flat sum bonus premiums and those earnings have any PCRCs marked as Aggregate, Workday automatically aligns all flat sum bonus coverage dates to FLSA work period boundaries.

16. Add a row in the Related Calculations grid.

17. Enter these values:

Option	Description
Related Calculation	<i>Flat Sum Bonus OT Premium Rate</i>
FLSA Premium Calculation Type	<i>Flat Sum Bonus Premium Rate</i>
Do Not Store / Do Not Store if Zero	None of the above
Display Current / Current and Balances	<i>Display Current</i> (displays the premium rate in pay results)
Override Related Calculation for Multiple Jurisdictions	Do Not Apply Percentage Splits

18. Add another row in the Related Calculations grid.

19. Enter these values:

Option	Description
Related Calculation	<i>Flat Sum Bonus OT Premium Amount</i>
Do Not Store / Do Not Store if Zero	None of the above
Display Current / Current and Balances	<i>Display Current</i> (displays the premium rate in pay results)
Override Related Calculation for Multiple Jurisdictions	Do Not Apply Percentage Splits

## Result

Workday calculates the overtime premium rate for hours worked according to applicable state rules.

## Next Steps

Duplicate these steps to create a double-time earning, replacing 1.5 with 2.0.

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

## Third-Party Sick Pay (USA)

### Steps: Process Third-Party Sick Pay (USA)

#### Context

You can set up third-party sick pay when an outside party, such as an insurance company, pays an employee who is unable to work due to illness or disability. Workday enables you to process sick pay when the third party transfers liability for employer taxes to your company. You can process it for either of these scenarios:

- Your company issues the W-2.
- Third-party issues the W-2.

Workday automatically calculates the employer taxes. Workday creates the W-2s when your company is responsible for issuing them and creates a Third-Party Sick Pay Recap when the third-party issues them.

As with any new procedure, try this in your Sandbox Preview, as you must complete the *manual payment* to create W-2 data.

#### Steps

1. [Set Up W-2 Provider for Third-Party Sick Pay \(USA\)](#) on page 1066  
Workday assumes that you provide the W-2 for third-party sick pay. You can accept or override this default.
2. [Create Third-Party Sick Pay Earning \(USA\)](#) on page 1067
3. [Process a Manual Payment for Third-Party Sick Pay \(USA\)](#) on page 1068

#### Next Steps

Review third-party sick pay reports.

Related Information

### Reference

[Reference: Third-Party Sick Pay Reports \(USA\)](#) on page 1069

## Set Up W-2 Provider for Third-Party Sick Pay (USA)

#### Prerequisites

Security: *Set Up: Payroll - Company Specific (Taxes) - USA* domain in USA Payroll functional area.

## Context

You can set up whether you or the third party provides the W-2s for sick pay. You can enable Workday to display third-party sick pay on payslips, W-2s, and tax filing.

When you process W-2s, Workday produces reports according to this setting. When a third party provides W-2s, Workday creates a Third Party Sick Pay Recap report.

## Steps

1. Access the Edit Company Federal US Tax Reporting task.
2. Select the Third Party Provides W-2 for Sick Pay check box if you aren't providing the W-2s.

You can configure multiple start dates for company federal tax reporting, but make sure to carry over any features you want to keep. Example: You select Third Party Provides W-2 for Sick Pay to start on 2022-01-01. You later want to set up Exempt from FUI to start on 2022-07-01. When you add the second setting, check Third Party Provides W-2 for Sick Pay again. Otherwise, this choice reverts to the default, where you provide the W-2 for sick pay.

3. (Optional) Enter the details for these fields, which are required for Form 8922:
  - Third Party Insurer/Agent Name
  - Third Party Tax ID

## Next Steps

Create a third-party sick pay earning.

Related Information

### Tasks

[Set Up Company Federal Taxes \(USA\)](#) on page 1165

## Create Third-Party Sick Pay Earning (USA)

### Prerequisites

Set up who provides the W-2 for third-party sick pay.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

## Context

When a third party transfers liability for employer taxes to you, create an earning to enable tracking these employee wages and taxes through a manual payment.

## Steps

1. Access the Create Earning task.
2. Access the Effective Dated tab.
3. In the Criteria section, select *Payroll Input Exists for Pay Component* from the Worker Eligibility field.
4. In the Calculation Details section, enter these settings:

Option	Description
Calculation	Select <i>Payroll Input</i> .
Input Amount Allowed?	Select to enable Workday to record the third-party payment amount.

5. In the Groups field on the Non-Effective Dated tab, include the *Third Party Sick Pay* and the *Adds to Gross* pay component groups in addition to any other relevant pay component groups.

## Result

An earning is available to record third-party sick pay as a manual payment.

## Next Steps

Process a manual payment for third-party sick pay.

Map the earning to boxes on year-end forms using the relevant report:

- View US Territory Year End Form Box Configuration
- View W-2 Box Configuration

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

[Map Earnings and Deductions to W-2 Boxes \(USA\)](#) on page 1200

### Reference

[FAQ: Earnings and Deductions](#) on page 268

## Process a Manual Payment for Third-Party Sick Pay (USA)

### Prerequisites

Set up the third-party sick pay earning.

Set up W-2 provider for third-party sick pay.

Security: Process: *Off Cycle (Manual Payment)* domain in the Core Payroll functional area.

### Context

Process a manual payment to record third-party sick pay when the third party withholds employee taxes, and they transfer liability for the employer taxes to you.

### Steps

1. Access the Run Manual Payment for Worker task.
2. Select Third Party Sick Pay.  
Workday selects the Create Additional Payment field automatically.
3. Select the Period, Pay Group Detail, and Worker.
4. From the Reason field, select a valid reason, such as *Third Party Sick Pay*.
5. Select a Sub Period Target Date and a Payment Date within the same year.
6. Enter a valid priority, such as *1* in the Priority field.
7. Enter the third-party sick pay amount minus the employee taxes in the Net Pay field.
8. In the Input section, enter Gross Wages, Subject Wages, Taxable Wages, and Amount on separate rows.

Pay Component	Worktags	Type	Value
Enter each employee tax and the third-party sick pay on separate rows.	Enter the worktags for state and local tax authorities. Workday enters the federal worktags automatically.	Select: <ul style="list-style-type: none"><li>• <i>Gross Wages</i></li><li>• <i>Subject Wages</i></li><li>• <i>Taxable Wages</i></li><li>• <i>Amount</i></li></ul>	Verify that the third-party payment amount minus the taxes equals the net amount.

9. Use the Run Pay Complete task for the manual payment.

## Result

Workday calculates employer taxes and updates accounting. The journal lines on payroll actuals only reflect employer paid taxes and not employee taxes.

Note: Processing third-party sick pay only records worker payments for reporting and accounting. It doesn't generate payments to the workers.

When you don't select the Third Party Provides W-2 for Sick Pay field on the Edit Company Federal US Tax Reporting task, Workday creates W-2 data for workers with third-party sick pay when you run the Create W-2 Data task.

When you select the Third Party Provides W-2 for Sick Pay field on the Edit Company Federal US Tax Reporting task, Workday displays the W-2/W-2C Recap Count when you run the Create W-2 Data task.

## Example

Your employee at Global Modern Services, Steve Morgan, received 1000 USD in sick pay from his insurance company. After taxes of 276.50 USD, his net pay is 723.50 USD. The third party is providing the W-2s, but transfers the liability for the taxes to Global Modern Services.

You enter 723.50 USD in the Net Amount field for the manual payment and enter the third-party sick pay and tax values in the Input section.

Pay Component	Worktags	Type	Value (USD)
<i>Medicare</i>	<i>Federal: Federal</i>	<i>Amount</i>	30.00
<i>Federal Withholding</i>	<i>Federal: Federal</i>	<i>Amount</i>	150.00
<i>State Withholding (Work)</i>	<i>State: California</i>	<i>Amount</i>	50.00
<i>OASDI</i>	<i>Federal: Federal</i>	<i>Amount</i>	46.50
<i>Third Party Sick Pay</i>		<i>Amount</i>	1000

The third party provides the W-2s, so Workday:

- Calculates the third-party sick pay employer taxes.
- Displays the W-2/W-2C Recap Count on the Create W-2 Data task.

If your company provides the W-2s, use the same settings on the manual payment. Only the reports produced change. Example: Workday produces W-2s instead of a recap.

## Related Information

### Tasks

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(USA\) on page 971](#)

[Create Manual Payments on page 719](#)

[Complete Payroll on page 659](#)

## Reference: Third-Party Sick Pay Reports (USA)

To see how Workday displays W-2 reports for the settings you've selected for your company, run the:

- Run Pay Complete task for the third-party sick pay manual payment.
- Create W-2 Data task to create the data that Workday displays on the reports.

These tables describe the way Workday displays information about third-party sick pay (3PSP) based on who provides the W-2:

Worker Report	You Provide W-2s	Third Party Provides W-2s
Payslip	Separate rows for 3PSP and non-3PSP.	Only non-3PSP. 3PSP not displayed.
<ul style="list-style-type: none"> <li>• W-2 Preview</li> <li>• W-2C Preview</li> </ul>	1 row with combined 3PSP and non-3PSP.  Box 13 = Yes.	1 row for each non-3PSP worker.  Box 13 = <i>[blank]</i> .
View W-2 Errors	1 row with combined 3PSP and non-3PSP.	1 row for each non-3PSP worker.
<ul style="list-style-type: none"> <li>• View W-2 Form Data</li> <li>• View W-2C Form Data</li> </ul>	1 row with combined 3PSP and non-3PSP.	1 row showing all non-3PSP.  Box 13 = <i>[blank]</i> , depending on W-2 configuration.
Tax Filing Quarterly Data for Workers	1 row for combined 3PSP and non-3PSP.	Separate rows for 3PSP and non-3PSP.  3PSP = Yes.
Audit Federal and State Wages (by Worker)	1 row for combined 3PSP and non-3PSP.	1 row for 3PSP.
Audit Negative Wages or Tax (by Worker)	1 row for combined 3PSP and non-3PSP.	1 row for 3PSP.

Company Report	You Provide W-2s	Third Party Provides W-2s
<ul style="list-style-type: none"> <li>• Company W-2 Audit</li> <li>• Company W-2C Audit</li> </ul>	1 row for combined 3PSP and non-3PSP.	1 row for non-3PSP wages.  1 recap row for 3PSP.
<ul style="list-style-type: none"> <li>• View Third Party Sick Pay Recap Form Data</li> <li>• View Third Party Sick Pay Correction Recap Form Data</li> <li>• Print Third Party Sick Pay Recap Form Data</li> <li>• Print Third Party Sick Pay Correction Recap</li> </ul>	Recap not created.	3PSP for all employees in the company.
Tax Filing Quarterly Data by Company	1 row for combined 3PSP and non-3PSP for each tax authority.	For each tax authority: <ul style="list-style-type: none"> <li>• Separate rows for 3PSP and non-3PSP</li> <li>• 3PSP = Yes</li> </ul>
Tax Filing Periodic Data by Company	Doesn't display 3PSP.	Separate rows for 3PSP and non-3PSP.
Audit Federal and State Wages	1 row for combined 3PSP and non-3PSP.	1 row for 3PSP.
Audit Negative Wages or Tax	1 row for combined 3PSP and non-3PSP.	1 row for 3PSP.

Web Service	You Provide W-2s	Third Party Provides W-2s
Tax Filing Periodic Data for Workers	Includes 3PSP data. Separate rows for 3PSP and non-3PSP.	Includes 3PSP data. Separate rows for 3PSP and non-3PSP.
Quarterly Tax Filing	Separate rows for all 3PSP and all non-3PSP.	Separate rows for all 3PSP and all non-3PSP.

### Third-Party Sick Pay Correction Recap - IRS Form 8922

To support the IRS Form 8922, Workday includes these fields in the report:

- *Third Party Insurer / Agent Name.*
- *Third Party Provides Sick Pay W-2.*
- *Third Party Tax ID.*

Related Information

#### Tasks

Steps: [Process Third-Party Sick Pay \(USA\)](#) on page 1066

[Complete Payroll](#) on page 659

## Tip Wages and Taxes (USA)

### Steps: Set Up Payroll for Tip Wages and Taxes (USA)

#### Context

Set up Workday to:

- Pay tips employees receive through pooled tips or tips added to credit card payments.
- Report taxes paid on tips.

#### Steps

1. [Define Deduction Priorities and Arrears Handling](#) on page 406.
2. [Create Earnings for Tips \(USA\)](#) on page 1072.
3. Employer-controlled tips must be paid as well as reported for taxation. To add tip earnings to the Gross pay accumulation:
  - a) Access the Edit Pay Accumulation task and select Gross.
  - b) Select *Employer Controlled Tips [USA]* in the Adds to Pay Accumulation > Pay Component Groups field.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

4. [Edit Run Categories That Include Employees with Tips \(USA\)](#) on page 1073.
5. (Optional) Configure payslips for tips to have OASDI taxable wages displayed separately.
  - a) Access the Maintain Payroll Payslip Configuration task.
  - b) Add the Workday-owned *OASDI Tip Tax [USA] - Taxable Wages* pay component related calculation to the *Subject or Taxable Wages Payslip Group*.

Security: *Set Up: Payroll (Reporting)* in the Core Payroll functional area.

#### Result

When you run a pay calculation for an employee, the administrative payroll results display:

- The employer-controlled tip wages and associated taxes on the Gross to Net tab in the Others section.

- The employee-reported tip wages and associated deductions on the Additional Pay Components tab in the Others section.

The employee payslip displays:

- Employee-reported wages as *OASDI Tip Tax [USA] - Taxable Wages*, when configured.
- Employer-controlled wages and taxes aggregated with other compensation, such as Base Pay.

If there's insufficient Net, Workday reports uncollected taxes in boxes 12A and 12B on the worker's W-2.

## Next Steps

Run payroll.

View payroll results, payslips, and tax filing reports and correct any discrepancies before completing a payroll.

Related Information

### Tasks

[Define Payslips](#) on page 487

[Steps: Create Earnings](#) on page 229

[Steps: Process Payroll](#) on page 644

### Reference

[FAQ: Content of Payslips](#) on page 518

[FAQ: View Payroll Results](#) on page 843

## Create Earnings for Tips (USA)

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* in the Core Payroll functional area.

### Context

Create earnings to calculate employee-reported and employer-controlled tips.

### Steps

- Create an earning to calculate employee-reported tip wages.
  - Access the Create Earning task.
  - Enter a name, such as *Employee-Reported Tips*.
  - On the Effective Dated tab, select *Payroll Input* in the Calculation field and select the *Input Amount Allowed?* check box.
  - On the Non-Effective Dated tab, add the earning *Employee Reported Tips [USA]* in the Groups field.

Note: Don't use this pay component group for an earning with the pay component group *Employer Controlled Tips [USA]*.

- Create an earning to calculate employer-controlled tip wages.
  - Access the Create Earning task.
  - Enter a name, such as *Employer-Controlled Tips*.
  - On the Effective Dated tab, select *Payroll Input* in the Calculation field and select *Input Amount Allowed?*. Alternatively, you can create a calculation for pooled tips, such as *Percent x Payroll Input*.
  - On the Non-Effective Dated tab, add the earning in the Groups field.

Note: Don't use this pay component group for an earning with the pay component group *Employee Reported Tips [USA]*.

## Result

You can add the groups that include these earnings to pay accumulations, run categories, and payslip configurations.

## Next Steps

Add employer-controlled tips to gross or net pay.

Related Information

### Tasks

[Define Deduction Priorities and Arrears Handling](#) on page 406

[Steps: Create Earnings](#) on page 229

## Edit Run Categories That Include Employees with Tips (USA)

### Prerequisites

Add employer-controlled tips to gross or net pay.

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

### Context

Add these tips pay component groups (PCGs) to all run categories that pay employees with tips:

- *Employer Controlled Tips [USA]*
- *Employer Reported Tips [USA]*

Note:

The PCG *Employee Reported Tips* can't be selected when these PCGs are already included for the earning:

- *Employer Controlled Tips [USA]*
- *Federal Taxable (Withhold Taxes) [USA]*
- *FICA Taxable [USA]*
- *Income Code (any Income Code)*
- *Pooled Tips [USA]*

### Steps

1. Access the General tab on the Edit Run Category task for each run category.
2. Add the pay accumulation that includes the *Employer Controlled Tips [USA]* PCG to Gross Pay Accumulations or Net Pay Accumulations, so that the tips are paid and taxed.
3. Add the *Employer Reported Tips [USA]* PCG to Additional Pay Component Groups to Calculate, so that the tips are reported for taxation.
4. Repeat the process for any other relevant run categories.

## Result

Run categories that include *Employer Controlled Tips [USA]* and *Employer Reported Tips [USA]* are available for payroll processing.

## Next Steps

- Configure payslips for tips.
- Add payroll input for tips.

## Related Information

### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay on page 105](#)

## Concept: Tip Wages and Taxes (USA)

Employees can receive cash tips from customers, which they then report to you for taxation. They can also receive tips through you, such as pooled tips or tips added to credit card payments. You can pay tips to employees along with an on-cycle payroll. Workday processes both employee-reported and employer-controlled tips for tax reporting.

### Tip Earnings

Create 2 earnings to accommodate these situations:

- Employee-reported tips.
- Employer-controlled tips.

Workday doesn't calculate tips as supplemental earnings.

### Tip Tax Deductions

Add these State Withholding Tip Tax deductions using the Maintain Deduction Priorities task to properly process state tip taxes:

- *State Withholding Tip Tax (Resident) [USA]*
- *State Withholding Tip Tax (Work) [USA]*
- *Local County Withholding Tip Tax (Resident) [USA]*
- *Local County Withholding Tip Tax (Work) [USA]*

### Tips and Tip Taxes in Payroll Results

When you run a pay calculation for an employee, the administrative payroll results display:

- The employer-controlled tip wages and associated taxes on the Gross to Net tab in the Others section.
- The employee-reported tip wages and associated deductions on the Additional Pay Components tab in the Others section.

When configured, the payslip displays:

- Employee-reported wages as *OASDI Tip Tax [USA] - Taxable Wages*.
- Employer-controlled wages and taxes aggregated with other compensation, such as base pay.

Payslips display OASDI wages separately from OASDI tip wages so the employee can tie their payslip to their W-2 form. The payslip aggregates taxes, but displays these OASDI regular wages and tip wages separately:

- *OASDI [USA] - Taxable Wages*
- *OASDI Tip Tax [USA] - Taxable Wages*

Wages:

- *Federal Withholding - Taxable Wages [USA]* = federal + federal tip wages
- *Medicare - Taxable Wages [USA]* = Medicare + Medicare tip wages
- *OASDI [USA] - Taxable Wages*
- *OASDI Tip Tax [USA] - Taxable Wages*

#### Taxes:

- *Federal Withholding [USA]* = Federal + Federal Tip Tax
- *Medicare [USA]* = Medicare + Medicare Tip Tax
- *OASDI [USA]* = OASDI + OASDI Tip Tax
- *State Withholding Tip Tax (Resident) [USA]*
- *State Withholding Tip Tax (Work) [USA]*
- *County Withholding Tip Tax (Resident) [USA]*
- *County Withholding Tip Tax (Work) [USA]*

Reports and Web Services

Except for OASDI, Workday combines all taxes and wages in reports and web services.

## Examples: Earnings and Deductions (USA)

### Example: 401(k) Deductions (USA)

#### Example: Define a 401(k) Pre-Tax Deduction (USA)

##### Context

John earns 114,000 USD/year, or 9,500 USD/month. John elected to contribute the maximum of 20% of their monthly salary to their pre-tax 401(k) retirement savings. You create a deduction for the 401(k) employee pre-tax contribution, subject to these current IRS limits:

- Employee elective deferrals.
- Employee and employer total contributions.

Note: This is a basic 401(k) deduction example. We strongly advise you to take into account recent amendments to the tax code, specifically the Secure 2.0 Act. Please consult with your legal counsel and refer to your 401(k) Plan Documents for the exact requirements pertaining to your specific deduction configuration.

##### Prerequisites

Your company created a 401(k) retirement savings plan.

Create a *Retirement Savings Eligible Wages* pay component group.

Create a *Retirement Savings Eligible Wages > 0* value comparison calculation.

Create these pay accumulations if there's another employee deduction, or an employer match:

- *401(k) Total Contributions: EE [USA]*
- *401(k) Total Contributions: EE + ER [USA]*

Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.

## Steps

1. Access the Create Deduction task.
2. Enter these settings:

Option	Setting
Name	401(k) Pre-Tax
Code	401k

3. Enter these settings on the Effective Dated tab:

Option	Setting
Effective Date	Current date
Run Category Eligibility	Bonus Regular
Worker Eligibility	<p>Row 1:</p> <ul style="list-style-type: none"> <li>• Retirement Savings Eligible Wages &gt; 0</li> <li>• Benefits: Benefit Plan Percentage Exists (and &lt;&gt; 0)</li> </ul> <p>Workday recommends you review your benefit plan configuration for worker elections.</p>
Calculation	Base (unprorated) * Percent
Recalculate during Retro	Workday recommends that you don't select this check box for percentage-based deductions.

4. Enter these settings in the Related Calculations grid:

Related Calculation	Override Calculation
Base (unprorated)	Retirement Savings Eligible Wages
Percent	Benefits: Benefit Plan Percentage

5. Enter these settings in the Limits grid (below the Related Calculations grid):

Value	Balance Period	Based On
Elective Deferral Annual Limit for 401(k), 403(b), 457(b), and 408(k) SEP Plans	YTD - Current Calendar Year (based on Payment Date)	401(k) Total Contributions: EE [USA]
IRS Annual Contributions Limit Value (only looks at the specified dollar value / not at annual compensation)	YTD - Current Calendar Year (based on Payment Date)	401(k) Total Contributions: EE + ER [USA]

6. Enter these settings on the Non-Effective Dated tab:

Option	Setting
Groups	Federal Taxable Reduction [USA] Pre Tax Deductions State Withholding Taxable Reduction [USA]

Option	Setting
	<i>Withholding Order (All): Retirement Plan Deductions [USA]</i>
Benefit Plans	Select the relevant benefit plan.

7. (Optional) Once you've created a *401(k) Roth* deduction, update the *401(k) Total Contributions: EE [USA]* pay accumulation:

- Access the Edit Pay Accumulation task.
- Select these Deductions on the Add and Subtract Calculations tab:
  - 401(k) Pre-Tax*
  - 401(k) Roth*
- Access the Calculate/Display Exceptions tab and enter these settings:

Option	Description
Option	<i>Calculate and display only if specified Earning/Deduction exists</i>
Specified Earnings/Deductions	<i>401(k) Pre-Tax</i> <i>401(k) Roth</i>

8. (Optional) Once you've created a *401(k) Employer Match* deduction, update the *401(k) Total Contributions: EE + ER [USA]* pay accumulation:

- Access the Edit Pay Accumulation task.
- Select these Deductions on the Add and Subtract Calculations tab:
  - 401(k) Pre-Tax*
  - 401(k) Roth*
  - 401(k) Employer Match*
- Access the Calculate/Display Exceptions tab and enter these settings:

Option	Description
Option	<i>Calculate and display only if specified Earning/Deduction exists</i>
Specified Earnings/Deductions	<i>401(k) Employer Match</i>

## Result

Workday deducts the 401(k) pre-tax employee contribution up to the current IRS elective deferral limit.

His payroll result for the first month displays the result for his 401(k) pre-tax contribution on the Gross to Net tab:

Pay Component	Amount (USD)	YTD (USD)	Related Calculation	Amount (USD)
401(k) Pre-Tax	1,900	1,900	Base (unprorated)	9,500
			Percent	0.20

The 2021 elective deferral annual limit is 19,500 USD. John's 401(k) pre-tax deduction exceeds the annual limit in the eleventh month, so Workday takes the final pre-tax deduction of 500 USD in the eleventh month.

## Related Information

### Tasks

[Steps: Create Deductions](#) on page 234

[Set Up Pay Component Eligibility](#) on page 243

[Set Up Pay Component Related Calculations](#) on page 249

[Set Up Earning or Deduction Limits](#) on page 255

### Examples

[Create Retirement Savings Plans](#)

## Example: Define a 401(k) Roth Post-Tax Deduction (USA)

### Context

John earns 114,000 USD/year, or 9,500 USD/month. He's elected to contribute the maximum of 15% of his monthly salary to his 401(k) Roth retirement savings. The payroll administrator creates a deduction for the 401(k) employee Roth contribution, subject to these current IRS limits:

- Employee elective deferrals.
- Employee and employer total contributions.

Note: This is a basic 401(k) deduction example. We strongly advise you to take into account recent amendments to the tax code, specifically the Secure 2.0 Act. Please consult with your legal counsel and refer to your 401(k) Plan Documents for the exact requirements pertaining to your specific deduction configuration.

### Prerequisites

Your company has created a 401(k) Roth retirement savings plan.

A *Retirement Savings Eligible Wages* pay component group.

A *Retirement Savings Eligible Wages > 0* worker eligibility rule.

(Optional) Define the *401(k) Pre-Tax* deduction.

(Optional) These pay accumulations if there's another employee deduction, or an employer match:

- *401(k) Total Contributions: EE [USA]*
- *401(k) Total Contributions: EE + ER [USA]*

Security: Set Up: Payroll (*Calculations - Payroll Specific*) domain in the Core Payroll functional area.

### Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Setting
Name	<i>401(k) Roth</i>
Code	ROTH

3. Enter these settings on the Effective Dated tab:

Option	Setting
Effective Date	Current date
Run Category Eligibility	<i>Regular Bonus</i>

Option	Setting
Worker Eligibility	<p>Row 1:</p> <ul style="list-style-type: none"> <li>• <i>Retirement Savings Eligible Wages &gt; 0</i></li> <li>• <i>Benefits: Benefit Plan Percentage Exists (and &lt;&gt; 0)</i></li> </ul> <p>Workday recommends you review your benefit plan configuration for worker elections.</p>
Calculation	<i>Base (unprorated) * Percent</i>
Recalculate during Retro	Workday recommends that you don't select this check box for percentage-based deductions.

4. Enter these settings in the Related Calculations grid:

Related Calculation	Override Calculation
<i>Base (unprorated)</i>	<i>Retirement Savings Eligible Wages &gt; 0</i>
<i>Percent</i>	<i>Benefits: Benefit Plan Percentage</i>

5. Enter these settings in the Limits grid (below the Related Calculations grid):

Value	Balance Period	Based On	Include Current Value
<i>Elective Deferral Annual Limit for 401(k), 403(b), 457(b) and 408(k) SEP Plans</i>	<i>YTD - Current Calendar Year (based on Payment Date)</i>	<i>401(k) Total Contributions: EE [USA]</i>	<i>401(k) Pre-Tax [USA]</i>
<i>IRS Annual Contributions Limit Value (only looks at the specified dollar value / not at annual compensation)</i>	<i>YTD - Current Calendar Year (based on Payment Date)</i>	<i>401(k) Total Contributions: EE + ER [USA]</i>	<i>401(k) Pre-Tax [USA]</i>

6. Enter these settings on the Non-Effective Dated tab:

Option	Setting
Groups	<i>Post Tax Deductions</i> <i>Withholding Order (All): Retirement Plan Deductions [USA]</i>
Benefit Plans	Select the relevant benefit plan.

7. (Optional) Once you've created a *401(k) Pre-Tax* deduction, update the *401(k) Total Contributions: EE [USA]* pay accumulation:

- Access the Edit Pay Accumulation task.
- Select these Deductions on the Add and Subtract Calculations tab:
  - 401(k) Pre-Tax*
  - 401(k) Roth*
- Access the Calculate/Display Exceptions tab and enter these settings:

Option	Description
Option	<i>Calculate and display only if specified Earning/Deduction exists</i>
Specified Earnings/Deductions	<i>401(k) Pre-Tax</i> <i>401(k) Roth</i>

8. (Optional) Once you've created a *401(k) Employer Match* deduction, update the *401(k) Total Contributions: EE + ER [USA]* pay accumulation:

- Access the Edit Pay Accumulation task.
- Select these Deductions on the Add and Subtract Calculations tab:
  - 401(k) Pre-Tax*
  - 401(k) Roth*
  - 401(k) Employer Match*
- Access the Calculate/Display Exceptions tab and enter these settings:

Option	Description
Option	<i>Calculate and display only if specified Earning/Deduction exists</i>
Specified Earnings/Deductions	<i>401(k) Employer Match</i>

## Result

Workday takes the *401(k) pre-tax* deduction first, then deducts the *401(k) Roth post-tax* employee contribution.

His payroll result for the first month displays the result for his *401(k) Roth post-tax* employee contribution on the Gross to Net tab:

Pay Component	Amount (USD)	YTD (USD)	Related Calculation	Amount (USD)
401(k) Roth	1,425	1,425	Base (unprorated)	9,500
			Percent	0.15

The 2021 elective deferral annual limit is 19,500 USD. John's *401(k) pre-tax* and *Roth* deductions combined exceed the annual limit in the sixth month. Workday takes the final *pre-tax* deduction of 1,900 USD in the sixth month first, then takes the remaining 975 USD up to the limit for the *Roth* deduction.

## Related Information

### Tasks

[Steps: Create Deductions](#) on page 234

[Set Up Pay Component Eligibility](#) on page 243

[Set Up Pay Component Related Calculations](#) on page 249

[Set Up Earning or Deduction Limits](#) on page 255

### Examples

[Create Retirement Savings Plans](#)

### Example: Define an Employer Match on 401(k) Pre-Tax Contributions (USA)

#### Context

Your 401(k) retirement savings plan includes an employer match on 401(k) pretax employee contributions. The employer match contribution is 100%, capped at 6%, subject to the IRS annual compensation limit. The employer match stops when employee reaches the IRS deferral limit.

John earns 114,000 USD/year, or 9,500 USD/month. He's elected to contribute the maximum of 20% of his monthly salary to his 401(k) pretax retirement savings.

You define the 401(k) employer match deduction so that Workday deducts an amount based on the requirements.

#### Prerequisites

- Your Benefits department has defined a 401(k) retirement savings plan on the Create Benefit Plan task.
- Create a *401(k) Total Contributions: EE + ER [USA]* pay accumulation for the sum of the employee and employer contributions.
- Create a *401(k) Pre-Tax > 0* value comparison calculation.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Steps

1. Access the Create Aggregate Calculation task.

2. Enter these settings:

Option	Description
Name	<i>Lesser of (Eligible Wages * Max Match %) and 100% of EE Contribution</i>
Category	<i>Payroll</i>
Function	<i>Minimum</i>
Operands	<i>401(k) Pre-Tax Base (unprorated) * Percent</i>

3. Access the Create Aggregate Calculation task.

4. Enter these settings:

Option	Description
Name	<i>Lower of EE Contrib and 6%</i>
Category	<i>Payroll</i>
Function	<i>Minimum</i>
Operands	<i>.06 Benefits: Benefit Plan Percentage</i>

5. Access the Create Deduction task.

6. Enter *401(k) Employer Match* in the Name field.

7. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Today
Run Category Eligibility	<i>Regular</i>  <i>(Optional) Bonus</i>
Worker Eligibility	<p>Row 1:</p> <ul style="list-style-type: none"> <li>• <i>Benefits: Benefit Plan Percentage Exists (and &lt;&gt; 0)</i></li> <li>• <i>Retirement Savings Eligible Wages &gt; 0</i></li> <li>• <i>401(k) Pre-Tax &gt; 0</i></li> </ul> <p>Workday recommends you review your benefit plan configuration for worker elections.</p>

8. Select the Calculation *Lesser of (Eligible Wages\*Max Match %) and 100% of EE Contribution*.

9. Enter these settings in the Related Calculations grid:

Related Calculation	Override Calculation	Limit Details: Value	Limit Details: Balance Period	Limit Details: Based On
<i>Base (unprorated)</i>	<i>Retirement Savings Eligible Wages [USA]</i>	<i>Section 415 eligible wage limit</i>	<i>YTD - Current Calendar Year (based on Payment Date)</i>	<i>401(k) Employer Match [USA] - Base (unprorated)</i>
<i>Percent</i>	<i>Lower of EE Contrib and 6%</i>			

a) Don't select Input Allowed for either related calculation.

10. Define the deduction limits in the Limit section at the bottom of the Effective Dated tab:

Value	Balance Period	Based On	Include Current Value
<i>IRS Annual Contributions Limit Value (only looks at the specified dollar value / not at annual compensation)</i>	<i>YTD - Current Calendar Year (based on Payment Date)</i>	<i>401(k) Total Contributions: EE + ER [USA]</i>	<i>401(k) Pre-Tax [USA] 401(k) Roth</i>

11. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Employer Paid Benefits [FRA GBR CAN USA]</i>
Benefit Plans	Select your 401(k) benefit plan.

## Result

Workday calculates the employer match based on the same percentage of eligible wages as the employee contribution. When the employee reaches the individual annual contribution limit for the deductions in a pay period, the match is 100% of the employee deduction. This match is rather than the full percentage match on the wages.

The employer match deduction stops when the employee reaches the wage limit or the IRS employee and employer total contributions limit.

When the sum of the total employee and employer contributions exceeds the IRS employee and employer total contributions limit, Workday takes the deductions in this order up to the limit:

1. 401(k) pretax.
2. 401(k) employer match.

#### Related Information

#### Tasks

[Steps: Create Deductions](#) on page 234

[Set Up Pay Component Eligibility](#) on page 243

[Set Up Pay Component Related Calculations](#) on page 249

[Set Up Earning or Deduction Limits](#) on page 255

#### Examples

[Create Retirement Savings Plans](#)

### Example: Set Up 401(k) with Employer Match and Multiple Limits (USA)

#### Context

John works for Global Modern Services, Inc. and earns 114,000 USD/year, or 9,500 USD/month. John elected to contribute the maximum:

- 20% of John's monthly salary to the 401(k) pretax retirement savings.
- 15% of the monthly salary to John's 401(k) Roth post-tax retirement savings.

John's 401(k) retirement savings plan includes an employer match on 401(k) pre-tax and 401(k) Roth employee contributions. The employer match contribution is 100%, capped at 6%, subject to the IRS annual compensation limit. The employer match stops when John reaches the IRS deferral limit across both deductions.

The payroll administrator for Global Modern Services must ensure that these 2021 limits apply to the contributions:

Deduction	Annual Limit (USD)
401(k)	19,500 (shared with Roth)
401(k) Roth	19,500 (shared with 401(k))
401(k) Employer Match	6,840, up to 6% of annual salary

The payroll administrator creates 3 deductions that reference each other to manage deduction limits:

#### Steps

1. [Example: Define a 401\(k\) Pre-Tax Deduction \(USA\)](#) on page 1075.
2. [Example: Define a 401\(k\) Roth Post-Tax Deduction \(USA\)](#) on page 1078.
3. [Example: Define an Employer Match on 401\(k\) Pre-Tax Contributions \(USA\)](#) on page 1081.

#### Result

Workday starts deducting ongoing payments. When the sum of the deductions exceeds the annual limit, Workday takes the deductions in this order up to the limit for each type of deduction:

- 401(k) pretax
- 401(k) Roth post-tax
- 401(k) employer match

## Related Information

### Tasks

[Set Up Earning or Deduction Limits](#) on page 255

### Examples

[Create Retirement Savings Plans](#)

[Troubleshooting: Incorrect Earning or Deduction Amount](#) on page 751

### Example: Create a 401(k) Catch-Up Deduction (USA)

### Context

John turns 50 before the end of the current calendar year and is now eligible to make 401(k) catch-up contributions. The payroll administrator creates a deduction for additional 401(k) catch-up contributions up to the IRS current annual catch-up limit. John has elected to contribute 750 USD monthly to their pre-tax 401(k) catch-up retirement savings.

Note: This is a basic 401(k) deduction example. We strongly advise you to take into account recent amendments to the tax code, specifically the Secure 2.0 Act. Please consult with your legal counsel and refer to your 401(k) Plan Documents for the exact requirements pertaining to your specific deduction configuration.

### Prerequisites

Your company has created a separate 401(k) catch-up retirement savings plan, which enables an election of either a percentage or a flat amount. You can enroll employees in both the standard plan and the catch-up simultaneously.

A *Retirement Savings Eligible Wages* pay component group.

A *Retirement Savings Eligible Wages > 0* worker eligibility rule.

(Optional) Create an *Election Amount* related calculation.

Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.

### Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Description
Name	401(k) Catch-Up
Code	401kCU

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	Regular (Optional) Bonus
Worker Eligibility	Row 1: <ul style="list-style-type: none"><li>• <i>Retirement Savings Eligible Wages &gt; 0</i></li><li>• <i>Benefits: Benefit Plan Percentage Exists (and &lt; &gt; 0) OR Flat Amount Exists and &lt; &gt; 0</i></li></ul>

Option	Description
	Workday recommends you review your benefit plan configuration for worker elections.
Calculation	<i>Benefits: Base (unprorated) * Percent OR Flat Amount</i>
Recalculate during Retro?	Workday recommends that you don't select this check box for percentage-based deductions.

4. In the Related Calculations grid, enter these settings in the first row:

Option	Description
Related Calculation	<i>Base (unprorated)</i>
Override Calculation	<i>Retirement Savings Eligible Wages [USA]</i>
Display Current / Current and Balances	<i>Display Current</i>

5. In the Related Calculations grid, enter these settings in the second row:

Option	Description
Related Calculation	<i>Percent</i>
Override Calculation	<i>Benefits: Benefit Plan Percentage</i>
Do Not Store / Do Not Store if Zero	<i>Do Not Store if Zero</i>
Display Current / Current and Balances	<i>Display Current</i>

6. In the Related Calculations grid, enter these settings in the third row:

Option	Description
Related Calculation	<i>Election Amount</i>
Override Calculation	<i>Benefits: Employee Cost (Pre-tax)</i>
Do Not Store / Do Not Store if Zero	<i>Do Not Store if Zero</i>
Display Current / Current and Balances	<i>Display Current</i>

7. Enter these settings in the Limits grid (below the Related Calculations grid):

Option	Description
Value	<i>Elective Deferral Annual Catch-Up Limit for 401(k), 403(b), 457(b) and 408(k) SEP Plans</i>
Balance Period	<i>YTD - Current Calendar Year (based on Payment Date)</i>
Based On	<i>401(k) Catch-up [USA]</i>

8. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Federal Taxable Reduction [USA] Pretax Deductions State Withholding Taxable Reduction [USA] Withholding Order (all): Retirement Plan Deductions [USA]</i>

Option	Description
Benefits	Select the relevant benefit plans.

## Result

Workday deducts the 401(k) pretax employee catch-up contribution up to the current IRS elective deferral catch-up limit.

The payroll result for the first month displays the result for John's 401(k) pretax contribution on the Gross to Net tab:

Pay Component	Amount (USD)	YTD (USD)	Related Calculation	Amount (USD)
401(k) Catch-Up	750	750	Base (unprorated)	9,500
			Election Amount	750

The 2021 elective deferral annual catch-up limit is 6,500 USD. John's 401(k) pretax catch-up deduction exceeds the annual limit in the ninth month. Therefore, Workday takes the remaining 500 USD up to the limit in the ninth month.

Related Information

### Tasks

[Steps: Create Deductions](#) on page 234

[Set Up Pay Component Eligibility](#) on page 243

[Set Up Pay Component Related Calculations](#) on page 249

[Set Up Earning or Deduction Limits](#) on page 255

### Examples

[Create Retirement Savings Plans](#)

## Example: Set Up 401(k) Deduction for Multiple States (USA)

### Context

This example illustrates how to set up 401(k) deductions for multi-state workers.

Erin works in both Arizona and New Mexico, and has hours entered and approved in Time Tracking for both states. Her 401k deduction is 12%, which should apply to her eligible wages earned in each state.

### Prerequisites

Your company has created a 401(k) retirement savings plan.

A *Retirement Savings Eligible Wages* pay accumulation.

A *Retirement Savings Eligible Wages > 0* value comparison calculation.

These pay accumulations if there's another employee deduction, or an employer match:

- *401(k) Total Contributions: EE [USA]*
- *401(k) Total Contributions: EE + ER [USA]*

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Edit Company Federal US Tax Reporting task.
2. Select the checkbox for Allow Pre-Tax Deduction Allocation.

3. Enable one or both of the following: Allow Ongoing Work Jurisdiction Tax Allocation or Enable Tax Mapping on Location.
4. Set up Arizona and New Mexico as locations enabled for tax location mapping.
5. Access the Create Deduction task.
6. Enter these settings:

Option	Setting
Name	<i>401(k) Pre-Tax</i>
Code	401k

7. Enter these settings on the Effective Dated tab:

Option	Setting
Effective Date	Current date
Run Category Eligibility	<i>Bonus</i> <i>Regular</i>
Worker Eligibility	<p>Row 1:</p> <ul style="list-style-type: none"> <li>• <i>Retirement Savings Eligible Wages &gt; 0</i></li> <li>• <i>Benefits: Benefit Plan Percentage Exists (and &lt;&gt; 0)</i></li> </ul> <p>Workday recommends you review your benefit plan configuration for worker elections.</p>
Calculation	<i>Base (unprorated) * Percent</i>
Recalculate during Retro	Workday recommends that you don't select this check box for percentage-based deductions.

8. Ensure Do Not Apply Percentage Splits is not enabled at the pay component level.

9. Enter these settings in the Related Calculations grid:

Option	Value
Related Calculation	<i>Base (unprorated)</i>
Override Calculation	<i>Retirement Savings Eligible Wages (Pay Accumulation)</i>
Do Not Apply Percentage Splits	Select the option.

10. Enter these settings in the Limits grid (below the Related Calculations grid):

Value	Balance Period	Based On
<i>Elective Deferral Annual Limit for 401(k), 403(b), 457(b), and 408(k) SEP Plans</i>	<i>YTD - Current Calendar Year (based on Payment Date)</i>	<i>401(k) Total Contributions: EE [USA]</i>
<i>IRS Annual Contributions Limit Value (only looks at the specified dollar value / not at annual compensation)</i>	<i>YTD - Current Calendar Year (based on Payment Date)</i>	<i>401(k) Total Contributions: EE + ER [USA]</i>

11. Enter these settings on the Non-Effective Dated tab:

Option	Setting
Groups	<i>Federal Taxable Reduction [USA]</i> <i>Pre Tax Deductions</i> <i>State Withholding Taxable Reduction [USA]</i> <i>Withholding Order (All): Retirement Plan Deductions [USA]</i>
Benefit Plans	Select the relevant benefit plan.

12. (Optional) Once you've created a *401(k) Roth* deduction, update the *401(k) Total Contributions: EE [USA]* pay accumulation:

- Access the Edit Pay Accumulation task.
- Select these Deductions on the Add and Subtract Calculations tab:
  - 401(k) Pre-Tax*
  - 401(k) Roth*
- Access the Calculate/Display Exceptions tab and enter these settings:

Option	Description
Option	<i>Calculate and display only if specified Earnings/Deduction exists</i>
Specified Earnings/Deductions	<i>401(k) Pre-Tax</i> <i>401(k) Roth</i>

13. (Optional) Once you've created a *401(k) Employer Match* deduction, update the *401(k) Total Contributions: EE + ER [USA]* pay accumulation:

- Access the Edit Pay Accumulation task.
- Select these Deductions on the Add and Subtract Calculations tab:
  - 401(k) Pre-Tax*
  - 401(k) Roth*
  - 401(k) Employer Match*
- Access the Calculate/Display Exceptions tab and enter these settings:

Option	Description
Option	<i>Calculate and display only if specified Earnings/Deduction exists</i>
Specified Earnings/Deductions	<i>401(k) Employer Match</i>

## Result

On her first pay result for both states, Erin's 401(k) deduction is allocated between the two states at 12% of her unprorated earnings.

## Example: 401(k) Loan Repayment (USA)

### Steps: Calculate 401(k) Loan Repayment (USA)

#### Prerequisites

Security:

- *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
- *Set Up: Enable Worktags* domain in the Core Payroll Functional area.
- *Set Up: Payroll (Calculations - Generic)* domain in the Core Payroll function area.
- *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.
- *Process: Run Batch Complete (Pay Complete)* domain in the Core Payroll functional area.

#### Context

Create a 401(k) loan deduction for employees who have accrued 401(k) savings to deduct the repayments from subsequent payrolls. Use worktags to associate the elements of the loan and repayment.

#### Steps

1. [Set Up Worktag for 401\(k\) Loan Repayment \(USA\)](#) on page 1089  
Set up a worktag to associate the elements of the loan with repayment.
2. [Create 401\(k\) Loan Repayment Deduction \(USA\)](#) on page 1090  
Enter criteria for the loan and repayment, calculation details, limit settings, and groups.
3. [Enter 401\(k\) Loan Repayment Using Payroll Input \(USA\)](#) on page 1092  
On the Add Payroll Input by Worker task, enter payroll input for the loan and repayment, and run the payment for the worker or pay group.

#### Result

You've entered a one-time loan in the specified pay period. Workday deducts ongoing payments from worker pay until the loan is repaid.

### Set Up Worktag for 401(k) Loan Repayment (USA)

#### Prerequisites

Your company has set up a 401(k) retirement savings plan.

The worker has received a loan from the savings.

Security: *Set Up: Enable Worktags* domain in the Core Payroll Functional area.

#### Context

You can create a 401k loan worktag to associate the elements of the loan and repayment.

#### Steps

1. Access the Enable Custom Worktags task.
  - a) In an unused row, select the Custom Worktag is Enabled check box.
  - b) In the Worktag Name field, enter *401k Loan*.
  - c) From the Worktag Usage prompt, select *Payroll*.

Note: If you plan to upload the loan values from an Enterprise Integration Builder (EIB) spreadsheet, note the Dimension Name of the worktag. You need it to use in the Dimension Name column of the EIB.

2. Access the Maintain Custom Worktag Values task.

- a) Select *401k Loan* from the Custom Worktag Type prompt.
- b) Add a new row and enter at least 1 valid value for the loan. Example: Enter *Loan 1* in the Worktag Value field.

If you have employees with multiple loans, enter as many valid values for the loans as needed. Example: Enter *Loan 1, Loan 2, Loan 3*, and so on in the Worktag Value field.

## Result

The *401k Loan* worktag type is available to associate all the parts of this calculation. In addition, the valid value of loans that you added as worktag values are now available for payroll input.

## Next Steps

Create a loan repayment deduction.

Related Information

### Examples

[Create Retirement Savings Plans](#)

[Steps: Define Custom Worktags](#)

## [Create 401\(k\) Loan Repayment Deduction \(USA\)](#)

## Prerequisites

Create a 401(k) retirement savings plan.

The worker has received a loan from the savings.

Security: Set Up: Payroll (*Calculations - Payroll Specific*) domain in the Core Payroll functional area.

## Context

Create a deduction that you can use to specify the loan balance and how to repay it.

## Steps

1. Access the Create Deduction task, name it *401k Loan Repayment*, and enter a unique code for it.

2. On the Effective Dated tab:

- Under Criteria in the Worker Eligibility field, select *Payroll Input Exists for Pay Component*.
- Under Calculation Details in the Calculation field, select *Original Amount*.
- Under Calculation Worktags, select *401k Loan*.

For workers with more than 1 401(k) loan, select the *Include Input* check box. When you select this check box, the payroll administrator must select the worktag associated with the corresponding loan.

- Under Related Calculations, use the *Create Related Calculation* option on the Related Calculation prompt to create the *401k Loan Balance*. Then complete the row:

Related Calculation	Override Calculation	Limit Details - Value	Limit Details - Balance Period	Input Allowed?	Do Not Store / Do Not Store if Zero.	Display
<i>401k Loan Balance</i>	<i>Payroll Input</i>			Yes	Do Not Store if Zero.	Yes

- Enter a second row:

Related Calculation	Override Calculation	Limit Details - Value	Limit Details - Balance Period	Limit Filter Worktag Default Filter Worktags	Input Allowed?	Do Not Store / Do Not Store if Zero.	Display
<i>Original Amount</i>	<i>Payroll Input</i>	<i>401k Loan Balance</i>	<i>Open Ended (Based on Period End Date)</i>	<i>401k Loan</i>	Yes	Do Not Store if Zero.	Yes

3. On the Non-Effective Dated tab in the Groups field, select *Post Tax Deductions* to add the deduction to the *Post Tax Deductions* pay component group.

4. When you enter payroll input for this deduction, enter the:

- Total outstanding loan balance in the 401k Loan Balance field.
- Per-pay-period repayment amount in the Original Amount field.

## Result

When you enter payroll input for this deduction and run payroll, Workday:

- Processes the loan repayment from gross pay.
- Displays the loan repayment in the pay results.

## Related Information

### Tasks

[Steps: Create Deductions on page 234](#)

### Examples

[Create Retirement Savings Plans](#)

## Enter 401(k) Loan Repayment Using Payroll Input (USA)

### Prerequisites

Your company has created a 401(k) retirement savings plan.

The worker has received a loan from the savings.

You've created the loan repayment deduction.

Security:

- *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.
- *Run Batch Complete (Pay Complete)* domain in the Core Payroll functional area.

### Context

Enter the loan and the repayment input amounts.

### Steps

1. To enter payroll input for the loan and repayment, access the Add Payroll Input by Worker task, and select:

Field	Description
Pay Component Processing Defaults	<i>401k Loan Repayment Ongoing Override</i>
Payroll Worktags	<i>Regular Run Category</i> Enter the loan worktag valid value: <i>401k Loan: Loan 1</i> .

2. Under Input, enter this row:

- a) Enter the Start Date of the period in which the loan is part of the payroll result.
- b) Enter 2 rows of Input Details:

Type	Value
<i>401k Loan Balance</i>	The amount of the loan.
<i>Original Amount</i>	The amount of regular payment.

3. Run the payroll for the worker or the worker's pay group.

### Result

You've entered a loan repayment input in the specified pay period. Workday stops deducting ongoing payments from payroll once the sum of the ongoing 401k Loan Repayment amount equals the *401k Loan Balance* amount entered for the ongoing input.

Related Information

#### Tasks

[Calculate On-Cycle Payroll](#) on page 651

[Add Payroll Input for Workers](#) on page 617

[Set Up Worktag for 401\(k\) Loan Repayment \(USA\)](#) on page 1089

[Create 401\(k\) Loan Repayment Deduction \(USA\)](#) on page 1090

## Example: Flexible Spending Account with Limits (USA)

### Example: Flexible Spending Account with Limits (USA)

#### Context

Sue wants to contribute the maximum allowed by the Internal Revenue Service (IRS) to a Flexible Spending Account (FSA). Her employer also contributes to the account. Create 2 deductions with limits for these contributions.

#### Steps

1. Create a deduction to calculate the employee contribution to FSA.

See [Example: Create Employee Flexible Spending Account Deduction with Limits \(USA\)](#) on page 1093.

2. Create a deduction to calculate the employer contribution to FSA.

See [Example: Create Employer Flexible Spending Account Deduction with Limits \(USA\)](#) on page 1095.

3. Access the Edit Run Category task.

4. Select the *Regular* run category.

5. Add these deductions to Additional Pay Components to Calculate on the General tab:

- a) *FSA Employee*
- b) *FSA Employer*

#### Result

Workday retrieves the contribution amounts and calculates the deductions.

#### Related Information

#### Tasks

[Steps: Create Deductions](#) on page 234

## Example: Create Employee Flexible Spending Account Deduction with Limits (USA)

#### Context

As the first step in calculating Flexible Spending Account (FSA) deductions with limits, create an employee FSA deduction.

#### Prerequisites

- Create an FSA plan.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Description
Name	FSA Employee
Code	FSA-EE

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	<i>Regular</i>
Worker Eligibility	<i>Benefits Employee Cost or Pay Input Exists Pay Component Not Previously Paid in Period Processing Primary Job</i>
Calculation	<i>Benefits: Employee Cost</i>
Input Amount Allowed?	Select the check box.
Calculation Proration	<i>Prorate Using Calendar Days</i>
Recalculate during Retro?	Select the check box.

4. Add a row in the Limits grid.

5. In the Value field, select Create Lookup Calculation and enter these settings:

Option	Description
Name	Healthcare FSA Annual Limit
Category	<i>Payroll</i>
Lookup Table	<i>Health Flexible Spending Arrangement (FSA) Maximum IRS Contribution Limit</i>
Numeric Search Criteria	Category, Type > Payroll > Date Extract Calculation > Year: Payment Date - Year

6. In the Balance Period field, select YTD - Current Calendar Year (based on Payment Date).

7. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Federal Taxable Reduction [USA] FICA Taxable Reduction [USA] FSA Employee Deduction [USA] Pre Tax Deductions Section 125 Cafeteria Plan [USA] State Withholding Taxable Reduction [USA]</i>
Benefit Plans	Select the company FSA benefit plan.

## Next Steps

Create an employer FSA deduction.

Related Information

### Tasks

Steps: Create Deductions on page 234

## Example: Create Employer Flexible Spending Account Deduction with Limits (USA)

### Context

As the second step in calculating Flexible Spending Account (FSA) deductions with limits, create an employer FSA deduction.

### Prerequisites

- Have a pay components group named *Benefits During Leave* for non-active workers.
- Create an FSA plan.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Description
Name	FSA Employer
Code	FSA-ER

3. Enter these settings on the Effective-Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	Regular
Worker Eligibility	<ul style="list-style-type: none"> <li>• <i>Benefits Employer Cost or Pay Input Exists</i></li> <li>• <i>Pay Component Not Previously Paid in Period</i></li> <li>• <i>Processing Primary Job</i></li> </ul>
Calculation	<i>Benefits: Employer Cost</i>
Calculation Proration	<i>Prorate Using Calendar Days</i>

4. Enter these settings in the Limits grid:

Value	Balance Period	Based On
<i>FSA Employer Match [USA]</i>	<i>YTD - Current Calendar Year (based on Payment Date)</i>	<i>FSA Employer Match [USA]</i>

5. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave</i> <i>Employer Paid Benefits [GBR CAN USA]</i>
Benefit Plans	Select the FSA benefit plans.

### Next Steps

Add new deductions to the *Regular* run category.

Related Information

#### Tasks

[Steps: Create Deductions](#) on page 234

## Example: Health Savings Account Costs with Limits (USA)

### Example: Health Savings Account with Limits (USA)

#### Context

Create separate deductions to calculate employer and employee contributions to a Health Savings Account (HSA) plan. Configure a cumulative limit that applies to the sum of the employee and employer amounts. Create a pay accumulation that includes both deductions.

#### Prerequisites

Create a Health Savings Account (HSA) plan.

#### Steps

1. Define a deduction for employer contribution to an HSA plan.

See [Example: Create a Deduction for Employer Contribution to a Health Savings Account \(USA\)](#) on page 1096.

2. Define a deduction for employee contribution to an HSA plan.

See [Example: Create a Deduction for Employee Contribution to a Health Savings Account \(USA\)](#) on page 1097.

3. Create an HSA Total pay accumulation.

See [Example: Create a Health Savings Account Total Pay Accumulation \(USA\)](#) on page 1098.

#### Result

Workday:

- Calculates the employer contribution to the HSA.
- Retrieves the employer contribution, then calculates the employee contribution up to the limit.

#### Next Steps

Add the deductions to the Additional Pay Component(s) to Calculate field on the Maintain Run Categories task.

### Example: Create a Deduction for Employer Contribution to a Health Savings Account (USA)

#### Context

As a first step in calculating the cost of a health savings account plan, define a deduction for the employer contribution to a Health Savings Account (HSA) plan.

#### Prerequisites

- Create an HSA plan.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Steps

1. Access the Create Deduction task.
2. Enter these settings:

Option	Description
Name	Employer Contribution to HSA

Option	Description
Code	HSA-ER

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Worker Eligibility	<i>Employee Enrolled in Benefit Plan</i>
Calculation	<i>Benefits: Employer Cost</i>
Input Amount Allowed?	Selected

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Employer Paid Benefits [GBR CAN USA]</i>
Benefit Plans	Select the relevant HSA plans.

## Result

The deduction is available for payroll processing upon the effective date.

### Related Information

#### Tasks

Steps: [Create Deductions](#) on page 234

### Example: Create a Deduction for Employee Contribution to a Health Savings Account (USA)

#### Context

Create a deduction for employee contribution to a Health Savings Account (HSA) as a second step in calculating the cost of an HSA plan.

#### Prerequisites

- Create an HSA plan.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Steps

1. Access the Create Deduction task.
2. Enter these settings:

Option	Description
Name	Health Savings Account (HSA)
Code	HSA

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	<i>Regular</i>
Worker Eligibility	In 1 row:

Option	Description
	<ul style="list-style-type: none"> <li>• Benefits "Employee Cost (pre-tax) Exists and &lt; &gt; 0"</li> <li>• Employee Enrolled in Benefit Plan</li> <li>• Processing Primary Job</li> </ul>
Calculation	Benefits: Employee Cost
Recalculate during Retro	Selected

4. Enter these settings in the Limits grid:

Option	Description
Value	Benefits: HSA Maximum Annual Contribution Limit (without Catch-Up Limit)
Balance Period	YTD - Current Calendar Year (based on Payment Date)
Based On	Health Savings Account (HSA) [USA]

5. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<ul style="list-style-type: none"> <li>• Federal Taxable Reduction [USA]</li> <li>• FICA Taxable Reduction [USA]</li> <li>• Pre-Tax Deductions</li> <li>• State Withholding Taxable Reduction [USA]</li> <li>• Withholding Order (All): Medical Savings Account [USA]</li> </ul>
Benefit Plans	<p>Select the relevant HSA plan.</p> <p>Note: Create separate deductions for HSA and HSA Catch-Up, as different limits apply. When you attach more than 1 benefit plan with different limits, Workday randomly selects the plan to use, which can result in errors.</p>

## Result

The deduction is available for use in payroll processing upon the effective date.

### Related Information

#### Tasks

[Steps: Create Deductions](#) on page 234

### Example: Create a Health Savings Account Total Pay Accumulation (USA)

#### Context

As a final step in calculating Health Savings Account (HSA) costs, create an HSA Total pay accumulation for use in payroll processing.

#### Prerequisites

- Create HSA deductions.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Steps

1. Access the Create Pay Accumulation task.
2. Enter these settings:

Option	Description
Name	Health Savings Account Total Contributions: EE + ER
Code	HSA-EE-ER

3. Enter these settings on the Add and Subtract Calculations tab:

Option	Description
Deductions	<ul style="list-style-type: none"> <li>• <i>Employer Contribution to a Health Savings Account</i></li> <li>• <i>Employee Contribution to a Health Savings Account</i></li> </ul>

4. Enter these settings on the Calculate/Display Exceptions tab:

Option	Description
Option	<i>Calculate and display only if specified Earning/Deduction exists</i>

## Result

The pay accumulation is available for payroll processing upon the effective date.

### Related Information

#### Tasks

[Create Pay Accumulations](#) on page 320

## Example: Imputed Income from Group Term Life (USA)

### Example: Imputed Income from Group Term Life Insurance (USA)

#### Context

Define a deduction to calculate employee post-tax Group Term Life (GTL) contributions and an earning to calculate imputed income from employer contributions.

#### Prerequisites

Create a GTL insurance plan based on rates defined in the rate tables of the benefit plan.

## Steps

1. Define a deduction for the employee post-tax GTL contribution.  
[See Example: Create a Deduction for Employee Post-Tax Group Term Life Insurance \(USA\)](#) on page 1100.
2. Define an earning to calculate the imputed income the employee receives from the employer taxable contribution to GTL.  
[See Example: Create an Earning for Imputed Income from Group Term Life \(USA\)](#) on page 1101.

## Result

Workday calculates the deduction if:

- You don't select the Employee Cost Is Pre-Tax option on the Create Benefit Plan task.
- The covered person is an employee.
- The employer (taxable) benefits cost is greater than zero.
- The insurance coverage amount (reduced by employee post-tax cost) is greater than 50,000 USD.

Workday:

- Retrieves the age of the covered person.
- Retrieves the coverage amount.
- Calculates the employer contribution subject to taxes using IRS Premium Table rates.

Related Information

### Tasks

[Map Pay Components to Benefit Plans on page 261](#)

[Steps: Create Earnings on page 229](#)

[Steps: Create Deductions on page 234](#)

### Example: Create a Deduction for Employee Post-Tax Group Term Life Insurance (USA)

#### Context

As the first step in calculating imputed income from Group Term Life (GTL), create a deduction to calculate the employee post-tax contribution to the plan.

#### Prerequisites

- Have a pay components group named *Benefits During Leave* for non-active workers.
- Create a GTL insurance plan based on rates defined in benefit rate tables.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Description
Name	Group Term Life - EE
Code	GTLEE

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current Date
Run Category Eligibility	<i>Regular</i>
Worker Eligibility	<i>Benefits Employee Cost (Post-tax) or Pay Input Exists</i> <i>Processing Primary Job</i>
Calculation	<i>Benefits: Employee Cost (Post-tax)</i>
Recalculate during Retro	Select the check box.

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave</i>

Option	Description
	<i>Post Tax Deductions</i>
Benefit Plans	Select the GTL plan.

## Next Steps

Create an earning to calculate the imputed income the employee receives from the employer taxable contribution to GTL.

Related Information

### Tasks

[Map Pay Components to Benefit Plans on page 261](#)

[Steps: Create Deductions on page 234](#)

## Example: Create an Earning for Imputed Income from Group Term Life (USA)

### Context

As the second step in calculating imputed income from Group Term Life (GTL), create an earning for the employer contribution to the plan.

### Prerequisites

- Have a pay components group named *Benefits During Leave* for non-active workers.
- Create a GTL insurance plan based on rates defined in the Workday benefit plan rate tables.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Earning task.
2. Enter these settings:

Option	Description
Name	Imputed Income - GTL
Code	GTL-IMP

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	Regular
Worker Eligibility	<p>Row 1:</p> <ul style="list-style-type: none"> <li>• <i>Base Pay &gt; 0</i></li> <li>• <i>Benefits: Imputed Income for GTL (Employee) Exists</i></li> <li>• <i>Pay Component: Not Previously Paid in Period</i></li> <li>• <i>Processing Primary Job</i></li> </ul> <p>Row 2</p> <ul style="list-style-type: none"> <li>• <i>Payroll Input Exists for Pay Component</i></li> <li>• <i>Processing Primary Job</i></li> </ul>

Option	Description
Calculation	<i>Benefits: Imputed Income for GTL (Employee)</i>

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave</i> <i>Federal Taxable (Do Not Withhold Taxes [USA])</i> <i>FICA Taxable [USA]</i> <i>Local Withholding Taxable (Do Not Withhold Taxes) [USA]</i> <i>Local Withholding Taxable Employer (Do Not Withhold Taxes) [USA]</i> <i>Non Cash Taxable Benefits</i> <i>State Withholding Taxable (Do Not Withhold Taxes) [USA]</i>
Benefit Plans	Select the GTL (Employee) plan.

Related Information

#### Tasks

[Create Pay Accumulations](#) on page 320

[Map Pay Components to Benefit Plans](#) on page 261

[Steps: Create Earnings](#) on page 229

## Example: Preferred Provider Organization Plan Costs (USA)

### Example: Preferred Provider Organization Plan Costs (USA)

#### Context

The company is offering a Preferred Provider Organization (PPO) insurance plan. Paula needs to create these payroll deductions:

- Employee Pre-Tax PPO Costs.
- Employer Non-Taxable PPO Costs.

#### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Steps

1. Define a deduction for employee pretax PPO contributions.  
[See Example: Create a Deduction to Calculate Employee Preferred Provider Organization Plan Costs \(USA\)](#) on page 1103.
2. Define a deduction for employer nontaxable PPO contributions.  
[See Example: Create a Deduction to Calculate Employer Preferred Provider Organization Plan Costs \(USA\)](#) on page 1104.

Related Information

#### Tasks

[Map Pay Components to Benefit Plans](#) on page 261

[Steps: Create Deductions on page 234](#)

### Example: Create a Deduction to Calculate Employee Preferred Provider Organization Plan Costs (USA)

#### Context

Creating this deduction is the first step in calculating Preferred Provider Organization (PPO) plan costs.

#### Steps

1. Access the Create Deduction task.
2. Enter these settings:

Option	Description
Name	PPO EE
Code	PPOEE

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	Regular
Worker Eligibility	<i>Benefits: Employee Cost (pre-tax) Exists and &lt;&gt; 0</i>
Calculation	<i>Benefits: Employee Cost (Pre-tax)</i>
Calculation Proration	<i>Prorate Using Calendar Days</i>

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave</i> <i>Federal Taxable Reduction [USA]</i> <i>FICA Taxable Reduction [USA]</i> <i>Pre Tax Deductions</i> <i>Section 125 Cafeteria Plan [USA]</i> <i>State Withholding Taxable Reduction [USA]</i>
Benefit Plans	Select the PPO benefit plan.

#### Next Steps

[Define a deduction for employer nontaxable PPO contributions.](#)

[Related Information](#)

#### Tasks

[Map Pay Components to Benefit Plans on page 261](#)

[Steps: Create Deductions on page 234](#)

## Example: Create a Deduction to Calculate Employer Preferred Provider Organization Plan Costs (USA)

### Context

Creating this calculation is the second step in calculating Preferred Provider Organization (PPO) plan costs.

### Prerequisites

You have a pay components group named *Benefits During Leave* for non-active workers.

### Steps

1. Access the Create Deduction task.
2. Enter these settings:

Option	Description
Name	PPO ER
Code	PPOER

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	<i>Regular</i>
Worker Eligibility	<i>Benefits Employer Cost or Pay Input Exists Processing Primary Job</i>
Calculation	<i>Benefits: Employer Cost</i>
Calculation Proration	<i>Prorate Using Days Worked</i>
Recalculate during Retro	Select the check box.

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave Employer Paid Benefits [GBR CAN USA]</i>
Benefit Plans	Select the PPO benefit plan.

### Related Information

#### Tasks

[Map Pay Components to Benefit Plans on page 261](#)

[Steps: Create Deductions on page 234](#)

## Example: Same-Sex Spouses and Domestic Partners (USA)

### Example: Same-Sex Spouses and Domestic Partners (USA)

### Context

Global Modern Services (GMS) has employees in many states. Some of these tax authorities recognize both same-sex spouses and domestic partners, some recognize only 1 of the 2 types of relationships, and others recognize neither.

Sandy, a payroll administrator, wants to create pay components for the Medical - Aetna HMO benefit for same-sex spouses and domestic partners of GMS employees. Sandy must create these 4 pay components:

Benefit for	Deduction	Earning
Same-Sex Spouse	Employee contribution	Employer contribution
Domestic Partner	Employee contribution	Employer contribution

However, she must decide between these 2 types of configurations, whichever requires fewer exceptions:

- Pretax deductions and nontaxable earnings with tax authority exceptions for the states that don't recognize these relationships.
- Post-tax deductions and taxable earnings with tax authority exceptions for states that do recognize these relationships.

Sandy researches which tax jurisdictions recognize which types of relationships. She decides to create post-tax and taxable pay components with exceptions for any tax authorities that differ.

## Prerequisites

Configure benefits for same-sex spouses and domestic partners.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Steps

1. [Example: Create Employee Deductions for Same-Sex Spouses \(USA\)](#) on page 1105.
2. [Example: Create Employee Deductions for Domestic Partners \(USA\)](#) on page 1107.
3. [Example: Create an Earning for Employer Contribution to Same-Sex Spouse Benefits \(USA\)](#) on page 1108.
4. [Example: Create an Earning for Employer Contribution for Domestic Partner Benefits \(USA\)](#) on page 1109 .

## Result

Qualifying employees pay the associated taxes for medical benefits according to the tax authority guidelines.

## Next Steps

Sandy updates the tax authority exceptions for the pay components when changes occur.

Related Information

### Tasks

[Define Tax Authority Exceptions from Pay Component Groups \(USA\)](#) on page 1197

### Examples

[Manage Personal Relationship Types](#)

## Example: Create Employee Deductions for Same-Sex Spouses (USA)

### Context

Create a post-tax deduction for Medical Aetna - HMO for employee contributions for their same-sex spouses, with tax authority exceptions for states that recognize same-sex marriages.

## Prerequisites

Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.

## Steps

1. Access the Create Deduction task.
2. Enter these settings in the Name field.

Option	Description
Name	Medical - AETNA - EE SSS [USA]
Code	AET_EESSS

3. Enter these settings on the Effective Dated tab:

Option	Description
Run Category Eligibility	Regular
Worker Eligibility	Benefits Is Same Sex Spouse Covered
Calculation	Benefits: Employee Cost (Post-tax)

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<ul style="list-style-type: none"> <li>• Federal Taxable Reduction [USA]</li> <li>• FICA Taxable Reduction [USA]</li> <li>• Post Tax Deductions</li> </ul>
Benefits Plan	Medical Aetna - HMO

5. Access the Maintain Tax Authority Exceptions Pay Component Groups task and select *State Withholding Taxable Reduction (Withhold Taxes) [USA]*.

6. Create an exception:

Option	Description
Payroll Tax Authority	[List the tax authorities that recognize same-sex marriages.]
Include Pay Component(s)	Medical - AETNA - EE SSS [USA]

## Result

When Workday processes payroll, employees contribute to their same-sex spouse *Medical Aetna - HMO* benefits:

- In nonexempt tax authorities after taxes.
- In federal and exempt tax authorities before taxes.

## Related Information

### Tasks

[Steps: Create Deductions](#) on page 234

[Create Pay Component Groups](#) on page 238

[Define Tax Authority Exceptions from Pay Component Groups \(USA\)](#) on page 1197

## Example: Create Employee Deductions for Domestic Partners (USA)

### Context

Create a post-tax deduction for Medical Aetna - HMO for employee contributions for their domestic partners, with tax authority exceptions for states that recognize domestic partnerships.

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Description
Name	Medical - AETNA - EE DP [USA]
Code	AET_EEDP

3. Enter these settings on the Effective Dated tab:

Option	Description
Worker Eligibility	Benefits Is Domestic Partner Covered
Calculation	Benefits: Employee Cost (Post-tax)

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	Post Tax Deductions
Benefits Plan	Medical Aetna - HMO

5. Access the Maintain Tax Authority Exceptions for Pay Component Groups task and select *State Withholding Taxable Reduction [USA]*.

6. Create an exception:

Option	Description
Payroll Tax Authority	[List the tax authorities that recognize domestic partnerships.]
Include Pay Components	Medical - AETNA - EE DP [USA]

### Result

When Workday processes payroll, employees contribute to the domestic partner Medical Aetna - HMO benefit:

- In nonexcepted tax authorities after taxes.
- In excepted tax authorities before taxes.

### Related Information

#### Tasks

[Steps: Create Deductions](#) on page 234

[Create Pay Component Groups](#) on page 238

[Define Tax Authority Exceptions from Pay Component Groups \(USA\)](#) on page 1197

## Example: Create an Earning for Employer Contribution to Same-Sex Spouse Benefits (USA)

### Context

Create a taxable earning for Medical Aetna - HMO for the employer contribution for employee same-sex spouse benefits, with tax authority exceptions for states that recognize same-sex marriages.

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Earning task.

2. Enter these settings:

Option	Description
Name	Medical - AETNA - ER SSS [USA]
Code	AET_ERSSS

3. Enter these settings on the Effective Dated tab:

Option	Description
Worker Eligibility	Benefits Is Same Sex Spouse Covered
Calculation	Benefits: Employer Cost (Taxable)

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<ul style="list-style-type: none"> <li>Local Withholding Taxable (Withhold Taxes) [USA]</li> <li>Local Withholding Taxable Employer (Withhold Taxes) [USA]</li> <li>Non-Cash Taxable Benefits</li> <li>State Withholding Taxable (Withhold Taxes) [USA]</li> </ul> <p>Add SUI Taxable [USA], if you need wages added to state taxes, such as CA: State Disability Insurance (SDI) - Mandatory [USA].</p>
Benefits Plan	Medical Aetna - HMO

5. Access the Maintain Tax Authority Exceptions for Pay Component Groups task and select the *State Withholding Taxable (Withhold Taxes) [USA]* Pay Component Group.

6. Create an exception:

Option	Description
Payroll Tax Authority	[List the tax authorities that recognize same-sex marriages.]
Exclude Pay Components	Medical - AETNA - ER SSS [USA]

### Result

When Workday processes payroll, employers contribute to the same-sex spouse Medical Aetna - HMO benefit:

- In nonexcepted tax authorities as a taxable contribution.
- In excepted tax authorities as a nontaxable contribution.

## Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

[Create Pay Component Groups](#) on page 238

[Define Tax Authority Exceptions from Pay Component Groups \(USA\)](#) on page 1197

## Example: Create an Earning for Employer Contribution for Domestic Partner Benefits (USA)

### Context

Create a taxable earning for Medical Aetna - HMO for the employer contribution for employee domestic partners, with tax authority exceptions for states that recognize domestic partnerships.

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area. See: [Steps: Enable Functional Areas and Security Policies](#).

### Steps

1. Access the Create Earning task.
2. Enter these settings:

Option	Description
Name	<i>Medical - AETNA - ER DP [USA]</i>
Code	AET_ERDP

3. Enter these settings on the Effective Dated tab:

Option	Description
Worker Eligibility	<i>Benefits Is Domestic Partner Covered</i>
Calculation	<i>Benefits: Employer Cost (Taxable)</i>

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<ul style="list-style-type: none"> <li>• <i>Federal Taxable (Withhold Taxes) [USA]</i></li> <li>• <i>FICA Taxable [USA]</i></li> <li>• <i>Local Withholding Taxable (Withhold Taxes) [USA]</i></li> <li>• <i>Local Withholding Taxable Employer (Withhold Taxes) [USA]</i></li> <li>• <i>Non Cash Taxable Benefits</i></li> <li>• <i>State Withholding Taxable (Withhold Taxes) [USA]</i></li> </ul> <p>Add <i>SUI Taxable [USA]</i>, if you need wages added to state taxes, such as <i>CA: State Disability Insurance (SDI) - Mandatory [USA]</i>.</p>
Benefit Plan	<i>Medical Aetna - HMO</i>

5. Access the Maintain Tax Authority Exceptions Pay Component Groups task and select the *State Withholding Taxable (Withhold Taxes) [USA]* Pay Component Group.

6. Create an exception:

Option	Description
Payroll Tax Authority	[List the tax authorities that recognize domestic partnerships.]
Exclude Pay Components	<i>Medical - AETNA - ER DP [USA]</i>

### Result

When Workday processes payroll, employers contribute to the domestic partner Medical Aetna - HMO benefit:

- In federal and nonexempted tax authorities as a taxable contribution.
- In exempted tax authorities as a nontaxable contribution.

### Related Information

#### Tasks

[Steps: Create Earnings](#) on page 229

[Create Pay Component Groups](#) on page 238

[Define Tax Authority Exceptions from Pay Component Groups \(USA\)](#) on page 1197

## Example: Set Up a Health Care Benefit Plan (USA)

### Example: Set Up a Health Care Benefit Plan (USA)

Demonstrates 1 way to calculate deductions and earnings for health care benefits.

### Context

Create separate pay components to calculate:

- Employee pre- and post-tax contributions.
- Employer taxable and nontaxable contributions.
- Imputed income from health care benefits.

Both Paul and his employer contribute to Paul's health care plan. A portion of Paul's contribution is pretax and the rest is post-tax. To calculate these contributions, create 2 deductions.

A portion of the employer contributions is nontaxable and the rest is taxable. To calculate these contributions, create 2 deductions.

In addition, Paul has to pay tax on the imputed income from the taxable benefit the employer pays. Create this earning.

### Prerequisites

[Create Health Care Plans](#).

### Steps

1. Define a deduction for the employee pretax health care contribution.

See [Example: Create a Deduction for Employee Pre-Tax Contribution to Health Care Benefits \(USA\)](#) on page 1111.

2. Define a deduction for the employee post-tax health care contribution.

See [Example: Create a Deduction for Employee Post-Tax Contribution to Health Care Benefits \(USA\)](#) on page 1112.

3. Define a deduction for the taxable employer contribution to health care benefits.  
See Example: Create a Deduction for Employer Taxable Contribution to Health Care Benefits (USA) on page 1113.
4. Define an earning to calculate the imputed income that employees receive from the employer taxable health care contribution.  
See Example: Create an Earning for Imputed Income from Health Care Benefits (USA) on page 1114.

## Result

Workday calculates taxes on imputed income from employer-paid health care benefits.

## Next Steps

[Map Pay Components to Benefit Plans](#) on page 261.

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

[Steps: Create Deductions](#) on page 234

[Map Pay Components to Benefit Plans](#) on page 261

## Example: Create a Deduction for Employee Pre-Tax Contribution to Health Care Benefits (USA)

This example illustrates 1 way to create a deduction for employee pretax contributions to health care benefits.

## Context

A portion of Paul's contributions to his health care plan is nontaxable. You want to create a deduction for Paul's pretax contributions to health care benefits.

## Prerequisites

- You have a pay components group named *Benefits During Leave* for non-active workers.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Steps

1. Access the Create Deduction task.
2. Enter these settings:

Option	Description
Name	Health Care - EE (Pre-Tax)
Code	HC-PRE-TAX-EE

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	Regular
Worker Eligibility	<i>Benefits: Employee Cost (Pre-tax)</i> <i>Pay Component: Not Previously Paid in Period</i> <i>Processing Primary Job</i>

Option	Description
Calculation	<i>Benefits: Employee Costs (Pre-tax)</i>
Recalculate During Retro	Select the check box.

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave</i> <i>Federal Taxable Reduction [USA]</i> <i>FICA Taxable Reduction [USA]</i> <i>Pre Tax Deductions</i> <i>Section 125 Cafeteria Plan [USA]</i> <i>State Withholding Taxable Reduction [USA]</i>
Benefit Plans	Select the health care benefit plan.

## Next Steps

Create a deduction to calculate the employee's contribution to a health plan post taxation.

### Related Information

#### Tasks

[Map Pay Components to Benefit Plans on page 261](#)

[Steps: Create Deductions on page 234](#)

[Steps: Create Earnings on page 229](#)

## Example: Create a Deduction for Employee Post-Tax Contribution to Health Care Benefits (USA)

This example illustrates 1 way to create a deduction for a worker's post-tax contributions to health care benefits.

### Context

Paul has post-tax contributions to a health care benefit plan. You want to create a deduction for those post-tax contributions.

### Prerequisites

- You have a pay components group named *Benefits During Leave* for non-active workers.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Description
Name	Health Care - EE (Post-Tax)
Code	HC-POST-TAX-EE

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current Date

Option	Description
Run Category Eligibility	<i>Regular</i>
Worker Eligibility	<i>Benefits Employee Cost (Post-tax) or Pay Input Exists</i> <i>Pay Component: Not Previously Paid in Period Processing Primary Job</i>
Calculation	<i>Benefits: Employee Cost (Post-tax)</i>
Recalculate during Retro	Select the check box.

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave</i> <i>Post Tax Deductions</i>
Benefit Plans	Select the health care benefit plan.

## Next Steps

Create a deduction to calculate the employer's taxable health care contribution.

### Related Information

#### Tasks

[Map Pay Components to Benefit Plans on page 261](#)

[Steps: Create Deductions on page 234](#)

[Steps: Create Earnings on page 229](#)

## Example: Create a Deduction for Employer Taxable Contribution to Health Care Benefits (USA)

This example illustrates 1 way to create a deduction for an employer's taxable contribution to a worker's health care benefit plan.

### Context

A portion of Paul's employer contributions to his health care plan is taxable. You want to create a deduction for employer contributions.

### Prerequisites

- You have a pay components group named *Benefits During Leave* for non-active workers.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Description
Name	Health Care - ER (Taxable)
Code	HC-TAXABLE-ER

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	Regular
Worker Eligibility	<i>Benefits Employer Cost or Pay Input Exists Pay Component: Not Previously Paid in Period Processing Primary Job</i>
Calculation	<i>Benefits: Employer Cost</i>
Recalculate during Retro	Select the check box.

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave Employer Paid Benefits [GBR CAN USA]</i>
Benefit Plans	Select the health care benefit plan.

## Next Steps

Create an earning for imputed income from this employer contribution.

Related Information

### Tasks

Steps: Create Deductions on page 234

Steps: Create Earnings on page 229

Map Pay Components to Benefit Plans on page 261

### Example: Create an Earning for Imputed Income from Health Care Benefits (USA)

This example illustrates 1 way to create an earning for imputed income from a health care benefit plan.

### Context

Paul has to pay tax on the imputed income from the taxable benefit his employer pays for his health care benefits. You create an earning for the imputed income from this benefit.

### Prerequisites

- You have a pay components group named *Benefits During Leave* for non-active workers.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Earning task.

2. Enter these settings:

Option	Description
Name	Health Care - ER (Taxable)
Code	HC-ER-TAX

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Run Category Eligibility	Regular
Worker Eligibility	<p><i>Base Pay &gt; 0</i></p> <p><i>Benefits: Employer Cost (taxable) Exists and &lt; &gt; 0</i></p> <p><i>Pay Component: Not Previously Paid in Period</i></p> <p><i>Processing Primary Job</i></p>
Calculation	<i>Benefits: Employer Cost (Taxable)</i>

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<p><i>Benefits During Leave</i></p> <p><i>Federal Taxable (Do Not Withhold Taxes) [USA]</i></p> <p><i>FICA Taxable [USA]</i></p> <p><i>Local Withholding Taxable (Do Not Withhold Taxes) [USA]</i></p> <p><i>Local Withholding Taxable Employer (Do Not Withhold Taxes) [USA]</i></p> <p><i>Non Cash Taxable Benefits</i></p> <p><i>State Withholding Taxable (Do Not Withhold Taxes) [USA]</i></p>
Benefit Plans	Select the health care benefit plan.

#### Related Information

##### Tasks

[Map Pay Components to Benefit Plans on page 261](#)

[Steps: Create Deductions on page 234](#)

[Steps: Create Earnings on page 229](#)

## Examples: 401(k) Employer Match on Employee Contributions (USA)

### Example: Calculate a 401(k) Employer Match on Employee Contributions (USA)

This example illustrates the high-level steps in creating an employer match deduction based on employee contributions.

#### Context

Your 401(k) retirement savings plan includes an employer match on both 401(k) pretax and 401(k) Roth post-tax employee contributions. The employer match contribution is tiered:

- 100% is matched on the first 3%.
- An additional 50% is matched above that, capped at 6%.

When calculating the match, you want to consider the IRS individual contribution limit. When the employee reaches the IRS limit for the year, you want to calculate the corresponding match based on the percent the employee actually contributed in that period, as opposed to their elected percent.

You want to calculate the employer match percent and add it to a deduction. You want to create 1 calculation that covers all periods, regardless of whether the employee reaches the IRS limit for the year.

Example:

Eligible Wages	Employee Contribution	Employee Percent	Matching Rule	Employer Match
1000	80 (based on the elected percentage)	8%	100% of first 3 percent + 50% of the remaining 3% (up to 6)	4.5%
1000	44 (available amount before reaching the IRS limit)	4.4%	100% of first 3 percent + 50% of the remaining 1.4%	3.7%

## Steps

1. Create step-based conditions to identify when the matched percentage is:

- Less than or equal to 0.03.
- Greater than 0.03.

See Example: [Create Step-Based Conditions for a 401\(k\) Employer Match \(USA\)](#) on page 1116.

2. Create a step-based calculation to calculate the employer match amount.

See Example: [Create a Step-Based Calculation for a 401\(k\) Employer Match Amount \(USA\)](#) on page 1118.

3. Create 401(k) employer match deduction.

[Example: Create a 401\(k\) Employer Match Deduction \(USA\)](#) on page 1119.

## Result

Workday calculates the employer match deduction based on the calculated employer match percentage.

### Example: Create Step-Based Conditions for a 401(k) Employer Match (USA)

Illustrates how to create step-based conditions in preparation for creating a step-based calculation for a 401(k) employer match deduction.

## Context

Your 401(k) retirement savings plan includes an employer match on both 401(k) pretax and 401(k) Roth post-tax employee contributions. The employer match contribution is tiered, with different rules applying to the first 0-3 percent.

In preparation for creating a step-based calculation, you create a step-based condition group to identify the different options based on the matched percentage.

You also want to create conditions to identify when the matched percentage is:

- Less than or equal to 0.03.
- Greater than 0.03.

## Prerequisites

Security:

- *Set Up: Payroll (Calculations - Generic)* domain in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

## Steps

1. Access the Create Step Based Calculation Condition Group task.

2. Enter these settings:

Option	Description
Name	Matched Percent
Category	Payroll

3. Click OK.

4. Access the Create Step Based Calculation Condition task.

5. Enter these settings:

Option	Description
Name	Prior Value < = 0.03
Category	Payroll
Logical Operator	AND

6. Enter these settings in the Conditions grid:

Operand 1 (Type/Value)	Operator	Operand 2 (Type/Value)
Type: Prior Value	less than or equal to	Type: Numeric Value: 0.03

7. Click OK.

8. Access the Create Step Based Calculation Condition task.

9. Enter these settings:

Option	Description
Name	Prior Value > 0.03
Category	Payroll
Logical Operator	AND

10. Enter these settings in the Conditions grid:

Operand 1 (Type/Value)	Operator	Operand 2 (Type/Value)
Type: Prior Value	greater than	Type: Numeric Value: 0.03

11. Click OK.

## Next Steps

Create a step-based calculation to calculate an employer match deduction for 401(k).

Related Information

Examples

[Example: Calculate a 401\(k\) Employer Match on Employee Contributions \(USA\)](#) on page 1115

## Example: Create a Step-Based Calculation for a 401(k) Employer Match Amount (USA)

### Context

Your 401(k) retirement savings plan includes an employer match on both 401(k) pretax and 401(k) Roth post-tax employee contributions. The employer match contribution is tiered:

- 100% is matched on the first 3%.
- An additional 50% is matched above that, capped at 6%.

When calculating the match, you want to consider the IRS individual contribution limit. When the employee reaches the IRS limit for the year, you want to calculate the corresponding match based on the actual employee percent in that period, as opposed to the employee's elected percent.

When calculating the actual employee percent, you want to round to the nearest 0.001.

You want to create a step-based calculation to calculate the matched percent.

### Prerequisites

- Define a pay component group named *Retirement Savings Eligible Wages*.
- Define a pay accumulation for total employee contributions named *401(k) Total Contributions: EE [USA]*.
- Create a step-based condition group named *Matched Percent*.
- Create 2 step-based conditions named: *Prior Value <= 0.03*, *Prior Value > 0.03*
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

Security:

- *Set Up: Payroll (Calculations - Generic)* domain in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

### Steps

1. Access the Create Step Based Calculation task and enter these values:

Option	Description
Name	401(k) + Roth ER Match Calculated Percentage
Category	Payroll

2. Add these steps to the Step Details grid:

Note: Use the plus in the far left column to add a row as a new step. Use the plus to the right of the Condition column to add a row to the Operations sections within a step. The step numbers aren't visible until you click OK and save the calculation.

Step	Condition Group	Condition	Operation	Type	Value
1			Set	Calculation	401(k) Total Contributions: EE [USA]
			Divide	Calculation	Base (unprorated)
			Round	Rounding Definition	Round to nearest .001

Step	Condition Group	Condition	Operation	Type	Value
2.1	<i>Matched Percent</i>	<i>Prior Value &lt; = .03</i>	<i>Exit</i>	<i>Prior Value</i>	
2.2	<i>Matched Percent</i>	<i>Prior Value &gt; .03</i>	<i>Min</i>	<i>Numeric</i>	.06
			<i>Subtract</i>	<i>Numeric</i>	.03
			<i>Multiply</i>	<i>Numeric</i>	0.5
			<i>Add</i>	<i>Numeric</i>	.03

3. Click OK.

## Result

The step-based calculation that you created runs when the value of the *Base (unprorated)* calculation is greater than zero.

Workday calculates the tiered employer match based on a total employee 401(k) and 401c(k) Roth calculated percentage for the pay period being processed. When the individual annual contribution limit for those deductions is reached in a period, the calculated employee percentage is less than the actual employee elections. Workday then bases the match percentage on the lower percentage in that period.

## Next Steps

Create a deduction to calculate the 401(k) employer match.

Related Information

### Examples

[Example: Calculate a 401\(k\) Employer Match on Employee Contributions \(USA\)](#) on page 1115

### Example: Create a 401(k) Employer Match Deduction (USA)

Illustrates how to create a 401(k) employer match deduction.

## Context

Your 401(k) retirement savings plan includes an employer match on both 401(k) pretax and 401(k) Roth post-tax employee contributions. You use a step-based calculation to calculate the employer match percentage.

## Prerequisites

- Create a step-based calculation named *401(k) + Roth ER Match Calculated Percentage*.
- Define a pay component group named *Retirement Savings Eligible Wages*.
- Define a 401(k) pretax deduction, named *401(k)*.
- Define a 401(k) Roth post-tax deduction named *401(k) Roth*.
- Define a 401(k) Total Contributions EE > 0 value comparison calculation.
- Define a pay accumulation named *401(k) Total Contributions: EE + ER [USA]*.
- Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.

## Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Description
Name	401(k) & Roth Employer Match
Category	Payroll

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Today
Run Category Eligibility	Bonus Regular
Worker Eligibility	Row 1: 401(k) Total Contributions EE > 0 Workday recommends you review your benefit plan configuration for worker elections.

4. Select the Calculation Base (*unprorated*) \* Percent.

5. Enter these settings in the Related Calculations grid:

Related Calculation	Override Calculation	Limit Details Value	Limit Details Balance Period	Limit Details Based On
Base ( <i>unprorated</i> )	Retirement Savings Eligible Wages	Section 415 Eligible Wage Limit	YTD - Current Calendar Year (based on Payment Date)	401(k) + Roth Employer Match [USA] - Based ( <i>unprorated</i> )
Percent	401(k) + Roth ER Match Calculated Percentage			

6. Define the deduction limits in the Limit section at the bottom of the Effective Dated tab:

Value	Balance Period	Based On	Include Current Value
IRS Annual Contributions Limit Value (only looks at the specified dollar value / not at annual compensation)	YTD - Current Calendar Year (based on Payment Date)	401(k) Total Contributions: EE + ER [USA]	401(k) [USA] 401(k) Roth

7. Select *Employer Paid Benefits [CAN USA]* in the Groups field on the Non-Effective Dated tab.

8. Click OK.

## Result

Workday calculates the employer match deduction based on the calculated employer match percentage.

### Related Information

### Examples

Example: Calculate a 401(k) Employer Match on Employee Contributions (USA) on page 1115

## Example: Calculate the Fair Market Value of Dependent Health Care Coverage (USA)

This example illustrates 1 way to configure an earning to calculate the fair market value of dependent health care coverage.

## Context

The company contributes to dependent health care coverage, and Francis needs to create an earning to calculate the fair market value of that benefit.

## Prerequisites

Have a pay components group named *Benefits During Leave* for non-active workers.

Define a dependent health care coverage plan.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Steps

1. Access the Create Earning task.

2. Enter these settings:

Option	Description
Name	Dependent Health Care Fair Market Value
Code	DEP_HC_FMV

3. Enter these settings on the Effective Dated tab:

Option	Description
Run Category	Regular
Worker Eligibility	Row 1: <ul style="list-style-type: none"> <li>• Benefits: Fair Market Value Exists (and &lt; &gt; 0)</li> <li>• Processing Primary Job</li> </ul> Row 2: <ul style="list-style-type: none"> <li>• Payroll Input Exists for Pay Component</li> <li>• Processing Primary Job</li> </ul>
Calculation	Benefits: Fair Market Value
Calculation Proration	Prorate Using Days Worked

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave</i> <i>Non Cash Taxable Benefits</i> <i>State Withholding Taxable (Withhold Taxes [USA])</i>
Benefit Plans	Select applicable benefit plans.

## Result

The *Benefits Fair Market Value* calculation retrieves the total fair market value of over-age dependent coverage from Workday Benefits. If a worker has more than 1 over-age dependent with coverage, the calculation retrieves the sum of the dependent coverage. Workday processes this earning for eligible workers and deducts taxes on the imputed income.

## Next Steps

Use the Maintain Tax Authority Exceptions Pay Component Groups task to define tax authorities to include or exclude for this earning.

### Related Information

#### Tasks

[Steps: Create Earnings](#) on page 229

[Map Pay Components to Benefit Plans](#) on page 261

[Define Tax Authority Exceptions from Pay Component Groups \(USA\)](#) on page 1197

#### Examples

[Steps: Set Up Fair Market Value for Health Care Plans](#)

## Example: Calculate Imputed Income from Basic Life Benefits (USA)

This example demonstrates 1 way to calculate imputed income from employer contributions to basic life insurance.

### Context

Workers have employer-provided basic life insurance. The employer pays 0.41 per 1,000 USD for income over 50,000 USD, for which the workers pay tax as imputed income. You create a deduction to calculate employer costs and an earning to calculate employee imputed income.

### Prerequisites

Configure a pay component group named *Benefits During Leave* for nonactive workers.

Set up a basic life plan.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

- Access the Create Deduction task.

- Enter these values:

Option	Description
Name	Employer Contribution to Basic Life
Code	BL-ER

- On the Effective Dated tab, enter these values:

Option	Description
Effective Date	Current date
Run Category Eligibility	Regular
Worker Eligibility	<i>Benefits: Employer Cost Exists (and &lt;&gt; 0)</i>
Calculation	<i>Benefits: Employer Cost</i>
Calculation Proration	<i>Prorate Using Days Worked</i>
Recalculate during Retro	Select the check box.

- On the Non-Effective Dated tab, select these values:

Option	Description
Groups	<i>Benefits During Leave</i>

Option	Description
	<i>Employer Paid Benefits [GBR CAN USA]</i>
Benefits	Select the basic life benefit plan that you created.

5. Click OK and Done.
6. Access the Create Earning task.
7. Enter these values:

Option	Description
Name	Imputed Income from Basic Life
Code	BL-IMP

8. On the Effective Dated tab, enter these values:

Option	Description
Effective Date	Current Date
Run Category Eligibility	Regular
Worker Eligibility	<p>Row 1:</p> <ul style="list-style-type: none"> <li>• <i>Benefits: Imputed Income for GTL (Employee) Exists</i></li> <li>• <i>Processing Primary Job</i></li> </ul> <p>Row 2:</p> <ul style="list-style-type: none"> <li>• <i>Payroll Input Exists for Pay Component</i></li> <li>• <i>Processing Primary Job</i></li> </ul>
Calculation	<p><i>Benefits: Imputed Income for GTL (Employee)</i></p> <p>Workday delivers the IRS monthly cost values in the <i>Benefits: Imputed Income IRS Premium Table Rate</i> lookup table. Access the View Lookup Table (Workday Owned) report to review the rate values for the <i>Benefits: Imputed Income for GTL (Employee)</i> calculation.</p>
Calculation Proration	<i>Prorate Using Days Worked</i>

9. On the Non-Effective Dated tab, select these values:

Option	Description
Groups	<p><i>Benefits During Leave</i></p> <p><i>Federal Taxable (Do Not Withhold Taxes) [USA]</i></p> <p><i>FICA Taxable [USA]</i></p> <p><i>Local Withholding Taxable (Do Not Withhold Taxes) [USA]</i></p> <p><i>Local Withholding Taxable Employer (Do Not Withhold Taxes) [USA]</i></p> <p><i>Non-Cash Taxable Benefits</i></p> <p><i>State Withholding Taxable (Do Not Withhold Taxes) [USA]</i></p>

Option	Description
Benefits	Select the basic life benefit plan that you created.

10. Click OK and Done.

## Result

Workday:

- Calculates the employer contribution subject to taxes using IRS Premium Table rates.
- Calculates the workers' imputed income when the taxable benefits cost is greater than zero and the insurance coverage amount is greater than 50,000 USD.

## Example: Create a Health Club Membership Earning (USA)

This example illustrates 1 way to configure an earning for a benefit, such as health club membership.

### Context

The company has created a new amount-based health club membership benefit. Set up an earning to calculate the value of the allowance.

### Prerequisites

Have a pay components group named *Benefits During Leave* for non-active workers.

Define a health club allowance.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Create Earning task.

2. Enter these settings:

Option	Description
Name	Health Club Membership Taxable Benefit
Code	HC_TAX

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current Date
Run Category Eligibility	Regular
Worker Eligibility	In the same row: <ul style="list-style-type: none"> <li><i>Benefits Employer Cost (taxable) or Pay Input Exists</i></li> <li><i>Processing Primary Job</i></li> </ul>
Calculation	<i>Benefits: Employer Cost (Taxable)</i>

4. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Benefits During Leave</i> <i>Federal Taxable (Withhold Taxes) [USA]</i>

Option	Description
	<p><i>FICA Taxable [USA]</i></p> <p><i>Local Withholding Taxable (Withhold Taxes) [USA]</i></p> <p><i>Non Cash Taxable Benefits</i></p> <p><i>State Withholding Taxable (Withhold Taxes) [USA]</i></p>
Benefit Plans	Select the health club membership benefit.

### Result

Workday processes this earning for eligible workers and deducts taxes on the imputed income.

## Process Decentralized On-Demand Payments (USA)

### Steps: Set Up Decentralized Processing for On-Demand Payments (USA)

#### Prerequisites

Set up a custom report to produce a PDF payslip at the end of the business process.

#### Context

You can give terminated workers their final pay and payslip on the day of termination or any other day. When you configure *On Demand Event* as a subprocess of the *Termination* business process, people other than payroll administrators (such as HR partners) can:

- Process a final on-demand replacement payment for terminated workers.
- Provide final payslips to workers.

#### Steps

1. [Edit Business Process Security Policies](#).

Edit the security policies for these business processes:

Business Process	Security to Configure
<i>On Demand Event</i>	<p>Add security groups to the business process such as HR Partner. At a minimum, add security groups to these action steps:</p> <ul style="list-style-type: none"> <li>• <i>On Demand Information for Termination</i></li> <li>• <i>Review On Demand Calculation</i></li> <li>• <i>View All</i></li> <li>• <i>Approve</i></li> <li>• <i>Cancel</i></li> <li>• <i>Deny</i></li> </ul>
<i>Termination</i>	Add security groups to the <i>On Demand Information for Termination</i> step.

2. Access the Create Business Process Definition (Default Definition) task.

From the Business Process Type prompt, select *On Demand Event*.

Security: These domains in the System functional area:

- *Business Process Administration*
- *Manage: Business Process Definitions*

3. **Edit Business Processes.**

On the *On Demand Event* business process, add 3 rows with these values on the Business Process Steps tab:

Order	Type	Specify	Group	Run As User
b	<i>Batch/Job</i>	<i>Payroll On-Demand Payment Calculation</i>		<i>Payroll Administrator</i> Must be a member of a user-based security group secured to the <i>Process: Off Cycle (On Demand)</i> domain in the Core Payroll functional area.
b1	<i>Action</i>	<i>Review On Demand Calculation</i>	<i>HR Partner</i>	
c	<i>Review Documents</i>		<i>HR Partner</i> Must be a security role that's responsible for initiating the <i>On Demand Event</i> business process.	

When you use external payroll input for terminated workers, add an *Integration* step after the initiation step. You can use the Off-Cycle Event Integration Background Process Runtime Status report field to check that the integration is complete.

Set *Review On Demand Calculation* as the completion step.

On the *Termination* business process, add the *On Demand Information for Termination* action step after the existing completion step.

4. Access the Maintain Payment Election Rules task to configure payment types.

Select the *Payroll Rule* Election Rule Type.

Select *Check* or *Manual* as Allowed Payment Types for Transaction Overrides.

Security:

- *Set Up: Payment Election* domain in the Expenses functional area.
- *Set Up: Payroll (Payment Election Rules)* domain in the Core Payroll functional area.
- *Set Up: Payroll Interface* domain in the Payroll Interface functional area.

5. Access the Maintain Off-Cycle Configuration task.

On the Payroll Action Reason tab, select an On Demand Replacement Business Process Default.

On the Payment Type tab, select On Demand Replacement Business Process Options.

When other users review on-demand payment information as part of the *Termination* business process, they can select a payment type from the ones you configured.

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

#### Related Information

##### Tasks

[Steps: Set Up Termination](#)

[Steps: Set Up Standard Report Designer Payslips](#) on page 500

[Steps: Set Up Custom Report Designer Payslips](#) on page 501

[Maintain Payment Election Rules](#)

[Create and Edit Custom Object Definitions](#)

##### Examples

[Example: Edit On Demand Event Business Process \(USA\)](#) on page 1128

## Concept: Decentralized Processing for On-Demand Payments (USA)

When you configure the *On Demand Event* business process as a subprocess of the *Termination* business process, you can enable other Workday users to generate final payments for terminated workers. Other users can include payroll administrators, or nonpayroll administrators such as HR partners or store managers.

### Processing Tasks for Other Users

When users run the *Termination* business process, the *On Demand Event* subprocess makes these steps available:

Step	Description
<i>On Demand Information for Termination</i>	When this step completes, Workday runs an off-cycle pay calculation for the on-demand payment.
<i>Review On Demand Calculation</i>	<p>Business process initiators can:</p> <ul style="list-style-type: none"> <li>Approve the final payment amounts and Workday updates the pay result status to <i>Completed</i>. If configured, they can also print the PDF payslip from the <i>Review Documents</i> business process step.</li> <li>Deny the final payment, and provide a comment to payroll for further action for the terminated worker.</li> </ul> <p>Both of these options update the business process status to <i>Completed</i>, but the deny option leaves the pay result status <i>In Progress</i>.</p>

The Termination Date must be within the current payroll processing period. The Payment Date for the on-demand payment can be any date.

### Payroll Processing Considerations

The *On Demand Event* business process only completes the pay calculation when the pay result status is *In Progress*. You can view these statuses on the Pay Calculation Off-cycle Inputs for Group of Workers report.

When other users terminate workers using the *On Demand Event* business process:

- You can't cancel the on-demand payment until other users complete the *Review On Demand Calculation* step.
- The Cancel Off-Cycle Complete for Group of Workers and Completed Off-Cycle Results to be Canceled reports don't display the terminated workers.
- You can't cancel pay results using the Cancel Off-Cycle Complete task.

Payroll administrators must complete all subsequent pay cycle tasks, such as settlement.

When terminated workers have retro to process in their final payment, you can access the Run On Demand Payment for Worker task to:

- Process the retro events.
- Issue a secondary or replacement payment.

**Related Information**

### Tasks

#### [Terminate Employees](#)

## Example: Edit On Demand Event Business Process (USA)

This example illustrates how to configure the default definition of the *On Demand Event* business process to add it as a subprocess of the *Termination* business process.

### Context

Your payroll department operates out of Houston, and your organization employs workers in California. California law requires that terminated workers receive all payments owed and their payslip on the day of termination. You want to enable your store managers in California business locations to perform these tasks for the terminated worker on that day:

- Process the final payment.
- Print the payslip.

Your store managers have HR partner security role access.

### Prerequisites

- Set up a custom report to produce a PDF payslip at the end of the business process.
- Configure the *On Demand Event* business process security policy to add the HR Partner security group to these action steps:
  - *Review On Demand Calculation*
  - *View All*
  - *Approve*
  - *Deny*
- Create a default definition for the *On Demand Event* business process.
- Security: These domains in the System functional area:
  - *Business Process Administration*
  - *Manage: Business Process Definitions*

### Steps

1. From the related actions menu of the *On Demand Event* business process, select Business Process > Edit Definition.
2. Enter the current date in the Date field and click OK.

3. Add 3 rows with these values on the Business Process Steps tab:

Order	Type	Specify	Group	Run As User
b	Batch/Job	<i>Payroll On-Demand Payment Calculation</i>		<i>Payroll Administrator</i>
b1	Action	<i>Review On Demand Calculation</i>	<i>HR Partner</i>	
c	<i>Review Documents</i>		<i>HR Partner</i>	

4. Set *Review On Demand Calculation* as the completion step and click OK.
5. Click Configure Document Review.
6. Enter the current date in the Effective Date field and click OK.
7. From the Document Effective As Of prompt, select *Effective Date*.
8. From the Document prompt, select the custom report you created for your payslips.
9. In the Signature Options section, select Acknowledgment.
10. In the Signature Statement field, enter a statement to inform the business process initiator that when they submit the business process, Workday:
- Processes the terminated worker's final payment.
  - Provides the worker's payslip.
11. Click OK.
12. On the Report Criteria tab, select these values:
- | Value Type                        | Value                                     |
|-----------------------------------|---|
| <i>Determine Value at Runtime</i> | <i>Payroll Result for Off-Cycle Event</i> |
13. On the Output tab, select Business Form (PDF) and the custom report you created for payslips.
14. On the Share tab, select Share report output with other users.
15. Select the *HR Partner* and *Payroll Partner* Security Groups to view the payslip PDF.
16. Select I agree to the statement above and click OK.

## Next Steps

(Optional) Add a *To Do* step or Add Notification on the *On Demand Event* business process to notify the payroll administrator that either:

- The termination is ready for their review.
- The store manager denied the termination.

Configure:

- On Demand Event* as a subprocess on the *Termination* business process after the completion step.
- Payment types for the final payment on the Maintain Off-Cycle Configuration task.

Related Information

### Tasks

[Edit Business Process Security Policies](#)

[Steps: Set Up Standard Report Designer Payslips on page 500](#)

[Steps: Set Up Custom Report Designer Payslips on page 501](#)

[Create Integration \(Step\)](#)

## Example: Create Pay Card Number Field for On Demand Event (USA)

This example illustrates how to create a pay card number field to add to the *On Demand Event* business process for final payments to terminated workers.

### Context

Your payroll department operates out of Houston, and your organization employs workers in California. California law requires that terminated workers receive all payments owed and their payslip on the day of termination. You want to enable your store managers in California business locations to process final payments for terminated workers using pay cards. You want to create the pay card number field to add to the *On Demand Event* business process.

### Prerequisites

Security: *Custom Object Management* domain in System functional area.

### Steps

1. Access the Create Custom Object task.
2. Enter these values and click OK and Next:

Option	Description
Workday Object	<i>Worker (Effective Dated)</i>
Custom Object Name	On Demand Event Business Process

3. Click Add.
  4. Enter these values and click Next:
- | Option      | Description     |
|-------------|-----------------|
| Field Label | Pay Card Number |
| Field Type  | <i>Text</i>     |
5. Click the Edit icon.
  6. Select the *Person Data: Personal Data* Domain and click Next.
  7. Confirm your changes and click OK.
  8. Make no changes on the Activate Custom Object task and click OK.
  9. Click Done.

### Result

You can now configure the On Demand Event Business Process custom object as an *Edit Additional Data* step on the *On Demand Event* business process.

#### Related Information

##### Tasks

[Create and Edit Custom Object Definitions](#)

## Example: Configure Pay Card for On Demand Event Business Process (USA)

This example illustrates how to configure the *On Demand Event* business process to enable pay card as a final payment type for terminated workers.

### Context

Your payroll department operates out of Houston, and your organization employs workers in California. California law requires that terminated workers receive all payments owing and their payslip on the day

of termination. You want to enable your store managers in California business locations to process final payments for terminated workers using pay cards. Now you need to configure these steps on the *On Demand Event* business process:

- *Edit Additional Data*: Enables your store managers to enter a pay card number when they review on-demand payment information for the final payment.
- *Integration*: Sends the worker information, pay card number, and net amount to the third-party vendor to fund the pay card.

Your store managers have HR partner security role access.

## Prerequisites

- On the Maintain Payment Election Rules task, for the *Payroll Rule* Election Rule Type row, create and select a new payment type with a:
  - Payment Type Name of Pay Card.
  - Payment Method of *Manual*.
- Configure the new Pay Card payment type for final payments to terminated workers on the Maintain Off-Cycle Configuration task.
- Create an On Demand Event Business Process custom object for the pay card number.
- Configure the default definition of the *On Demand Event* business process as a subprocess of the *Termination* business process.
- Create a custom integration with the pay card vendor.
- Security: These domains in the System functional area:
  - *Business Process Administration*
  - *Manage: Business Process Definitions*

## Steps

1. From the related actions menu of the *On Demand Event* business process, select Business Process > Edit Definition.
2. Enter the current date in the Date field and click OK.
3. Add 2 rows on the Business Process Steps tab.
4. Enter these values and click OK.

Order	Type	Specify	Group
a1	<i>Edit Additional Data</i>	<i>On Demand Event Business Process</i>	<i>HR Partner</i>
d	<i>Integration</i>		

5. From the related actions menu of the *Edit Additional Data* step, select Business Process > Create Condition Rule.
6. Enter Only if Pay Card in the Description field.
7. In the Rule Conditions section, enter these values and click OK:

Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
<i>Payment Type</i>	<i>in the selection list</i>	<i>Value specified in this filter</i>	<i>Pay Card</i>

8. From the related actions menu of the *On Demand Event* business process, select Business Process > Edit Definition
9. Enter the current date in the Date field and click OK.

10. Click Configure Integration System.
11. Select the Integration you created to connect with the pay card vendor and click OK.
12. Confirm that the integration configuration is correct and click OK.
13. From the related actions menu of the *On Demand Event* business process, select Business Process > Edit Definition.
14. Enter the current date in the Date field and click OK.
15. Confirm that the steps are correct and click OK.
16. From the related actions menu of the *Edit Additional Data* step, select Business Process > Maintain Step Conditions
17. Enter the current date in the Date field and click OK.
18. Add a row.
19. Select the *Only if Pay Card* Rule and click OK.
20. From the related actions menu of the *Integration* step, select Business Process > Maintain Step Conditions and click OK.
21. Enter the current date in the Date field and click OK.
22. Add a row.
23. Select the *Only if Pay Card* Rule, click OK, and click Done.

## Result

When your store managers run the *Termination* business process and reach the *On Demand Information for Termination* step, they can:

- Select the *Pay Card* payment type.
- Enter a pay card number.

When they submit the on-demand payment information, Workday connects with the pay card vendor through the integration to fund the pay card. You can review the pay card number on the worker profile as additional data.

## Related Information

### Tasks

[Steps: Set Up Decentralized Processing for On-Demand Payments \(USA\)](#) on page 1125

[Create Business Process Condition Rules](#)

[Create Integration \(Step\)](#)

## Adjust Taxes (USA)

### Setup Considerations: Prior Period Tax Adjustments (USA)

You can use this topic to help make decisions when planning your configuration and use of prior period tax adjustments. 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

Prior period tax adjustments (PPTAs) enable you to recalculate taxes for a completed payroll result and create a tax adjustment result.

## Business Benefits

You can use PPTAs to recalculate a worker's tax authority wages and taxes for a completed payroll result. This feature helps you:

- Comply with tax and year-end reporting.
- Improve efficiency when processing tax adjustments.
- Reduce manual processing and potential errors.

## Use Cases

You can adjust prior periods taxes with the Prior Period Tax Adjustment Calculator task when a worker moved to a different primary home state, work state, or jurisdiction during the payroll period.

## Questions to Consider

Questions	Considerations
How does the PPTA calculator work?	<p>The PPTA calculator applies retroactive changes that you make for the worker's:</p> <ul style="list-style-type: none"> <li>• Primary work and resident states.</li> <li>• Tax elections for their state, city, county, school district, and local other.</li> </ul> <p>Workday uses the tax authorities in effect as of the period-end date of the original pay result that you're adjusting. The tax authorities in effect are applied to the entire pay result or subperiod pay result.</p> <p>We include the tax authority attributes when they're in effect as of the payment date of the original pay result you're adjusting.</p> <p>Workday only adjusts tax authority wages and taxes for earnings and deductions that were originally applied to the worker's primary work and resident tax authorities. Earnings and deductions applied to other tax authorities on the original result will remain in those tax authorities.</p>
What's the difference between a tax adjustment result that you create using the PPTA calculator and a tax adjustment result that you create manually?	<p>Workday treats the tax adjustment results created with the PPTA calculator as if they were part of the original pay result.</p> <p>Example: You create a tax adjustment result with the PPTA calculator for a payroll result from January. Workday uses the same wages and tax limits as of the completion date and time of the original payroll result.</p> <p>For the tax adjustment results that you create manually, Workday uses the completion date and time when you make those changes.</p>

Questions	Considerations
	Example: In February, you create an off-cycle on-demand additional payment for a pay period in January. Workday uses the completion date and time from February, not January, for the wages and tax limits.
Where do you want to report your prior period tax adjustment result?	Workday uses the payment date to determine where the tax adjustment result is processed for tax and year-end reporting. If you use a payment date in a prior quarter, you might need to amend your tax filings.
When do I need to use a net pay offset code?	<p>You must use a net pay offset code for PPTAs when:</p> <ul style="list-style-type: none"> <li>• There's an employee tax difference.</li> <li>• An employee has been underwithheld.</li> </ul> <p>The PPTA calculator uses the net pay offset code to bring the net pay to zero on the tax adjustment result.</p>
How does the <i>Is Not Processing Tax Adjustment Result</i> instance value calculation (IVC) relate to prior period tax adjustments?	<p>The <i>Is Not Processing Tax Adjustment Result</i> IVC prevents U.S. tax deductions from resolving on tax adjustment results if the tax authorities aren't sent from the PPTA calculator.</p> <p>The IVC is on all effective dated rows so you can process PPTAs as far back as you want. You can also use the IVC with tenant pay components if needed.</p>
How do I adjust prior period taxes for multiple sibling gross-to-net (GTN) results?	<p>Workday calculates sibling GTN results together when you use the PPTA calculator.</p> <p>If your period has sibling gross-to-net results, Workday:</p> <ul style="list-style-type: none"> <li>• Calculates taxes using the tax authorities in effect for the period end date of each subperiod.</li> <li>• Displays all the pay results that must be recalculated together.</li> </ul> <p>Subperiod GTN results that have been calculated together in their original pay calculation should also be adjusted together using the PPTA calculator.</p> <p>When you run the PPTA calculator on 1 sibling GTN result, Workday recalculates the other sibling GTNs together, whether or not they require a tax adjustment. The calculator creates a separate tax adjustment result for each subperiod GTN result.</p> <p>If you take action on any of the sibling tax adjustment results, Workday recalculates, cancels, or completes all of the results together. You must individually adjust reversals for sibling</p>

Questions	Considerations
	tax adjustment results to help avoid negatively affecting the wage and tax balances and limits.

## Recommendations

Adjust pay results by the earliest:

- Pay period.
- Completed date and time.

Example:

Payroll Result	Period	Calculation Status	Calculation Date Time
A	01/01/2024 - 01/15/2024 (Semimonthly)	Completed	01/13/2024 09:56 AM
B	01/16/2024 - 01/31/2024 (On-demand additional payment)	Completed	01/21/2024 03:15 PM
C	01/16/2024 - 01/31/2024 (Semimonthly)	Completed	01/29/2024 07:26 PM

Adjusting the above pay results in this order helps ensure that pay balances are applied to the correct period:

1. Payroll Result A
2. Payroll Result B
3. Payroll Result C

## Requirements

If you plan to collect tax underwithholding from workers, you must create at least 1 net pay offset code.

## Limitations

You can't create prior period tax adjustments for:

- 1042-S workers.
- Gross-up calculations.
- Incomplete payroll results.
- Pretax deduction allocations.
- Trailing payments or payments in a future period that you created using Next Period.
- Workers with multiple jobs.

The Prior Period Tax Adjustment Calculator task can't be used to:

- Adjust pay results created within a company relationship.
- Make retroactive changes for hire date corrections or ongoing multiple work jurisdictions (OMWJ).
- Split the original payroll result into separate subperiods when there are retroactive midperiod changes to tax authorities.
- Move tax authorities to a different company.
- Change the earning or deduction amounts that were paid and deducted on the original pay result.

- View retroactive tax authority change events across workers and pay results.

The Prior Period Tax Adjustment related action isn't available on these pay result types:

- Created by Retro
- Manual Payments
- Pay on Demand
- Payroll History
- Reversals

Using the PPTA calculator for a worker with position-based taxes who had retroactive changes to their position and location will cause an error on the on-demand additional payment. The on-demand additional payment uses the worker's new position, while the worker's position-based taxes calculated in PPTA are based on the old position, causing the error.

You can't use the PPTA calculator if it calculates that the original earnings and deductions are different amounts from what was paid on the original payroll result. Examples include:

- A deduction went into arrears and the retroactive tax authority change results in a refund of taxes.
- An earning or deduction is no longer in effect for the pay result that you're adjusting
- A pay component is retroactively changed.

Example: A worker who previously lived in California usually paid \$50 for a pretax medical deduction. On the original payroll result that you're adjusting, the worker only paid \$45 because they didn't have enough money to collect the full amount. Then, the worker has a retroactive tax authority change that results in a tax refund.

Now when you try to run the PPTA calculator on the original payroll result, you receive an error because:

- The tax refund increases the net pay and allows the medical deduction to increase to \$50, causing the taxable wages in the PPTA calculation to be reduced by \$5 when that's not what was originally deducted.
- The PPTA calculator doesn't allow earnings or deductions to be changed from the original values and you must calculate and process the tax adjustments manually.

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Process: Off-Cycle</i>	Enables users to access the Prior Period Tax Adjustment > Run related action to create a PPTA.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i>	Enables users to create an earning or deduction for their net pay offset pay component.

## Business Processes

No impact.

## Reporting

On the Pay Calculation Results for Worker report, you can use the columns to help you verify the relationship between an original payroll result and its tax adjustment result:

- *Tax Adjustment Result*

- *Original Result for Tax Adjustment*

## Integrations

No impact.

## Connections and Touchpoints

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.

## Steps: Adjust Prior Period Taxes (USA)

### Context

You can adjust prior period taxes by retroactively adding, changing, or deleting the:

- Primary work or resident state tax authorities of a worker.
- Tax elections of a worker for their primary work and resident city, county, school district, domicile state, or local other.

### Steps

1. (Optional) Create a net pay offset code for the PPTA calculator to use for your tax adjustment result.  
See [Steps: Create Net Pay Offset Code](#).
2. [Create a Prior Period Tax Adjustment Result](#).
3. Complete the prior period tax adjustment result that you created.  
See [Complete Payroll](#).

### Result

The tax adjustment result:

- Doesn't void the original pay result.
- Acts like a sibling result and is treated like an update to the original pay results' tax authorities for tax authority limit and balance purposes.

The tax adjustment result uses all tax conditions that are in effect for the original payroll period of the completed payroll result.

When you adjust prior period taxes on a pay result, Workday doesn't split the original pay result into multiple gross-to-net (GTN) results when the retroactive effective date is in the middle of the period. We recalculate the entire period for the:

- Primary work tax authority.
- Primary home tax authority.
- Domicile state tax election.

If you create a tax adjustment result for a period with multiple sibling GTN results, Workday creates tax adjustment results for each subperiod.

The accounting for the tax adjustment result is based on the configuration of the original payroll result.

### Next Steps

We recommend that you review the accounting after using the Prior Period Tax Adjustment Calculator task to verify that the accounting is valid according to your business rules.

If a pay component is resolving on a tax adjustment not sent from the PPTA, add the *Is Not Processing Tax Adjustment Result* instance value calculation to the pay component's worker eligibility to help prevent it from resolving on the tax adjustment ODAs.

In these scenarios, rerun the PPTA calculator to verify that you account for the pay balances from the manual payment:

Scenario	Solution
A worker has a: <ul style="list-style-type: none"> <li>Completed on-cycle.</li> <li>Manual payment in progress.</li> </ul>	Complete or cancel the incomplete pay result that exists before you run the PPTA calculator.
You create: <ul style="list-style-type: none"> <li>An in-progress on-demand additional payment using the PPTA calculator.</li> <li>An on-demand additional payment manually.</li> </ul>	Recalculate the tax adjustment result that you created first with the PPTA calculator.

If you need to reverse an original pay result that has been adjusted by a tax adjustment result, you must either:

- Reverse the related tax adjustment result.
- Run the Cancel Pay Complete task to cancel the tax adjustment result. See [Cancel a Completed On-Cycle Payroll](#) on page 669.

This order helps avoid reporting wages and taxes that don't have any related earnings or deductions.

#### Related Information

#### Examples

[The Next Level: Prior Period Tax Adjustments](#)

[What's New Video 2024R1: Prior Period Tax Adjustments](#)

## Steps: Create Net Pay Offset Code Pay Components (USA)

### Context

If you plan to collect tax differences from employees, you must create a net pay offset pay component before you use the prior period tax adjustment (PPTA) calculator.

You can create an earning or deduction to help ensure that Workday offsets the net pay on your tax adjustment result to zero. On the PPTA calculator, you can select the net pay offset pay component to send to your tax adjustment result.

Your net pay offset pay component must:

- Be active as of the end date of the period where you create the tax adjustment result.
- Not be based on a worktag or include any groups you added.

You can't base your net pay offset pay component on a worktag because this might result in unexpected outcomes on your tax adjustment result.

Workday doesn't automatically deduct or refund the tax differences applied to the net pay offset code on the tax adjustment result that you create.

## Steps

1. Create an earning for your net pay offset pay component.

See [Steps: Create Earnings](#).

As you complete the Create Earning task, select:

Option	Description
Country	<i>United States of America</i>
Effective Date	A date in the pay period where you plan to post your tax adjustment result.  We recommend that you select an effective date in the earliest pay period.  Example: Select 2020-01-01 so that the net pay offset pay component is active for any pay period from that date onward.
Worker Eligibility	<i>Payroll Input (Onetime or Ongoing) Exists for Pay Component (Sub Period)</i> in the Worker Eligibility grid on the Effective Dated tab.
Calculation	<i>Payroll Input</i> on the Effective Dated tab.
Input Amount Allowed?	This check box on the Effective Dated tab.
Groups	<i>Adds to Gross [CAN USA]</i> on the Non-Effective Dated tab.

2. Create a deduction for your net pay offset code.

See [Steps: Create Deductions](#).

As you complete the Create Earning task, select:

Option	Description
Country	<i>United States of America</i>
Effective Date	A date within the pay period where you plan to post your tax adjustment result.  We recommend that you select an effective date in the earliest pay period.  Example: Select 2020-01-01 so that the net pay offset pay component is active for any pay period from that date onward.
Worker Eligibility	<i>Payroll Input (Onetime or Ongoing) Exists for Pay Component (Sub Period)</i> in the Worker Eligibility grid on the Effective Dated tab.
Calculation	<i>Payroll Input</i> on the Effective Dated tab.
Input Amount Allowed?	This check box on the Effective Dated tab.
Groups	<i>Post Tax Deductions</i> on the Non-Effective Dated tab.

## Result

On the Prior Period Tax Adjustment Calculator task, you can:

- Select your net pay offset pay component from the Net Pay Offset Code field.
- Create the tax adjustment result with the net pay offset code that you select.

## Next Steps

We recommend that you create a custom report to track net pay offset codes and their balances before you use these pay components on the PPTA calculator.

[Related Information](#)

### Examples

[Create Custom Reports](#)

## Create a Prior Period Tax Adjustment Result (USA)

### Prerequisites

Have a completed payroll result for a worker.

Security: *Process: Off-Cycle* domain in the Core Payroll functional area.

### Context

You can create a prior period tax adjustment result to recalculate a worker's primary tax authority wages and taxes for a completed payroll result.

If you adjust the taxes of a pay result that was created from a nonregular run category, you must create the tax adjustment result in the regular run category.

You can create only 1 tax adjustment result per original payroll result.

### Steps

1. Access a completed payroll result for the worker who needs their tax authority wages or taxes adjusted.
2. From the related actions menu of the completed payroll result, select Prior Period Tax Adjustment > Run.
3. As you complete the Tax Adjustment Result Processing Details section, consider:

Option	Description
Prior Period	Select this check box to adjust the worker's taxes in a prior period.
Payment Date	Select a payment date for where you want to report your tax adjustment result.
Net Pay Offset Code	(Optional) From the prompt, select the net pay offset code that you created for earnings or deductions.  Workday only displays codes that you configured with these pay component groups: <ul style="list-style-type: none"> <li>• <i>Adds to Gross</i> for earnings.</li> <li>• <i>Post Tax Deductions</i> for deductions.</li> </ul>

4. As you review the Tax Adjustment Summary section, consider:

Option	Description
Employee Tax Difference	Displays how much tax the employee has been over or under withheld.

Option	Description
	<p>This field helps you verify how the worker is impacted and determine whether you want to:</p> <ul style="list-style-type: none"> <li>• Collect or refund the tax.</li> <li>• Offset the difference using a net pay offset code.</li> </ul>
<b>Use Override Tax Amount</b>	<p>You can't override the:</p> <ul style="list-style-type: none"> <li>• Original tax authority amounts.</li> <li>• Tax authority's related calculations.</li> </ul> <p>To override the taxes for the newly calculated tax authority amounts, select this check box in either or both of these grids:</p> <ul style="list-style-type: none"> <li>• Tax Adjustment Differences - Employee</li> <li>• Tax Adjustment Differences - Employer</li> </ul> <p>Workday uses the override tax amount value in the tax adjustment result instead of the calculated value.</p>

5. Verify the calculations before creating your tax adjustment result.
6. Click Create Tax Adjustment Result.

## Result

Workday creates the tax adjustment result:

- As an in-progress on-demand additional (ODA) payment.
- With a subperiod target date equal to the period end date or the termination date of the worker if they were terminated.

Workday:

- Automatically assigns the ODA a payment priority of zero.
- Doesn't send any earnings or deductions because they were already paid and reported on the original pay result.
- Sends both the original and new tax authorities and wages from the PPTA calculator to the ODA payment.
- Sends the company as a worktag override when creating the ODA.

## Next Steps

To modify:

- An in-progress ODA payment, rerun the PPTA calculator on the same original pay result to create a new tax adjustment result.
- A completed ODA payment, you can:
  - Cancel complete, cancel, or reverse the ODA result.
  - Rerun the PPTA calculator on the same original pay result to create a new tax adjustment result.

## Concept: Prior Period Tax Adjustment Calculator (USA)

The prior period tax adjustment (PPTA) calculator:

- Adjusts the primary work and resident tax authority wages and taxes for a worker when you process retroactive changes.
- Produces tax and wage differences for you.
- Uses the earning and deduction amounts from the original payroll result to determine the tax authority wage and tax differences.

When determining the tax authority wage and tax limits for the period that you're adjusting, the PPTA calculator:

- Includes balances from other payroll results completed before the payroll result that you're adjusting.
- Includes balances from other tax adjustment results that are for payroll results you've already adjusted with the PPTA calculator before the payroll result that you're adjusting.
- Recognizes the tax adjustment result as being part of the original pay result for wage and tax limit purposes.

The PPTA calculator doesn't include balances from pay results that were completed after the pay result you're adjusting. The exception is for tax adjustment results, which Workday treats as if they're completed at the same time as the original pay result, regardless of:

- Whether the tax adjustment result is completed in a current or prior period.
- The completion date and time of the tax adjustment result.

On the Prior Period Tax Adjustment Calculator task, you can access these tabs to view and validate the differences before creating your tax adjustment result:

Tab	Description
Tax Adjustment Summary	<p>Displays the employee tax difference and the tax authority differences that Workday uses to create the tax adjustment result.</p> <p>You can:</p> <ul style="list-style-type: none"> <li>• Override the newly calculated taxes before creating the tax adjustment result.</li> <li>• Define the period and payment date for the tax adjustment result.</li> </ul>
Tax Adjustment Details	<p>Displays information about the earnings and deductions paid on the original pay result.</p> <p>You can:</p> <ul style="list-style-type: none"> <li>• Verify the earning and deduction amounts that the PPTA calculator uses as the basis for recalculating the tax authority wages and taxes of the worker.</li> <li>• Review the original, new, and difference amounts for all impacted tax authorities.</li> </ul>

### Retroactive Changes to a Worker's Position and Location

Using the PPTA calculator for a worker with position-based taxes who had retroactive changes to their position and location will cause an error on the on-demand additional payment. The on-demand additional payment uses the worker's new position, while the worker's position-based taxes calculated in PPTA are based on the old position, causing the error.

## Concept: Prior Period Tax Adjustments (USA)

### On-Demand Additional (ODA) Payments

When you create an ODA from the prior period tax adjustment (PPTA) calculator, Workday associates that tax adjustment result with the original pay result.

When you create a tax adjustment result for an original pay result and run the PPTA calculator on the next pay result, Workday includes only the tax authority balances from these results when calculating the PPTA on the next pay result:

- Original results completed prior to the result you're adjusting.
- ODA tax adjustment results for original pay results completed prior to the result you're adjusting.

You might need to adjust several pay results to adjust the impacted tax authorities.

Except for PPTA ODAs, Workday doesn't include any tax authority balances from results completed after the pay result you're adjusting.

### Tax Authority Exceptions

Workday includes tax authority exceptions when you process PPTAs.

If a tax authority exception is added or changed due to legislation that's effective for the current year, Workday still applies that tax authority exception to the pay results you adjust because there's no effective date.

### Terminated Workers

When you recalculate taxes and tax authority wages for a terminated worker, Workday uses the tax authorities that are in effect on or before the termination date of the worker.

When a retroactive work tax authority goes into effect after the termination date of the worker, Workday doesn't include it in the PPTA calculation.

### Midperiod Company Changes

If there's a midperiod change to a company, Workday:

- Creates multiple gross-to-net results.
- Calculates all of the results together for payroll.

When you run the PPTA calculator on a subperiod pay result for a midperiod company change, Workday:

- Calculates an ODA tax adjustment result for each subperiod.
- Creates a tax adjustment result for each subperiod and company.

### Midperiod State Tax Authority Changes

Unlike regular payroll calculations, PPTA calculations don't create multiple sibling gross-to-net results when processing a PPTA from a single pay result in a pay period if there's a retroactive midperiod change to the state tax authority. Instead, the PPTA calculator applies the new state tax authority to the entire pay period.

Example: A worker with a semimonthly pay frequency:

- Lives and works in California from 01/01/2024 - 01/07/2024.
- Moves to live and work in Oregon from 01/08/2024 - 01/15/2024.

You process payroll for the January 15 pay period. You get a payroll result for the:

- 01/01/2024 - 01/07/2024 subperiod that calculates California wages and taxes.
- 01/08/2024 - 01/15/2024 subperiod that calculates Oregon wages and taxes.

You find out that the worker moved to live and work in Utah on January 4. When you use the PPTA calculator to adjust their work and resident state tax authorities, Workday:

- Calculates both subperiods using Utah as the work and resident tax authority because the state tax authority is in effect within the end dates of both subperiods.
- Doesn't split the original payroll results into subperiods or combine them into a single result.

## Concept: Auto Adjust Taxable Wages Over the Limit

Effective for payroll results with payment dates as of 2025-01-01, we automatically adjust flat tax rate statutory taxes that have taxable wage limits when you calculate payroll. This helps ensure workers' current pay calculations don't exceed the most recent taxable wage base limit.

We auto adjust taxable wages over the wage limit for these type deductions for the mentioned states:

Deduction Type	State
PFML (Paid Family Medical Leave)	<ul style="list-style-type: none"> <li>• Colorado</li> <li>• Connecticut</li> <li>• Delaware</li> <li>• Maine</li> <li>• Massachusetts</li> <li>• New Hampshire</li> <li>• New Jersey</li> <li>• New York</li> <li>• Oregon</li> <li>• Washington</li> </ul>
SDI (State Disability Insurance)	<ul style="list-style-type: none"> <li>• California</li> <li>• Puerto Rico</li> <li>• Rhode Island</li> </ul>
TDF (Temporary Disability Fund)	New Jersey
VDI (Voluntary Disability Insurance)	New Jersey

These deduction types also auto adjust taxable wages:

- OASDI (Old-Age, Survivors, and Disability Insurance)
- SUI (State Unemployment Insurance)
- SUI surcharge
- FUI (Federal Unemployment Insurance)

Workday compares the taxable wage base to the wage limit for a deduction to automatically adjust the taxable wage base back down to the limit. The limit may or may not have changed since the last pay calculation, added history payments from a previous system, or manual adjustments made to taxable wages, which impact the taxable wages YTD amounts.

Example:

When the:

- Taxable wage limit is 5,000 USD,
- Persisted taxable wages is 12,000 USD, and
- Current subject wages YTD is 7,000 USD,

Workday reduces the taxable wages by 7,000 USD so the YTD taxable wages equals the limit (5,000 USD). When the subject wages fall below the limit, Workday reduces the taxable wage base down to equal the subject wage base because taxable wages shouldn't exceed subject wages.

Example:

When the:

- Taxable wage limit is 5,000 USD,
- Persisted taxable wages is 12,000 USD, and
- Current subject wages YTD is 3,000 USD,

Workday reduces the taxable wages by 9,000 USD so the YTD taxable wages equals the subject wages (3000 USD).

Note:

We recommend you review auto adjusting results for OASDI, SUI, and FUI type deductions because you may need to make manual adjustments for:

- OASDI deductions when you enter negative wages for OASDI tips after it meets the taxable wage limit.
- SUI and FUI credit reduction taxable wages when a worker moves to a different state in a calendar year.
- OASDI and FUI credit reduction taxable wages when negative wages bring subject wages below 0. Workday only adjusts up to the amount of persisted taxable wages for the current pay component.

If there isn't an additional on-cycle pay run before the end of the quarter or relevant filing period, you'll need to run an on-demand additional payment to adjust prior to the end of the filing period or you could have negative wages in the new filing period.

## Salary Over the Cap (USA)

### Setup Considerations: Salary Over the Cap (USA)

You can use this topic to help make decisions when planning your configuration and use of salary over the cap. 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

Salary over the cap enables you to define rules to set up salary caps so that payroll expenses don't exceed limitations for the salaries of workers with grants.

### Business Benefits

Salary over the cap helps you:

- Comply with regulatory and reporting requirements.
- Track federal funding allocated for research.
- Calculate under and over the salary for a grant.
- Configure costing rules for salary exceeding the cap amount.

## Use Cases

Salary over the cap is used by universities, hospitals, or specialized agencies that receive funding from the federal government or a sponsor to do research work. Example: National Institute of Health (NIH) provides funding for stem cell research with annual salary cap amount of \$240,000 to the Global Modern University.

## Questions to Consider

Questions	Considerations
How can you set up worktags for salary over the cap costing?	You can use the Maintain Salary Over the Cap Type report to add specific <i>Salary Over the Cap Type</i> worktags. Workday includes the salary over the cap type worktags while evaluating over the cap amount, for the worker whose salary exceeds the cap.
How do you define salary caps?	You can use the Maintain Salary Caps task to define: <ul style="list-style-type: none"> <li>• Salary cap amounts</li> <li>• Specific earnings for pay component group.</li> <li>• Salary cap intervals.</li> </ul>
How do you configure alternate salary over the cap costing?	You can use the Assign Costing Allocation task to set up costing rules for salary exceeding the cap amount, including allocating the over the cap portion of a worker's salary to grant worktags other than the parent grant.

## Recommendations

Workday recommends that you don't make changes if you've already assigned the salary cap to an award line and payroll exists.

## Requirements

You must:

- Set up an award with a sponsor salary cap in Workday Grants Management, to be able to configure salary over cap costing in Workday Payroll.
- Enable salary over the cap for payroll accounting to be able to set up the salary over the cap feature for payroll commitments.

## Limitations

You can't make payroll accounting adjustments for salary over the cap costing.

## Tenant Setup

You can use the Maintain Payroll Accounting Options task to enable:

- Salary over the cap for payroll accounting and commitments.
- Using the number of work periods in the academic year to calculate the salary over the cap amount for a pay period. Workday recommends selecting the check box when you use specialized configurations of academic pay using both an:
  - Earning for the annual work period.
  - Offset earning for the accrual payment.

## Security

Domains	Considerations
<i>Set Up: Salary Cap in the Core Payroll functional area.</i>	Enables access to the: <ul style="list-style-type: none"> <li>• Maintain Salary Over the Cap Type report.</li> <li>• Maintain Salary Caps task.</li> </ul>
<i>Set Up: Tenant Setup - Payroll in the System functional area.</i>	Enables access to the Edit Tenant Setup - Payroll task.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i>	Enables access to the Maintain Payroll Accounting Options task.

## Business Processes

You can configure the *Assign Costing Allocation* business process to assign alternate costing rules for salary caps.

## Reporting

Reports	Considerations
Salary Over the Cap Audit Report	Verify if the salary over the cap calculation for a worker needs review.  Note: This report currently doesn't support the Salary Over the Cap - Allow Grant Worktags in Suballocations tenant setting. When you enable this setting, values on the Salary Over Cap Pay Amount for Grant with a Salary Cap column report incorrectly.
Retro Journal Lines with Salary Cap Grants	Identify retro period journal lines associated with grants using the Salary Over the Cap feature and determine if the amounts charged over or under the salary cap.

## Integrations

No impact.

## Connections and Touchpoints

Features	Considerations
Grants Management	You need a separate Grants Management license to be able to create and use awards in Workday. If you have Grants Management with Payroll Accounting, you can: <ul style="list-style-type: none"> <li>• Create salary caps.</li> <li>• Assign the salary cap to an award line with a grant before you configure payroll costing allocations.</li> </ul>
Effort Certification	When a payroll journal line displays a Salary Over the Cap worktag, the worktag displays for effort

Features	Considerations
	certification. Salary Over the Cap Type is a payroll worktag; you can't change it.
Payroll Commitments	When you enable salary over the cap for payroll commitments, Workday calculates costing and standard salary cap proration for these payroll commitment transactions: <ul style="list-style-type: none"> <li>• Initial commitments</li> <li>• Commitment adjustments</li> <li>• Liquidations</li> </ul>

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

[Define Cost Allocations for a Worker](#) on page 550

##### Reference

[Reference: Award Lifecycle Tasks](#)

## Create Salary Caps (USA)

### Prerequisites

- Create a *Salary Over the Cap Type* worktag for each salary cap definition on the Maintain Salary Over the Cap Type task.
- Security: *Set Up: Salary Cap* domain in the Core Payroll functional area.

### Context

You can create a salary cap so that payroll expenses don't exceed limitations.

Example: The National Institutes of Health decides they won't accept billings for salaries over \$183,300. Dr. Reid Tsai is researching for the Environment Health and Safety of Nanotechnology grant and has a salary of \$200,000. You can create and assign a salary cap so that Workday applies alternate payroll costing to the excess \$16,700.

You must have Workday Payroll to create, assign, and calculate salary caps.

- If you use Workday Payroll with Grants Management, assign the salary cap on an award line with a grant before you configure payroll costing allocations.
- If you use Workday Payroll, but not Grants Management, assign the salary cap to a grant worktag before you configure payroll costing allocations.

### Steps

1. Access the Maintain Salary Caps task.
2. As you complete the task, consider:

Option	Description
Salary Over the Cap Type	You can assign a <i>Salary Over the Cap Type</i> worktag to 1 or more salary caps.
Pay Component Group	You can select Workday-delivered pay component groups or create your own custom salary cap groups.

Option	Description
In Use	Indicates whether the salary cap is in use. You can't edit salary caps that are in use.
Date From Date To	Salary cap intervals can't overlap. Only the most recent interval can have no value in Date To field.
Currency	Workday currently only supports USD.

## Result

- For Workday Grants Management, you can assign the salary cap definition to an award line with a grant, and assign the grant to a costing allocation.
- For Workday Payroll, you can assign the salary cap definition to a grant worktag, and assign the grant to a costing allocation.

Workday uses that costing allocation to generate payroll, and the salary cap to determine how much salary you can charge to the grant.

Workday applies your *Salary Over the Cap Type* worktag to payroll amounts that are either:

- Over the cap.
- Not part of the pay component of the salary cap for the associated grant.

Related Information

### Tasks

[Create Awards](#)

[Reference](#)

[The Next Level: Salary Over the Cap](#)

## Set Up Payroll Accounting Options for Salary Over the Cap (USA)

### Prerequisites

[Create Salary Caps \(USA\)](#) on page 1148

Add Grant as a Primary or Additional Worktag Type on the Payroll Costing Allocation section of the Maintain Worktag Usage report.

### Context

Before you can allocate a worker's salary to an award or grant associated with a salary cap, you must configure payroll accounting options for Salary Over the Cap in your tenant. You can configure options related to:

- Allocating earnings not in Salary Over the Cap pay component groups to override worktags.
- Allocating over-the-cap amounts to additional grant worktags.
- Calculating over-the-cap amounts based on academic pay.
- Default costing options for retro amounts associated with Salary Over the Cap grants.
- Including a worker's earnings in the Salary Over the Cap calculation when they have 0 weekly hours or 0% FTE.

You can configure retro pay amounts to charge either over or under a salary cap grant when you run retro payroll calculations, reducing the number of payroll accounting adjustments you need to run and improving the accuracy of your billing. You can configure retro lines specific to salary cap grants to cost fully over or under the cap for certain job families, job family groups, and job profiles.

## Steps

1. Access the Maintain Payroll Accounting Options task.
2. On the Grants/Awards tab of the Maintain Payroll Accounting Options task, enable Salary Over the Cap - Enable.
3. (Optional) Consider enabling these options:

Option	Description
Salary Over the Cap - Allow Grant Worktag in Suballocations	Enables you to allocate the over the cap portion of a worker's salary to grant worktags other than their parent grant.
Salary Over the Cap - Use Academic Pay Annual Work Periods	Calculates the salary-over-the-cap amount for a pay period using the number of work periods in the academic year.
Salary Over the Cap - Use Costing Overrides when Earning isn't in the Pay Component Group	Select this check box when you use specialized configurations of academic pay that use both an: <ul style="list-style-type: none"> <li>• Earning for the annual work period.</li> <li>• Offset earning for the accrual payment.</li> </ul> Enables you to allocate earnings not configured in a Salary Over the Cap pay component group to under the cap override worktags you've configured.
Salary Over the Cap - Evaluate 0% FTE as 100%	Evaluates a worker's scheduled weekly hours of 0 or 0% FTE as 100% to include their earnings in the Salary Over the Cap calculation.

4. On the Retro Accounting tab, enable either:
  - Default Over Cap to cost retro amounts associated with a salary cap to the Salary Over the Cap suballocations for a worker.
  - Default Under Cap to cost retro amounts associated with a salary cap grant to the salary cap grant for that worker.
5. (Optional) Add rows to the grid that you want to configure for retro line salary cap costing.

When the job profile associated with a retro line matches the job profile you specify or belongs to the job family or job family group that you configure, the behavior you select in step 4 applies to the retro line.

## Example

### Retroactive Costing to a Salary Cap Grant

You have a worker who is a full-time professor earning a salary associated with a grant subject to a salary cap: SOC Grant A.

- They earn \$72,000 as a base annual salary, and they're on a monthly period schedule earning \$6,000 per month.
- SOC Grant A is subject to the award salary cap of \$240,000 base annual salary, or \$20,000 per month.

The worker is subject to these costing allocation rules:

Default	SOC Suballocation	Distribution Percent
SOC Grant A		100%
Fund A		
Cost Center A		

Default	SOC Suballocation	Distribution Percent
	Fund B Cost Center B	100%

The worker earns their normal monthly salary from January to June. In July, they receive an annual salary increase to \$84,000, or \$7,000 per month, which is retroactive to June. When you run the Run Retro Pay Calculation task in July, Workday pulls in the salary increase for the worker as a retro event. After the next payroll calculation, the actuals journal reflects the retro differences and the costing configuration for lines with salary over the cap grants.

When you select the Default Over Cap check box, Workday allocates the retroactive \$1,000 to the suballocation of the worker, which is Fund B, Cost Center B for June, and the current \$7,000 to SOC Grant A, Fund A, Cost Center A.

When you select the Default Under Cap check box, Workday allocates the retroactive \$1,000 and the current \$7,000 to SOC Grant A, Fund A, Cost Center A for June:

When you configure a row in the table to have Professor as a Job Profile or select the Job Family to which the Professor job belongs, retro processing respects your choice to Cost Fully Over Cap or Cost Fully Under Cap for those selections rather than follow your default choice.

## Next Steps

### Define Salary Over the Cap Costing Allocations for a Worker (USA)

#### Prerequisites

- [Set Up Payroll Accounting Options for Salary Over the Cap \(USA\)](#) on page 1149.
- Select these check boxes on the Maintain Payroll Accounting Options task:
  - Salary Over the Cap - Enable
  - Salary Over the Cap - Allow Grant Worktag in Suballocations
- Configure the *Assign Costing Allocation* business process and security policy in the Core Payroll functional area.

#### Context

You can specify the default costing allocation details that you would like to apply to the over-the-cap portion of a worker's salary. Workday applies those details to all costing allocation lines associated with a Salary Over the Cap grant.

You can also specify override costing allocation details to specific costing allocation lines if you don't want to apply the default costing allocation details to them.

You can allocate the over the cap portion of a worker's salary to grant worktags that are different from the grant used to fund the worker's salary. This enables you to:

- Manage your funds across multiple grants within a grants management system.
- Ensure compliance with grant reporting requirements.

#### Steps

1. Access the Assign Costing Allocation task.
2. Select a worker whose salary is associated with a salary over the cap grant worktag.
3. On the Salary Over the Cap Default Costing Allocations grid, specify the worktags and distributions that you would like to apply to all of the costing allocation lines associated with a Salary Over the Cap grant.

4. (Optional) To specify an override, click the button in the Salary Over the Cap column of the Costing Allocation Details grid, then enter the override details.
5. (Optional) To cost salary to an additional grant worktag, click the Salary Over the Cap button on the Costing Allocation Details grid, then enter additional grant worktags on the Additional Worktags column.
6. Enter additional grant worktags on the Additional Worktags column.

**Note:** When you enable intercompany accounting, the costing company or default company on the suballocation must match the award in effect for the grant you enter.

## Result

Depending on whether you've specified default costing allocations, override costing allocations, or additional grant worktags, Workday allocates the over-the-cap portion of the worker's salary to the details you've specified and displays those details on journal lines for the over-the-cap portion of the worker's salary.

## Next Steps

You can recalculate a worker's existing payroll results to reallocate the over-the-cap portion of their salary.

On the Pay > Costing Allocations section of their worker profile, you can see the additional grant worktags associated with the parent grant on the Salary Over the Cap Costing column.

You can create custom validations on your Salary Over the Cap suballocations.

Related Information

### Tasks

[Define Cost Allocations for a Worker](#) on page 550

### Reference

[2024 R2 Feature: Salary Over the Cap to Another Grant](#)

[2024 R2 Feature: Salary Over the Cap Custom Validations](#)

## Concept: Salary Over Cap Costing (USA)

### Costing for Sponsor Award with Salary Cap

When you set up an award with a sponsor salary cap in Workday Grants Management, you can set up salary over cap costing instructions for Workday Payroll. Workday requires more time to process payroll for workers with salary over the cap.

### Salary Over Cap Costing Worktags

There are 3 kinds of worktags in salary over the cap costing:

Grant worktag associated with an Award with Sponsor Salary Cap

Once you assign this grant to a costing allocation, it remains assigned throughout the costing and payroll processes.

Salary Over the Cap Type (SOC Type)

To determine what falls under the sponsor salary cap, Workday evaluates earnings in the pay component group you define on the Maintain Salary Cap task. Workday then applies the *Salary Over the Cap Type* worktag to any payroll amount that is either:

- Over the cap.
- Not part of the pay component of the salary cap for the associated grant on the award line.

Note: Selecting the Salary Over the Cap - Use Costing Overrides when Earning isn't in the Pay Component Group check box in Edit Tenant Setup - Payroll allocates earnings that you haven't included in the salary cap pay component group to costing override worktags you've configured.

### Salary Over the Cap Basis

*Salary Over the Cap Basis* worktags enable you to identify over the cap costs on journal lines for payroll:

- Actuals.
- Actuals Forward Accruals.
- Commitments.
- Obligations.

The *Salary Over the Cap Basis* worktag is also available as a dimension on account posting rules and as an optional summary dimension if you enable journal summarization.

When a costing allocation has a grant worktag and the grant is subject to the salary cap in the Assign Costing Allocation task, you can:

- Use the action button in the Salary Over the Cap column to access the salary over cap suballocation costing grid.
- Edit the worker's organizational default worktags on the salary over cap suballocation.
- Edit the worker's costing company if you've enabled intercompany accounting.

### Example: Full Time Costing Allocation

Dr. Kay works full time as a researcher on a project associated with a grant subject to a salary cap: SOC Grant A.

- Dr. Kay earns \$240,000 base salary a year, and is on a monthly period schedule, earning \$20,000 per month.
- SOC Grant A is subject to the award salary cap of \$180,000 base yearly salary, or \$15,000 per month.

You assign costing allocation rules for Dr. Kay:

- For salary covered by the grant subject to the salary cap: SOC Grant A, Fund A, Cost Center A at 100%.
- For the salary over the cap portion: Fund B, Cost Center B at 100%.

Default (As of Start Date)	SOC Suballocation	Distribution Percent
<i>SOC Grant A</i> <i>Fund A</i> <i>Cost Center A</i>		<i>100</i>
	<i>Fund B</i> <i>Cost Center B</i>	<i>100</i>

Result lines after payroll accounting processing:

Default (As of Start Date)	Due to SOC Suballocation	Distribution Amount
<i>SOC Grant A</i> <i>Fund A</i> <i>Cost Center A</i>		15,000
	<i>SOC Grant A</i> <i>Fund B</i> <i>Cost Center B</i> <i>Salary Over the Cap Type</i>	5,000

### Example: Split Effort Costing Allocation

Professor Chavez works half time as a professor in Cost Center Physics, and the other half as researcher on a project associated with a grant subject to salary cap: SOC Grant A.

- She earns \$240,000 base salary a year, and is on a monthly period schedule earning \$20,000 per month.
- Half of her salary, or \$10,000 per month, is costed to Cost Center Physics, Fund P.
- SOC Grant A has an award salary cap of \$180,000 base yearly salary, or \$15,000 per month. Her effort level on SOC Grant A is 50%, which caps the monthly salary billable to SOC Grant A at \$7,500.

You assign costing allocation rules for the Professor:

- For the physics teaching salary not costed to the grant: Fund P, Cost Center Physics.
- For salary covered by the salary over cap grant: SOC Grant A, Fund A, Cost Center A at 50%.
- For the salary over the cap portion: Fund B, Cost Center B at 100%.

Default (As of Start Date)	SOC Suballocation	Distribution Percent
<i>Fund P</i> <i>Cost Center Physics</i>		50
<i>SOC Grant A</i> <i>Fund A</i> <i>Cost Center A</i>		50
	<i>Fund B</i> <i>Cost Center B</i>	100

Result lines after payroll accounting processing:

Default (As of Start Date)	Due to SOC Suballocation	Distribution Amount
<i>Fund P</i> <i>Cost Center Physics</i>		10,000
<i>SOC Grant A</i> <i>Fund A</i> <i>Cost Center A</i>		7,500

Default (As of Start Date)	Due to SOC Suballocation	Distribution Amount
	<i>SOC Grant A</i> <i>Fund B</i> <i>Cost Center B</i> <i>Salary Over the Cap Type</i>	2,500

## Concept: Salary Over the Cap for Multiple Positions (USA)

When a worker has multiple job positions, Workday:

- Adds the FTE values of all positions within a gross-to-net result.
- Applies the total FTE to calculate the applicable cap amount.

If the total FTE % on all positions is greater than 100%, Workday only calculates the total FTE for a 100%.

Workday calculates salary over the cap by applying the total FTE to:

- Positions paid on the same payroll result for payroll actuals.
- Positions in the same pay group for obligations.
- Earnings paid on the position that are outside of the Salary Over the Cap pay component group (SOC-PCG).

### Example

Dr. Chavez works at the Global Modern University. She has 2 positions at the university and is on a monthly period schedule for both positions.

- As a professor, she earns \$200,000 annual salary at 75% FTE.
- As a researcher, she earns \$125,000 annual salary at 25% FTE.

Both positions are associated with a grant subject to a salary cap: SOC Grant A. SOC Grant A is subject to the award salary cap of \$183,300 annually, with a grant allocation of 100%.

SOC Grant A	
Annual cap	\$183,300
Pays per year	12
Maximum Per Pay	\$15,275

Her pay and costing details:

Worker	Professor Position	Researcher Position	Total
Annual salary	\$200,000	\$125,000	\$325,000
Per pay earnings (SOC-PCG)	\$16,666.67	\$10,416.67	\$27,083.33
Percentage of SOC-PCG per Job (Earning % of total)	62%	38%	
Position FTE	75%	25%	100%
Grant allocation % (SOC Grant A)	100%	100%	

Worker	Professor Position	Researcher Position	Total
Charge to Grant (SOC Grant A)	\$16,666.67	\$10,416.67	\$27,083.33

Workday applies total FTE to calculate salary cap and determines how much her sponsor needs to pay:

Sponsor	Professor Postion	Researcher Postion	Total
Total FTE	100%	100%	
Total FTE * Max Per Pay	\$15,275	\$15,275	
PCG prorated % allocation	62%	38%	
Amount charged to Grant (SOC Grant A)	\$9,400 (\$15,275 x 0.62)	\$5,875 (\$15,275 x 0.38)	\$15,275
Salary over the cap max per Pay	\$7,266.67 (\$ 16,666.67 - \$9,400)	\$4,541.67 (\$10,416.67- \$5,875)	\$11,808.34

## Concept: Academic Pay Annual Work Periods (USA)

To calculate salary over the cap amount for a pay period using the number of work periods in the academic year, you can select the Salary Over the Cap - Use Academic Pay Annual Work Periods check box in the Payroll Accounting section on the Edit Tenant Setup – Payroll task.

Workday recommends selecting the check box when you use specialized configurations of academic pay using both an:

- Earning for the annual work period.
- Offset earning for the accrual payment.

Example: An academic professor teaches or conducts research during a 9-month school year where the:

- Annual salary over the cap amount is \$197,300.
- Annualized academic pay percentage of the year is 75% of the full salary cap amount ( $197,300 \times 0.75 = \$147,975.0$ ).

Workday calculates salary over the cap amount per period as ( $147,975/9 = \$16,441.6667$ ).

## Tax Setup (USA)

### Setup Considerations: Payroll Tax Setup (USA)

You can use this topic to help make decisions when planning your payroll tax setup. 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

Workday provides tax data and related tasks and calculations that enable you to manage federal, state, and local taxes for payroll. You enter the company and worker-specific tax data.

Workday also provides a *Payroll Compliance Updates* dashboard to give you insight into updates that might affect you and your employees.

## Business Benefits

Workday Payroll maintains tax updates by tax authority and type. Workday Payroll enables you to:

- Easily meet the legal requirements for deducting and reporting worker pay and statutory contributions.
- Increase efficiency by streamlining the process for managing and submitting tax reports.
- Save time by automatically calculating federal, state, and local taxes, including up-to-date tax rates, wage and payment limits, and allowances.

## Use Cases

You can set up payroll taxes to:

- Enable workers to make tax elections through employee self-service (ESS).
- Calculate and track company and employee tax contributions.
- Automatically adjust tax calculations when legislation changes tax rates.
- Report itemized and total federal, state, and local tax contributions by company and employee.

## Questions to Consider

Questions	Considerations
How often do your employees have work assignments in different tax jurisdictions? OR What's the nature of your employees' work assignments in other tax jurisdictions?	You can set up taxes for workers with work assignments in different tax jurisdictions. For: <ul style="list-style-type: none"> <li>• Recurring infrequent assignments, you can use payroll inputs with worktags. Example: A technical support representative travels to a tax jurisdiction only when a technical issue arises.</li> <li>• One-off assignments, you can use either Tax Location Mapping (TLM) or payroll input with worktags to tax the worker by work location. Example: An employee occasionally works out of the office closest to their childhood home.</li> <li>• Recurring assignments based on a set schedule, you can configure Ongoing Multiple Work Jurisdictions (OMWJ). After you enter employee tax jurisdiction by the applicable percentages, Workday automatically applies that percentage to each pay period. Example: A pharmaceutical representative assigned to a tri-state area works the same percentage of time in each jurisdiction each pay period.</li> </ul>
Do you employ nonresident aliens (NRAs)?	You can enable Workday to calculate and report taxes for NRAs. Workday references the tax

Questions	Considerations
	treaties that you set up when calculating taxes and taxable wages for 1042-S reporting.
Where do your employees work?	<p>Workday maintains up-to-date tax data and calculates and reports on taxes for all states and these territories:</p> <ul style="list-style-type: none"> <li>• Guam.</li> <li>• Puerto Rico.</li> <li>• U.S. Virgin Islands.</li> </ul>
Do some employees in your company live in 1 state and work in another?	<p>When employees live in 1 state and work in another, Workday can automatically calculate taxes based on state tax reciprocity agreements. This includes whether to withhold taxes and the tax calculation method specified in the agreements.</p> <p>When they work and live in the same state, Workday calculates taxes based on work location.</p>
Do employees enter their time in Workday Time Tracking?	You can set up TLM so employees can specify their work location when entering time.
Does your company use a third party for sick pay?	If so, you have the option to set up Workday to display sick pay on payslips and W-2s. If your third party provides the W-2s, you can also set this option up in Workday.
Are your employees exempt from Federal Unemployment Insurance (FUI) or State Unemployment Insurance (SUI)?	If yes, you can set up Workday to manage this exemption. If not, Workday can withhold and report on FUI and SUI taxes.
Do you pay bonuses using a separate check or combine bonuses with regular pay?	If you combine bonuses with regular pay, you can set up federal taxation using a flat rate or standard withholding. If you pay them with a separate check, you have the option of using a flat rate or aggregate - standard taxation. You can also set up Workday to withhold state and local taxes on supplemental earnings.

## Recommendations

Workday Payroll for U.S. is designed to assist you in withholding taxes and other amounts required by law. However, you should independently verify your withholding and remittance obligations required by the various jurisdictions in which you operate.

## Requirements

Maintain your own tax authority exceptions. Example: The *State Withholding Taxable Reduction* pay component group (PCG) reduces state taxable income for 401(k) contributions in all states except Pennsylvania, so the pay component *401(k) [USA]* should be excluded for the Pennsylvania tax authority from the *State Withholding Taxable Reduction* PCG.

## Limitations

Regardless of how you set up tax allocations, Workday doesn't apply percentage splits to SUI taxable and subject wages. Workday always applies SUI and other taxes based on SUI to the primary work state.

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Set Up: Company General</i> domain in the Common Financial Management functional area.	Enables users to record company tax ID numbers.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> domain in the Core Payroll functional area.	Enables users to define payroll-specific calculations such as earnings, deductions, pay accumulations, and balances. It provides the ability to define balance periods used within payroll calculations and reporting setup.
<i>Set Up: Payroll - Company Specific (Taxes) - USA</i> domain in USA Payroll functional area.	Enables users to view and enter payroll-related setup for company taxes.

## Business Processes

Business Processes	Considerations
<i>Complete Federal Withholding Elections</i>	Routes the federal withholding elections task to employees for completion. You can also configure conditional logic and include notifications and approvals.
<i>Complete State and Local Withholding Elections</i>	Routes the state withholding elections task to employees for completion. You can also configure conditional logic and include notifications and approvals.
<i>Complete State and Local Withholding Elections for a Worker</i>	Enables the payroll administrator to complete state and local withholding elections for workers.

## Reporting

Use these reports to view the federal, state, and other tax data that Workday uses to calculate payroll taxes. Workday updates tax data in response to changes made by tax authorities.

Reports or Dashboards	Considerations
All Payroll Tax Allowance Data	Displays the pay components for all federal and state tax authorities.
All Payroll Authority Minimum Wages	Displays the state and local minimum wages for all states.  You can add these security groups to the <i>Set Up: Payroll (Minimum Wages View) - USA</i> domain in the USA Payroll functional area so they can access the report: <ul style="list-style-type: none"><li>• Compensation Manager</li><li>• Compensation Partner</li></ul>
All Payroll Tax Data	Displays for the tax deduction combinations that you select:

Reports or Dashboards	Considerations
	<ul style="list-style-type: none"> <li>• Calculation methods.</li> <li>• Calculation values.</li> <li>• Federal and state rates or amounts.</li> <li>• Limits.</li> </ul>
Expiring Exempt Tax Elections	<p>Displays a list of employees who are exempt from federal, state, or local tax withholding as of the date you enter in the Exempt Election As of Date field.</p> <p>Supports local exempt elections for:</p> <ul style="list-style-type: none"> <li>• Michigan</li> <li>• New York</li> <li>• Pennsylvania Local Service Tax (LST)</li> </ul> <p>Excludes employees who:</p> <ul style="list-style-type: none"> <li>• Have an active federal tax levy or a Lock in Letter.</li> <li>• Transferred out of the company.</li> </ul> <p>In the report, you can choose to include or exclude:</p> <ul style="list-style-type: none"> <li>• Terminated workers.</li> <li>• Workers with a MSRR election.</li> </ul>
Payroll Compliance Updates Dashboard	<p>Displays the compliance updates that are most important to you. You can quickly identify whether a compliance update potentially impacts your employees and take appropriate action, such as:</p> <ul style="list-style-type: none"> <li>• Alerting employees.</li> <li>• Spot-checking payroll results.</li> <li>• Preparing to answer questions.</li> </ul>
Payroll State Authority Attributes	<p>Displays valid marital statuses, allowances, and withholding percents by state. The default start date reflects when Workday begins tracking this data.</p>
Payroll Tax Authority Defaults	<p>Displays default federal and state tax authority data.</p>
Payroll Authority Minimum Wages	<p>Displays the state and local minimum wages for the specified state.</p> <p>You can add these security groups to the <i>Set Up: Payroll (Minimum Wages View) - USA</i> domain in the USA Payroll functional area so they can access the report:</p> <ul style="list-style-type: none"> <li>• Compensation Manager</li> <li>• Compensation Partner</li> </ul>
Payroll Tax Mapping Inactivation on Worker	<p>Displays tax authority data for worker-level TLM configurations.</p>
Payroll Tax Mappings on Location	<p>Displays all:</p>

Reports or Dashboards	Considerations
	<ul style="list-style-type: none"> <li>• Payroll tax locations.</li> <li>• TLM activation status.</li> <li>• Respective tax authority data.</li> </ul> <p>Used for the TLM feature.</p>
View Payroll Other Tax Authorities	<p>Displays tax data for state and local tax authorities except withholding and unemployment, including:</p> <ul style="list-style-type: none"> <li>• Region.</li> <li>• Start date.</li> <li>• Tax associated with the authority.</li> <li>• Tax codes.</li> <li>• Whether the authority allows tax override rate on company reporting.</li> <li>• Whether worker exemption is allowed (for mandatory taxes) or election is required (for nonmandatory taxes).</li> <li>• Whether the tax for workers with multiple jobs is based on the primary work state (SUI tax authority).</li> </ul>
View Payroll Tax/Allowance Data	<p>Displays for each tax authority:</p> <ul style="list-style-type: none"> <li>• Calculation methods.</li> <li>• Compliance updates.</li> <li>• Federal or state rates or amounts.</li> <li>• Limits.</li> <li>• Values.</li> </ul>
View Payroll Tax Authority	<p>Displays all tax authority:</p> <ul style="list-style-type: none"> <li>• Default allowances.</li> <li>• Valid and default marital statuses.</li> <li>• Valid and default supplemental tax methods.</li> </ul>
View Workers with Missing US Tax Elections	<p>Displays a list of workers who are missing federal or state tax elections at the end of the selected period</p>

## Integrations

Web Services	Considerations
<i>Get Payroll Federal W-4 Tax Election</i>	<p>Retrieves worker federal W-4 tax election data from either the reference ID or the worker reference / company reference / effective date.</p>
<i>Get Payroll FUTAs</i>	<p>Retrieves worker FUTA tax election data from either the Reference ID or the Worker Reference/ Company Reference/Effective Date.</p>
<i>Get Payroll Payee FICAs</i>	<p>Retrieves FICA exemption data for a worker and position.</p>

Web Services	Considerations
	Uses the processing position for workers with multiple jobs if you enabled the feature.
<i>Put Payroll Federal W-4 Tax Election</i>	Enters worker federal W-4 tax election data.
<i>Put Payroll FUTA</i>	Enters and modifies FUTA records.
<i>Put Payroll Payee FICA</i>	Enters and modifies FICA records. Uses the processing position if you: <ul style="list-style-type: none"><li>• Enabled the feature for workers with multiple jobs.</li><li>• Don't specify a position for the worker and set up the payroll processing position rules to use the position override.</li></ul>

## Connections and Touchpoints

Features	Considerations
Benefits	Workday uses earnings that you create for credits and imputed income.
Time Tracking	Workday Payroll can use the location entered during time entry to calculate state and local taxation of associated earnings.

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

#### Concepts

[Concept: Multi-Jurisdiction Tax Allocations \(USA\)](#) on page 1223

#### Reference

[Reference: Payroll Compliance Updates Dashboard](#) on page 533

## Steps: Set Up Payroll Taxes (USA)

### Context

Workday maintains information on valid federal, state, and local tax data and deductions. You enter company and worker-specific tax data.

### Steps

1. [Set Up Company Tax ID \(USA\)](#) on page 1163.
2. Review your pay component groups to see if any members of a group need an exception. Then [Define Tax Authority Exceptions from Pay Component Groups \(USA\)](#) on page 1197.
3. [Set Up Company Federal Taxes \(USA\)](#) on page 1165.
4. [Set Up Company State Taxes \(USA\)](#) on page 1177.
5. [Set Up Company Local Taxes \(USA\)](#) on page 1183.
6. (Optional) [Set Up Company Taxes by Location \(USA\)](#) on page 1219.

## 7. Enter worker tax data:

- [Steps: Add Worker Tax Elections \(USA\) on page 1245.](#)
- Workers can enter federal and state tax elections using the Withholding Elections self-service task.

Not all state forms are available for completion in Workday. When Workday doesn't provide the online form, we provide links to the forms.

- [Set Up Ongoing Multiple Work Jurisdictions \(USA\) on page 1220.](#)
- [Set Up Convenience of Employer Rule on page 1238](#)
- [Maintain Tax Treaty Information for a Worker \(USA\) on page 1244.](#)

## 8. Map Earnings and Deductions to W-2 Boxes (USA) on page 1200.

### Result

Workday uses these settings to calculate federal, state, and local taxes during payroll processing.

### Next Steps

Configure tax integration.

Related Information

#### Concepts

[Concept: Worker Tax Elections \(USA\) on page 1262](#)

#### Reference

[Reference: Year-End Form Boxes to Be Mapped \(USA\) on page 1204](#)

[Reference: View Tax Authority Data \(USA\) on page 1198](#)

[Reference: Payroll Compliance Updates Dashboard on page 533](#)

## Set Up Company Tax ID (USA)

### Prerequisites

Security:

- *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.
- *Set Up: Company General* domain in the Common Financial Management functional area.

### Context

Record tax ID numbers for a company.

### Steps

1. Access the Edit Company Tax Details task.
2. (Optional) On the VAT on Payment tab, for financial transactions, select VAT on Payment to record Value Added Tax (VAT) on payments instead of invoices.  
For financial transactions, if you use VAT on Payment, select the Default Tax Applicability and Default Tax Code.
3. On the Tax IDs tab, in the Tax IDs grid, add information for each country for which the company processes payments.

Field	Description
Country for Tax ID Type	The prompt displays only the countries with Workday-delivered tax ID types.

Field	Description
Tax ID Type	<ul style="list-style-type: none"> <li><i>Employer ID Number</i> required for Workday Payroll</li> <li><i>Sales/Use Tax</i></li> <li><i>State Income Tax ID</i></li> <li><i>Transmitter Control Code</i> - 5-digit code required for filing information returns electronically.</li> </ul>
Identification #	<p>Enter the ID number for the selected tax ID type.</p> <p>You can add or change the ID (the Employer Identification Number, or EIN) using the Edit Company State and Local US Tax Reporting task. If you update the EIN, Workday displays a Box 15 – State – Employer's State ID Number (Previous) column on the <i>View W-2C Form Data</i> report. You can use that column to view the original EIN.</p>
Transaction Tax ID	<p>Select this check box to include this identification number on financial transactions, like customer invoices and purchase orders.</p> <p>If you don't select Transaction Tax ID for any of the identification numbers you configure, financial transactions report the Primary Tax ID.</p> <p>Example: You configure 2 Tax IDs for your company. You select Transaction Tax ID for 1 of them. Workday includes that tax ID as the Transaction Tax ID on any invoices and purchase orders you generate for that company.</p>
Primary Tax ID	<p>Select to indicate this identification number as the Primary Tax ID for your business entity. If you didn't select Transaction Tax ID for any of the identification numbers you configured, Workday finds and uses the Primary Tax ID.</p> <p>If you configured neither a Transaction Tax ID nor a Primary Tax ID for the business entity, financial transactions don't use tax ID, except for customer invoices where you selected Transaction Tax ID Required. You're unable to complete the customer invoice without configuring a Transaction Tax ID.</p>

### Example

The Blake Company uses Workday Payroll for the U.S. to pay U.S. employees through their corporate office in the United States. Their branch office in Toronto uses Workday Payroll for Canada to process payroll for Canadian employees. They can also process payments to their non-resident workers. Enter this tax ID information:

Country	Tax ID Type	Identification #
Canada	<i>Business Number</i>	123456789
Canada	<i>Non-Resident Tax Account Number</i>	NR1234567
United States of America	<i>Employer ID Number</i>	98-7654321
United States of America	<i>Transmitter Control Code</i>	56565

## Next Steps

Set up company federal taxes.

### Related Information

#### Tasks

Steps: Configure Transaction Tax Rules

## Set Up Company Federal Taxes (USA)

### Prerequisites

- Set Up Company Tax ID (USA) on page 1163.
- Security: *Set Up: Payroll - Company Specific (Taxes) - USA* domain in the USA Payroll functional area.

### Context

You can enter company-specific data to calculate and report on federal payroll taxes.

### Steps

1. Access the Edit Company Federal US Tax Reporting task.
2. As you complete the Company Tax Reporting grid, consider:

Option	Description
Start Date	Enter a date that is on or after the start date reported for the federal tax authority on the View Payroll Tax Authority report.
Supplemental Tax Method - Regular Check	Select a tax method for supplemental payments added to regular paychecks. When you select: <ul style="list-style-type: none"> <li>• <i>Flat Rate</i>: Workday calculates taxes based on a federally mandated percentage rate.</li> <li>• <i>Standard Withholding</i>: Workday calculates taxes based on federally mandated percentages for income brackets.</li> </ul> For troubleshooting federal tax withholdings, see <a href="#">There's unexpected federal tax withholding from employee's supplemental pay.</a> on page 748
Supplemental Tax Method - Separate Check	Select a tax method for supplemental payments paid separately from regular pay. When you select:

Option	Description
	<ul style="list-style-type: none"> <li><i>Flat Rate:</i> Workday calculates taxes based on a federally mandated percentage rate.</li> <li><i>Aggregate - Standard:</i> Workday aggregates the supplemental wages with the regular wages from the last completed regular pay period. To calculate the amount of tax to withhold from supplemental wage payments, Workday calculates federal tax based on the standard withholding formula and subtracts the amount of regular federal tax withheld from the last regular pay period.</li> </ul> <p>Example: A worker claiming single and no dependents receives a regular weekly wage of 1,000 USD and the federal tax withholding is 81.85 USD. The worker is paid a bonus of 500 USD on a separate pay result with a nonregular run category. Workday calculates the:</p> <ul style="list-style-type: none"> <li>Aggregate tax of 173.10 USD on 1500 USD.</li> <li>Withholding on the bonus as 91.25 USD, which is the difference between the aggregate tax and regular tax withholding.</li> </ul>
Exempt from FUI	Select the check box when all employees of the company are exempt from Federal Unemployment Insurance.
Third Party Provides W-2 for Sick Pay	<p>Select the check box when a third-party prepares the W-2s for sick pay payments, and you're liable for employer taxes. When you process third-party sick pay payments, Workday excludes the amount from the employee W-2 and includes the amount in the Third Party Sick Pay Recap Form Data report.</p> <p>Clear the check box when you provide W-2s for third-party sick pay and are liable for employer taxes. Workday includes amounts from a third-party sick pay payment on the employee W-2s.</p> <p>Changing this setting midyear might cause unexpected W-2 and tax filing results.</p> <p>For more information, see:</p> <ul style="list-style-type: none"> <li><a href="#">Process a Manual Payment for Third-Party Sick Pay (USA)</a> on page 1068</li> <li><a href="#">Reference: Third-Party Sick Pay Reports (USA)</a> on page 1069</li> </ul>

Option	Description
Kind of Employer	Applies to box b of form W-3 for tax years 2011 and after. Workday includes the value that you select in the quarterly and annual tax data that you send to your tax filing provider.
Company Provides Dependent Benefits	This check box is only specific for companies that provide dependent medical insurance benefits for the state of New York (specifically Form NYS-45) to meet the quarterly tax filing requirements. This information is only returned with the <i>Get Quarterly Worker Tax Filing Data</i> web service.
Allow Pre-Tax Deduction Allocation	Select the check box to calculate pretax deductions from work tax authority worktags. For more information, see <a href="#">Concept: Multi-Jurisdiction Tax Allocations (USA)</a> on page 1223.
Allow Ongoing Work Jurisdiction Tax Allocation	<p>When you select the check box, Workday displays a Tax Allocation tab on the Add Worker US Tax Elections task.</p> <p>Select the check box to enable Workday to allocate wages to taxing jurisdictions when employees work in multiple jurisdictions on an ongoing basis.</p> <p>When employees work in multiple tax jurisdictions that change from 1 pay period to the next, use tax location mapping instead.</p> <p>Clear the check box when employees work in the jurisdiction for 100% of the time.</p> <p>To include Workday Time Tracking time blocks in tax calculations, select both this check box and the Enable Ongoing Work Jurisdiction Tax Allocation with Time Tracking check box.</p> <p>Example: Each pay period, a sales representative spends 30% of their time in Virginia, 25% in Maryland, and 45% in Pennsylvania. The company payroll sets up the allocation percentages for the worker's tax elections, and Workday uses the allocations to calculate taxes.</p> <p>See <a href="#">Set Up Ongoing Multiple Work Jurisdictions (USA)</a> on page 1220.</p>
Enable Ongoing Work Jurisdiction Tax Allocation with Time Tracking	<p>Select when:</p> <ul style="list-style-type: none"> <li>• Employees work in multiple tax jurisdictions on an ongoing basis.</li> <li>• You want to calculate taxes based on percentages worked in each jurisdiction.</li> <li>• Employees use Workday Time Tracking to enter hours or project time.</li> </ul>

Option	Description
	<p>The check box displays when you select Allow Ongoing Work Jurisdiction Tax Allocation.</p> <p>When you don't select this check box, the tax allocation splits only earnings and pretax deductions from:</p> <ul style="list-style-type: none"> <li>• Workday Compensation.</li> <li>• Payroll input.</li> </ul>
Enable Tax Location Mapping	<p>Select the check box when an employee works in more than 1 tax jurisdiction and the locations and percentage of time are unpredictable.</p> <p>Note: Select the check box before you create and approve time blocks in Workday Time Tracking to ensure that Workday links a time entry with a reported location to the relevant tax authority codes. When you select the check box after you approve time, you must update, resubmit, and approve the time blocks for payroll to split among different tax authorities.</p> <p>When you select the Elections task, Workday displays the Tax Location Mappings tab on the Add Worker US Tax Elections.</p> <p>Example: A sales consultant has multiple customers in different states. In month 1, the consultant works 2 weeks in New York, 1 week in New Jersey, and 1 week in Connecticut. In Month 2, they work 2 weeks in Connecticut and 2 weeks in New Jersey. Using tax location mapping, payroll ensures that Workday calculates all applicable state, city, and local taxes.</p> <p>See <a href="#">Set Up Company Taxes by Location (USA)</a> on page 1219.</p>
Exclude 1042-S Taxes from Tax Filing	<p>Select to exclude 1042-S taxes and Income Code 15 taxes from these reports and web services:</p> <ul style="list-style-type: none"> <li>• Tax Filing Periodic Data by Company report</li> <li>• <i>Get Periodic Company Tax Filing Data</i> web service</li> <li>• Tax Filing Periodic Data by Common Pay Agent report</li> <li>• Tax Filing Periodic Data for Event report</li> <li>• Tax Filing Periodic Data for Workers report</li> <li>• <i>Get Periodic Worker Tax Filing Data</i> web service</li> <li>• Tax Filing Quarterly Data for Workers report</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>• <i>Get Quarterly Worker Tax Filing Data</i> web service</li> <li>• Tax Filing Quarterly Data by Company report</li> <li>• Tax Filing Quarterly Data by Common Pay Agent report</li> </ul>
Enable Convenience of Employer Rule	<p>When you select the check box, Workday displays a Convenience of Employer Rule tab on the Add Worker US Tax Elections task.</p> <p>Select the check box when you have employees that work remotely for a business in one state while residing in another and the state their work is directed from has a convenience of the employer rule.</p>
Company Name Override for Year End Forms	<p>Select the check box to override the company name on W-2 and W-2C forms, audits, and reports.</p> <p>When you change company name, you can use the override to display the new name on W-2 and W-2C forms, audits, and reports for a previous year.</p>
Company Name Override for Year End Forms Line 2	<p>Enter the additional company name in this field when you need to list the company name on the first line and an additional company name on the second line when reporting on federal payroll taxes. Workday displays the company name as the second line of the company name on these reports and forms:</p> <ul style="list-style-type: none"> <li>• Company US Territory Year End Form Audit</li> <li>• Company US Territory Year End Form Corrections Audit</li> <li>• Company W-2 Audit</li> <li>• Company W-2C Audit</li> <li>• View Third Party Sick Pay Correction Recap Form Data</li> <li>• View Third Party Sick Pay Recap Form Data</li> <li>• View US Territory Year End Form Data</li> <li>• View US Territory Year End Form Corrections Data</li> <li>• View W-2 Form Data</li> <li>• View W-2C Form Data</li> <li>• W-2C Preview</li> <li>• W-2 PDF form</li> <li>• W-2C PDF form</li> <li>• W-2PR PDF form</li> <li>• W-2GU PDF form</li> <li>• W-2VI PDF form</li> </ul>

Option	Description
	<p>Workday displays a hyphen before the second company name on these tasks and this report:</p> <ul style="list-style-type: none"> <li>• Create W-2 Data task</li> <li>• Create W-2C Data task</li> <li>• W-2 Preview report</li> </ul> <p>Companies in a common pay agent already print the common pay agent company name and the related company name on the W-2. Entries in this field may make the company name and address box data not fit properly on the form.</p>
Display Default Disclaimer	<p>Select the check box to display the default disclaimer when workers add federal withholding elections. The check box doesn't display when you use a custom disclaimer.</p>
Custom Disclaimer	<p>The custom disclaimer displays even when you select the Display Default Disclaimer check box.</p>

For workers in Guam, Puerto Rico, and the U.S. Virgin Islands who previously had federal taxes withheld while working in another state and the self-adjusting taxes are based on wages, Workday:

- Recognizes previous balances or values when calculating self-adjusting taxes, such as the Additional Medicare tax, for the current tax year.
- Applies previous values across deductions.
- Recognizes taxes already withheld and avoids overwithholding.
- Respects and supports wage balances across company relationships.

## Next Steps

Access the:

- Company Federal US Tax Reporting report to view a summary of company federal elections, including a history of inactive elections.
- Company US Tax Reporting report to view federal, state, and local tax elections for the company.

Set up the company:

- State taxes.
- Third-party personal tax reporting.

## Related Information

### Concepts

[Concept: Tax Allocations for Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1229

### Tasks

[Set Up Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1220

[Steps: Add Worker Tax Elections \(USA\)](#) on page 1245

### Reference

[Reference: View Tax Authority Data \(USA\)](#) on page 1198

## Aggregate Federal Wages (USA)

### Set Up Aggregate Federal Wages (USA)

#### Prerequisites

If you have multiple *In Progress* on-demand additional payments, complete those payments so Workday can use them to calculate federal withholding taxes in subsequent calculations.

#### Security:

- *Set Up: Payroll Interface* domain in the Payroll Interface functional area
- *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area

#### Context

To help you more accurately withhold workers' federal taxes, you can configure a run category to aggregate federal standard withholding wages across multiple completed pay results within the same period. Workday aggregates wages for all pay groups within:

- The same company.
- Different companies if they're in a company relationship.

You can't aggregate standard withholding wages for state or local taxes.

#### Steps

1. Access the Edit Run Category task.
2. In the Payroll Processing section on the General tab, select the Aggregate Federal Wages check box.

#### Result

Workday calculates federal standard withholding taxes by:

- Using the aggregated wages for the period.
- Subtracting the taxes already withheld for the period from the calculated amount of tax withholding.

#### Next Steps

Recalculate your in-progress payroll results.

#### Related Information

#### Reference

[2023R1 What's New Post: Aggregate Federal Standard Withholding Wages](#)

#### Concept: Aggregate Federal Wages (USA)

Workday enables you to aggregate federal wages across multiple pay results in the same pay period to help you calculate standard tax withholding. You can aggregate wages for:

- Pay on-demand results.
- On-cycle results.
- Off-cycle results in a regular pay period.
- Multiple results across related companies in a company relationship.

Workday aggregates the wages of all pay results in the pay period for the run category you specify, regardless of whether you enabled aggregate wages for previous pay results.

Workday uses the current tax election when you calculate the withholding tax amount for the workers. When there's a tax election change, Workday applies the current tax election to the aggregated wages for the period when calculating the current pay result.

### Example

John is a new hire at Global Modern Services and has 2 pay results in the same period. You have enabled aggregate federal wages, and you want to view how much withholding tax Workday calculated to be withheld.

Result Type	Period	Payment Date/ Reversal Date	Pay Group Detail	Calculation Status
	01/01/2023 - 01/15/2023 (Semi-monthly)	01/13/2023	USA Semi-Monthly (Regular)	In Progress
On-Demand Payment Additional	01/01/2023 - 01/15/2023 (Semi-monthly)	01/05/2023	USA Semi-Monthly (Regular)	Complete

Workday aggregates the wages from both pay results because:

- They have the same pay period.
- The status of the first payment is Complete.

As a payroll administrator, you drill down on the pay results of John to view how Workday calculates the standard withholding tax:

The first pay result is for a signing bonus of 2,500.00 USD.

You view how much withholding tax Workday calculated to be withheld:

Pay Component	Related Calculation	Amount	YTD
Federal Withholding [USA]	Standard Withholding Calculated Tax	227.52	227.52

The second pay result is for a salary of 2,500.00 USD and a bonus of 100.00 USD.

In the Pay Accumulations / Balances tab, you view the aggregate wages that Workday uses to calculate withholding tax:

Pay Balance	Amount
Federal Standard Withholding Wages for Pay Period [USA]	5,000.00

In the Gross to Net tab, you view how much withholding tax Workday calculated to be withheld, based on the aggregated wages:

Pay Component	Related Calculation	Amount	YTD
Federal Withholding [USA]	Standard Withholding Calculated Tax	558.98	786.50
Federal Withholding [USA]	Flat Rate Withholding Wages	100.00	100.00

Because you enabled aggregate federal wages, Workday calculates the withholding tax as if you paid both payments together. The aggregated wages are 5,000.00 USD, so Workday calculates the withholding tax to be 786.50 USD.

Workday then subtracts the standard withholding calculated tax of the first pay result from 786.50 USD. The withholding tax from the signing bonus was 227.52 USD, so Workday calculates the withholding tax for the second pay result to be 558.98 USD.

Because John has a bonus in the second pay result, Workday calculates the supplemental withholding tax amount to be 22.00 USD. Workday adds this amount to the withholding tax amount calculated from the salary.

As a result, the total federal withholding amount for the second pay result will be 580.98 USD.

## Reference: Aggregate Federal Wages (USA)

### Tax Calculations

Workday uses these tax calculations to support aggregate federal standard withholding wages:

- *Federal Withholding [USA]*
- *Federal Withholding Territories [USA]*
- *Federal Withholding Tip Tax [USA]*

### Related Calculations

These related calculations provide you with visibility on the wages used for tax calculation on the workers' pay results. They can help you understand the amount of taxes withheld in the standard withholding calculation:

Related Calculation	Description
<i>Flat Rate Withholding Wages</i>	Displays the wages Workday uses to calculate supplemental tax.
<i>Standard Withholding Wages</i>	Displays the wages Workday uses to calculate standard federal withholding.

Related Calculation	Description
<i>Standard Withholding Calculated Tax</i>	Displays the taxes Workday calculates to withhold based on the tax table we use to determine standard federal withholding.

Workday uses these pay balances to calculate taxes for the pay period:

- *Federal Standard Withholding Calculated Tax for Pay Period [USA]*
- *Federal Standard Withholding Wages for Pay Period [USA]*
- *Federal Tip Tax Standard Withholding Calculated Tax for Pay Period [USA]*
- *Federal Tip Tax Standard Withholding Wages for Pay Period [USA]*

## State, Territories, and Local Taxes

### Steps: Set Up Supplemental State Taxes (USA)

#### Prerequisites

Security:

- *Set Up: Payroll - Pay Group Specific* and *Set Up: Payroll (Calculations - Payroll Specific)* domains in the Core Payroll functional area.
- *Set Up: Payroll - Company Specific (Taxes) - USA* in the USA Payroll functional area.

#### Context

Workday automatically applies supplemental taxation for on-cycle payments and supports up to 2 supplemental tax rates for each state:

- Standard
- Alternate

You can apply a different method to supplemental payments that you issue as separate checks or combined with other payments.

#### Steps

1. [Set Up Company State Taxes \(USA\)](#) on page 1177 .

Select the supplemental tax method to use for state withholding. You can apply a different method to supplemental payments to issue them as separate checks or combine them with other payments.

2. [Add Earnings or Deductions to Pay Component Groups](#) on page 241.

On the Non-Effective Dated tab in the Groups field, select 1 of these Workday-owned pay component groups to add the earning to:

- *Supplemental Earnings - Standard [USA]* applies to states with only 1 supplemental tax rate.
- *Supplemental Earnings - Alternate [USA]* can apply when a state has more than 1 supplemental tax rate.

If you add earnings to the *Supplemental Earnings - Alternate* pay component group and a state has only 1 supplemental rate, Workday applies the standard supplemental rate.

3. (Optional) If you need to set up a separate nonregular run category, access the Edit Run Category task to select the Non Regular Taxation check box for the run category that uses the supplemental tax rate.

For on-demand payments, you can still apply supplemental taxation regardless of the run category setup.

See: [Set Taxation and Processing Rules for Run Categories](#) on page 104.

## Example

California taxes bonus and stock option payments at a different tax rate than other supplemental earnings, such as vacation payout.

To tax these earnings at the correct rates:

- Add bonus and stock option earnings to the *Supplemental Earnings - Standard* pay component group.
- Add earnings for vacation payout to the *Supplemental Earnings - Alternate* pay component group.

When assigning the pay component group to a run category, select the Non Regular Taxation option.

## Next Steps

Workday maintains current tax rate information for all states. To view this data, access the All Payroll Tax Data report.

To apply supplemental taxation to on-demand payments, select the Supplemental Taxation option on the Run On Demand Payment for Worker task.

## Steps: Track Workers Compensation (USA)

### Prerequisites

Set up workers compensation.

### Context

You can set up Workday Payroll to track unemployment data for employees whose primary work state is Washington or Wyoming.

Workday tracks the workers compensation code on employee job profiles for quarterly unemployment reporting. Payroll for the U.S. doesn't support tracking workers compensation codes by the location of a worker's payroll processing position.

When you don't configure workers compensation rates at the company level, Workday uses the preset rate for the payroll tax authority.

### Steps

1. Access the Edit Company State and Local US Tax Reporting task.

As you complete the Other section of the State tab, consider:

Option	Description
Start Date	When you're entering a tax for the first time, enter a Start Date.
End Date	When you're changing tax information, Workday recommends that you enter an End Date to the existing row. You can then add a row with a new Start Date and change data as needed.
Tax	Select the workers compensation tax. For Washington, you can also: <ol style="list-style-type: none"> <li>Select Use Tax Override Rate.</li> <li>Enter the Tax Override Rate. Although the tax rate is an hourly rate, enter it</li> </ol>

Option	Description
	here as a percentage. Example: If the rate is 1.39 per hour, enter 139%.

As you complete the Workers Compensation Rate tab, consider:

Option	Description
Start Date	Enter a date at the beginning of the: <ul style="list-style-type: none"> <li>Year</li> <li>Quarter</li> </ul>
End Date	Enter a date at the end of the: <ul style="list-style-type: none"> <li>Year</li> <li>Quarter</li> </ul>
Rate	Enter unique rates for each workers compensation code. The rate you enter on this tab overrides the rate on the State tab.

Security: *Set Up: Payroll - Company Specific (Taxes)* - USA domain in USA Payroll functional area.

## 2. Access the Maintain Payroll Reporting Codes for Worker task.

As you complete the Payroll Reporting Code Description field, consider:

Option	Description
Washington	Indicate whether to report your corporate officers.
Wyoming	Assign a class code indicator to employees who are subject to the classifications: <ul style="list-style-type: none"> <li>Corporate officer</li> <li>Government</li> <li>Inmate</li> <li>Job training</li> <li>School to work</li> <li>Volunteer</li> <li>Welfare</li> </ul> For each corporate office employee, assign the: <ul style="list-style-type: none"> <li><i>C- Corporate Officer (Wyoming Class Code Indicator) class</i> class code indicator</li> <li>Appropriate Wyoming corporate officer type</li> </ul>

Configure the *Maintain Payroll Reporting Codes for Worker* business process and security policy in the USA Payroll functional area.

## Result

Workday applies the rates in this order:

- Override rate for the workers compensation code on the Workers Compensation Rate tab.
- State override rate on the State tab.

- Preset rate for the payroll tax authority. You can view the rate using the View Payroll Tax/Allowance Data report.

## Next Steps

Review these reports:

Report	Description
View Workers Compensation Rates	<p>Verify that you entered the correct rates.</p> <p>You can filter the report on:</p> <ul style="list-style-type: none"> <li>Company</li> <li>Active as of Date or Active Through Date</li> <li>Region(s)</li> </ul>
Audit - Workers Compensation Code In Use with No Rate	Locate missing rates.
Tax Filing Quarterly Data for Workers	<p>Verify the rates by position.</p> <ul style="list-style-type: none"> <li>For Washington, the Workers Comp by Position tab displays only when there are workers to report. You can also view workers on the Additional Data tab.</li> <li>For Wyoming, select the Include Additional Data check box to view the WC Code column.</li> </ul> <p>You can also check rates using the <i>Get Quarterly Worker Tax Filing Data</i> web service.</p>

## Related Information

### Tasks

[Set Up Company Local Taxes \(USA\)](#) on page 1183

### [Set Up Company State Taxes \(USA\)](#)

### Prerequisites

Security: *Set Up: Payroll - Company Specific (Taxes) - USA* domain in USA Payroll functional area.

### Context

Workday maintains state tax data for payroll tax processing. You can enter company-specific data to set up, update, or override company state taxes. You can also override default state tax rates such as SUI, when a state doesn't mandate the same rate for all employers. To view default tax rates, access the View Payroll Tax/Allowance Data report.

### Steps

- Access the Edit Company State and Local US Tax Reporting task.

2. For all sections you complete on the State tab:

- If you're entering a tax for the first time, enter the Start Date.
- Workday recommends that you enter an End Date, then add a row with a new Start Date when you change tax information.
- When you add a row, Workday copies information from the previous row. Enter the Start Date and the changes in the new row.

As you complete the State tab, consider:

Section	Description
Withholding (Only displays if the state that you selected requires withholding.)	<p>Select the state tax method to apply to supplemental payments such as bonuses:</p> <ul style="list-style-type: none"> <li>• Supplemental Tax Method - Single Check: Select the tax method for supplemental payments paid on a run that uses regular taxation.</li> <li>• Supplemental Tax Method - Separate Check: Select the tax method for supplemental payments paid on a run using nonregular taxation.</li> </ul> <p>You can select the multistate rule method to apply to the resident state calculation when a worker's resident and work states are different and the states don't have reciprocity.</p> <ul style="list-style-type: none"> <li>• Multistate Resident Rule - Calculate State: Select the rule to identify when the resident state always calculates (TRUE) or when the work state doesn't have tax.</li> <li>• Multistate Resident Rule - Calculation Method: Select the rule to identify how the resident state calculates.</li> </ul>
Unemployment	<p>To override the default tax rate, select Use Employer Tax Override Rate and enter the new rate in the Employer Tax Override Rate field. Example: Enter 3.4 when the rate is 0.034%.</p> <p>Use Alternate Wage Limit applies to states that have 2 taxable wage limits for state unemployment calculations (beginning in 2012). Example: Rhode Island. To apply the alternative rate, select the check box. View both rates on the View Payroll Tax/Allowance Data report.</p>
FUI ER Credit Reduction	<p>You can override Workday-delivered <i>Federal Unemployment Insurance (FUI) ER Credit Reduction</i> tax rates. Select Use Employer Tax Override Rate and enter the new rate in the Employer Tax Override Rate field.</p> <p>When you select OK, the Default Employer Rate displays the tax rates from the All Payroll Tax Data report for all effective-dated rows.</p>

Section	Description
Other	<p>For taxes other than withholding or unemployment.</p> <p>When you select a tax, Workday automatically selects 1 of these check boxes:</p> <ul style="list-style-type: none"> <li>• Exemption Allowed : The tax is calculated unless you exempt the worker.</li> <li>• Worker Tax Election Required: The tax is calculated only if elected for a worker.</li> </ul> <p>Use the Add Worker US Tax Elections task to exempt a worker or make an election.</p> <p>When a tax rate override is allowed, you can select Use Tax Override Rate, and enter a Tax Override Rate to override the default. Convert a percentage to the rate.</p> <p>Example: Enter <i>3.4</i> when the rate is 0.034 percent. Enter <i>0.34</i> when the rate is 0.0034 percent.</p> <p>You can only enter a value on the Alternate Wage Limit field after selecting the Use Alternate Wage Limit check box for these deductions with a Start Date that is on or after 2024-01-01:</p> <ul style="list-style-type: none"> <li>• CA: Voluntary Disability Insurance (VDI) - Mandatory [USA]</li> <li>• CA: Voluntary Disability Insurance (VDI) - Optional [USA]</li> </ul> <p>Taxes in the Other category can be excluded from Tax Filing unless you included them using the Maintain Payroll Tax Filing Configuration task.</p>

You can add or change the EIN. When you update the EIN, Workday displays a Box 15 – State – Employer's State ID Number (Previous) column on the *View W-2C Form Data* report that you can use to view the original EIN.

3. As you complete the ESS Forms tab, consider:

Section	Description
Start Date	Select the date that you want these changes to go into effect.
Enable All Forms	You only need to select Enable All Forms if you previously disabled forms or form types. Example: You add a row with a start date of 01-01-2023 and select <i>Exempt</i> for the Disabled Form Types - All States prompt. You want to enable all forms for the next month, so you add another row with a start date of 02-01-2023 and select the check box. This enables you to

Section	Description
	keep an audit trail of what forms you disabled previously.
Disable Forms - All States	Select the forms that you want to hide from workers.
Disabled Form Types - All States	Select the form types that you want to hide from workers.
Display Default Disclaimer	Select to display the default disclaimer to workers when they add state withholding elections. Doesn't display when you enter a custom disclaimer.
Custom Disclaimer	Enter a custom disclaimer. The disclaimer displays to workers when they're adding state withholding elections. This disclaimer takes priority over the default disclaimer and displays even when you select the Display Default Disclaimer check box.

## Next Steps

Review the Company US Tax Reporting report for a summary of company elections, including a history of elections that have ended.

Note: For the Active As of Date field, Workday only returns the tax authorities as of the date you selected. Example: If you input 1/1/2021, you can only review company tax data that are in effect on the specified date or later.

Related Information

### Tasks

[Maintain Tax Filing Categories](#)

[Set Up Employee Types](#)

[Steps: Set Up Supplemental State Taxes \(USA\) on page 1174](#)

[Steps: Add Worker Tax Elections \(USA\) on page 1245](#)

### Reference

[Reference: View Tax Authority Data \(USA\) on page 1198](#)

### Examples

[Manage Benefit Coverage Types](#)

## [Set Up Union Rates for Paid Family and Medical Leave \(USA\)](#)

### Prerequisites

Security: *Set Up: Payroll - Company Specific (Taxes) - USA* domain in USA Payroll functional area.

### Context

You can define union tax rates for states with paid family and medical leave.

Workday uses your union rates to override default rates for paid family and medical leave. If you don't set up union rates, Workday uses the preset rate for the payroll tax authority.

### Steps

1. Access the Edit Company State and Local US Tax Reporting task.

2. As you complete the Union Rate tab, consider:

Option	Description
Start Date	When you're entering a tax for the first time, enter a Start Date.
End Date	When you're changing tax information, Workday recommends that you enter an End Date to the existing row. You can then add a row with a new Start Date and change data as needed.
Union	Select the union related to the tax rate.
Tax	Select the paid family and medical leave tax.

## Result

Workday applies the rates in this order:

1. Override rate for unions on the Union Rate tab.
2. Company override rate on the State tab.
3. Preset rate for the payroll tax authority. You can view the rate using the View Payroll Tax/ Allowance Data report.

Note: When a worker belongs to multiple unions for the same company and you set up union override rates for multiple unions that a worker belongs to on the Union Rate tab of the Edit Company State and Local US Tax Reporting task, Workday uses the lowest override tax rate.

## Next Steps

(Optional) To review union tax rates that you set up in the company, add the Union Rate - Union field on custom reports.

## Set Up Washington Labor and Industry Rates and Codes (USA)

### Prerequisites

Enter compensation codes and job details for workers in Washington State on the Maintain Workers' Compensation Codes task.

Security:

- *Set Up: Job* domain in the Jobs & Positions functional area.
- *Set Up: Payroll - Company Specific (Taxes) - USA* domain in the USA Payroll functional area.

### Context

You can configure codes and rates for Washington that Workday uses when calculating worker compensation for an employee's primary work state. When you enter the codes and rates from the Washington State Department of Labor and Industries (WA L&I), Workday uses them for taxation and reporting purposes and to determine the:

- Worker compensation rate in effect for Washington, when the state is the business location of the worker's primary position.
- Job profile associated with the job code assigned by WA L&I.

When you don't use an override, Workday uses the default tax rate listed on the View Payroll Tax/ Allowance Data report.

## Steps

1. Access the Edit Company State and Local US Tax Reporting task.
2. Complete the Other grid on the State tab:

Field	Description
Tax	<p>Select 1 or more of these workers compensation tax deductions, if applicable.</p> <p><b>Employee Components:</b></p> <ul style="list-style-type: none"> <li>• WA: Washington Medical Aid Fund (Effective Jan 2017)</li> <li>• WA: Washington Stay at Work Program</li> <li>• WA: Washington Supplementation Pension Fund</li> </ul> <p><b>Employer Components:</b></p> <ul style="list-style-type: none"> <li>• WA: Washington Industrial Insurance (Accident) Fund (ER)</li> <li>• WA: Washington Medical Aid Fund (ER) (Effective Jan 2017)</li> <li>• WA: Washington Stay at Work Program (ER)</li> <li>• WA: Washington Supplemental Pension Fund (ER)</li> </ul> <p>You can only override the pension fund rate on the State tab.</p>
Use Tax Override Rate	Select the check box.
Tax Override Rate	Enter the override rate for Washington State as a percentage. When you don't enter a tax override rate, Workday uses the default rate for the state. Although the override tax rate is an hourly rate, enter it as a percentage. Workday doesn't calculate the override rate as a flat figure. Example: Enter 1.39 if the rate is 0.0139 per hour.

3. Complete the Workers Compensation Rate tab:

Field	Description
Start Date	<p>When you're entering a tax for the first time, enter the Start Date.</p> <p>When you're changing tax information, Workday recommends that you enter an End Date, then add a row with a new Start Date.</p>
Tax	<p>Select 1 or more of these workers compensation tax deductions, if applicable.</p> <p><b>Employee Components:</b></p> <ul style="list-style-type: none"> <li>• WA: Washington Medical Aid Fund (Effective Jan 2017)</li> <li>• WA: Washington Stay at Work Program</li> </ul> <p><b>Employer Components:</b></p>

Field	Description
	<ul style="list-style-type: none"> <li>• WA: Washington Industrial Insurance (Accident) Fund (ER)</li> <li>• WA: Washington Medical Aid Fund (ER) (Effective Jan 2017)</li> <li>• WA: Washington Stay at Work Program (ER)</li> </ul>

Note: When you enter an override rate on the Workers Compensation Rate tab for a specific compensation code, Workday prioritizes that rate instead of the rate you enter on the State tab. Example: On the State tab, you set up a tax override rate. On the Workers Compensation Rate tab, you set an override rate for compensation code 0040 - Vineyards (United States of America). Workday only uses the workers compensation override rate for workers that have the 0040 workers compensation code and uses the tax override rate you set on the State tab for all other workers.

4. Click OK.

## Set Up Company Local Taxes (USA)

### Prerequisites

Security: Set Up: Payroll - Company Specific (Taxes) - USA domain in USA Payroll functional area.

### Context

Workday maintains local tax data for payroll tax processing so that these tax authorities are available in Workday for you to set up for the company:

- Counties.
- Cities.
- Local school districts.

Add them to the company so employees can make tax elections for them.

The payroll administrator receives a notification to add a tax authority when:

- You set up self-service for withholding elections that includes an approval step on the business process.
- The employee selects a tax authority that you haven't set up. In this case, manually enter the employee's tax elections and approve them.

### Steps

1. Access the Edit Company State and Local US Tax Reporting task.
2. Select the Local tab. The Local tab is populated only if there's local data relevant to the state and company combination.
3. If you're entering a tax for the first time:
  - Enter the Start Date.
  - If you're changing tax information, Workday recommends that you enter an End Date and add a row with a new Start Date. When you add a row, Workday copies information from the previous row. Enter the Start Date and the changes in the new row.
4. For each tax, enter 1 or more tax authorities.

Example: An employee works in 3 Pennsylvania locations (Philadelphia City, Abington Township, and Lower Merion Township). You can enter Local City Withholding (Work) [USA] once and select all 3 townships for that tax.

5. As you complete this tab, consider this location-specific information:

Kentucky

In the City Withholding section for Louisville, select *Local City Withholding (Work) [USA]* and make these Tax Authority selections:

- *Louisville Non-Resident + TARC (Kentucky: Jefferson)*
- *Louisville Resident + TARC (Kentucky: Jefferson)*

In the School District Withholding section for Louisville, select *Local School District Withholding (Resident) [USA]*. For the Tax Authority , select *Jefferson County School Board Tax (Kentucky: Jefferson)*.

Ohio

State tax election requires the employee's school district.

Pennsylvania

Select *Local City (PENN) Local Service Tax [LST] (USA)* in the City Withholding Tax field for each company in Pennsylvania. Then enter the amount in the Previous Employer Deducted Amount field of Worker Tax Elections.

Workday uses this calculation logic to return the higher of 2 taxes:

Tax	Primary Work = PA and Primary Resident = PA	Primary Work = PA and Primary Resident < > PA	Primary Work < > PA and Primary-Resident = PA
<i>City Withholding (Work)</i>	Higher of: <ul style="list-style-type: none"><li>• City Work Tax Rate</li><li>• City-Resident Tax Rate + School District Tax Rate</li></ul>	City Work Tax Rate	Doesn't resolve.
<i>City Withholding (Resident)</i>	Resolves to zero.	Doesn't resolve.	City Resident Tax Rate + School District Tax Rate

Tax	Primary Work = PA and Primary Resident = PA	Primary Work = PA and Primary Resident < > PA	Primary Work < > PA and Primary-Resident = PA
<i>School District Withholding (Resident)</i>	Resolves to zero.	Doesn't resolve.	Resolves to zero.

6. To file to a single tax collector for Pennsylvania local taxes, complete the Tax Collection District (TCD) tab.

Enter the Tax Collection District Code for the tax collection agency that you want to send Pennsylvania local taxes. Workday recommends that you make sure this code is accurate by checking the code on the government agency website.

Note: You can only have 1 active TCD code per federal tax ID (FEIN).

When changing the Tax Collection District Code, Workday recommends that you:

- End Date the previous row.
- Create a new row with a new Start Date.

When you create the W-2, Workday reports the code that's active at the end of the relevant tax year.

When you modify, add, or delete the TCD code after you create W-2s, Workday creates a W-2C for all workers with a Pennsylvania local tax.

## Next Steps

Review the Company US Tax Reporting report for a summary of company elections, including a history of elections that have ended.

Note: For the Active As of Date field, Workday only returns the tax authorities as of the date you selected. Example: If you input 1/1/2021, you can only review company tax data that are in effect on the specified date or later.

### Related Information

#### Tasks

[Steps: Add Worker Tax Elections \(USA\)](#) on page 1245

#### Reference

[Reference: View Tax Authority Data \(USA\)](#) on page 1198

### Concept: Additional State and Territory Considerations (USA)

Consider this additional state- and territory-specific information as you set up payroll taxes.

California

At the beginning of the year, determine which disability insurance and family leave insurance plans you want Workday to calculate automatically. Add these plans using the Edit Company State and Local US Tax Reporting task. Mandatory deductions calculate automatically and don't require tax elections. Select from:

- [CA: State Disability Insurance \(SDI\) - Mandatory](#)

- CA: Voluntary Disability Insurance - (VDI) - Mandatory

Also add CA: California Voluntary Plan Assessment – Employer Paid [USA], if applicable.

To calculate accurate gross wages for taxes, you must configure an SUI Taxable tax authority exception for the tax authority that corresponds to the disability plan. Use the Maintain Tax Authority Exceptions Pay Component Groups task to configure exceptions for these tax authorities:

- CA: State Disability Insurance (SDI) - Mandatory
- CA: State Disability Insurance (SDI) - Optional [USA]
- CA: Voluntary Disability Insurance - (VDI) - Mandatory
- CA: Voluntary Disability Insurance (VDI) - Optional [USA]

#### Guam

Workday automatically adjusts all payroll processing to the corresponding Guam taxes for workers who earned wages in another state or territory in the same year.

#### New Jersey

For New Jersey only, on the Edit Company State and Local US Tax Reporting task, in the Unemployment grid:

- The Employer Tax Override Rate check box is renamed Use Tax Override Rate.
- You can enter the Governmental Reimbursable override rate for SUI.
- Enter SUI (ER [USA] and SUI [USA] on separate rows.

Determine which disability insurance and family leave insurance plans you want Workday to calculate automatically for employees (state or private). Add these plans in the Other grid on the Edit Company State and Local US Tax Reporting task. Select from:

- New Jersey Temporary Disability Fund - Mandatory
- New Jersey Voluntary Disability Insurance (NJVDI) - Mandatory
- New Jersey Family Leave Insurance (NJFLI) - Mandatory
- New Jersey Private Family Leave Insurance (NJPFLI) - Mandatory

New Jersey requires you to list employer private plans on the W-2 form. Access the State tab and enter the plans in the Other section. For each plan, select EIN/Plan Number and enter the private plan number.

## Pennsylvania

Also add *New Jersey Voluntary Disability Insurance (NVDI) – Employer Paid [USA]*, if applicable.

New Jersey Disability Insurance Plan and Family Leave Insurance Private Plan numbers display in boxes 19 and 20 on the New Jersey W-2 form.

To report Pennsylvania local taxes to a single tax collector:

- Register your business with a local tax collector.
- Set up a Tax Collection District for your company. See [Set Up Company Local Taxes \(USA\)](#) on page 1183.
- Select the Include Pennsylvania Local Taxes launch parameter on the MasterTax Tax Filing - Monthly integration.
- Run the *Get Monthly Worker Tax Filing Data* web service to output monthly tax filing data for Pennsylvania local taxes.

## Puerto Rico

Workday assigns a unique Control Number to each year-end tax form for Puerto Rico when you perform the Create US Territory Year End Form Data task. Select the Year End tab and enter the First Control Number and Last Control Number.

Workday automatically populates the email address for the company contact in the Employer Email section when you perform the Edit Company State and Local Tax Reporting task. If no email address is available, Workday populates the company email address.

Workday automatically adjusts all payroll processing to the corresponding Puerto Rico taxes for workers who earned wages in another state or territory in the same year.

See [Steps: Set Up, Audit, and Print Year-End Tax Forms \(USA\)](#) on page 971.

## U.S. Virgin Islands

Workday automatically adjusts all payroll processing to the corresponding Virgin Islands taxes for workers who earned wages in another state or territory in the same year.

## Vermont

For information on filing the Vermont Employer Health Care Contribution Tax, see [File Vermont Employer Health Care Contribution \(USA\)](#) on page 1272.

## Washington

Set up these taxes on the State tab of the Edit Company State and Local US Tax Reporting task:

- Seattle Employee Hours
- Washington Cares Fund

Set up Washington workers compensation on the Workers Compensation Rate tab of the Edit Company State and Local US Tax Reporting task. Select the Use Tax Override Rate check box.

Enter the Tax Override Rate. If you don't provide a rate override, then Workday uses the default rate. Although the tax rate is an hourly rate, enter it here as a percentage.

[See Steps: Track Workers Compensation \(USA\) on page 1175.](#)

## Wyoming

You can set up Wyoming workers compensation. Access the Edit Company State and Local US Tax Reporting task and enter the tax rate for each workers compensation code on the Workers Compensation Rate tab. Workday defines compensation codes using the Maintain Workers Compensation Codes task.

[See Steps: Track Workers Compensation \(USA\) on page 1175.](#)

## Related Information

### Tasks

[Steps: Add Worker Tax Elections \(USA\) on page 1245](#)

### Concept: Override Multistate Resident Withholding Rules (USA)

Consider these options for configuring the override multistate resident withholding rule. The rule applies when a worker's resident state and work state don't have reciprocity.

Multistate Resident Rule - Calculate State	Multistate Resident Rule - Calculation Method	Result
True	Blank	Workday calculates wages and tax for the worker's resident state with no credit for the work state tax.
True	Resident State Tax - Work State Tax (if > 0)	Workday calculates wages and tax for the worker's resident state and reduces tax by crediting applicable work state tax.
True	Resident State Tax - Work State Tax (if > 0) / Report Work Wages Only	Workday calculates tax for the worker's resident state and reduces tax by crediting applicable work state tax. Workday doesn't calculate resident state wages.
Tax Calc (State-WH-Reciprocity): Work State Does Not Have Tax	Work State Does NOT Have Tax	Workday calculates wages and tax for the worker's resident state only if the work state doesn't have tax.
True	Work State Does NOT Have Tax / Report All Wages	Workday calculates wages for the worker's resident state.

Multistate Resident Rule - Calculate State	Multistate Resident Rule - Calculation Method	Result
		Workday calculates tax for the worker's resident state only if the work state doesn't have tax.

## Related Information

### Concepts

[Concept: State Tax Reciprocity \(USA\) on page 1231](#)

### Tasks

[Set Up Ongoing Multiple Work Jurisdictions \(USA\) on page 1220](#)

## Concept: Payroll for U.S. Territories (USA)

Workday Payroll enables you to process payroll for employees who live and work in these U.S. territories:

- Commonwealth of Puerto Rico (starting with tax year 2016)
- Guam (starting with tax year 2017)
- U.S. Virgin Islands (starting with tax year 2017)

### Tax Withholding

Configure the State tab on the Edit Company State and Local US Tax Reporting task for:

- State tax withholding.
- Unemployment.
- Other taxes.

Workday automatically adjusts these corresponding territory taxes:

- *OASDI (EE and ER)*
- *Medicare (EE and ER)*
- *Additional Medicare Tax*

When you pay workers who previously had federal taxes withheld while working in another state, Workday:

- Recognizes previous balances or values when calculating the *Additional Medicare tax* for the current tax year.
- Applies previous values across deductions.
- Recognizes taxes already withheld and avoids over-withholding.
- Respects and supports company relationships.

Use the All Payroll Tax Data report to display a list of all the tax deductions available for each territory.

### Puerto Rico-Specific Information

#### Annual Christmas Bonus

Workday delivers the *Puerto Rico Christmas Bonus* tax calculation you can use to configure your Christmas Bonus earning.

When the Christmas Bonus Amount is	Workday Withholds
Up to \$600	Zero %
Greater than \$600 but less than \$1500	7%
Greater than \$1500	The existing effective supplemental method – standard or aggregate – depending on whether there's a regular or separate pay result.

For the *Puerto Rico Christmas Bonus* tax calculation to withhold at these rates, you must:

- Pay the Christmas Bonus earning by separate check.
- Not combine the earning with any other earning.

To use the *Puerto Rico Christmas Bonus* tax calculation, add these pay component groups to your Christmas Bonus earning:

- *Puerto Rico Christmas Bonus [USA]*

- *State Withholding Taxable (Withhold Taxes) [US]*
- *Supplemental Earnings - Standard [USA]*

#### Entrepreneur Exemption

Workday supports these Commonwealth of Puerto Rico Department of the Treasury withholding forms:

- 499-R-4 (Spanish version)
- 499 R-4.1 (English version)

Note: In 2017, the Puerto Rico Department of the Treasury required employees to submit a new withholding elections form. To qualify for this exemption, select Entrepreneur Exemption on the new form.

Employees can use the self-service Withholding Elections task. At the Young Individuals age between 16 and 26 years prompt, employees select from:

- *I am choosing exemption on the first \$40,000 in wages*
- *I choose not to be exempt from the first \$40,000 of wages*

Employees can also add any additional deduction amount or percentage.

You can select the Entrepreneur Exemption check box on the Add Worker US Tax Elections task.

Workday:

- Bases the tax calculation on

the difference between the total wages and the withholding exemption.

- Respects any valid exempted amounts for Puerto Rico.
- Includes additional withholding amounts or percentages from a worker's tax elections.

Note: When a worker claims the Entrepreneur Exemption, Workday resolves any additional withholding on wages after the worker reaches the exempt wage limit of 40,000.

The View Low Income Workers with No Puerto Rico Tax Withholding report displays employees that might need a new withholding election. It displays workers:

- Who live or work in Puerto Rico.
- Whose gross wages are less than \$20,000.
- Who have had no Puerto Rico tax withheld.
- Are wage eligible for the Entrepreneur Exemption.

#### Retirement Plans

Workday delivers these calculations to support retirement plan deductions:

Calculation Type	Description
<i>Puerto Rico 1081.01(d) + Catch-Up Limit</i>	Returns combined value of the Puerto Rico 1081.01 annual limit plus catch-up limit.
<i>Puerto Rico Annual Defined Contribution Plan Limit Value</i>	Returns numeric value for the Puerto Rico elective deferral annual contribution limit based on the payment date year being processed. Doesn't include the value for catch-up contributions.
<i>Puerto Rico Dual-Plan Elective Deferral Annual Limit</i>	Returns numeric value for the federal annual

Calculation Type	Calculation Type	Description
(including catch-up if worker over 50 years of age)		contribution limit (including Puerto Rico 1081.01(d) catch-up limit if applicable) based on the payment date year being processed.
Puerto Rico Dual-Plan Elective Deferral Annual Limit + Puerto Rico 1081.01(d) Catch-Up Limit	Arithmetic Calculation	Returns combined value of the Puerto Rico dual plan annual limit plus catch-up limit.
Puerto Rico Elective Deferral Annual Catch-Up Limit under PR Code 1081.01(d)	Lookup Calculation	Returns numeric value for the Puerto Rico elective deferral annual catch-up contribution limit based on the

Calculation Type	Condition	Description
		payment date year being processed.
<i>Puerto Rico Elective Deferral Annual Limit (including catch-up if worker over 50 years of age)</i>	Condition Calculation	Returns numeric value for the Puerto Rico 1081.01(d) annual contribution limit (including catch-up limit if applicable) based on the payment date year being processed.
<i>Puerto Rico Elective Deferral Annual Limit for Dual Plan under PR Code 1081.01(d) and Federal 401(k)</i>	Lookup Calculation	Returns numeric value for the Puerto Rico dual plan annual catch-up contribution limit based on the payment date year

Calculation Type	Calculation Type	Description
		being processed.
<i>Puerto Rico Elective Deferral Annual Limit under PR Code 1081.01(d)</i>	Lookup Calculation	Returns numeric value for the Puerto Rico Elective Deferral annual contribution limit based on the payment date year being processed. Doesn't include the value for catch-up contributions.
<i>Puerto Rico Eligible Wage Limit (Section 1081.01(a))</i>	Lookup Calculation	Returns numeric value for the Puerto Rico annual contributions limit based on the payment date year being processed. Only looks

Calculation Type	Description
	at the specified dollar limit value; not 100% of the employee's annual compensation.

## Related Information

### Tasks

[Steps: Add Worker Tax Elections \(USA\) on page 1245](#)

### Reference

[Reference: View Tax Authority Data \(USA\) on page 1198](#)

## Tax Authorities

### Define Tax Authority Exceptions from Pay Component Groups (USA)

#### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Context

You can set up a pay component group (PCG) to either exclude or include pay components for a tax authority.

#### Steps

1. Access the Maintain Tax Authority Exceptions Pay Component Groups task.
2. Select the Pay Component Group that requires exceptions.
3. Select a date from the Update Existing Effective Date or Add New Effective Date prompt.

When you add an effective date for an exception for taxes or withholding orders, Workday considers the exception snapshot that's effective as of the payment date or payment date override while processing payroll calculations.

For Flat Sum Bonus, Workday considers the snapshot that's effective as of the subperiod or period end dates while processing calculations.

4. On the Effective Dated Details tab, in the Exceptions for Taxes section, select the Payroll Tax Authority.
  - a) From the Exclude Pay Component(s) prompt, select the pay component that should be excluded from the PCG.
  - b) From the Include Pay Component(s) prompt, select the pay component that should be included in the PCG

5. In the Exceptions for Withholding Orders section, specify exceptions to the disposable earnings calculation for withholding orders.
  - a) From the Payroll Tax Authority prompt, select 1 or more tax authorities that calculate disposable earnings differently.
  - b) From the Withholding Order Type prompt, select 1 or more types of withholding orders.
  - c) When the pay component:
    - Is part of the group but the tax authority treatment of it doesn't apply, select it from the Exclude Pay Component(s) prompt.
    - Isn't part of the group but the tax authority treatment of it does apply, select it from the Include Pay Component(s) prompt.

## Result

Workday makes the PCG exceptions that you configure. You can access the View Pay Component Group report to verify the Exceptions tab in the Effective Dated Details .

## Example

The *State Withholding Taxable Reduction* PCG reduces state taxable income for 401(k) contributions in all states except Pennsylvania, so the pay component *401(k) [USA]* should be excluded for the Pennsylvania tax authority from the *State Withholding Taxable Reduction* PCG.

Exceptions for taxes for the *State Withholding Taxable Reduction* PCG:

Payroll Tax Authority	Exclude Pay Component(s)	Include Pay Component(s)
Pennsylvania	401(k) [USA]	

With this configuration, Workday excludes the *401(k) [USA]* pay component from the *State Withholding Taxable Reduction* PCG when processing payroll for Pennsylvania.

## Related Information

### Tasks

[Create Pay Component Groups](#) on page 238

### Reference: View Tax Authority Data (USA)

Use these reports to view the federal and state tax data that Workday uses to calculate payroll taxes. Workday automatically updates tax data in response to changes made by tax authorities.

Report	Description
View Payroll Tax Authority	Specifies federal, state, local, or all tax authorities by: <ul style="list-style-type: none"> <li>• Start date.</li> <li>• Valid and default marital statuses.</li> <li>• Default allowances.</li> <li>• Valid and default supplemental tax methods.</li> </ul>
Payroll Tax Authority Defaults	Displays details for federal and state taxes.
View Payroll Other Tax Authorities	Displays tax data for all state tax authorities except withholding and unemployment, including: <ul style="list-style-type: none"> <li>• Tax associated with the authority.</li> <li>• Tax codes.</li> </ul>

Report	Description
	<ul style="list-style-type: none"> <li>• Whether worker exemption is allowed (for mandatory taxes) or election is required (for nonmandatory taxes).</li> </ul> <p>When a tax is calculated automatically, the View Payroll Tax Authority report displays <i>Yes</i> for Worker Tax Election Exemption Allowed.</p> <ul style="list-style-type: none"> <li>• Region.</li> <li>• Start date.</li> <li>• Whether the authority allows tax override rate on company reporting.</li> <li>• Whether the tax for workers with multiple jobs resolved based on the state where SUI is resolved.</li> </ul> <p>You can review which local tax authorities don't allow negative tax withholding by reviewing the Do Not Allow Negative Tax Withholding field. This field indicates which tax authorities don't support refunding taxes when negative taxable wages exist on the pay result.</p>
Payroll State Authority Attributes	Displays valid marital statuses, allowances, and withholding percents by state. The default start date reflects when Workday began tracking this data (2007/01/01).
View Payroll Tax/Allowance Data	<p>Provides tax authority:</p> <ul style="list-style-type: none"> <li>• Values.</li> <li>• Limits.</li> <li>• Calculation methods.</li> <li>• Federal or state rates or amounts.</li> </ul> <p>Workday displays the Payroll Compliance Updates tab if the tax authority you select has any compliance updates (since 2014/12/05).</p>
All Payroll Tax Allowance Data	<p>Provides information that defines the pay components for all tax authorities (federal and state), including:</p> <ul style="list-style-type: none"> <li>• Type. Example: <i>Reduces Taxable Wages</i> or <i>Reduces Calculated Tax</i>.</li> <li>• Start date.</li> <li>• Description.</li> <li>• Calculation method.</li> <li>• Flat rate or flat deduction amount.</li> <li>• Wages to compare against table base/cap amounts.</li> </ul>
All Payroll Tax Data	<p>For the tax deduction combinations you select, Workday displays the:</p> <ul style="list-style-type: none"> <li>• Calculation values.</li> <li>• Limits.</li> </ul>

Report	Description
	<ul style="list-style-type: none"> <li>Calculation methods.</li> <li>Federal or state rates or amounts.</li> </ul> <p>The start date reflects the most recent changes.</p>
Payroll Authority Minimum Wages	<p>Displays the minimum wages for the specified state since 2008.</p> <p>Workday displays the Payroll Compliance Updates tab if the tax authority you select has any compliance updates (since 2014/12/05).</p>
All Payroll Authority Minimum Wages	Displays the minimum wage for all states since 2008.
Payroll Tax Mappings on Location	<p>Use for the Tax Location Mapping (TLM) feature.</p> <p>Displays all:</p> <ul style="list-style-type: none"> <li>Payroll tax locations.</li> <li>TLM activation status.</li> <li>Respective tax authority data.</li> </ul>
Payroll Tax Mapping Inactivation on Worker	Displays tax authority data for worker-level Tax Location Mapping (TLM) configurations.

#### Related Information

##### Tasks

[Steps: Set Up Payroll Taxes \(USA\)](#) on page 1162

[Set Up Company Federal Taxes \(USA\)](#) on page 1165

##### Examples

[2023R2 What's New Post: Enable Negative Tax Withholding for Negative Wages](#)

## Map Earnings and Deductions to Year End Tax Reporting Forms (USA)

### Map Earnings and Deductions to W-2 Boxes (USA)

#### Prerequisites

Security: These domains in the USA Payroll functional area:

- Set Up: Payroll*
- USA Payroll: Set Up: Payroll (Tax Filing/W-2s) - USA*

#### Context

Workday provides default W-2 form configuration and a View W-2 Box Configuration report that payroll administrators can use to view and edit the W-2 form configuration for year-end processing.

If you're using a common pay agent, Workday reports the EIN of the common pay agent in box b, then in box c reports:

- The name of the common pay agent.
- As agent for* and the name of the worker's company.

You can map W-2 boxes so Workday Payroll knows which pay components to display in each section of the forms. You're responsible for mapping these boxes.

You can only map pay components or pay component-related calculations to boxes for W-2 forms.

## Steps

1. Access the View W-2 Box Configuration report. Select a tax year.
2. Click the Edit button to map earnings and deductions to a box.
3. Select the earnings, deductions, or pay component related-calculations you want to report in the box.

As you complete the task, consider:

Option	Description
Effective Date	Workday automatically populates this field with the year from the existing mapping.
Effective Until End of Year	The last year the pay component mapping is valid. If you don't select a year, the mapping remains valid indefinitely.  If you create an additional row for a new calculation, you must select an Effective Until End of Year date for the previously existing calculation.
Calculation	You can select all pay components for a given year in the same row. Workday sums pay components selected in the same row and reports their total in the box.

## Result

Use the Company W-2 Audit report before creating W-2 data to see company totals by box.

You can view the results of box configuration on the W-2 Preview report.

Access the View W-2 Errors report to identify and correct errors on the W-2 form.

### Related Information

#### Tasks

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(USA\)](#) on page 971

#### Reference

[Reference: Year-End Form Boxes to Be Mapped \(USA\)](#) on page 1204

### [Map Earnings and Deductions to Year-End Forms for U.S. Territories \(USA\)](#)

#### Prerequisites

Security: These domains in the USA Payroll functional area:

- [Set Up: Payroll \(US Territory Year End Forms\)](#)
- [View US Territory Year End Box Configuration](#)

#### Context

You can use the View US Territory Year End Form Box Configuration report to view or edit year-end form configuration for these territories:

- W-2GU for Guam.
- W-2PR for Puerto Rico.
- W-2VI for the U.S. Virgin Islands.

Workday populates the employer's:

- Name with the legal company name.
- Address with the primary business address.

You can only map pay components or pay component-related calculations to boxes for year-end forms for U.S. territories.

## Steps

1. Access the View US Territory Year End Form Box Configuration report.
2. Select a Tax Year.
3. Click Edit to map earnings and deductions to a box.
4. Select earnings, deductions, or pay component-related calculations to report in the box.

As you complete the task, consider:

Option	Description
Effective Date	If you don't select a year, this mapping remains valid indefinitely. If you select a year, you must provide a new mapping for subsequent years.
Effective Until End of Year	The last year the pay component mapping is valid. If you don't select a year, the mapping remains valid indefinitely.
Calculation	You can select all pay components for a given year in the same row. Workday sums all pay components selected in the same row.

5. Map year-end form boxes so that Workday Payroll knows which earnings, deductions, and pay component-related calculations to calculate and display in each section of the form.

To see a list of the boxes you're responsible for mapping, see *Reference: Year-End Form Boxes to Be Mapped*.

## Result

Use the Company US Territory Year End Form Audit Report before creating year-end data to see company totals by box.

Access the View US Territory Year End Form Errors report to identify and correct errors.

You can view box configuration results on the US Territory Year End Form Preview report.

### Related Information

#### Tasks

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(USA\)](#) on page 971

#### Reference

[Reference: Year-End Form Boxes to Be Mapped \(USA\)](#) on page 1204

## Configure Box 13 for Employees Who Didn't Elect the Company Retirement Plan (USA)

### Prerequisites

Security: These domains in the Core Payroll functional area:

- [Set Up: Payroll \(Calculations - Payroll Specific\)](#)
- [Set Up: Payroll - Pay Group Specific](#)

## Context

When an employee hasn't elected a retirement plan for which they're eligible, use a memo earning and payroll input to populate box 13 (Statutory Employee, Retirement Plan, and Third Party Sick Pay check boxes) on an employee's W-2. A memo earning passes information through payroll for reporting purposes, but doesn't affect net pay or employee and employer taxes.

## Steps

1. Access the Create Earning task.
2. Set up a memo earning with these settings on the Effective Dated tab:

Option	Setting
Worker Eligibility	<i>Payroll Input Exists for Pay Component</i>
Calculation Details	<ul style="list-style-type: none"> <li>• Calculation: <i>Payroll Input</i></li> <li>• Input Amount Allowed? Selected</li> </ul>

3. On the Non-Effective Dated tab, ensure that these Groups aren't included:
  - *Adds to Gross*
  - *Subtract from Net*
4. Add the memo earning to Additional Pay Components to Calculate on the Edit Run Category task.
5. Add payroll input for the memo earning. Enter at least 1 cent for the earning.
6. Map the memo earning to the W-2 form.

## Result

The W-2 Preview report displays *Yes* for box 13 of the worker's W-2 form. When you generate W-2 forms, an *X* displays in the related Box 13 check box.

### Related Information

#### Tasks

[Map Earnings and Deductions to W-2 Boxes \(USA\)](#) on page 1200

### Concept: Cost of Employer-Sponsored Health Coverage: Box 12DD (USA)

If you have an employer match or flexible benefits that apply to a Flexible Spending Account (FSA), add these pay component groups to your earnings and deductions:

- Section 125 Cafeteria Plan (for earnings or deductions).
- FSA Employer Match (for earnings or deductions).
- FSA Employee Deduction.

In addition, map any applicable deductions to Box 12DD.

Workday then determines whether to include the employer's FSA match in the Box 12DD amount.

## Example

In these year-end W-2 results, Workday determines to include an employer's FSA match in the Box 12DD amount:

- Worker A's Total FSA (2,400 USD) is less than the 125 Cafeteria Plan (3,540 USD). Therefore, Workday doesn't include the employer's FSA match in the Box 12DD box.
- Worker B's Total FSA (2,400 USD) is more than the 125 Cafeteria Plan (1,980 USD). Therefore, Workday includes the employer FSA match in the Box 12DD (Medical EE [600 USD] + ER Match to FSA [1,200 USD] = 1,800 USD).

Pay Component	12DD	FSA ER	Sec 125	FSA EE	Worker A	Worker B
Medical EE	X		X		1800	600
FSA - EE			X		1200	1200
Dental - EE			X		300	60
Vision - EE			X		240	120
Medical ER	X				1800	0
ER Match to FSA	X	X			1200	1200
FSA 125					2400	2400
Report ER FSA?					3540	1980
Expected W-2 12DD					No	Yes
					3600	1800

#### Related Information

##### Tasks

[Map Earnings and Deductions to W-2 Boxes \(USA\)](#) on page 1200

#### Reference: Year-End Form Boxes to Be Mapped (USA)

You can map boxes on year-end forms so that Workday Payroll:

- Calculates earnings, deductions, and pay component-related calculations.
- Displays the data in each section of the forms.

You're responsible for mapping these boxes:

- [W-2](#) on page 1204
- [W-2GU](#) on page 1207
- [W-2PR](#) on page 1209
- [W-2VI](#) on page 1213

You can only map pay components or pay component-related calculations to boxes on year-end forms.

Use the relevant report to map boxes on year-end forms:

- View US Territory Year End Form Box Configuration.
- View W-2 Box Configuration.

When you select Preferred on the General Name Display Type on the Edit Tenant Setup - System task, Workday still uses the legal name on year-end forms.

#### W-2

W-2 / W-2C Box	Description
D	To hide the control number for Box D, select Edit > Suppress Control Number Display on Form.
2	Additional federal income tax withheld
8	Allocated Tips
10	Dependent Care Benefits

W-2 / W-2C Box	Description
11	Non-Qualified Pension Section 457 Dist YTD
11	Non-Qualified Pension Non-section 457 Dist YTD
11	Non-Qualified Pension Section 457 Contrib YTD
11	Non-Qualified Pension Non-section 457 Contrib YTD
12 C	Taxable Cost of GTL
12 D	Elective 401(k) Deferral
12 E	Elective 403(b) Deferrals
12 F	Elective 408(k)(6) SEP Deferrals
12 G	Elective 457(b) Deferral
12 H	Elective 501(c)(18)(D) Deferral
12 J	Nontaxable Sick Pay
12 K	20% Excise tax on Golden Parachute
12 L	Substantiated Employee Business Expense Reimbursement
12 M	Uncollected SS tax on GTL
12 N	Uncollected Medicare Tax on GTL
12 P	Excludable Moving Expense
12 Q	Nontaxable Combat Pay
12 R	Employer Contribution to Archer MSA
12 S	408(p) SIMPLE Contributions
12 T	Adoption Benefits

W-2 / W-2C Box	Description
12 V	Income from Exercise of Nonstatutory Stock Options
12 W	Employer Contribution to HSA
12 Y	409A Deferral
12 Z	409A Income
12 AA	Designated Roth Contribution under 401(k) Plan
12 BB	Designated Roth Contribution under 403(b) Plan
12 DD	Cost of employer-sponsored health coverage
12 EE	Designated Roth contributions under 457(b) plan
12 FF	Permitted benefits under a qualified small employer health reimbursement arrangement
12 GG	Income from qualified equity grants under section 83(i)
12 HH	Aggregate deferrals under section 83(i) elections as of the close of the calendar year
13	Statutory Employee
13	Retirement Plan Box
13	Third Party Sick Pay
14 Other	Other reportable earnings  Note: For New Jersey, add private plan numbers on the Other section of the State tab on the Edit Company State and Local US Tax Reporting task.

## W-2GU

W-2GU / W-2CGU Box	Description
D	To hide the control number for Box D, select Edit > Suppress Control Number Display on Form.
11	Non-Qualified Pension-Section 457 Dist YTD
11	Non-Qualified Pension-Non-section 457 Dist YTD
11	Non-Qualified Pension-Section 457 Contrib YTD
11	Non-Qualified Pension-Non-section 457 Contrib YTD
12 A	Uncollected SS Tax on Tips
12 B	Uncollected Medicare Tax on Tips
12 C	Taxable Cost of GTL
12 D	Elective 401(k) Referral
12 E	Elective 403(b) Deferrals
12 F	Elective 408(k)(6) SEP Deferrals
12 G	Elective 457(b) Deferral
12 H	Elective 501(c)(18)(D) Deferral
12 J	Nontaxable Sick Pay
12 L	Substantiated Employee Business Expense Reimbursement
12 M	Uncollected SS tax on GTL
12 N	Uncollected Medicare Tax on GTL
12 P	Excludable Moving Expense

W-2GU / W-2CGU Box	Description
12 Q	Nontaxable Combat Pay
12 R	Employer Contribution to Archer MSA
12 S	408(p) SIMPLE Contribution
12 T	Adoption Benefits
12 V	Income from Exercise of Nonstatutory Stock Options
12 W	Employer Contribution to HSA
12 Y	409A Deferral
12 Z	409A Income
12 AA	Designated Roth Contribution under 401(k) Plan
12 BB	Designated Roth Contributions under 403(b) Plan
12 DD	Cost of employer-sponsored health coverage
12 EE	Designated Roth contributions under 457(b) plan
12 FF	Permitted benefits under a qualified small employer health reimbursement arrangement
12 GG	Income from qualified equity grants under section 83(i)
12 HH	Aggregate deferrals under section 83(i) elections as of the close of the calendar year
13	Statutory employee
13	Retirement plan
13	Third-party sick pay
14	Other

## W-2PR

W-2PR / W-2CPR Box	Description
Número Control - Control Number	To hide the control number select Edit > Suppress Control Number Display on Form.
5	Costo de cubierta de salud auspiciada por el patrono  Cost of employer-sponsored health coverage
6	Donativos  Charitable Contributions
Patrono:- Employer: Box A	Servicios prestados por un médico cualificado bajo la Ley 14-2017  Services rendered by a qualified physician under Act 14-2017
Patrono:- Employer: Box B	Servicios Domésticos  Domestic Services
Patrono:- Employer: Box C	Servicios prestados en trabajo agrícola  Services rendered in agricultural labor
Patrono:- Employer: Box D	Servicios prestados por un ministro de una iglesia o por un miembro de una orden religiosa  Services rendered by a minister of a church or by a member of a religious order
Patrono:- Employer: Box E	Servicios prestados por profesionales de la salud bajo la Carta Circular 20-1 que laboran en el sector privado y que mantienen su licencia vigente como enfermeras y enfermeros

W-2PR / W-2CPR Box	Description
	prácticos licenciados, enfermeras y enfermeros registrados licenciados, tecnólogos médicos, o médicos residentes Services provided by health professionals under Circular Letter 20-1 who work in the private sector and who hold their current license as registered nurses and practical nurses, registered nurses and registered nurses, medical technologists, or resident physician
Patrono:- Employer: Box F	Servicios prestados por un empleado directo, definido como todo individuo residente de Puerto Rico contratado por un negocio exento bajo la Ley 135-1997, Ley 73-2008 o Ley 60-2019 Services provided by a direct employee, defined as any individual resident of Puerto Rico hired by an exempt business under Act 135-1997, Act 73-2008 or Act 60-2019
Patrono:- Employer: Box G	Otros Others
8	Comisiones Commissions
9	Concesiones Allowances
12	Gastos Reemb. y Beneficios Marginales

W-2PR / W-2CPR Box	Description
	Reimbursable Expenses and Fringe Benefits
14	Fondo de Retiro Gubernamental Governmental Retirement Fund
15	Aportaciones a Planes Cualif. Contributions to CODA Plans
16 code A	A. Las horas extra de los empleados públicos en situaciones de emergencia A. Public employees' overtime during emergency
16 code B	B. De horas extras trabajadas por miembros de la Policía B. Overtime worked by a Puerto Rico Police member
16 code C	C. Estipendios recibidos por ciertos médicos durante el período de internado C. Stipends received by certain physicians during the internship period
16 code D	D. Compensación pagada a un investigador o científico elegible D. Compensation paid to an eligible researcher or scientist
16 code F	F. Liquidación del pago de licencias por vacaciones y enfermedad a empleados públicos bajo la Ley 211-2015

W-2PR / W-2CPR Box	Description
	F. Vacation and sick leave liquidation payment to public employees under Act 211-2015
16 code G	G. Pagos por desastre declarados exentos por el Gobernador de Puerto Rico o el Presidente de los Estados Unidos  G. Disaster payments declared exempt by the Governor of Puerto Rico or the President of the United States
16 code H	H. Pagos a empleados públicos bajo el Programa de Transición Voluntaria  H. Payments to public employees under the Voluntary Transition Program
16 code I	I. Compensación o indemnización pagada a un empleado por razón de despido bajo la Sección 1031.01(b) (11) del Código  I. Compensation or indemnification paid to an employee due to dismissal under Section 1031.01(b)(11) of the Code
16 code J	J. Pagos a un profesional de difícil reclutamiento bajo la Sección 2022.03(a) del Código de Incentivos  J. Payments to professionals regarding hard-to-fill positions under Section 2022.03(a) of the Incentives Code

W-2PR / W-2CPR Box	Description
19	Aportaciones al Programa Ahorra y Duplica tu Dinero Contributions to the Save and Double Your Money Program

## W-2VI

W-2VI / V-2CVI Box	Description
D	To hide the control number for Box D, select Edit > Suppress Control Number Display on Form.
11	Non-Qualified Pension-Section 457 Dist YTD
11	Non-Qualified Pension-Non-section 457 Dist YTD
11	Non-Qualified Pension-Section 457 Contrib YTD
11	Non-Qualified Pension-Non-section 457 Contrib YTD
12 A	Uncollected SS Tax on Tips
12 B	Uncollected Medicare Tax on Tips
12 C	Taxable Cost of GTL
12 D	Elective 401(k) Referral
12 E	Elective 403(b) Deferrals
12 F	Elective 408(k)(6) SEP Deferrals
12 G	Elective 457(b) Deferral
12 H	Elective 501(c)(18)(D) Deferral
12 J	Nontaxable Sick Pay
12 L	Substantiated Employee

W-2VI / V-2CVI Box	Description
	Business Expense Reimbursement
12 M	Uncollected SS tax on GTL
12 N	Uncollected Medicare Tax on GTL
12 P	Excludable Moving Expense
12 Q	Nontaxable Combat Pay
12 R	Employer Contribution to Archer MSA
12 S	408(p) SIMPLE Contribution
12 T	Adoption Benefits
12 V	Income from Exercise of Nonstatutory Stock Options
12 W	Employer Contribution to HSA
12 Y	409A Deferral
12 Z	409A Income
12 AA	Designated Roth Contribution under 401(k) Plan
12 BB	Designated Roth Contributions under 403(b) Plan
12 DD	Cost of employer-sponsored health coverage
12 EE	Designated Roth contributions under 457(b) plan
12 FF	Permitted benefits under a qualified small employer health reimbursement arrangement
12 GG	Income from qualified equity grants under section 83(i)
12 HH	Aggregate deferrals under section 83(i)

W-2VI / V-2CVI Box	Description
	elections as of the close of the calendar year
13	Statutory employee
13	Retirement plan
13	Third-party sick pay
14	Other

## Related Information

### Tasks

[Steps: Set Up Payroll Taxes \(USA\)](#) on page 1162

[Map Earnings and Deductions to W-2 Boxes \(USA\)](#) on page 1200

[Map Earnings and Deductions to Year-End Forms for U.S. Territories \(USA\)](#) on page 1201

## Multi-Jurisdiction Tax Allocations (USA)

### Setup Considerations: Multi-Jurisdiction Taxation (USA)

You can use this topic to help make decisions when planning your configuration and use of multi-jurisdiction taxation. 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

Multi-jurisdiction tax allocation is a group of solutions that you can use separately or in combination. These solutions give you the ability to configure taxes for mobile workers and reduce manual entries of tax jurisdictions. The solutions are:

- Ongoing Multiple Work Jurisdictions (OMWJ)
- Tax Location Mapping (TLM)
- Payroll Input with worktags

When you configure any of these solutions, Workday withholds applicable state, county, city, and local other taxes accordingly.

Workday Solution	Description
Ongoing Multiple Work Jurisdictions (OMWJ)	Enables you to define tax allocations at the worker level. This solution is for workers with a set schedule and location assignments in differing tax jurisdictions.
Tax Location Mapping (TLM)	Enables you to define rules at a company level to allocate taxes based on time entry and payroll input with tax authority worktags.

Workday Solution	Description
Payroll Input with Worktags	Enables you to define tax allocations for one-off assignments based on payroll tax authority worktags you associate with payroll input.

## Business Benefits

You can streamline the payroll process using any combination of these tax allocation solutions, which:

- Helps ensure compliance by automatically taxing wages based on where they're earned.
- Increases the accuracy of worker tax calculations.
- Reduces the amount of manual effort required to assign tax authority worktags to payroll input.
- Reduces the number of manual adjustments to taxes.
- Reduces the number of amendments to tax reports due to adjustments.

## Use Cases

Solution	Use Cases
OMWJ	Salaried workers with a set schedule, assigned to multiple states.  Example: A pharmaceutical representative assigned to a tri-state area.
TLM	Worker with unpredictable percentages of work performed in various tax jurisdictions.  Example: A technical support representative who travels only when technical issues arise.  Workday withholds taxes for all time entry or payroll input transactions with payroll tax location worktags. Tax allocations include payroll tax authorities mapped to the location.
Payroll Input with worktags	Workers with infrequent one-off assignments in different tax jurisdictions.  Example: A worker who, on rare occasions, works out of an office in a different tax jurisdiction.

## Questions to Consider

Before deciding to use OMWJ, TLM, payroll input with worktags, or any combination, consider:

Question	Considerations
Does the worker work in multiple tax jurisdictions for unpredictable percentages of time?	You can set up TLM so that Workday splits wages according to the location worktag entered on earnings. Workday withholds taxes for all Time Tracking entries or payroll input transactions with payroll tax location worktags.  If you have pretax deduction calculations enabled, Workday applies the percentages to taxable earnings, imputed income, and pretax deductions.
Do your workers have different tax rates for supplemental earnings?	Workday allocates supplemental earnings and pretax deductions according to the specified

Question	Considerations
	percentage splits (OMWJ) or payroll tax location worktags (TLM) before applying the supplemental tax rates.
Do workers enter their time in Workday Time Tracking?	<p>These considerations apply with or without Time Tracking:</p> <ul style="list-style-type: none"> <li>If their work locations are consistent each pay period, you can use OMWJ to split hours automatically.</li> <li>If their work locations vary from period to period, you can use TLM so they can specify their work location when entering time.</li> </ul>

## Recommendations

Analyze your requirements and select the solution, or solutions, that require the least manual intervention.

## Requirements

Understand how Workday calculates and withholds taxes when you:

- Set up OMWJ. See [Concept: Tax Allocations for Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1229.
- Set up TLM.
- Use payroll input with tax location worktags. See [Add Payroll Input for Workers](#) on page 617.

## Limitations

Regardless of how you set up tax allocations, Workday doesn't apply percentage splits to State Unemployment Insurance (SUI) taxable and subject wages. Workday always applies SUI and other taxes based on SUI to the primary work state.

Workday doesn't support OMWJ elections for workers who have an international assignment position in the U.S.

Examples:

Workday:

- Doesn't support OMWJ elections for a worker with a regular position in Canada and an international assignment position in the U.S.
- Does support OMWJ elections for a worker with a regular primary position in the U.S. and an international assignment position in Canada.

## Tenant Setup

No impact.

## Security

Users with security enabled for these domains can view and set up taxes and worker tax elections:

- [Set Up: Payroll - Company Specific \(Taxes\) - USA](#)
- [Worker Data: Payroll \(Company Specific\) - USA](#)

## Business Processes

No impact.

## Reporting

Reports	Considerations
Company US Tax Reporting	Displays company-level tax setup.
Payroll Tax Mapping Inactivation on Worker	Use to view or deactivate TLM for workers.
Payroll Tax Mappings on Location	Displays Tax Location Mappings.
Worker US Tax Elections	Displays worker tax elections.

## Integrations

Web Service	Description
<i>Get Payroll USA State and Local Tax Elections</i>	Use these web services to load and retrieve state tax elections.
<i>Put Payroll USA State and Local Tax Election</i>	
<i>Get Payroll Payee Tax Location Mappings</i>	Use these web services to update tax location configurations for workers.
<i>Put Payroll Payee Tax Location Mapping</i>	
<i>Get Payroll Payee Ongoing Work Jurisdiction Tax Election</i>	Use these web services to load and retrieve ongoing work jurisdiction tax election data.
<i>Put Payroll Payee Ongoing Work Jurisdiction Tax Election</i>	

## Connections and Touchpoints

Features	Considerations
Time Tracking	Workday uses payroll location worktags and time entry codes set up in Time Tracking to allocate tax allocations.

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.

## Other Impacts

No impact.

### Related Information

#### Concepts

[Concept: Multi-Jurisdiction Tax Allocations \(USA\)](#) on page 1223

[Concept: State Tax Reciprocity \(USA\)](#) on page 1231

[Concept: Override Multistate Resident Withholding Rules \(USA\)](#) on page 1188

[Concept: Tax Allocations for Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1229

[Steps: Set Up Payroll Taxes \(USA\)](#) on page 1162

[Set Up Company Taxes by Location \(USA\)](#) on page 1219

[Set Up Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1220

[Set Up Ongoing Multiple Work Jurisdictions with Time Tracking \(USA\)](#) on page 1222

## Set Up Company Taxes by Location (USA)

### Prerequisites

Locations must have a usage type of *Payroll Tax* and *Business Site*.

Security: *Set Up: Payroll - Company Specific (Taxes) - USA* domain in the USA Payroll functional area.

### Context

Set up tax location mapping (TLM) to have Workday automatically withhold taxes for time reported with location worktags. You also have the option to set up pretax deduction allocations.

### Steps

1. (Optional) Activate pretax deduction allocations.
  - a) Access the Edit Company Federal US Tax Reporting task.
  - b) In the Company Tax Reporting grid, select the Allow Pre-Tax Deduction Allocation check box.
  - c) To exclude an earning from the pretax deduction allocation calculation, add it to the *Pre-Tax Deduction Allocation Exclusion* pay component group. Example: You want to exclude a non cash-taxable earning that's used in the calculation of another earning.
2. Activate TLM for a company.
  - a) Access the Edit Company Federal US Tax Reporting task.
  - b) In the Company Tax Reporting grid, select the Enable Tax Mapping on Location check box.

Note: Select the Enable Tax Mapping on Location check box before creating and approving time blocks in Workday Time Tracking. Otherwise, Workday won't be able to link a time entry containing a reported Location to the tax authority codes of the Location.

If you select the Enable Tax Mapping on Location check box after you've approved time, you must update, resubmit, and approve the time blocks. Workday Payroll can then pick up the time blocks, and split them to different US tax authorities.

The Tax Location Mappings tab displays on the Add Worker US Tax Elections task for employees of the company.

3. Access the Maintain Payroll Tax Mapping on Location task to assign tax authorities to payroll tax locations.
  - a) Select a payroll tax location from the Location prompt.
  - b) In a new row on the Location grid, select tax authorities for State, County, City, and Other.

Alternatively, you can use these web services to update your tax location configurations for workers:

- *Get Payroll Payee Tax Location Mappings*
- *Put Payroll Payee Tax Location Mapping*

For the *Put* web service:

- Activate TLM at the company level.
- Ensure that an effective date is present in the load.

For audit purposes, the *Put* web service adds data and doesn't overwrite or update existing data.

You can use the Payroll Tax Mappings on Location report to review all payroll tax locations and the:

- TLM activation statuses.
- Respective tax authority designations.

4. (Optional) Access the Add Worker US Tax Elections task to deactivate TLM for a worker.

Option	Description
Inactivate for locations in a specific state	Locate the active state on the Tax Location Mappings grid, and select the Inactivate Tax Location Mapping check box.
Inactivate for all locations	Add a new row in the grid, enter the date to stop the existing tax location mappings, and select the Inactivate Tax Location Mapping check box.

You can use the Payroll Tax Mapping Inactivation on Worker report to review worker status. You can use this report to identify workers excluded from state taxation before running payroll for a pay group.

## Result

Workday Payroll applies TLM to any time entry or payroll input transactions that contain a payroll tax location.

## Next Steps

Access these reports:

- Company US Federal Tax Reporting
- Worker US Tax Elections
- View Location

Related Information

### Concepts

[Add Worker State Tax Elections \(USA\)](#) on page 1250

[Create Locations](#)

[Set Up Company State Taxes \(USA\)](#) on page 1177

[Steps: Set Up Tax Locations for Time Entry](#)

[Steps: Set Up Worktags for Time Entry](#)

## Set Up Ongoing Multiple Work Jurisdictions (USA)

### Prerequisites

Set up federal, state, and local tax reporting for the company. See:

- [Set Up Company Federal Taxes \(USA\)](#)
- [Set Up Company State Taxes \(USA\)](#)
- [Set Up Company Local Taxes \(USA\)](#) on page 1183

### Context

Set up Workday to calculate and withhold taxes for multiple tax jurisdictions. For employees with multiple positions, the allocations apply to all positions.

Don't specify percentage splits for nonresident aliens. Nonresident aliens should have only 1 work state and 1 resident state.

## Steps

1. Access the Edit Company Federal US Tax Reporting task.

Select the Allow Ongoing Work Jurisdiction Tax Allocation check box.

**Security:** *Set Up: Payroll - Company Specific (Taxes) - USA* domain in the USA Payroll functional area. See: [Steps: Enable Functional Areas and Security Policies](#)

2. Access the Add Worker US Tax Elections task for a worker.

From the Additional States prompt, select the additional work states and click OK.

On Tax Allocations tab, define the work taxing jurisdiction levels. As you complete the Ongoing Work Jurisdictions grid, consider:

Option	Description
Effective Date	Enter the date the tax allocations begin, if they are after the effective date you entered to access this task. The worker must belong to the same company on both dates.  Workday uses the allocations in effect on the pay period end date or subperiod end date (if the allocations change midperiod).
County, City	Select from the counties and cities set up for the worker's company on the Edit Company State and Local US Tax Reporting task.
Other	Select from the nonmandatory Other taxes.
Allocation Percent	Enter the percentage of work performed in each tax jurisdiction. The total of all allocations must equal 100%.  If the total allocated to taxes for a state is less than 100%, Workday calculates the taxes listed here, unless you deactivate them: <ul style="list-style-type: none"> <li>• The Other grid on the State tab.</li> <li>• The Local tab</li> </ul>

You can select the Inactive check box to deactivate existing allocations. To reactivate later, add a new row with a later effective date.

**Security:** *Worker Data: Payroll (Company Specific) - USA* domain in the USA Payroll functional area.

3. Access the Create Earnings or Create Deductions task.

Workday processes each earning for each jurisdiction defined on a worker's tax election, and applies the associated jurisdiction worktags. By default Workday applies the allocation percentage for the jurisdiction when calculating the earning. In the Multiple Work Jurisdictions section, you can select the Do Not Apply Percentage Splits check box to prevent Workday from splitting the calculation. In this case, Workday processes the pay component in full for each jurisdiction.

When determining whether to apply percentage splits to a pay component, consider:

- Whether you want to apply them at the pay component or pay component related calculation-level.
- Whether the calculation, eligibility, or limits of the pay components reference pay components with the same jurisdictions. In this case, Workday recommends that you reference a pay accumulation instead of directly referencing the pay components. Using a pay accumulation enables you to choose whether you want to filter by worktag or not.

**Security:** *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Result

Workday calculates and withholds taxes for each jurisdiction based on percentages you specified. During a payroll run, before calculating taxes, Workday applies the percentages to:

- Taxable earnings
- Imputed income
- Pretax deductions

## Example

Steve works 60% in San Francisco, California, 20% in Bellevue, Ohio, and 20% in Cleveland, Ohio. Access the Edit Company Federal US Tax Reporting task and select the Allow Ongoing Work Jurisdiction Tax Allocation check box. Access Tax Allocation tab on the Add Worker US Tax Elections task and enter these settings in the Ongoing Work Jurisdictions section:

State	City	Allocation Percent
California	<i>San Francisco (California: San Francisco)</i>	60
Ohio	<i>Bellevue City (Ohio: Huron)</i>	20
Ohio	<i>Cleveland (Ohio: Cuyahoga)</i>	20

### Related Information

#### Tasks

[Set Up Company Federal Taxes \(USA\)](#) on page 1165

[Set Up Ongoing Multiple Work Jurisdictions with Time Tracking \(USA\)](#)

#### Prerequisites

- Set up federal tax reporting for the company.
- Set up worker tax allocations.
- Set up state and local tax reporting information for the company.
- Security:
  - *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area
  - *Set Up: Payroll - Company Specific (Taxes) - USA* domain in the USA Payroll functional area

#### Context

You can set up pay components and pay component related calculations to apply input from Workday Time Tracking to workers' ongoing multiple work jurisdiction (OMWJ) allocations.

#### Steps

1. Access the Edit Company Federal US Tax Reporting task.
2. In the Company Tax Reporting grid, select both the Allow Ongoing Work Jurisdiction Tax Allocation and Enable Ongoing Work Jurisdiction Tax Allocation with Time Tracking check boxes.

3. For each pay component used by Workday Time Tracking:
  - a) Access the Edit Earning or Edit Deduction task.
  - b) In the Ongoing Multiple Work Jurisdictions section, select the Do Not Apply Percentage Splits check box.
  - c) In the Related Calculations grid, select Apply Percentage Splits only for the hours-related calculation.

To avoid possible conflicts with your related calculation configuration, Workday recommends that you select Do Not Apply Percentage Splits for all other related calculations on the pay component.

Note: Don't split the hours-related calculation if the pay component uses hours from another pay component that has already split the hours.

## Result

When a worker with active OMWJ allocations enters time through Workday Time Tracking, payroll calculation splits the worker's earnings, pretax deductions, and taxes according to the OMWJ allocations. Amounts for each work jurisdiction display on a separate line in the pay result. Workday applies state and local taxes to the proper jurisdictions.

Related Information

### Concepts

[Configure Earnings to Retrieve Calculated Time](#)

[Set Up Company Federal Taxes \(USA\) on page 1165](#)

### Concept: Rounding Recovery for Ongoing Multiple Work Jurisdictions

Workday applies rounding recovery for flat amount benefits and one-time payments, when you configure earnings or deductions to:

- Disable Do Not Apply Percentage Splits on the pay component and
- There are no related calculations or
- Enable Do Not Apply Percentage Splits in the Related Calculations grid for all pay component related calculations (or related calculations if you select None of the Above for US Override Related Calculation for Multiple Jurisdictions).

Note: This configuration shouldn't be used on any earning using gross up calculations as the feature doesn't support rounding recovery on gross up earnings

### Concept: Multi-Jurisdiction Tax Allocations (USA)

Workday helps to enable payroll processing for a mobile workforce through:

- Ongoing Multiple Work Jurisdictions (OMWJ)
- Tax Location Mapping (TLM)
- Payroll Input with Tax Authority worktags

These tax allocation methods work with or without the use of Workday Time Tracking.

#### Ongoing Multiple Work Jurisdictions

You can use OMWJ when your mobile employees regularly:

- Work in the same multiple states, cities, or counties on an ongoing basis.
- Don't report hours separately for each jurisdiction.

You can set Workday up to calculate and withhold taxes for each jurisdiction based on percentages you specify. You set up OMWJ at the company and worker level.

Example: As a sales representative, each pay period Sam works:

- 30% in Virginia.
- 25% in Maryland.
- 45% in Pennsylvania.

The payroll administrator sets up these allocation percentages on his tax elections. Workday calculates taxes based on the specified percentages.

## Tax Location Mapping

You can use TLM when mobile employees work in unpredictable tax jurisdictions and percentages of time. You can set up Workday to calculate and withhold taxes for each jurisdiction based on tax location worktags you specify. TLM requires:

- The mapped location to be designated as a *Business Site* in Workday.
- Time entry (either manually or through Workday Time Tracking) that is associated with a tax location worktag.

Example: As a sales consultant, Susan has multiple customers in New York, New Jersey, and Connecticut. In 1 month she works 2 weeks in New York, 1 week in New Jersey, and 1 week in Connecticut. The next month, she works 2 weeks in Connecticut and 2 weeks in New Jersey. The payroll administrator sets up tax location mapping. Payroll input entered for Susan that includes the location worktags calculates all applicable state, city, and local taxes.

## Pretax Deduction Allocation

You have the option to enable pretax deduction allocations using any of these options:

- OMWJ.
- TLM.
- Payroll input with tax authority worktags.
- Any combination of these methods.

You set up pretax deduction allocations at the company level. Select the Allow Pre-Tax Deduction Allocation check box on the Edit Company Federal US Tax Reporting task.

To exclude an earning from the pretax deduction allocation calculation, add it to the *Pre-Tax Deduction Allocation Exclusion* pay component group. Example: You want to exclude a non cash-taxable earning that's used in the calculation of another earning.

Note: You can't set up flexible deductions for pretax deductions if you have also enabled Ongoing Multiple Work Jurisdictions (OMWJ).

## Exceptions for State Unemployment Insurance

Regardless of setup, Workday doesn't apply percentage splits to State Unemployment Insurance (SUI) taxable and subject wages. Workday always applies SUI and other taxes based on SUI to the primary work state.

## Priority of Tax Allocation

You can use a combination of OMWJ, TLM, and payroll input with worktags. Worktags, either through TLM or payroll input, take precedent over OMWJ and Workday will only apply the worktags. Workday applies OMWJ to the default wages with no worktags and splits according to the specified percentages.

Example: You set up OMWJ tax allocation for a worker. You add payroll input with worktags for that worker. Workday applies OMWJ to the default wages, and applies the worktag split to the pay input wages.

## Pay Components Workday Automatically Splits

When configured, Workday splits all earnings and deductions that belong to these pay component groups:

- *Local Withholding Taxable (Do Not Withhold Taxes)*
- *Local Withholding Taxable Reduction*
- *Local Withholding Taxable (Withhold Taxes)*
- *State Withholding Taxable (Do Not Withhold Taxes)*
- *State Withholding Taxable Reduction*
- *State Withholding Taxable (Withhold Taxes)*

These pay component groups include taxable earnings, imputed earnings, and pretax deductions. Within these earnings and deductions, Workday splits pay component related calculations (PCRCs) that use these Workday-owned related calculations:

- *Hours Prorated*
- *Hours unprorated*
- *Original amount*
- *Time off paid (units)*
- *Time off total (units)*
- *Time off unpaid (units)*

## Pay Components Workday Automatically Resolves

When configured on the company, these local other deductions resolve for workers that work in jurisdictions other than their primary work state in the same period.

Deductions	Always Resolve For
<i>NM: New Mexico Workers Compensation Administration Fund [USA]</i>	New Mexico State Hours

Deductions	Always Resolve For
<i>NM: New Mexico Workers Compensation Administration Fund - Employer Paid [USA]</i>	
<i>WA: Washington Supplemental Pension Fund [USA]</i>  <i>WA: Washington Supplemental Pension Fund (ER) [USA]</i>  <b>Position Based:</b>  <i>WA: Washington Stay at Work Program [USA]</i>  <i>WA: Washington Stay at Work Program (ER) [USA]</i>  <i>WA: Washington Medical Aid Fund (Effective Jan 2017) [USA]</i>  <i>WA: Washington Medical Aid Fund (ER) (Effective Jan 2017) [USA]</i>  <i>WA: Washington Industrial Insurance (Accident) Fund (ER) [USA]</i>	Washington State Hours
<i>Oregon Workers Benefit Fund – Employer Paid [USA]</i>  <i>Oregon Workers Benefit Fund [USA]</i>	Oregon State Hours

### Rounding with Ongoing Multiple Work Jurisdictions

Workday applies rounding when you select a proration option on a pay component. Workday rounds up the second decimal place to the total payroll input amount. Example: For a medical deduction with payroll input of 151.55 USD, Workday applies a rounding adjustment of - 0.02:

State	Calculation (USD)	Result (USD)	Round Up (USD)
CA	151.55 * 43%	65.1665	65.17
CO	151.55 * 31%	46.9805	46.98

State	Calculation (USD)	Result (USD)	Round Up (USD)
UT	151.55 * 26%	39.403	39.41 - 0.02 = 39.39
		Total Payroll Input	151.55

## State Tax Reciprocity

Many states have reciprocity agreements for employees that live in 1 state and work in another. These agreements sometimes:

- Exempt employees from taxes in 1 state under specific conditions.
- Specify how to calculate the taxes.

Workday references these agreements when processing payroll to correctly tax employees. You can review the rules Workday follows on the View Payroll Multistate Withholding Rules report.

## Related Information

### Concepts

[Setup Considerations: Payroll Tax Setup \(USA\) on page 1156](#)

[Concept: State Tax Reciprocity \(USA\) on page 1231](#)

[Concept: Multistate Withholding Rules \(USA\) on page 1231](#)

[Concept: Payroll Input for Ongoing Multiple Work Jurisdictions \(USA\) on page 1227](#)

### Concept: Payroll Input for Ongoing Multiple Work Jurisdictions (USA)

These examples illustrate how to use the Add Payroll Input by Worker task for employees who work in multiple jurisdictions on an ongoing basis.

## Employee with Bonus and Medical Benefits

Oliver spends 40% of time in California and 60% in Colorado. You enter Oliver's bonus pay and an adjustment for a pretax medical benefit in the Add Payroll Input by Worker task:

Pay Component	Type	Value (USD)
Bonus	Amount	10,000
Medical – Blue Cross of CA – EE (Pre Tax) [USA]	Amount	200

You access the View Payroll Results report to view the results:

Pay Component	Worktags	Amount (USD)	Input Amount (USD)
Bonus	California	4,000	10,000
Bonus	Colorado	6,000	10,000
Medical – Blue Cross of CA – EE (Pre Tax) [USA]	California	80	200

Pay Component	Worktags	Amount (USD)	Input Amount (USD)
Medical – Blue Cross of CA – EE (Pre Tax) [USA]	Colorado	120	200

### Hourly Employee Working Overtime

Rachel works 60% in Florida and 40% in Georgia, including 10 hours overtime. You enter Rachel's overtime hours using the Add Payroll Input by Worker task:

Pay Component	Type	Value
FLSA Overtime (Straight Time and Overtime) MJ [USA]	Hours (unprorated)	10

You view the results using the View Payroll Results report:

Pay Component	Worktags	Amount (USD)	Related Calculation	Amount (USD)	Input Amount
FLSA Overtime (Straight Time and Overtime) MJ [USA]	Florida	106.11	FLSA - Payment for Straight Time of Overtime	70.74	
			FLSA Rate	11.79	
			Hours (unprorated)	6.00	10.00
			Premium Rate (1/2 of FLSA Rate)	5.90	
			FLSA - Payment of Overtime	35.40	
FLSA Overtime (Straight Time and Overtime) MJ [USA]	Georgia	70.74	FLSA - Payment for Straight Time of Overtime	47.16	
			FLSA Rate	11.79	
			Hours (unprorated)	4.00	10.00
			Premium Rate (1/2 of FLSA Rate)	5.90	
			FLSA -Payment of Overtime	23.60	

### Related Information

#### Concepts

Concept: Tax Allocations for Ongoing Multiple Work Jurisdictions (USA) on page 1229

Set Up Ongoing Multiple Work Jurisdictions (USA) on page 1220

## Tasks

[Set Up Ongoing Multiple Work Jurisdictions with Time Tracking \(USA\)](#) on page 1222

## Examples

[Example: Set Up Tax Allocation for Workers in Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1236

## Concept: Tax Allocations for Ongoing Multiple Work Jurisdictions (USA)

Some employees regularly work in the same tax jurisdictions every pay period. You can set up ongoing multiple work jurisdictions (OMWJ). Workday then calculates and withholds taxes for each jurisdiction based on percentages you specify. If you don't specify percentage allocations, Workday resolves pay components in full for each tax authority.

Example: Every pay period, Dennis performs 30% of his work in California and 70% in Arizona. You configure percentage allocations. When you process payroll, Workday calculates and withholds taxes accordingly.

### When to Override Tax Allocation Percentage Splits

Don't apply a percentage split on pay components used as related calculations if they've already been split. To override the split:

1. Navigate to the Related Calculations grid of the earning or deduction.
2. Select the Do Not Apply Percentage Splits option.

### How Workday Calculates Taxes for OMWJ

When calculating payroll for an employee with OMWJ, Workday:

1. Checks that you enabled tax allocation for ongoing work jurisdictions for the company.
2. Refers to the tax allocations as of the period or subperiod end date.
3. Calculates the full amount of each taxable earning and pretax deduction, and assigns a tax jurisdiction worktag to each amount.
4. Splits the amounts according to the percentages defined for the employee.
5. Calculates taxes for each jurisdiction, applying multistate withholding rules when the work state differs from the resident state.

### Payslips and Payroll Results

When Workday withholds taxes for multiple jurisdictions, payslips report the tax allocated to each jurisdiction separately. Payroll results display the work tax authority worktag that Workday uses to calculate each taxable earning, imputed earning, and taxable deduction on the Tax Elections tab. Results also display the tax calculated for each jurisdiction.

### Off-cycle Payments and Payroll Input

Workday uses the percentages defined on the Add Worker US Tax Elections task to split automatically:

- Pay components listed on the Off Cycle (On Demand Additional, Manual) tab on the Create Run Category task.
- Payroll input and off-cycle payments.

## 100% Allocation to 1 Jurisdiction

Workday doesn't recommend setting up a worker's allocation as 100% to 1 jurisdiction because this set up can cause incorrect calculation results for workers. Workday recommends that you adjust a worker's location if all of the costs for a worker must be allocated to a different jurisdiction.

However, you might need to set up 100% allocation for tax compliance. Example: A worker is working outside of a state where you want to collect SUI for them, and you need to set up 100% allocation to comply with New York's convenience of employer rule. Workday recommends testing thoroughly when you set up a worker's allocation at 100% for 1 jurisdiction.

## Retroactive Payments

The Run Retro Pay Calculation task uses the tax allocations that were in effect for a worker during the recalculated period. Workday doesn't support retroactive changes to worker tax allocations.

When you add a new OMWJ allocation for a worker with an existing OMWJ allocation, you should avoid multiple retro runs to the prior OMWJ allocation. To prevent incorrect payments; Workday recommends that you set the NRPPT date to the start date of the pay period the new OMWJ allocation is effective, after completing the pay period. For any subsequent periods before the NRPPT date; Workday doesn't consider the unprocessed retro events and requires you to calculate and adjust the retro differences manually.

## FLSA

When you run pay calculation for FLSA bonuses using prior period coverage dates, Workday applies the tax allocations that were in effect for a worker during period the bonus was paid.

## Supplemental Earnings

Some states and cities have different tax rates for supplemental earnings. Workday allocates supplemental earnings and pretax deductions according to the specified percentage splits before applying the supplemental tax rates.

## Reciprocity

Workday applies state tax reciprocity rules to determine the taxable wages for the resident state.

## Temporarily Suspend OMWJ

You can temporarily suspend a percentage split. Use the Add Payroll Input by Worker task to enter payroll input. Enter the tax authority worktag in the Payroll Worktags field.

## Related Information Concepts

[Steps: Add Worker Tax Elections \(USA\) on page 1245](#)

[Set Up Company State Taxes \(USA\) on page 1177](#)

[Set Up Ongoing Multiple Work Jurisdictions \(USA\) on page 1220](#)

[Set Up Ongoing Multiple Work Jurisdictions with Time Tracking \(USA\)](#) on page 1222

### Tasks

[Set Up Company Federal Taxes \(USA\)](#) on page 1165

### Examples

[Example: Set Up Tax Allocation for Workers in Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1236

### Concept: State Tax Reciprocity (USA)

Some states make tax exemption agreements for people who live in 1 state and work in another. Workday checks both states for reciprocity agreements to calculate state withholding.

Workday only calculates withholding for states that you've configured using the Edit Company State and Local US Tax Reporting task. Be sure to set up payroll tax reporting information for all states in which employees reside. Otherwise, Workday calculates standard withholding for the work state only.

Determining Employee Resident State and Work State

Some states with reciprocity require that workers provide documentation certifying their residency or nonresidency. Record the receipt of these documents using the Add Worker US Tax Elections task. Employees can also manually submit residency forms using the self-service Complete State and Local Withholding Elections task.

Resident state is based on the primary home address.

Work state is based on the primary work address or, if that's missing, the business location for the primary or processing position.

Employees with Multiple Work States

To define tax allocations for ongoing multiple work states for a worker, use the Tax Allocations tab of the Add Worker US Tax Elections task.

### Related Information

#### Concepts

[Concept: Multistate Withholding Rules \(USA\)](#) on page 1231

### Concept: Multistate Withholding Rules (USA)

When you have workers who live and work in different states, you can use the View Payroll Multistate Withholding Rules report to understand:

- Which states, if any, have reciprocal agreements.
- How Workday applies any reciprocal agreements to resident and work state tax withholdings.
- How Workday calculates resident and work state withholding when states don't have a reciprocal agreement.

This report organizes the rules by state for calculating tax withholding into these categories:

Category	Subcategories
State = Resident	Reciprocal Agreement Exists No Reciprocal Agreement
State = Work	Reciprocal Agreement Exists No Reciprocal Agreement
Military Spouse Exemption	

For each of these categories, subcategories identify whether to calculate the state and, if so, how to calculate the withholding when the state is:

- The resident state and there's a reciprocal agreement with the work state.
- The resident state and there isn't a reciprocal agreement with the work state.
- The work state and there's a reciprocal agreement with the resident state.
- The work state and there isn't a reciprocal agreement with the resident state.

The Calculate State columns identify when to calculate the state by indicating either:

- *True*, which means always calculate.
- The condition under which Workday calculates state taxes.

The Calculation Method columns identify how to calculate state taxes by indicating either:

- No calculation method, which means that Workday calculates full state withholding.
- The calculation method for how to withhold tax.

To change or override existing withholding elections or rules, you can use these tasks:

- Add Worker US Tax Elections
- Complete State and Local Withholding Elections where workers can manually submit residency forms.
- Edit Company State and Local Tax Reporting to override the default multistate withholding rule for resident state when there's no reciprocal agreement.

## Examples

Michelle lives in New Jersey and works in Pennsylvania and filed a Nonwithholding Certificate with their work state tax elections. You need to determine how Workday calculates tax withholding for both the resident and work states.

You access the View Payroll Multistate Withholding Rules report, select *New Jersey* and *Pennsylvania* from the Payroll State Authorities prompt, and consider:

### Resident State Taxes

New Jersey has a reciprocal agreement with Pennsylvania, so Workday must determine:

- Whether to withhold resident state taxes.
- Under what conditions to withhold resident state taxes.
- The calculation method to use.

In the State = Resident / Reciprocal Agreement Exists section, Workday follows the rules specified for New Jersey:

Column	Description
Calculate State	<i>True</i> indicates

Column	Description
	that resident state tax is calculated.
Calculation Method	<i>Resident State Tax - City Work EE Tax (if &gt; 0) tells Workday to calculate resident state tax minus work city tax.</i>

## Work State Taxes

Pennsylvania has a reciprocal agreement with New Jersey, so Workday must determine:

- Whether to withhold work state taxes.
- Under what conditions to withhold work state taxes.
- The calculation method to use.

In the State = Work / Reciprocal Agreement Exists section, Workday follows the rules specified for Pennsylvania:

Column	Description
Calculate State	<i>Tax Calc (State-WH Reciprocity); Certificate of Non-Residence Does NOT</i>

Column	Description
	<p><i>Exist</i> tells Workday to calculate work state tax if the worker doesn't have a Certificate of Non-Residence.</p> <p>Workday doesn't withhold work state taxes for Michelle, because they filed a Nonwithholding Certificate for Pennsylvania.</p>

You want to understand the different scenarios in which Workday calculates tax withholding for residents and workers in Indiana.

You access the View Payroll Multistate Withholding Rules report and select *Indiana* as the Payroll State Authority. You view the report and see:

States That Indiana Has Reciprocal Agreements With	
State = Resident / Reciprocal Agreement Exists - Withhold Tax - True	For workers who reside in Indiana and work in a state in the list, Workday calculates Indiana state tax. Whether Workday calculates work state tax depends on the work state and the rules associated with that state.
State = Resident / No Reciprocal Agreement - Withhold Tax - True	For workers who reside in Indiana and work in a nonreciprocal state,

States That Indiana Has Reciprocal Agreements With	
	Workday calculates Indiana state tax.
State = Resident / No Reciprocal Agreement - Calculation Method - Resident State Tax - Work State Tax (if > 0)	For workers who reside in Indiana and work in a nonreciprocal state, then Workday calculates Indiana resident tax and reduces that tax by the withheld work state tax.
State = Work / Reciprocal Agreement Exists - Withhold Tax - Tax Calc (State-WH Reciprocity): Certificate of Residence Does NOT Exist	If Indiana is the work state and a worker lives in one of the reciprocity states listed, Workday calculates Indiana work tax only if the worker doesn't have a certificate of residency filed.
State = Work / No Reciprocal Agreement - Withhold Tax = True	If Indiana is the work state but the worker lives in a state other than a reciprocity state, just withhold Indiana work state tax.

## Related Information

### Concepts

[Concept: Override Multistate Resident Withholding Rules \(USA\)](#) on page 1188

[Add Worker State Tax Elections \(USA\)](#) on page 1250

[Add Worker Local Tax Elections \(USA\)](#) on page 1255

[Set Up Company Federal Taxes \(USA\)](#) on page 1165

### Reference

[FAQ: Multistate Withholding Rules](#) on page 1238

### Concept: Override Multistate Resident Withholding Rules (USA)

Consider these options for configuring the override multistate resident withholding rule. The rule applies when a worker's resident state and work state don't have reciprocity.

Multistate Resident Rule - Calculate State	Multistate Resident Rule - Calculation Method	Result
True	Blank	Workday calculates wages and tax for the worker's resident state with no credit for the work state tax.

Multistate Resident Rule - Calculate State	Multistate Resident Rule - Calculation Method	Result
True	Resident State Tax - Work State Tax (if > 0)	Workday calculates wages and tax for the worker's resident state and reduces tax by crediting applicable work state tax.
True	Resident State Tax - Work State Tax (if > 0) / Report Work Wages Only	Workday calculates tax for the worker's resident state and reduces tax by crediting applicable work state tax. Workday doesn't calculate resident state wages.
Tax Calc (State-WH-Reciprocity): Work State Does Not Have Tax	Work State Does NOT Have Tax	Workday calculates wages and tax for the worker's resident state only if the work state doesn't have tax.
True	Work State Does NOT Have Tax / Report All Wages	Workday calculates wages for the worker's resident state. Workday calculates tax for the worker's resident state only if the work state doesn't have tax.

## Related Information

### Concepts

[Concept: State Tax Reciprocity \(USA\) on page 1231](#)

### Tasks

[Set Up Ongoing Multiple Work Jurisdictions \(USA\) on page 1220](#)

### Example: Set Up Tax Allocation for Workers in Ongoing Multiple Work Jurisdictions (USA)

This example illustrates how to complete the Tax Allocations tab on the Add Worker US Tax Elections task for employees who work in multiple jurisdictions on an ongoing basis.

### Context

Ben Adams is a San Francisco, California worker now assigned to work in these tax jurisdictions at the specified percentages:

- San Francisco, California (40%)
- Bellevue, Ohio (20%)
- Cleveland, Ohio (20%)
- Kalamazoo, Michigan (20%)

You need to set up ongoing multiple work jurisdictions for Ben.

### Prerequisites

Enable Allow Ongoing Work Jurisdiction Tax Allocation on the Edit Company Federal US Tax Reporting task.

Security: These domains in the USA Payroll functional area:

- *Set Up: Payroll - Company Specific (Taxes) - USA*
- *Worker Data: Payroll (Company Specific) - USA*

## Steps

1. Access the Add Worker US Tax Elections task.
2. Select worker Ben Adams and these states in the Additional States field:
  - *Ohio*
  - *Michigan*
3. Add 4 rows in the City Withholding grid in the Work section on the Local tab and select:
  - *Bellevue City (Ohio: Huron)*
  - *Cleveland City (Ohio: Cuyahoga)*

Since Kalamazoo, Michigan has no city work tax, the city of Kalamazoo isn't available for selection.  
Delete the fourth row.

4. Access the Ongoing Work Jurisdictions section on the Tax Allocations tab, add 4 rows, and enter these settings:

State	City	Allocation Percent
California	<i>San Francisco (California: San Francisco)</i>	40
Ohio	<i>Bellevue City (Ohio: Huron)</i>	20
Ohio	<i>Cleveland City (Ohio: Cuyahoga)</i>	20
Michigan	<i>No City Work Tax</i>	20

## Related Information

### Concepts

[Concept: Tax Allocations for Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1229

### Tasks

[Steps: Add Worker Tax Elections \(USA\)](#) on page 1245

### Example: Inactivate Non-Applicable Tax Allocations (USA)

## Context

Jordan usually works only in Portland, Oregon, where he's subject to an employer-paid transit tax. However, for 6 months he'll work only 50% in Sandy and 50% in Wilsonville, Oregon, which have different employer-paid transit taxes.

## Prerequisites

Security: These domains in the USA Payroll functional area:

- *Set Up: Payroll - Company Specific (Taxes) - USA*
- *Worker Data: Payroll (Company Specific) - USA*

## Steps

1. Access the Add Worker US Tax Elections task.
2. Add a row in the Other section on the State tab and select *Tri-County Metropolitan Transportation District Excise Tax - Employer Paid (Oregon)*, then select the Inactive check box.
3. Add 2 rows in the Other section on the State tab and select:
  - *Sandy County Transit Tax - Employer Paid (Oregon)*
  - *Wilsonville Transit Tax - Employer Paid (Oregon)*

4. Add 2 rows in the Ongoing Work Jurisdictions section on the Tax Allocations tab and enter these settings:

State	Other	Allocation Percent
Oregon	<i>Sandy County Transit Tax - Employer Paid (Oregon)</i>	50
Oregon	<i>Wilsonville Transit Tax - Employer Paid (Oregon)</i>	50

## Result

Workday stops processing tax for the inactivated allocation and begins processing the new tax allocations.

## Next Steps

When Jordan returns to Portland, the payroll administrator will deactivate the Sandy County and Wilsonville transit tax allocations and add the Portland transit tax allocation.

## FAQ: Multistate Withholding Rules

[Why didn't a worker who lives in 1 state and works in another receive a W-2 for their work state? on page 1238](#)

Why didn't a worker who lives in 1 state and works in another receive a W-2 for their work state?

Some reciprocal agreements between states result in work states not generating W-2s if there's an agreement between the resident state and work state. You can review reciprocity rules between states using the View Payroll Multistate Withholding Rules report.

## Related Information

### Concepts

[Set Up Company Taxes by Location \(USA\) on page 1219](#)

[Set Up Ongoing Multiple Work Jurisdictions \(USA\) on page 1220](#)

### Tasks

[Set Up Ongoing Multiple Work Jurisdictions with Time Tracking \(USA\) on page 1222](#)

## Convenience of Employer Rule

### Set Up Convenience of Employer Rule

#### Prerequisites

See Concept: Convenience of Employer Rule.

#### Context

You can set up a convenience of employer (COE) rule to define the COE states for your remote workers' tax elections. This feature helps you comply with different state requirements for tax reporting.

You can only configure 1 COE rule for a worker at a time.

## Steps

1. Access the Edit Company Federal US Tax Reporting task.

Complete the Company Tax Reporting grid:

Start Date	The effective date for the company tax reporting. This date must be on or after 2024-01-01 for you to enable a COE rule for your company.
Enable Convenience of Employer Rule	Select the check box.

Security: *Set Up: Payroll - Company Specific (Taxes) - USA domain* in the USA Payroll functional area.

2. Access the Add Worker US Tax Elections task for a worker.

Complete the Convenience of Employer tab to define the details for the COE rule:

Start Date	The effective date for when the COE rule begins. Select a date on or after 2024-01-01.
End Date	The effective date for when the COE rule ends.
State Work is Directed From	<p>The state where work is directed from, or the physical company location.</p> <p>This state follows the excluded exceptions configured on the Maintain Tax Authority Exceptions Pay Component Groups task.</p> <p>You can only select one state for this field.</p>
Start of Remote Work	The physical location where the employee works. You can select multiple states for this field.

Security: *Worker Data: Payroll (Company Specific) - USA domain* in the USA Payroll functional area.

3. (Optional) To end a COE rule:

- a. Access the Worker US Tax Elections report.
- b. On the Convenience of Employer tab, select Worker Tax Election > Edit from the related actions menu of the Tax Jurisdictions column.
- c. Update the End Date.

Security: *Worker Data: Payroll (Company Specific) - USA domain* in the USA Payroll functional area.

## Result

After you configure the COE rule:

- Workday determines state withholding taxes for the worker based on the COE rule and applies multistate withholding rules to the pay calculations.
- Employees can view the COE rule by accessing the Tax Elections report of the Pay profile group on their profile.

## Example

You set up a COE rule for a worker with:

- New Jersey as their state of remote work.
- New York as the state where work is directed from.

Workday calculates the worker's state withholding tax as if the wages were earned in both the state of remote work and the state the work was directed from. This results in their wages being subject to tax in both New York and New Jersey.

If you also configured an ongoing multiple work jurisdiction tax allocation for a worker, Workday uses 100% of the worker's earnings assigned to their State of Remote Work when calculating taxes for their State Work is Directed From.

## Next Steps

To process payroll for workers with retroactive changes after you've enabled your COE rule, create an on-demand additional payment to change the tax authorities.

Related Information

### Concepts

[Concept: Multistate Withholding Rules \(USA\)](#) on page 1231

### Examples

[2025R1 Feature Release Note: Convenience of Employer Rule](#)

### Concept: Convenience of Employer Rule

Workday enables you to configure a convenience of employer (COE) rule for your payroll tax setup. You can use the COE rule to support workers who work in and are taxed in a different state from their company.

The COE rule isn't supported for:

- Companies in single legal entity (SLE) company relationships when the companies have different tax reporting setup.
- Exemptions for MSRR or for Fort Campbell in Kentucky.
- Local taxes.
- Multiple states where work is directed from.
- Nonresident alien workers.
- Prior period tax adjustments.
- Retroactive changes to the COE rule. If you make retroactive changes to the worker's tax elections, the tax elections use the current COE rule.
- Tip wages.
- Trailing payments.
- U.S. territories.
- Workers who have an international assignment position.

You'll continue to either:

- Manually process taxes for workers who work remotely if your worker isn't covered by a COE rule for 100% of their time in the State of Remote Work.
- Set up an ongoing multiple work jurisdiction for the state that work is directed from if you don't set up a COE rule.

### Custom Reports for COE Rules

You can use these report fields on the Worker and the Worker Tax Withholding Elections business objects to monitor and review your COE rules:

- Start Date for Convenience of Employer Rule
- End Date for Convenience of Employer Rule
- State Work is Directed From
- State of Remote Work

## Web Services for COE Rules

You can use these web services to create and retrieve payroll data related to COE rules:

Web Service	Domain	Description
<i>Get Payroll USA State Convenience Rule Elections (Web Service)</i>	<i>Worker Data: Payroll (Company Specific) - USA</i>	Returns these details about the COE rule: <ul style="list-style-type: none"> <li>Start date</li> <li>End date</li> <li>State work is directed from</li> <li>Remote work state</li> </ul>
<i>Put Payroll USA State Convenience Rule Election (Web Service)</i>	<i>Worker Data: Payroll (Company Specific) - USA</i>	The Start Date of the COE rule must be on or after 2024-01-01. The End Date of the COE must be on or after the Start Date.

## Copied COE Rules

You can use these check boxes on the Copy Tax Elections for Workers task to verify if you also will mass copy COE rules when you copy workers' tax elections:

- Source Company Allows Convenience of Employer Rules
- Proposed Source Company Allows Convenience of Employer Rules

These check boxes are automatically populated based on if the source and proposed companies allow COE rules. To copy over COE rules for workers, ensure that both check boxes are checked.

You can use the *Convenience of Employer Rule* type on the Mass Copy Tax Elections Audit report to find and verify these details about a worker's COE rule:

- The effective state date.
- The state of remote work and the state where their work is directed from.

## FLSA and Flat Sum Bonuses

Workday takes into account a worker's COE rule depending on the type of bonus they receive and the states they work in or are directed from:

Bonus Type	Tax Setup	Scenario	Description
Flat Sum Bonus	COE rule	A worker's: <ul style="list-style-type: none"> <li>State Work is Directed From is New York.</li> <li>State of Remote Work is California.</li> </ul>	Because the worker: <ul style="list-style-type: none"> <li>Works in California, Workday pays the worker following California's flat sum bonus requirements.</li> <li>Has a COE rule, their bonus is subject to New York's tax requirements.</li> </ul>

Bonus Type	Tax Setup	Scenario	Description
Flat Sum Bonus	COE rule or OMWJ	<p>A worker's:</p> <ul style="list-style-type: none"> <li>• Lives and works in California.</li> <li>• Has an ongoing work jurisdiction tax allocation of 100% in New York.</li> </ul>	<p>Because the OMWJ adds New York:</p> <ul style="list-style-type: none"> <li>• The worker's bonus is subject to New York's tax requirements.</li> <li>• The worker's bonus follows the FLSA bonus functionality.</li> </ul>

### Example of COE Rule

Jane:

- Works remotely in New Jersey.
- Reports to a company located in New York.

On the Add Worker US Tax Elections task, Jane's payroll administrator configures the COE rule with:

- *New York* as the State Work is Directed From.
- *New Jersey* as the State of Remote Work.

For this pay cycle, Jane has:

- A base pay compensation of \$4,000.
- A bonus of \$1,000 for work completed in Connecticut, as directed by the company.

Jane's taxes look like this on her pay result:

Pay Component	Worktags	Amount	Related Calculation	Amount
<i>State Withholding (Resident) [USA]</i>	New Jersey	0.00	Gross Wages	5,000.00
			Subject Wages	5,000.00
			Taxable Wages	5,000.00
<i>State Withholding (Work) [USA]</i>	New York	172.38	Gross Wages	4,000.00
			Subject Wages	4,000.00
			Taxable Wages	4,000.00
<i>State Withholding (Work) [USA]</i>	Connecticut	69.90	Gross Wages	1,000.00
			Subject Wages	1,000.00
			Taxable Wages	1,000.00

As a result of Jane's COE rule:

Pay Component	State Tax	Description
<i>State Withholding (Resident) [USA]</i>	New Jersey	Workday uses Jane's total wages to calculate this tax. Multistate withholding rules apply to the pay calculations, so the amount that Workday withholds is zero.
<i>State Withholding (Work) [USA]</i>	New York	Workday: <ul style="list-style-type: none"> <li>Follows the COE rule.</li> <li>Uses the wages allocated to the State of Remote Work of New Jersey to calculate this tax.</li> </ul>
<i>State Withholding (Work) [USA]</i>	Connecticut	Connecticut isn't part of Jane's COE rule so Workday doesn't calculate these wages as part of the wages for the State Work is Directed From.

## Related Information

### Tax Treaties (USA)

#### Steps: Set Up Nonresident Alien Tax Treaty Withholding (USA)

##### Prerequisites

Security: *Worker Data: Payroll (Company Specific) - USA*

##### Context

Workday refers to tax treaty and the Internal Revenue Service Substantial Presence Test (SPT) when calculating taxes and taxable wages for 1042-S and W-2 reporting.

Tax treaties cover nonresident aliens (NRA) for these types of income:

- Scholarship or fellowship grants.
- Dependent personal services.
- Teaching.
- Studying and training.

Set up Workday to honor tax treaties between the U.S. and other countries for NRA.

##### Steps

- Access the Add Worker US Tax Elections task.  
Identify NRA workers by selecting the Nonresident Alien check box on the Federal tab.
- Enter tax treaty information for NRA employees who receive income that's subject to tax treaty rules.
  - To load tax treaty information from a third-party application, use *Put Payroll Worker Tax Treaty*.
  - Enter information for 1 worker at a time using the Maintain Worker Tax Treaties task.  
See [Maintain Tax Treaty Information for a Worker \(USA\)](#) on page 1244.

3. Identify states that honor federal tax treaties.
  - a) Access the Maintain State Tax Treaty Withholding Rules task.
  - b) Select the State Honors Federal Tax Treaty check box.
4. Add earnings that are subject to a tax treaty to the appropriate pay component groups:

2014 and Prior	2015 and After
<ul style="list-style-type: none"> <li>• <i>Income Code 16 Non Qualified [USA]</i></li> <li>• <i>Income Code 16 Qualified [USA]</i></li> <li>• <i>Income Code 18 [USA]</i></li> <li>• <i>Income Code 19 [USA]</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Income Code 16 Non Qualified [Effective 2015] [USA]</i></li> <li>• <i>Income Code 16 Qualified [Effective 2015] [USA]</i></li> <li>• <i>Income Code 18 [Effective 2015] [USA]</i></li> <li>• <i>Income Code 19 [Effective 2015] [USA]</i></li> <li>• <i>Income Code 20 [Effective 2015] [USA]</i></li> </ul>

5. Update the Net pay accumulation for run categories that deduct tax treaty taxes to subtract the *1042-S Withholding (Tax Treaty) Taxes [USA]* pay component group.

## Maintain Tax Treaty Information for a Worker (USA)

### Prerequisites

Security: *Worker Data: Payroll (Company Specific)* - USA domain in USA Payroll functional area.

### Context

Add or update nonresident alien (NRA) tax treaty information. Workday applies the tax treaty rules when it calculates withholding for certain types of income.

You can use the *Put Payroll Worker Tax Treaty* web service to load tax treaty information for multiple workers from a third-party application.

### Steps

1. Access the Maintain Worker Tax Treaties task.
2. As you complete the task, consider:

Option	Description
Tax Residency Country	The worker's country of residence that has a tax treaty with the U.S.
Income Code	The 2-digit IRS code for the type of income earned.
Income Code Subtype	Applies to income code 16. Identify if the income is <i>Qualified</i> (not subject to NRA withholding) or <i>Non Qualified</i> . If <i>Non Qualified</i> , select Eligible for Withholding Allowance and, if applicable, enter the Withholding Rate.
Treaty Benefit Start Date	The date when the treaty eligibility period starts. This is the time period when the worker receives treaty benefits.
Treaty Benefit End Date	The date when the treaty eligibility period ends. Workday reports wages earned after this period in the applicable year on W-2 forms.

Option	Description
	<p>You can use this field to end a tax treaty rule. Example: You add nonresident alien tax treaty information for a worker on August 1, 2024. When you need to end the treaty, you update this prompt and select 07/31/2025. Workday no longer applies the nonresident alien tax treaty rule as of the Treaty Benefit End Date when calculating income for that worker.</p>

## Result

When you calculate payroll and the worker is identified as a nonresident alien on the Worker US Tax Elections report, Workday applies the tax treaty rules.

## Next Steps

To review a worker's tax treaty information, take the related action on the worker Payroll > View Tax Treaties.

Related Information

### Tasks

[Steps: Add Worker Tax Elections \(USA\)](#) on page 1245

## Concept: Tax Withholding for Nonresident Alien Workers (USA)

Workday can calculate U.S. federal withholding for nonresident alien (NRA) employees in one of 3 ways:

Tax Treatment of NRA Employee	Withholding	Employee Setup in Workday
Treated as a resident for tax purposes.	Same as for U.S. citizens.	Nonresident Alien check box isn't selected on the worker's W-4.
Not treated as a resident for tax purposes. Not covered by a tax treaty.	Workday adds an additional amount to the earned amount to determine the taxable wages subject to withholding.	Nonresident Alien check box is selected on the W-4. Filing status is Single or Married filing separately.
Not treated as a resident for tax purposes. Covered by a tax treaty.	Withholding from IRS income code numbers 16, 18, 19, and 20 is based on a tax treaty.	Tax Treaty is set up for the worker with benefit amounts and applicable dates.

## Worker Tax Elections (USA)

### Steps: Add Worker Tax Elections (USA)

#### Prerequisites

Verify that the worker:

- Is in a company and a pay group.
- Has a valid work and primary home address in the U.S.

Security: *Worker Data: Payroll (Company Specific)* - USA domain in the USA Payroll functional area.

## Context

Enter federal, state, and local tax elections for a worker when they:

- Submit state withholding elections using paper forms instead of using employee self-service (ESS).
- Work in more than 1 company so you must enter a separate set of tax elections for each company.

## Steps

1. [Add Worker Federal Tax Elections \(USA\) on page 1247](#)
2. [Add Worker State Tax Elections \(USA\) on page 1250](#)
3. [Add Worker Local Tax Elections \(USA\) on page 1255](#)
4. (Optional) [Set Up Ongoing Multiple Work Jurisdictions \(USA\) on page 1220](#)

Some employees work in multiple states, cities, or counties on an ongoing basis and don't report hours separately for each jurisdiction. You can configure tax calculations and withholding in Workday for each jurisdiction.

5. (Optional) [Set Up Convenience of Employer Rule on page 1238](#)

Some employees work in states other than the state where their company is located, and those states might have different requirements for tax reporting. You can configure a COE rule for remote workers' tax elections.

6. (Optional) Resolve severance pay after termination.

Workday disconnects the work state from a terminated worker. To resolve severance pay after termination, select the work state for SUI from the State Authority (Work) prompt in the Override Worktags section on the Run On Demand Payment for Worker task.

See [Create On-Demand Additional Payments on page 693](#).

## Result

Workday calculates payroll taxes according to the tax elections and allocations you enter.

## Next Steps

- To view tax data for an employee, access these reports:
  - [Worker US Tax Elections](#): Displays federal, state, and local tax withholding information for an employee.
  - [Withholding Orders for Worker](#): Lists all withholding orders for an employee.
- To correct employee tax elections, access the Worker US Tax Elections report. In the first column, select Worker Tax Election > Edit from the related actions menu.
- When an employee changes companies, enter their tax elections for the new company.
- When an employee works in multiple tax jurisdictions on an ongoing basis, you can configure tax location mapping for your company. You can disable those mappings for a worker entirely or for individual states.

## Related Information

### Tasks

[Set Up Company Federal Taxes \(USA\) on page 1165](#)

[Maintain Tax Treaty Information for a Worker \(USA\) on page 1244](#)

[Set Up Company Taxes by Location \(USA\) on page 1219](#)

[Set Up Ongoing Multiple Work Jurisdictions \(USA\) on page 1220](#)

[Steps: Set Up Payroll Taxes \(USA\) on page 1162](#)

## Add Worker Federal Tax Elections (USA)

### Prerequisites

Set up company federal taxes.

Verify that the worker:

- Is in a company and a pay group.
- Has a valid work and primary home address in the U.S.

Security: *Worker Data: Payroll (Company Specific) - USA* domain in the USA Payroll functional area.

### Context

You can enter federal tax elections for a worker when you receive a Lock in Letter from the federal government or when they:

- Submit withholding elections using a paper Form W-4 instead of using employee self-service (ESS).
- Have a Federal Tax Levy withholding order, which prevents them from using ESS. In this case, the payroll administrator can still make tax elections.
- Work in more than 1 company. Enter a separate set of tax elections for each company.

These web services support loading and retrieving federal tax elections:

- *Get Payroll Federal W-4 Tax Election*
- *Get Payroll FUTA (FUI) Elections*
- *Get Payroll Payee FICAs (FICA OASDI and Medicare exemption information)*
- *Put Payroll Federal W-4 Tax Election*
- *Put Payroll FUTA (FUI) Elections*
- *Put Payroll Payee FICA (FICA OASDI and Medicare exemption information)*

The web services for Payroll Payee FICA include any Reason for Exemption.

The *Put Payroll Payee FICA* web service:

- Considers worker FICA exemption data and adds or removes exemption reasons to determine worker exemption status.
- Uses the processing position if you don't specify a position for the worker and the payroll processing position rules are set up to use position override by default.

### Steps

1. Access the Add Worker US Tax Elections task.
2. As you complete the task, consider:

Option	Description
Company	<p>Displays the employee's company as of the Effective Date.</p> <p>Select a company as of the Effective Date when the employee:</p> <ul style="list-style-type: none"> <li>• Has a future hire date.</li> <li>• Is terminated.</li> <li>• Has positions in multiple companies.</li> </ul>
Work State	Displays the state from the employee's primary work address if it exists, or the location of the employee's primary or processing position.

Option	Description
Home State	Displays the state from the employee's primary home address.
Additional States	Select additional states in which the employee works.  Your selections apply to taxes calculated for payroll input when: <ul style="list-style-type: none"> <li>• You select the tax authority worktag for the additional state or its localities on payroll input.</li> <li>• Workers have ongoing multiple work jurisdictions specified on the Tax Allocations tab.</li> <li>• Workers are MSRR Exempt. Select the domicile state where the employee pays taxes.</li> </ul>

3. As you complete the Federal tab, consider:

Option	Description
Marital Status	Select a valid status.
Number of Allowances	Accepts up to 5 digits for 2019 and earlier.
Extra Withholding	<p>Workday calculates additional federal withholding on regular on-cycle payments unless it's supplemental pay only.</p> <p>For nonregular run categories, Workday doesn't deduct additional amounts. You can include the Additional Amount pay component related calculation as payroll input. Example: Worker has a bonus paid in an on-cycle, nonregular run category. You want Workday to withhold an additional amount, so you add the Additional Amount PCRC to the <i>Federal Withholding [USA]</i> deduction as payroll input tied to the specific payroll result.</p> <p>Note: Workday displays the additional amount elected on the payroll administrator view of pay results, but it might not reflect the total amount withheld due to net pay validation.</p> <p>For on-demand additional payments paid in regular run categories, Workday deducts when you:</p> <ul style="list-style-type: none"> <li>• Select the Take Additional Tax Withholding Amounts check box.</li> <li>• Enter input for the <i>Additional Amount</i> PCRC.</li> </ul>
Multiple Jobs or Spouse Works	Select to update the withholding calculation for the worker to account for multiple jobs or their spouse working.

Option	Description
Total Dependent Amount	Accepts up to 9 digits.
Other Income	Accepts up to 9 digits.
Deductions	Accepts up to 9 digits.
Nonresident Alien	<p>Limits Marital Status to <i>Single</i> and Number of Allowances to <i>1</i>. You can change the marital status and number of allowances for a nonresident alien (NRA), but a warning displays.</p> <p>Select Exempt from NRA - Additional Amount to exclude the additional amount from the employee wages when calculating federal withholding.</p> <p>Workers can select this check box through self-service when completing their tax elections.</p>
Lock In Letter	When the IRS issues a Lock in Letter, select this check box to prevent the employee from making withholding changes through employee self-service.
Exempt	The employee remains exempt from federal withholding until you enter different instructions. Workday doesn't automatically reset employee exempt status at the beginning of each year.
No Wage/No Tax	Select this check box to prevent Workday from resolving federal withholding.

4. As you complete the Unemployment Insurance, FICA Medicare, and FICA OASDI sections, consider:

Option	Description
Exempt	Select this check box if applicable.
Apply to Worker	Select this check box when the worker is exempt from FICA Medicare or FICA OASDI and you want to apply the exemption throughout Workday.

The exemption from FICA Medicare or FICA OASDI continues when you use the Job Change business process to move the worker to a new job when you select these check boxes:

- Apply to Worker
- Exempt
- Exempt Reason

Access the All Workers that are Exempt from FICA OASDI or FICA Medicare report for more information on workers exempt from FICA Medicare or FICA OASDI.

## Result

You can view tax data for an employee by accessing these reports:

Report	Description
Payee W-4 Withholding IRS Report	Displays an employee's W-4 data.
Withholding Orders for Worker	Displays an employee's federal and state tax levies.
Worker US Tax Elections	Displays an employee's federal, state, and local tax withholding information.

## Next Steps

- To correct tax elections, access the Worker US Tax Elections report. In the first column, selectWorker Tax Election > Edit from the related actions menu.
- When an employee changes companies, enter their tax elections for the new company.
- When a worker is no longer exempt from Unemployment Insurance, FICA Medicare, and FICA OASDI, you can remove the exemption. Add a blank new row to the relevant section. Don't select the Apply to Worker or exempt check boxes.
- Workday disconnects the work state from a terminated worker. To resolve severance pay after termination, access the Run On Demand Payment for Worker task, and in the Override Worktags section, select the work state for SUI from the State Authority (Work) prompt.

Related Information

### Concepts

[Concept: Single Legal Entities \(USA\)](#) on page 1305

### Tasks

[Maintain Tax Treaty Information for a Worker \(USA\)](#) on page 1244

[Set Up Company Taxes by Location \(USA\)](#) on page 1219

[Set Up Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1220

[Steps: Set Up Payroll Taxes \(USA\)](#) on page 1162

[Steps: Set Up EIBs Using Templates from Web Service Operations](#)

### Reference

[Reference: View Tax Authority Data \(USA\)](#) on page 1198

## Add Worker State Tax Elections (USA)

### Prerequisites

Set up company federal taxes.

Verify that the worker:

- Is in a company and a pay group.
- A valid work and primary home address in the U.S.

Security: *Worker Data: Payroll (Company Specific)* - USA domain in the USA Payroll functional area.

### Context

You can enter state tax elections for a worker when they:

- Require other state withholding elections not entered through Employee Self Service (ESS).
- Submit state withholding elections using a paper form instead of using Employee Self Service (ESS).
- Work in more than 1 company. Enter a separate set of tax elections for each company.

These web services support loading and retrieving state and local tax elections:

- *Get Payroll USA State and Local Tax Elections*

- Put Payroll USA State and Local Tax Election

## Steps

1. Access the Add Worker US Tax Elections task.
2. As you complete the task, consider:

Option	Description
Effective Date	For Indiana, Workday only calculates county tax when the effective date of the county tax election is the first of the year.
Company	Displays the employee's company as of the Effective Date.  Select the company as of the Effective Date when the employee: <ul style="list-style-type: none"> <li>• Has a future hire date.</li> <li>• Is terminated.</li> <li>• Has positions in multiple companies.</li> </ul>
Work State	Displays the state from the employee's primary work address when it exists, or the location of their primary or processing position.
Home State	Displays the state from the employee's primary home address.
Additional States	Select additional states in which the employee works.  Your selections apply to taxes calculated for payroll input when: <ul style="list-style-type: none"> <li>• You select the tax authority worktag on payroll input.</li> <li>• Workers have ongoing multiple work jurisdictions specified on the Tax Allocations tab.</li> <li>• Workers are MSRR Exempt. Select the domicile state where the employee pays taxes.</li> </ul>

3. As you complete the State tab, consider:

When the Work State or Home State you select requires withholding, the State Withholding section displays.

4. As you complete the State Withholding section, consider:

Option	Description
Number of Allowances	Accepts up to 5 digits.
Additional Amount	Workday calculates additional state withholding on regular on-cycle payments unless it's supplemental pay only.  For nonregular run categories, Workday doesn't deduct additional amounts. You can include the Additional Amount pay component related calculation (PCRC) in your deduction.

Option	Description
	<p>Example: Worker has a bonus paid in an on-cycle, nonregular run category and you want Workday to withhold an additional amount, so you add the Additional Amount PCRC to the <i>Federal Withholding [USA]</i> deduction.</p> <p>Note: Workday displays the additional amount elected on the payroll administrator view of pay results, but it might not reflect the total amount withheld due to net pay validation.</p> <p>For on-demand additional payments paid in regular run categories, Workday deducts when you:</p> <ul style="list-style-type: none"> <li>• Selected the <i>Take Additional Tax Withholding Amounts</i> check box.</li> <li>• Enter input for the <i>Additional Amount PCRC</i>.</li> </ul>
Exempt	<p>The employee remains exempt from state withholding in Workday until you enter different instructions. Workday doesn't automatically reset employee exempt status at the beginning of each year.</p> <p>Note: When a worker is exempt but has an Additional Amount defined, the additional amount is still withheld from each payment. If your state doesn't allow an additional amount for exempt workers, ask the worker to submit a corrected form.</p>
Inactivate State Tax	<p>For workers who reside in Iowa or Arizona and work in another state, Workday calculates resident state withholding tax if the worker has an active state tax election.</p> <p>Select this check box when:</p> <ul style="list-style-type: none"> <li>• The worker has an existing state tax election.</li> <li>• You don't want Workday to calculate the resident state withholding tax for Iowa or Arizona.</li> </ul>
MSRR Exempt	<p>Select this check box for the state where worker is residing with their military spouse.</p>
Domicile State	<p>When the employee is MSRR Exempt, select the state of permanent residency, where the employee pays state and local taxes.</p>

Option	Description
No Wage/No Tax	Select to prevent Workday from resolving state withholding.

These states have additional withholding processing details:

State	Details
District of Columbia	Nonresidents who work in the District of Columbia can file a Form D-4-A to be exempt from state withholding. Select the Form D-4-A Filed and the Exempt check boxes.
Indiana	<p>If you manually specify Indiana county tax elections for a worker in the Indiana Withholding grid, you must select the Form WH-4 Filed check box to ensure that those elections are applicable.</p> <p>When you select Form WH-4 Filed, Workday uses the last updated date and time and county elections to determine the effective county elections. Update the Indiana Local County tax election to be effective on or after the date of the Indiana state election.</p> <p>When you don't select Form WH-4 Filed, Workday uses the most current effective tax elections for the Indiana Local County.</p> <p>Workday automatically selects the Form WH-4 Filed check box when you use the Complete State and Local Withholding Elections task to submit a WH-4 form.</p> <p>Workday doesn't create corresponding county elections when you or the employee submit a WH-4 form in Workday with these fields blank:</p> <ul style="list-style-type: none"> <li>• County of Principal Employment as of January 1.</li> <li>• County of Residence as of January 1.</li> </ul> <p>The county tax elections don't apply if you haven't completed these fields.</p> <p>If you need to make any changes to the state election, you must add applicable county elections again. Example: The worker changes marital status.</p>
Kentucky	<p>If an employee has no birth date on file, Workday considers the employee to be under 65 for exemption purposes.</p> <p>When you select the Fort Campbell Exempt check box, Workday calculates the employee as exempt and the Domicile State field becomes available.</p>

State	Details
Louisiana	The Increase or Decrease Withholding Amount field accepts negative numbers.
Oklahoma	When you select the Active Duty check box, Workday calculates the worker as exempt from state taxes.
Virginia	When a worker claims Estimated Tax Credit per Period, Workday reduces the Virginia State Withholding (Resident) tax amount by the tax credit when the worker: <ul style="list-style-type: none"> <li>• Is a resident of Virginia.</li> <li>• Works in a non-reciprocal state.</li> </ul>

5. As you complete the Unemployment Insurance section, consider:

Workday calculates State Unemployment Insurance (SUI) for the worker primary work state if required by the state. SUI is based on wages earned in all states.

6. As you complete the Other section, consider:

Option	Description
Other	Select additional state or local tax to elect, exempt, or deactivate.
Exempt	Select to exempt the worker from a tax that doesn't require an election.
Inactive	Select to stop calculating a tax when the worker is no longer liable for it. Example: The worker moves from the jurisdiction.

When the Work State or Home State you select has payroll other tax authorities, the Other section displays.

These authorities are used for taxes that aren't covered by state or local withholding elections, such as optional state voluntary disability insurance. To view a complete list of other tax authorities and which require a tax election, access the View Payroll Other Tax Authorities report.

If the employee works in multiple tax jurisdictions on an ongoing basis, taxes elected here but not listed on the Tax Allocations tab are calculated under certain conditions, unless you deactivate them. See [Set Up Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1220.

## Result

You can view tax data for an employee on these reports:

Report	Description
Withholding Orders for Worker	Displays an employee's federal and state tax levies
Worker US Tax Elections	Displays an employee's federal, state, and local tax withholding information.

## Next Steps

- To correct, delete, or update employee tax elections, access the Worker US Tax Elections report. In the first column, select Worker Tax Election and choose the applicable task (Edit, Delete).
- When an employee changes companies, enter their tax elections for the new company.

- When an employee works in multiple tax jurisdictions on an ongoing basis, you can set up tax location mapping for your company. You can deactivate those mappings for a worker entirely or for individual states. See [Set Up Company Taxes by Location \(USA\)](#) on page 1219.

#### Related Information

##### Tasks

[Set Up Company Taxes by Location \(USA\)](#) on page 1219

[Set Up Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1220

## Add Worker Local Tax Elections (USA)

### Prerequisites

Verify this employee data:

- Company.
- Pay group.
- Valid work and primary home address in the U.S.

Security: *Worker Data: Payroll (Company Specific)* - USA domain in the USA Payroll functional area.

### Context

You can enter local tax elections for a worker when they:

- Submit local withholding elections using a paper form instead of using employee self-service.
- Work in more than 1 company so you must enter a separate set of tax elections for each company.

Workday displays these tax authorities for the domicile state when you select the MSRR Exempt check box on the State tab:

- City
- County
- School District

For Indiana, resident and work counties are determined at the beginning of the calendar year. Set the tax election Start Date for an Indiana county to the first day of the year (January 1) in which the tax becomes effective for the worker.

These web services support loading and retrieving state and local tax elections:

- Get Payroll USA State and Local Tax Elections*
- Put Payroll USA State and Local Tax Election*

### Steps

- Access the Add Worker US Tax Elections task. and consider:

Option	Description
Effective Date	For Indiana, Workday only calculates county tax when the effective date of the worker's county tax election is the first of the year.
Company	<p>Displays the employee's company as of the Effective Date.</p> <p>Select the company as of the Effective Date when the employee:</p> <ul style="list-style-type: none"> <li>Has a future hire date.</li> <li>Is terminated.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Has positions in multiple companies.</li> </ul>
Work State	Displays the state from the employee's primary work address when it exists, or the location of the primary or processing position.
Home State	Displays the state from the employee's primary home address.
Additional States	<p>Select additional states in which the employee works.</p> <p>Our selections apply to taxes calculated for payroll input when:</p> <ul style="list-style-type: none"> <li>You select the tax authority worktag for the additional state or its localities on payroll input.</li> <li>Workers have ongoing multiple work jurisdictions specified on the Tax Allocations tab.</li> <li>MSRR Exempt (Military Spouse Residency Relief Act) employees. Select the domicile state where the employee pays taxes.</li> </ul>

2. As you complete the Local tab, consider: These sections might display depending on the state:

#### Home

- City Withholding
- School District Withholding

#### Work

- City Withholding
- County Withholding

3. As you complete the task, consider:

Option	Description
Withholding	Select the local tax authority.
Exemptions	Select to exempt the worker from the tax.
Additional Amount	<p>For these localities, Workday calculates additional local withholding on regular on-cycle payments unless it's supplemental pay only:</p> <ul style="list-style-type: none"> <li>Indiana, for Work or Residence county.</li> <li>Michigan, for Work or Residence city.</li> <li>New York, for Work or Residence city.</li> </ul> <p>For nonregular run categories, Workday doesn't deduct additional amounts. You can include the Additional Amount pay component related calculation (PCRC) in your deduction. Example: A worker received a bonus payment in an on-cycle, nonregular run category. You want Workday to withhold an additional amount, so you add the Additional Amount</p>

Option	Description
	<p>PCRC to the <i>Federal Withholding [USA]</i> deduction.</p> <p>Note: Workday displays the Additional Amount elected on the payroll administrator view of pay results, but it might not reflect the total amount withheld due to net pay validation.</p> <p>For on-demand additional payments paid in regular run categories, Workday deducts when:</p> <ul style="list-style-type: none"> <li>• You select the Take Additional Tax Withholding Amounts check box.</li> <li>• You enter input for the <i>Additional Amount</i> PCRC.</li> </ul>
Inactive	<p>Select to stop calculating the tax for a worker, such as when they move out of the locality.</p>

4. Consider this additional location-specific tax withholding information:

Option	Description
Kentucky	<p>For Louisville City Withholding, when the worker already has an election for <i>Transit Authority of River City (TARC) (Kentucky)</i>, select Inactive for it.</p> <p>Add a new row and select the Effective Date.</p> <p>Select 1 of these tax authorities from the City prompt:</p> <ul style="list-style-type: none"> <li>• <i>Louisville Non-Resident + TARC (Kentucky: Jefferson)</i></li> <li>• <i>Louisville Resident + TARC (Kentucky: Jefferson)</i></li> </ul> <p>For residents of Jefferson county, in the School District Withholding section, from the School District Withholding prompt, select <i>Jefferson County School Board Tax (Kentucky: Jefferson)</i> .</p>
Maryland	<p>If you don't enter instructions for local tax withholding, Workday uses the default withholding rate for Maryland.</p> <p>On pay results and payslips, Workday combines state and local (county) tax withholding.</p>
Pennsylvania	<p>To apply wages earned in another state to the work location for local taxation, select the Primary PA EIT check box in the Work section. .</p> <p>Workday recognizes amounts previously withheld by other companies when:</p> <ul style="list-style-type: none"> <li>• You set up the <i>Local City (PENN) Local Service Tax [LST] (USA)</i> city withholding tax, and</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Workers have transferred from or work in multiple companies.</li> </ul>

5. On the Tax Allocations tab, for employees who work in multiple tax jurisdictions on an ongoing basis, enter the percentage of work performed in each jurisdiction. Taxes elected here but not listed on the Tax Allocations tab calculate under certain conditions.

See [Set Up Ongoing Multiple Work Jurisdictions \(USA\)](#).

## Next Steps

- You can view local tax withholding information for an employee on the Worker US Tax Elections report.
- When an employee changes companies, enter their tax elections for the new company.

### Related Information

#### Tasks

[Maintain Tax Treaty Information for a Worker \(USA\)](#) on page 1244

[Set Up Company Taxes by Location \(USA\)](#) on page 1219

[Set Up Ongoing Multiple Work Jurisdictions \(USA\)](#) on page 1220

[Steps: Set Up Payroll Taxes \(USA\)](#) on page 1162

## Copy Tax Elections for a Worker (USA)

### Prerequisites

- Security: Configure the *Copy Tax Elections for Worker* business process and security policy in the USA Payroll functional area.
- The worker is transferring or has transferred to the new company.
- Set up the tax authorities for the workers tax elections in Workday for the new or proposed company. If not set up, Workday doesn't copy the tax elections for that tax authority.

### Context

You can copy the tax elections for a worker from 1 company to another for events such as acquisitions.

You can copy the elections from the predecessor to the successor company.

You can copy tax elections for a worker in single legal entity (SLE) company relationship. Tax elections need to be in the managing company.

### Steps

- From the related actions menu of the worker, select Payroll > Copy Tax Elections for Worker.
- If the worker works in more than 1 company, select the Source Company.  
Otherwise, Workday displays the company name.
- Select the Proposed Company, the company to which you want to copy the elections.  
Workday displays only companies relevant to the employee.

### Result

The copied elections use the same effective date as the existing tax elections in the source company.

### Related Information

#### Tasks

[Steps: Set Up Payroll Taxes \(USA\)](#) on page 1162

**Examples**

Concept: Business Processes

## **Copy Tax Elections for Multiple Workers (USA)**

**Prerequisites**

- Configure the *Copy Tax Elections for Workers* business process and security policy in the USA Payroll functional area.
- The workers are transferring or have transferred to the new company.
- Set up the tax authorities for the workers tax elections in Workday for the new or proposed company. If not set up, Workday doesn't copy the tax elections for that tax authority.

**Context**

You can copy the tax elections for a worker from 1 company to another for events such as acquisitions.

You can copy the elections from the predecessor to the successor company.

You can copy tax elections for a worker in single legal entity (SLE) company relationship. Tax elections need to be in the managing company.

**Steps**

- Access the Copy Tax Elections for Workers task.
- Select:
  - All Workers.
  - One or more Worker(s).
- If the workers work in more than 1 company, select the Source Company.  
Otherwise, Workday displays the company name.
- Select the Proposed Company, the company to which you want to copy tax elections.

**Result**

The copied elections use the same effective date as the existing tax elections in the source company.

The Proposed Company missing Source Company's Payroll Tax Authorities field displays any tax authorities from the source company that Workday didn't find in the proposed company. You can manually copy these tax elections over.

**Next Steps**

(Optional) Access the Mass Copy Tax Elections Audit report to review the tax elections you copied to the proposed company.

Related Information

**Examples**

Concept: Business Processes

## **Exempt Military Spouses from Residence State and Local Taxes (USA)**

**Prerequisites**

- Make sure the worker's work address reflects the actual work state.
- Update the home address to their current residence.
- Security: *Worker Data: Payroll (Company Specific)* - USA domain in the USA Payroll functional area.

## Context

When the spouse resides with the member of the military, the Military Spouse Residency Relief Act exempts spouses from state and local taxes for that state. When you set up the exemption, Workday deducts taxes for their Domicile State instead.

Midperiod changes to a worker's Domicile State results in gross-to-net proration.

Workday doesn't support exempting military spouses from residence state and local taxes for workers who have an international assignment position in the U.S.

## Steps

1. Access the Add Worker US Tax Elections task, and enter the State of Domicile in the Additional State field.
2. On the State tab, select the MSRR Exempt check box for the state where worker is residing with their spouse.
3. For the Domicile State, select the state of permanent residency where the worker actually pays state and local taxes.

## Result

Workday withholds taxes from the Domicile State. Workday keeps track of withholding for states that require a W-2 report even though the employee is exempt.

## Next Steps

Run the Payroll Multistate Withholding Rules report. The Accumulate Wages for Employees Claiming Military Spouses Residency Relief Exemption column displays *Yes* when a state requires accumulation of wages for employees claiming MSRR exemption.

Run the Expiring Exempt Tax Elections report to keep track of MSRR exemption elections that might be near expiration.

These web services include the MSRR exemption election:

- *Put Payroll USA State and Local Tax Elections*
- *Get Payroll USA State and Local Tax Elections*

Related Information

### Tasks

[Steps: Add Worker Tax Elections \(USA\)](#) on page 1245

## Steps: Reset Exempt Tax Elections (USA)

### Context

You can find workers who have expiring federal, state, or local exempt tax elections and then:

- Notify them so they can create a new election for themselves.
- Add a new tax withholding election for them.

Workday supports local exempt elections for:

- Michigan
- New York
- Pennsylvania Local Service Tax (LST)

## Steps

1. Access the Expiring Exempt Tax Elections report.

Find workers with expiring exempt elections. You:

- Must select a Tax Authority Type to include local or state tax elections on the report.
- Can select the Include Military Spouse Exempt Elections check box to display workers with an MSRR election.

The Expiring Exempt Tax Elections report doesn't display workers who have:

- An active federal tax levy or a Lock-in Letter.
- Transferred out of the company.

Security: *Worker Data: Payroll (Company Specific)* - USA domain in the USA Payroll functional area.

2. Copy the Expiring Exempt Tax Elections report so you can configure an alert.

See [Copy Reports](#).

Security: *Custom/Standard Report Copy* domain in the Tenant Non-Configurable functional area.

3. Create an alert to notify workers who have expiring elections.

See [Configure and View Alerts](#).

Security: *Notification Alerts* domain in the System functional area.

4. Access the Add Workers US Tax Election for Expiring Exempt report.

Add new elections for workers with expired exempt elections. You:

- Must select a Tax Authority Type to include local or state tax elections on the report.
- Can select the Include Military Spouse Exempt Elections check box to display workers with an MSRR election.

Security: *Worker Data: Payroll (Company Specific)* - USA domain in the USA Payroll functional area.

5. (Optional) Create an alert to notify workers that you added a new exempt election for them.

See [Configure and View Alerts](#).

## Result

Workers have new tax elections with default values based on the relevant tax authorities. The effective date for the created election is the date you submit the report.

[Related Information](#)

[Concepts](#)

[Setup Considerations: Payroll Tax Setup \(USA\)](#) on page 1156

[Examples](#)

[2022R2 What's New Post: Reset Federal Exempt Withholding Elections](#)

## Create Reports with Worker Tax Elections (USA)

### Prerequisites

- Set up company taxes.
- Add worker tax elections.
- Security: *Worker Data: Payroll (Company Specific)*

### Context

Create custom reports that include information about worker tax elections.

## Steps

1. Access the Create Custom Report task:
  - a) For Report type, enter *Advanced Report*.
  - b) For Data Source, enter *All Workers*.
2. On the Columns tab:
  - a) For Business Object, select *Worker*.
  - b) For Field, select the category *Worker Tax Elections*.

## Result

A list of available fields is presented, including the following taxes:

- Federal (Withholding, FICA, UI, EIC)
- State (Withholding, UI, EIC)
- City (Withholding)
- County (Withholding)
- School District (Withholding)

Related Information

### Examples

[Concept: Custom Reports](#)

## Concept: Worker Tax Elections (USA)

### Administrative Tasks

#### Administrative Tax Election Tasks

Payroll administrators and partners can complete tax elections for workers using these administrative tasks:

- Add Worker US Tax Elections
- Add Workers US Tax Election for Expiring Exempt
- Complete Federal Withholding Elections
- Complete State and Local Withholding Elections for Worker
- Copy Tax Elections for Workers

Additionally, you can include these business processes in the *Change Job*, *Contact Change*, and *Onboarding* business processes:

- Complete Federal Withholding Elections
- Complete State and Local Withholding Elections

Workday doesn't support the business process step Complete State and Local Withholding Elections for workers who have an international assignment position in the U.S.

When configured, Workday sends a My Tasks notification to employees who might need to update their withholding elections.

#### Routing Tax Elections for Approval

Use these report fields as condition rules for the tax election business processes to route the

approval step. When configured, Workday routes the business process for approval according to the condition rules you set:

Tax Elections	Report Fields
Federal	<ul style="list-style-type: none"> <li><i>Federal Withholding: Exempt Indicator</i></li> <li><i>Federal Withholding: Nonresident Alien</i></li> <li><i>Federal Withholding: Number of Allowances</i></li> </ul>
State	<ul style="list-style-type: none"> <li><i>State Withholding: Exempt</i></li> <li><i>State Withholding: MSRR Exempt</i></li> <li><i>State Withholding: Non-Resident Alien</i></li> <li><i>State Withholding: Number of Allowances</i></li> <li><i>State Withholding Payroll State Authority</i></li> <li><i>State Withholding Payroll Tax Authority Form</i></li> <li><i>State Withholding Tax Election Form Attachments</i></li> </ul>

### Set Up Company Third Party Personal U.S. Tax Reporting

You can set up your company to enable workers to opt in to having their personal tax data transmitted to a third-party tax preparation provider. Once you set this process up, the Employee Self-Service (ESS) 3rd Party Personal Automatic Transmission task becomes available for workers to opt in to having their personal tax data transmitted. Use the Edit Company 3rd Party Personal US Tax Reporting task to:

- Set up a company to transmit tax data to a third-party tax provider partner.
- Enable workers to opt in to having their personal tax data sent to a third-party provider.
- Establish a lock-out date when workers can no longer opt in for the current tax year.

## Employee Self-Service Tax Elections

### Employee Self-Service Tax Election Tasks

For security, Workday automatically masks workers' Social Security Numbers (SSNs) on all tax withholding elections. Select the Display National ID check box in the USA and CAN ESS Withholding Elections section of the Edit Tenant Setup - Payroll task to display all worker SSNs. Workers can use the related action from their profile page Personal Data > View My ID Information > Verify National ID to validate their SSN. To validate their SSN, workers require access to the *Self Service: Verify National ID* domain in the Personal Data functional area.

Employees can use self-service to view and update federal, state, and local tax elections using these tasks:

- Complete Federal Withholding Elections
- Complete State and Local Tax Elections

Workday doesn't support federal, state, or local withholding forms for workers who have an international assignment position in the U.S.

To add a tax election for the first time, employees can access the Withholding Elections report, if you've configured their security groups to use it. To update existing elections, employees can select the Update button on the Federal, State, and Local Elections tabs, either from the report or from their worker profile, depending on your configuration. They can also add or update federal, state, and local tax elections using Workday on Android, iPad, and iPhone.

For pre-hires to access these tasks and make pre-hire state withholding elections, configure the same security groups under the authentication policy as well as the *Manage: Company* domain.

Example: You enter the *All Employees* and *All Pre-Employees* security groups on the *Manage: Company* domain under the Domain Security Policies for Functional Area task. You enter the same security groups on the *Manage Authentication Policies* report.

They can select Withholding Elections from the *Pay* worklet, then select Update on the Federal, State, and Local tabs.

For ESS tax elections, these security groups must have the permissions specified:

Security Group	Domain	Permission
• <i>Employee as Self</i>	<i>Self-Service: Payroll (My)</i>	<i>Modify</i>

Security Group	Domain	Permission
<ul style="list-style-type: none"> <li><i>Pre-Employee as Self</i></li> </ul>	<i>Withholding Elections) - USA in the USA Payroll functional area.</i>	
<ul style="list-style-type: none"> <li><i>All Employees</i></li> <li><i>All Pre-Employees</i></li> </ul>	<i>Manage: Company domain in the Organizations and Roles functional area.</i>	<i>View</i>

Workday provides some state tax election forms as attachments and workers can complete others within Workday. See the list of state [ESS Withholding Elections Forms](#) on Community.

To view completed state forms:

Custom Workday Forms	Forms Submitted as Attachments
From the related actions menu on the worker profile, select Payroll > View US Tax Elections, then select View Completed Form.	From the worker profile related actions menu, select Worker History > View Worker History. Locate the business process State Tax Election and select the PDF form.

To view completed federal forms, from the worker profile, select the related action Worker History > View Worker History. Locate the business process State Tax Election and select the PDF form.

## Federal Tax Levies Block Self-Service Federal Tax Elections

Workday automatically selects the Block Tax Election Changes in ESS check box when workers have a federal tax levy. Employees can stop using the *Add Federal Withholding Elections* self-service task. Tax election changes can change disposable earnings calculations. However, administrators can still use the Add Worker Tax Elections task to make updates.

## Missing or Expired Tax Elections

### Calculations

When a worker is missing tax elections, Workday uses the default withholding elections and marital status to calculate federal and state tax withholding. See the Payroll Tax Authority Defaults report.

## Reports

You can use these reports to identify workers with missing or expiring tax elections, such as when:

- A worker transfers from 1 company to another.
- A new calendar year begins.
- Active military duty is ending for a spouse.

Report	Description
View Workers with Missing US Tax Elections	For use by payroll administrators and payroll partners for the worker's supervisory organization. Lists workers in a company who are missing federal or state tax elections at the end of the selected period. Report columns display a value when tax elections are missing and are blank when elections exist.
Expiring Exempt Tax Elections	<p>Displays a list of employees who are exempt from federal, state, or local tax withholding as of the date you enter in the Exempt Election As Of Date field.</p> <p>Supports local exempt elections for:</p> <ul style="list-style-type: none"> <li>• Michigan</li> <li>• New York</li> <li>• Pennsylvania Local Service Tax (LST)</li> </ul> <p>Excludes employees who:</p> <ul style="list-style-type: none"> <li>• Have an active federal tax levy or a Lock in Letter.</li> <li>• Transferred out of the company.</li> </ul> <p>In the report, you can select to include or exclude:</p>

Report	Description
	<ul style="list-style-type: none"> <li>Terminated workers.</li> <li>Workers with an MSRR election.</li> </ul>

## Related Information

### Tasks

[Steps: Set Up Payroll Taxes \(USA\)](#) on page 1162

[Copy Tax Elections for a Worker \(USA\)](#) on page 1258

[Copy Tax Elections for Multiple Workers \(USA\)](#) on page 1259

[Steps: Add Worker Tax Elections \(USA\)](#) on page 1245

### Reference

[Reference: View Tax Authority Data \(USA\)](#) on page 1198

### Examples

[Steps: Set Up Security for Onboarding](#)

## Quarterly Tax Reporting (USA)

### Steps: Multiple Worksite Reporting (USA)

#### Prerequisites

- Workday bases multiple worksites reporting on the location of your business site. Each location requires:
  - A business site.
  - An address with a state.
  - A trade name. When your company doesn't require a trade name, you can enter placeholder text.
  - A unique worksite ID code. The codes can be the same for a location that multiple companies use.
- Process at least 1 payroll to view reporting data from multiple worksites.

#### Context

Workday enables you to:

- Create a worksite reporting integration using the *BLS Electronic Data Reporting - MWR* template so you can generate a Multiple Worksit Report (MWR) file for delivery to the Bureau of Labor Statistics (BLS).
- Provide the BLS with quarterly reports on employees with multiple worksites.
- Comply with BLS requirements to match the counts for unemployment. For employees with multiple jobs in multiple states, we report the state of the primary position.

Review these reports:

- Audit: Worksite Discrepancies for Company to identify discrepancies between current work state and worksite state data. The state must match the one used for SUI wages on results. To correct discrepancies, you can verify the correct:
  - Business site has been identified by accessing the Edit Location report.
  - Address has been identified as the primary work address by accessing the worker's contact information.

- Multiple Worksite Report by Company to review quarterly wages by tax authority and the count of workers who are active for the 12th day of each month of the quarter.
- Multiple Worksite Report by Worker to review quarterly wages by worker and verify whether workers are active on the 12th day of each month of the quarter. When workers:
  - Have an alternate work location, Workday uses the work location address to determine the work state.
  - Don't have an alternate work location, Workday uses the business location to determine the work state.

Workday doesn't support multiple worksite reporting for workers who have an international assignment position in the United States.

## Steps

1. Set up a worksite reporting integration to generate an MWR file for the BLS.  
See [Steps: Set Up Worksit Reporting Integration](#).
2. Launch the *BLS Electronic Data Reporting - MWR* integration to deliver the quarterly MWR file to the BLS.  
See [Launch an Integration](#).

## Result

You can send the Multiple Worksite Report form to the BLS in the required format, rounded to the nearest USD.

## Steps: Report Hours Worked for SUI

### Prerequisites

Have an earning for worker's salary that's reduced by time off or holiday pay.

See [Example: Reduce Salary for Time Off and Holidays](#) on page 395.

### Context

You can report hours worked at the state unemployment insurance (SUI) level to help you improve accuracy for quarterly tax reporting.

Set up reporting hours worked at the SUI level before you calculate pay results for the next quarter to help ensure that:

- All the workers' pay results include SUI hours on them.
- The total SUI hours for each worker are accurate.

Example: It's currently March, and you want to report hours worked for SUI. You've already completed some payroll results for your workers, so those completed results in Q1 won't have hours worked at the SUI level. You decide to set up reporting hours worked for SUI this month so that the configuration is ready for Q2.

## Steps

1. Add the *Reporting: SUI ER Hours Worked [USA]* pay component group (PCG) to the relevant hours related calculation on the appropriate earning codes.

Example: You add the *Reporting: SUI ER Hours Worked [USA]* pay component group on the *Hours (prorated)* related calculation.

See [Set Up Pay Component Related Calculations](#) on page 249.

- Access the Tax Filing Quarterly Data for Workers report to verify that the hours worked at the SUI level are accurate by reviewing the:

- QTD SUI Hours column on the Data for Quarters tab.
- Hours Worked column on the Additional Data tab.

**Note:** If you configure the *Reporting: SUI ER Hours Worked [USA]* PCG after you already completed payroll results for the quarter, you might see inaccurate hours on the report. Workday recommends that you set up reporting hours worked at the SUI level prior to the beginning of the quarter before Step 3.

**Security:** *Reports: Pay Calculation Results for Worker (Tax Filing/ W-2's) - USA* domain in these functional areas:

- Payroll USA: Reports
- Integrations

- Access the Edit Tenant Setup - Payroll task to opt in to filing hours worked at the SUI level.

In the Tax Elections / Taxes section, select the quarter where you want to start reporting SUI hours from the Enable Hours Worked for Employer SUI prompt.

**Security:** *Setup: Tenant Setup - Payroll* domain in the Payroll Core functional area.

## Result

The *Reporting: SUI ER Hours Worked [USA]* PCG enables:

- Payroll results to display the *SUI (ER) [USA]* pay component on the Additional Pay Components tab in the Employer Paid Taxes section.
- The Tax Filing Quarterly Data for Workers report to display hours worked on the QTD SUI Hours column of the Data for Quarters tab.

After you select a quarter from the Enable Hours Worked for Employer SUI prompt:

- Workday includes the hours worked at the *SUI (ER)[USA]* pay component level within the *Get Quarterly Worker Tax Filing Data* web service.
- U.S. tax filing integrations output hours worked within their respective quarterly tax files for the *SUI (ER)[USA]* pay component.

**Example:** Paul moved from California to Nevada. They worked 160 hours total for the pay period. After you set up reporting for SUI hours, Workday drills down on Paul's total hours to report the hours that they worked in each state:

- 40 hours in California.
- 120 hours in Nevada.

## Create Codes for Quarterly Tax Reporting (USA)

### Prerequisites

Configure the *Maintain Payroll Reporting Codes for Worker* business process and security policy in the USA Payroll functional area.

### Context

Workday delivers payroll reporting codes for Washington and Wyoming. You can create payroll reporting codes to capture worker data for quarterly tax filing in these states:

State	Type of Information Captured
Alaska	Geographic Code

State	Type of Information Captured
	Occupational Code
California	Branch Code
Indiana	Location Code Occupational Code
Iowa	Reporting Unit Number Code
Louisiana	Occupational Code
Massachusetts	Unit Number
Michigan	Multi-Unit Number
Minnesota	Unit Code
New Mexico	Unit Number
North Carolina	Occupational Code
Ohio	RITA Working from Home Indicator
Oregon	Replacement Worker
South Carolina	Occupational Code
Washington	Occupational Code
West Virginia	Occupational Code

## Steps

1. Access the Maintain Payroll Reporting Codes task.
2. Select the type of code that you want to define. Examples: *California Branch Code* or *Minnesota Unit Code*.
3. Enter a Name and Code for each valid reporting code.

Example: For the geographic *California Branch Code*, create a unique name and 3-digit code.

## Next Steps

Assign tax reporting codes to workers. See [Assign Codes for Quarterly Tax Reporting to Workers \(USA\)](#) on page 1271.

You can access the:

- Payroll Reporting Codes report to view the codes, usage counts, and number of inactive codes.
- Tax Filing Quarterly Data for Workers report and select the Include Reporting Codes check box to view codes with worker tax filing quarterly data.

Note: You can't delete codes with a usage count, but you can deactivate them on the Maintain Payroll Reporting Codes task. The View Payroll Reporting Codes for Worker report indicates whether a code is inactive. Inactivating a code doesn't remove it from a worker.

Related Information

### Examples

[Edit Business Processes](#)

## Assign Codes for Quarterly Tax Reporting to Workers (USA)

### Prerequisites

Create payroll reporting codes for quarterly tax reporting.

See [Create Codes for Quarterly Tax Reporting \(USA\)](#).

### Context

The states in this table are the current states that Workday supports for quarterly tax reporting. To capture information needed for quarterly tax filing, assign payroll reporting codes to workers in these states:

State	Type of Information
Alaska	Geographic Code Occupational Code
California	Branch Code
District of Columbia	Owner or Corporate Officer
Indiana	Location Code Occupational Code
Iowa	Reporting Unit Number
Louisiana	Occupational Code
Massachusetts	Unit Number
Michigan	Multi-Unit Number
Minnesota	Unit Code
New Mexico	Owner or Corporate Officer Unit Number
North Carolina	Occupational Code
Ohio	RITA Working from Home Indicator
Oregon	Replacement Worker
South Carolina	Occupational Code
Washington	Corporate Officer Type Occupational Code
West Virginia	Occupational Code
Wyoming	Class Code Indicator Corporate Officer Type

### Steps

1. Access the Maintain Payroll Reporting Codes for Worker task.
2. Enter an effective date.
3. Select the code that you created to assign it to the worker.

The worker's U.S. location determines which codes are available.

## Result

Workday transmits the tax codes to yourtax service for quarterly tax filing.

## Next Steps

Access the View Payroll Reporting Codes for Worker report to view the payroll reporting codes assigned to workers.

# File Vermont Employer Health Care Contribution (USA)

## Prerequisites

**Security:** Reports: Pay Calculation Results for Worker (Tax Filing/W-2s) - USA domain in the USA Payroll functional area.

Because this feature covers Staffing, Benefits, Payroll, and Integrations, make sure that you have your security policies set up correctly.

## Context

Workday Payroll users can collect the information necessary to file the Vermont Employer Health Care Contribution. The Tax Filing Quarterly Data for Workers report includes this information and sends it to your tax filing partners:

- Seasonal employees.
- Employees with medical coverage.

Note: Check with your tax filing partner to ensure that the data meets their needs.

## Steps

1. [Set Up Employee Types](#).

Use the Maintain Employee Types task to select the Seasonal check box for each employee type you want to identify as seasonal employment.

2. [Manage Benefit Coverage Types](#).

- a. Access the Maintain Benefit Coverage Types task.
- b. Access the Health Care Coverage Types section. Select the Medical check box for each coverage type you want to identify as medical.

3. [Set Up Company State Taxes \(USA\)](#) on page 1177.

Use the Edit Company State and Local US Tax Reporting task to define tax information for Vermont.

4. [Hire Employees](#).

When hiring employees, define the type of employee using the Employee Type prompt.

5. [Start Open Enrollment or Change Benefit Elections](#).

During benefits enrollment, Workday determines whether an eligible employee works in Vermont and has waived coverage and asks whether they have outside medical coverage.

6. Have employees complete the Vermont Department of Labor Declaration of Health Care Coverage form.

Add a *To Do* step to your benefit enrollment business processes to have Vermont employees who have waived coverage complete the form.

These report fields can help identify those employees:

- *Worker: Worker*
- *Employee Enrollment Event: Employee Works in Vermont*
- *Employee Enrollment Event: All Medical Waived*

7. Run the Tax Filing Quarterly Data for Workers report.

#### 8. [Launch an Integration](#) .

The tax filing integration then picks up the necessary information and sends it to your tax filing partner.

### **Next Steps**

When Workday doesn't return the expected *Employee Health Insurance Indicator* for a worker when you run the *ADP Tax Filing - Quarterly* integration, you can override the value.

1. Access the Maintain Custom ID Types task.

- a. Enter *Vermont Healthcare Indicator* in the Custom ID Type field.
- b. Select the Public check box.

2. Assign it to the worker using the Edit Other IDs task.

3. Enter 1 of these identification values:

- 1 or N for workers with no coverage.
- 3 or Y for workers with employee-only coverage.

Related Information

#### **Examples**

[Concept: Tax Filing Integration](#)

[Edit Business Processes](#)

## **Identify Corporate Officers for Quarterly Tax Filing Integrations (USA)**

### **Prerequisites**

Configure the *Edit Other IDs* business process and security policy in the Personal Data functional area.

### **Context**

You can create a custom ID type to identify workers as corporate officers, enabling you to comply with quarterly tax filing requirements. (Doesn't apply to District of Columbia, New Mexico, Washington, and Wyoming.)

To identify workers in District of Columbia, New Mexico, Washington, and Wyoming as corporate officers, assign payroll reporting codes instead. See *Assign Codes for Quarterly Tax Reporting to Workers (USA)*.

### **Steps**

1. [Steps: Set Up Identification Documents](#).

2. Access the Maintain Custom ID Types task.

- a) Enter a name in the Custom ID Type field.

Example: *Corporate Officer (Enter Yes or No as the Identification #)*.

- b) Select the Public check box.

Security: *Set Up: Contact Info, IDs, and Personal Data* domain in the Contact Information functional area.

3. Access the Edit Other IDs task.

As you complete the task, consider:

Option	Description
Other ID Type	Select the type you created on the Maintain Custom ID Types task. Example: <i>Corporate Officer (Enter Yes or No as the Identification #)</i> .

Option	Description
Organization	Select the worker's company. Example: <i>Global Modern Services</i> .
Custom Description	Enter an explanation. Example: <i>I'm marking the Identification # as "Yes" to indicate that the worker is a corporate officer.</i>
Identification #	Enter Yes or No.

## Result

Workday will report corporate officers in the *ADP*, *MasterTax*, and *Ceridian* quarterly tax filing integrations.

### Related Information

#### Concepts

[Concept: Tax Filing Integration](#)

#### Examples

[Steps: Set Up Identification Documents](#)

## Override the Employee Pull Mail Indicator for ADP Quarterly Tax Filing (USA)

### Prerequisites

Configure the *Edit Other IDs* business process and security policy in the Personal Data functional area.

### Context

Workday defaults the Employer Pull Mail Indicator field on the ADP quarterly tax filing integration template to *M*. You can create a custom ID type to override the value to *P*, indicating to ADP that you want to pull an employee's W-2 for special processing.

### Steps

- Access the Maintain Custom ID Types task.
  - Enter a name in the Custom ID Type field.  
Example: *Employee Pull Mail Indicator* (Enter 'P' for Pull or 'M' for Mail).
  - Select the Public check box.

Security: *Set Up: Contact Info, IDs, and Personal Data* domain in the Contact Information functional area.

- Access the Edit Other IDs task.

As you complete the task, consider:

Option	Description
Other ID Type	Select the type you created on the Maintain Custom ID Types task. Example: <i>Employee Pull Mail Indicator</i> (Enter 'P' for Pull or 'M' for Mail).
Organization	Select the worker's company. Example: <i>Global Modern Services</i> .
Custom Description	Enter an explanation. Example: <i>I'm marking the Identification # as "P" to indicate that ADP should pull the W-2 for this worker for special processing.</i>
Identification #	Enter <i>P</i> or <i>M</i> .

## Result

Workday will report *P* or *M* in the Employer Pull Mail Indicator field in the *ADP* quarterly tax filing integration file.

### Related Information

#### Concepts

[Concept: Tax Filing Integration](#)

## Set Up EIB for SUI Rates

### Prerequisites

#### Security:

- *Integration Build* domain in the Integration functional area.
- *Integration Configure* domain in the Integration functional area.
- *Integrations: EIBs* domain in the Integration functional area.
- *Integration Event* domain in the Integration functional area.
- *Process: Tax Filing/W-2s (RUN) - USA* domain in the USA Payroll functional area.

### Context

To help you save time and reduce manual effort, Workday enables you to:

- Configure your EIB to load State Unemployment Insurance (SUI) rates.
- Generate an EIB spreadsheet with SUI data and filter the data by company or state.

### Steps

1. Access the Create EIB task to set up an inbound EIB.
2. In the Data Format section on the Get Data page, select:
 

Option	Description
File Type	<i>Web Service Spreadsheet Template</i>
Web Service Operation	<i>Put Company US Tax Reporting (Web Service)</i>
3. Access the View Integration System report.
4. Select Template Model > Edit from the related actions menu of the EIB.
5. Select Edit Template with Data Options to configure a Filter for your template.
6. In the Filter section, select Condition Rule Filter to filter SUI rates by company or state.
7. Add 1 or more rows to the Rule Conditions grid and select:
 

Option	Description
And/Or	<i>And</i>
Source External Field or Condition Rule	<i>Company or State</i>
Relational Operator	<i>in the selection list</i>
Comparison Type	<i>Value specified in this filter</i>
Comparison Value	The company or state with the SUI rates that you want to include in your EIB spreadsheet.

8. Click Generate Spreadsheet Template with Data.
9. Select the Generate Spreadsheet with Data check box.

## Next Steps

You can now:

- Download the output file from the Output Files tab and review the SUI rates for the companies or states that you entered.
- Edit the SUI rates and import the updated data into Workday by launching an EIB spreadsheet upload.

## Company Relationships (USA)

### Common Pay Agent (USA)

#### Create or Edit a Common Pay Agent (USA)

#### Prerequisites

Security: *Set Up: Payroll (Tax Filing/W-2s) - USA* domain in the USA Payroll functional area.

#### Context

Designate a company as the common pay agent for a group of companies.

Workday doesn't support common pay agent company relationships for workers who have an international assignment position in the U.S.

#### Steps

1. Access the Create Company Relationship or Edit Company Relationship task.
2. From the Company Relationship Type field, select *Common Pay Agent*.
3. As you complete the task consider:

Field	Description
Effective as-of Tax Year	Relationships are in effect for the entire tax year.
Inactive as-of Tax Year	Relationships are no longer in effect as of the start of the tax year.
Represented by Company	The common pay agent; you can enter only 1 company.
Federal Tax ID	Workday uses the common pay agent FEIN.
Related Companies	<p>The companies that the common pay agent represents; you can enter multiple companies.</p> <ul style="list-style-type: none"> <li>• Only companies with a federal tax ID (FEIN) or pending tax ID (<i>Applied for</i>) are available from these prompts.</li> <li>• A representing or related company can't represent another group, and can't be a member of another group.</li> </ul>

4. Add specific state and local taxes on the Tax Reporting Configuration grid.

Field	Description
Payroll State Authority	You can only select states that you set up for the Represented by Company or Related Companies.  When you configure this field, Workday displays the common pay agent, the Represented by Company, EIN for all the related companies. Example: You select a New York state authority. Workday uses the New York EIN of the common pay agent for the related companies.
Tax Components Included for Reporting	Select deductions to include them in the tax configuration of the common pay agent.

## Result

By default, Workday uses the common pay agent for Federal withholding and FICA taxes (minus FUTA).

Employee W-2s for the common pay agent and related companies display:

- Box b: The EIN of the common pay agent.
- Box c:
  - Name of the common pay agent.
  - Address of the common pay agent.

Employee W-2s for the related companies display *Agent for* and the name of the worker's company in Box c.

You can use the Delete Common Pay Agent task to delete a common pay agent at any time.

### Common Pay Agent Reports

Report	Description
All Common Pay Agents	View the common pay agent and related companies, along with the state authorities and tax components for this relationship.
Tax Filing Periodic Data by Common Pay Agent	You can view taxable wages, subject wages, and gender counts for the related companies.
Tax Filing Quarterly Data by Common Pay Agent	For the related companies you can view QTD and YTD totals for: <ul style="list-style-type: none"> <li>• Tax withheld</li> <li>• Taxable wages</li> <li>• Subject wages</li> <li>• Gross amount</li> </ul>

### Common Pay Agent Web Services

- *Get Common Pay Agent*

- *Put Common Pay Agent*

Related Information

### Tasks

[Set Up Company Tax ID \(USA\)](#) on page 1163

### Examples

[Reference: Tax Filing Reports](#)

## Common Paymaster (USA)

### Setup Considerations: Common Paymaster Company Relationships (USA)

You can use this topic to help make decisions when planning your configuration and use of common paymaster company relationships. 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

Workday enables you to process the common paymaster type of company relationship. The designated common paymaster pays the wages of all employees within companies in the relationship during the relationship period.

Workday aggregates the wages earned across all companies involved for purposes of limit calculations for:

- OASDI.
- Medicare.
- Federal Unemployment Insurance (FUI).
- State Unemployment Insurance (SUI) for configured states.

You're responsible for ensuring eligibility under applicable law for:

- All companies included in the common paymaster relationship.
- All employees paid by the common paymaster.
- All states configured in the common paymaster relationship for SUI aggregation.

### Business Benefits

- Reduce tax liability by designating a common paymaster that serves as a single employer for FICA, and FUTA wage bases.
- Reduce tax liability by designating a common paymaster that serves a single employer for SUI wage bases for configured states.
- Common paymaster calculations occur for employees in US and Territory companies in the relationship.
- Enables you to specify states to include in the common paymaster structure.
- Enables you to issue combined W-2s for all companies in the relationship.

### Use Cases

- Each company in the relationship can have different Employer Identification Numbers (EINs).
- An employee works multiple jobs in your companies. You employ them concurrently in the common paymaster company and related companies.

## Questions to Consider

Questions	Considerations
Do you qualify to file as a common paymaster?	You're responsible for ensuring eligibility under the applicable law.  Workday recommends that you work with your legal department before implementing common paymaster.
How are you calculating common paymaster currently?	If you're using a workaround to calculate common paymaster in Workday, consider whether you want to migrate to Workday Common Paymaster.  Example: You're using a single company workaround for common paymaster. You currently receive a single pay result, single payslip, single deposit and single W-2 for an employee with multiple jobs. When you establish a Workday common paymaster relationship, you might not get a single pay result or a single deposit for an employee with multiple jobs.
Do you use the MasterTax integration?	If you do, configure common paymaster on the MasterTax portal.
Do you use the ADP integration?	If you do, configure your ADP profile to support the desired common paymaster reporting outcome.
Do you use the Ceridian integration?	Ceridian doesn't support common paymaster relationships.
Will you have a midyear transition from common paymaster in a legacy system to common paymaster in Workday?	For midyear transitions, test balances and limits thoroughly while considering any payroll history you've loaded.
Which administrators need access to managing the common paymaster relationship?	An administrator must have security access to the designated common paymaster company to be able to manage the relationship.  Confirm that security is working as expected when you establish a common paymaster relationship. Example: Make sure that administrators for related companies can still perform their duties as expected. Make security updates as needed.
Do your workers have tax elections in the related companies for the common paymaster relationship?	Workday Payroll for the USA only applies tax elections entered under the common paymaster company. Workday applies them to all jobs and companies within the common paymaster relationship.  However, you can make an employee FICA exempt for a job in 1 common paymaster company, while jobs in other common paymaster companies continue to withhold FICA.
What reconciliation items might you have for the common paymaster relationship?	You're responsible for ensuring your payroll tax reporting and year-end statements reconcile and

Questions	Considerations
	<p>you report them according to applicable laws. Some reconciliation items to consider:</p> <ul style="list-style-type: none"> <li>EINs reported on federal and state tax returns match EINs reported on year-end forms.</li> <li>Information reported on the Form 941 and state tax returns will reconcile to year-end forms for the FEIN and state EINs reported.</li> </ul> <p>When using a third-party vendor for tax filing while using Workday to generate W-2s, ensure the FEIN and state EINs on the W-2s tie to the tax returns your vendor filed.</p> <ul style="list-style-type: none"> <li>The FEIN reported on the Form 940 is related to the state SUI account/EIN reported on the quarterly state unemployment returns. The IRS FUTA Certification Program verifies with each state that the credit claimed against the FUTA tax on Form 940 was actually paid into the SUI fund.</li> </ul>

## Recommendations

Start a common paymaster relationship on 01-01 in the effective tax year before running payroll.

Configure 1 state per row on the common paymaster relationship. This method helps you easily identify configuration errors, and provides clarity when auditing your configuration history.

## Requirements

Set up the same federal, state, and local tax configuration for all companies in the common paymaster relationship. Ensure that the tax configuration is active before or at the start of the common paymaster relationship effective dates. If you need to add additional configuration after the start of the common paymaster relationship, enter the same effective date and tax configuration across all companies in the relationship.

Set up worker tax elections under the common paymaster.

Ensure that the configuration is accurate before running the first payroll for any companies in the relationship. Once run, you can't modify certain elements of common paymaster relationship. You also can't end the relationship until you complete the last payroll for the effective year.

## Limitations

Workday might not automatically update tax filing, and completed and in-progress pay results when you retroactively:

- Create a common paymaster relationship after you've processed payroll in the common paymaster effective year, for any companies in the relationship.
- Add a related company after you've processed payroll in the common paymaster effective year for that related company.
- Add a state after you've processed payroll in the effective quarter, for any companies in the relationship.

You can only:

- Start and stop a common paymaster relationship at the beginning of a year.
- Include a company in a common paymaster relationship when it's not part of any other company relationship for the same effective period.

You can't delete:

- The common paymaster relationship, and related companies from the relationship if you've calculated payroll within the common paymaster effective dates.
- States within the common paymaster relationship if you've calculated payroll within the configured effective quarter.

Workday doesn't:

- Display the common paymaster company on pay results for the worker. You can use the *Common Paymaster* report field in custom reports to return the common paymaster relationship from a pay result.
- Support common pay master company relationships for workers who have an international assignment position in the U.S.

## Tenant Setup

No impact.

## Security

Domains	
<i>Set Up: Payroll (Tax Filing/W-2s) - USA</i> domain in the USA Payroll functional area	Enables you to create and edit common paymaster company relationship.
In the USA Payroll functional area: <ul style="list-style-type: none"> <li><i>Process: Tax Filing/W-2s (Run) - USA</i></li> <li><i>Reports: Pay Calculation Results for Worker (Tax Filing/W-2s) - USA</i></li> <li><i>Set Up: Payroll (Tax Filing/W-2s) - USA</i></li> </ul>	Enables you report on common paymaster relationships, and create and extract them in bulk using web services.
<i>Manage: Company</i> domain in the Organizations and Roles functional area.	Enables you to set up and report on common paymaster company relationships.

## Business Processes

Workday Payroll only applies tax elections entered under the common paymaster. You can use the *Copy Tax Elections* business process.

## Reporting

Report	Considerations
All Common Paymasters	View the common paymasters and related companies, along with the state authorities and configurations for the relationships.

## Integrations

You can create and extract common paymaster company relationships in bulk using these web services:

- Get Common Paymasters*
- Put Common Paymaster*

## Connections and Touchpoints

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.

## Other Impacts

No impact.

Related Information

### Concepts

[Setup Considerations: FLSA Company Relationships \(USA\)](#) on page 1037

### Tasks

[Copy Tax Elections for a Worker \(USA\)](#) on page 1258

## Steps: Set Up a Common Paymaster (USA)

### Prerequisites

Review setup considerations for common paymaster company relationships.

Create the common paymaster company and the related companies.

Security:

- *Manage: Company* domain in the Organizations and Roles functional area.
- *Set Up: Payroll (Tax Filing/W-2s) - USA* in the USA Payroll functional area.

### Context

You can create a common paymaster company relationship in Workday. During the relationship period, the designated common paymaster company pays the wages of all employees within companies in the relationship.

Workday aggregates the wages earned across all companies involved for purposes of limit calculations for:

- OASDI.
- Medicare.
- Federal Unemployment Insurance (FUI).
- State Unemployment Insurance (SUI) for configured states.

You're responsible for ensuring eligibility under applicable law for:

- All companies included in the common paymaster relationship.
- All employees paid by the common paymaster.
- All states configured in the common paymaster relationship for SUI aggregation.

Workday recommends starting a common paymaster relationship on 01-01 in the effective tax year before running payroll. When you retroactively do any of these actions, Workday might not automatically correct completed and in-progress results:

- Create a common paymaster relationship after you've processed any payroll period in that year.
- Add a state after you've processed any payroll in that effective quarter.
- Add a related company after you've processed any payroll in that year.

You can create and extract common paymaster company relationships in bulk using these web services:

- *Get Common Paymasters*
- *Put Common Paymaster*

## Steps

1. Access the Create Company Relationship task.
2. From the Company Relationship Type prompt, select *Common Paymaster*.
3. As you complete the task, consider:

Option	Description
Reporting Tax Year	<p>The tax year in which the common paymaster relationship begins and is applicable for the entire specified tax year. The year must be 2021 or later.</p> <p>Workday recommends you select a tax year without payroll results. Starting a retroactive common paymaster relationship won't reflect in already completed or in-progress payroll results or tax filing.</p>
Inactive as-of Tax Year	<p>(Optional) The company relationship is no longer active as of 01-01 of the tax year selected.</p> <p>Example: You only want the common paymaster relationship to calculate for tax year 2022. You select 2022 as the Reporting Tax Year and 2023 as the Inactive as-of Tax Year. The common paymaster relationship is only active for tax year 2022. Common paymaster calculations no longer occur for pay results with a payment date on or after 2023-01-01.</p>
Related Companies	<p>The prompt only displays companies that aren't part of another company relationship during the same time period. If needed, review the effective dates of each company relationship to identify concurrency.</p> <p>Workday recommends that you don't add related companies to an existing common paymaster relationship midyear. The change won't reflect in already completed or in-progress payroll results or tax filing.</p>
State Configuration	<p>When you include a state in your configuration, Workday aggregates the State Unemployment Insurance (SUI) wages earned across all the companies involved in the relationship for limit calculations.</p> <p>Workday recommends configuring 1 state per row to help you easily identify configuration errors. This method also provides clarity when auditing your configuration history.</p> <p>You can't delete a state once you've calculated payroll within the configured quarters.</p> <p>Note: You're responsible for ensuring that the states you include permit common paymaster under applicable law.</p>

Option	Description
Start Quarter	<p>Workday includes a state in common paymaster calculations as of the first day of the start quarter you select. Applicable SUI calculations occur for payroll results with a payment date that's within the effective quarters of the configured row.</p> <p>Workday recommends that you don't add a state retroactively after you've processed payroll within the start quarter. The change won't reflect in already completed or in-progress payroll results or tax filing.</p>
Inactive as-of Quarter	<p>The state unemployment calculations are no longer active as of the quarter selected.</p> <p>Example: You only want the state included in 2022-Q1 and 2022-Q2 calculations. You select the 2021-Q1 start quarter and the 2021-Q3 inactive as-of quarter. The common paymaster calculations only include the states for 2022 Q1 and Q2.</p> <p>Workday doesn't recommend inactivating a state retroactively, after you've processed payroll within the inactive quarter selected. The change won't reflect in already completed or in-progress payroll results or tax filing.</p>
Payroll State Authority	<p>Select the state you want to include SUI calculations for.</p> <p>For a state to display in this prompt, it must be:</p> <ul style="list-style-type: none"> <li>Configured on the Company State and Local US Tax Reporting task for the designated common paymaster company.</li> <li>Active in the Start Quarter you configure for the common paymaster relationship.</li> </ul>
Periodic Tax Reporting Quarterly Tax Reporting	Workday uses this configuration as the default to separate tax filing. Workday doesn't support creating combined tax filing for all companies.
Year End Forms	<p>Select whether to deliver year-end forms separately for each company or combined for all companies.</p> <p>When you select combined year-end reporting:</p> <ul style="list-style-type: none"> <li>You can only select the common paymaster managing company when reporting on and creating your year-end forms.</li> <li>You can generate a single W-2 or W-2C form for employees who work concurrently for 2 or more related corporations. Workday combines the</li> </ul>

Option	Description
	<p>worker's earned state and local taxes by ID.</p> <ul style="list-style-type: none"> <li>• Workday takes the worker's print elections from the common paymaster managing company.</li> <li>• Workday reports the designated common paymaster company for the federal boxes on the W-2.</li> <li>• The W-2 includes aggregated federal taxes across all companies in the common paymaster relationship.</li> <li>• Workday lists each company and state combination on separate lines and reports the individual EINs for each company.</li> </ul> <p>Once you create W-2s within the effective date of the common paymaster relationship, you can't modify the year-end form configuration. To change the configuration, you must deactivate the current common paymaster and create a new common paymaster relationship.</p>

4. Use the Edit Company Federal US Tax Reporting task to enter the same Federal Unemployment Tax Act (FUTA) tax configuration for all companies in the relationship. The effective dates of your configuration should be before or at the start of the common paymaster relationship effective dates.

Note: If you need to change your configuration after the start of the common paymaster relationship, verify that the configuration and effective date are the same across all the companies in the relationship.

See [Set Up Company Federal Taxes \(USA\)](#) on page 1165, [Set Up Company State Taxes \(USA\)](#) on page 1177, and [Set Up Company Local Taxes \(USA\)](#) on page 1183.

5. Use the Edit Company State and Local US Tax Reporting task to configure all state and local tax authorities that exist for all related companies in the common paymaster company.

These tax authorities must exist in the common paymaster company before they can be calculated in the pay results of the related companies.

The effective dates of your configuration should be before or at the start of the common paymaster relationship effective dates.

If you include a state in your common paymaster company relationship configuration for purposes of SUI aggregation, configure the same SUI rate for that state across all the companies in the relationship. This is the rate that the state might assign to you when approving your request to file as a common paymaster for SUI reporting.

Note: If you don't configure the same SUI rate for the state across all companies in the relationship, unexpected SUI variances can occur when processing the common paymaster payroll for the state.

If you need to make configuration changes after the CPM relationship has started, ensure that the configuration and effective dates are the same across all the companies in the relationship.

- Enter worker tax elections in the common paymaster with effective dates that are within the relationship effective years.

The common paymaster company must enter and manage all tax elections as long as the relationship is in effect.

You can copy tax elections from related companies to the common paymaster company. See [Copy Tax Elections for a Worker \(USA\)](#) on page 1258.

Note: Verify that you configured all the state and local tax authorities in the common paymaster company before you add a worker tax election or run the Copy Tax Elections for a Worker (USA) task. You won't be able to add or copy a tax election otherwise.

Workday applies the common paymaster tax elections to all jobs and companies within the relationship. Workday doesn't apply tax elections in the related companies as long as the relationship is active.

### Example

Amanda Adams works at University Hospital as a surgeon and concurrently works as a professor at University Campus. The hospital and campus belong to different companies, each with their own FEIN.

Both University Hospital and University Campus meet the IRS definition of related companies. Amanda meets the definition of concurrent employment. The state in which both companies operate permits common paymasters for SUI calculations.

In this example, the OASDI wage limit is 142800 and the tax limit is 8853.60.

Common Paymaster Configured?	Result	OASDI Calculation
No.	Workday calculates the FICA, FUTA, and SUI limits for both companies separately. Multiple annual limits apply for the same employee and the tax liability increases.	University Hospital: $142800 \times 6.2\% = 8853.60$ (+ Employer match). University Campus: $142800 \times 6.2\% = 8853.60$ (+ Employer match). Amanda pays 17707.20. The employer pays 17707.20.
Yes.	FICA, FUTA, and SUI limits are aggregated across both companies. Workday applies a single annual limit and the designated common paymaster acts as a single employer.	University Hospital: $99600 \times 6.2\% = 6175.20$ (+ Employer match). University Campus: $43200 \times 6.2\% = 2,678.40$ (+ Employer match). Amanda pays 8853.60. The employer pays 8853.60.

### Next Steps

You can edit the relationship using the Edit Common Paymaster or Edit Company Relationship tasks.

You can use the Delete Common Paymaster task as long as there are no payroll calculations performed during the relationship.

## Related Information

### Tasks

[Copy Tax Elections for a Worker \(USA\)](#) on page 1258

### Concept: Common Paymaster (USA)

#### Common Paymasters

Common paymasters enable you to reduce tax liability by designating a common paymaster company that serves as a single employer for:

- FICA wage bases.
- FUTA wage bases.
- SUI wage bases for configured states.

You're responsible for ensuring eligibility under applicable law for:

- All companies included in the common paymaster relationship.
- All employees paid by the common paymaster.
- All states configured in the common paymaster relationship for SUI aggregation.

#### Retro Pay Calculations

You can:

- Calculate differences for workers who transfer companies that are in a common paymaster relationship. When the tax authorities between the companies are different, Workday considers the tax elections in the common paymaster company.
- Pay those differences using on-demand additional payments in the company that the differences are from. Use tax authority worktags.

Retro pay calculations don't support:

- When the source or target companies are outside the common paymaster relationship, and the tax authorities are different.
- The *Other Authority* worktag because Workday doesn't consider local other tax authorities from the managing company.

#### In-Progress Pay Results for Multiple Jobs

Multiple in-progress pay results for a worker in a common paymaster relationship are aware of limits and balances of the other results when you meet these conditions:

- When the jobs are in 1 pay group, run the pay calculation for that pay group.

- When the jobs are in multiple pay groups:
  - The pay groups must share the same period schedule.
  - You must calculate the pay groups together in the same pay calculation run.

If you make an adjustment to any of these in-progress results, recalculate them all together again in the same pay calculation run. That way, the in-progress results can continue to account for limits and balances. If you recalculate any of these results independently from the others:

- The in-progress results won't be able to account for limits and balances of the other results until you complete the pay result.
- You could have over or under withholding.

#### Multiple Jobs and Different Period Schedules

Workday determines the limits and balances to apply to in-progress results by looking at the last completed pay result for workers with multiple jobs that you are:

- Paying on different period schedules.
- Calculating in different pay calculation runs.

After you complete any pay result for a worker or pay group, you must recalculate any remaining in-progress results. Otherwise, you might have over or under withholding.

#### FAQ: Common Paymaster (USA)

Do limit calculations apply to workers who transfer between companies within the common paymaster relationship in Workday?

Will common paymaster relationships respect the annual limits for retirement contributions, such as 401k?

Do I need to update income withholding orders for workers in a common paymaster relationship?

Yes. You're responsible for ensuring that all workers paid by the common paymaster are eligible under applicable law.

Yes. Workday respects the annual limits for retirement contributions and other benefits with limits when the worker:

- Earns wages in multiple companies in the relationship.
- Transfers between companies in the relationship.

No. Workday continues to manage income withholding orders at the individual company level.

## Mergers and Acquisitions (USA)

### Setup Considerations: Successor Employer Company Relationships (USA)

You can use this topic to help make decisions when planning your configuration and use of USA successor employer company relationships. 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

This feature enables you to set up company and employee data to continue payroll and tax reporting in a new company relationship after an acquisition or a merger.

Specify the relationship type to define what Workday brings to the successor company from the predecessor company:

- *Asset Purchase - Alternate*
- *Asset Purchase - Standard*
- *Merger*

### Business Benefits

- You can continue your payroll and tax reporting in a new relationship whenever you merge or acquire companies.
- Workday uses wages paid by the predecessor company when determining limits for taxes such as OASDI, Medicare, FUI, and SUI.
- You can copy the worker tax elections from the predecessor company instead of adding them for each worker, saving time on data entry.
- You can copy the worker withholding orders from the predecessor company instead of adding them for each worker, saving time on data entry.

For alternate asset purchases, Workday:

- Includes wages paid by both the predecessor and successor companies in tax filing.
- Provides workers with a single W-2 from the successor company that includes wages paid by the predecessor.

For standard asset purchases, Workday:

- Includes wages paid only by the successor company when tax filing.
- Provides workers with a W-2 for the predecessor company, and a separate W-2 for the successor company.

For mergers, Workday:

- Uses payroll data for all companies in the relationship to determine IWO limits.
- Displays YTD data for all employees in predecessor and successor companies in W-2 reports.
- Provides workers with a single W-2 from the successor company that includes wages paid by the predecessor.
- Continues taxes for noncontinuing workers in the successor company, instead of starting them over.

## Use Cases

- For asset purchases, Workday pays mid workweek overtime based on all hours worked, helping you comply with the Fair Labor Standards Act (FLSA).
- For mergers, Workday pays mid workweek overtime based on all hours worked, helping you comply with FLSA.

## Questions to Consider

Questions	Considerations
Is the predecessor company in Workday?	<p>If the predecessor company isn't in Workday, create the company and load its employee and payroll data into Workday.</p> <p>See <a href="#">Steps: Set Up Companies</a> and <a href="#">Steps: Prepare and Load Payroll History</a>.</p>
What's the start date of the first payroll processed by the successor company?	<p>The date that you must enter as the Payroll Processing Begin Date when setting up the company relationship.</p> <p>You can enter any date, but make sure the:</p> <ul style="list-style-type: none"> <li>• Date is based on the year in which you want the relationship.</li> <li>• Payroll Processing Begin Date is equal to the worker's transfer date.</li> <li>• Pay date after the transfer date is within the correct year that you intend for tax reporting to report all workers under the successor company.</li> <li>• Affected workers have at least 1 pay result with a pay date: <ul style="list-style-type: none"> <li>• After the worker transfer date to the successor company.</li> <li>• In that year.</li> </ul> </li> </ul> <p>Workday requires that you set 1 Payroll Processing Begin Date that applies to all workers in the companies. This solution ensures that results and reporting are correct, and is regardless of different pay frequencies.</p> <p>For mergers, this date must be 2013-10-01 or later.</p> <p>The worker transfer date must be equal to the Payroll Processing Begin Date. For companies that have multiple pay groups with overlapping period dates in the relationship, Workday calculates multiple results for the worker and creates subperiods for the appropriate company.</p> <p>Example: You have 2 pay groups whose workers have a Transfer Effective Date of 1/1/2022:</p>

Questions	Considerations
	<ul style="list-style-type: none"> <li>• Pay Group 1: <ul style="list-style-type: none"> <li>• Pay Period: 12/18/2021 - 12/31/2021</li> <li>• Paid on 1/7/2022.</li> </ul> </li> <li>• Pay Group 2 <ul style="list-style-type: none"> <li>• Pay Period: 12/25/2021 - 1/7/2022.</li> <li>• Paid on 1/7/2022</li> </ul> </li> </ul> <p>You enter 1/1/2022 in the Payroll Processing Begin Date field. The Active Through End of Tax Year displays 2022.</p> <p>Workday issues multiple gross to nets if there are multiple pay groups with start dates different from the Payroll Processing Begin Date.</p> <p>Workday recommends that you preview any impacted W-2 forms in a Sandbox Preview tenant.</p>
Do the companies have multiple pay groups with overlapping period dates in the company relationship?	If the payroll processing begin date falls within the pay period, Workday will calculate multiple results for the worker, and create subperiods for the appropriate company.
Are there worker payments in progress for both the companies?	Workday considers the taxable wages and taxes with limits from the predecessor company when calculating the successor company. Complete worker payroll results in predecessor companies before completing payroll in the successor company.

## Recommendations

- Copy the worker tax elections from the predecessor company.
- Copy withholding orders from the predecessor company.
- Set 1 Payroll Processing Begin Date that applies to all workers in the companies. This solution ensures that results and reporting are correct, and is regardless of different pay frequencies.
- For merger and acquisition scenarios where you want to process the differences in off-cycle payments, Workday recommends that you use manual methods such as payroll inputs.

## Requirements

- If the predecessor company isn't in Workday, create the company, and load payroll history.
- Move workers from the predecessor company to the successor company.
- For mergers and alternate asset purchases, you must obtain the form W-4 records of the predecessor.
- Only create 1 relationship type per company per year.

## Limitations

You can't modify this relationship type once you've completed a payroll.

You need to complete retro manually for the predecessor company. When workers have retro differences from companies that went through a merger and acquisition, Workday only supports paying retro differences:

- From a company that's the predecessor of the workers' current primary job company.

- In the on-cycle payroll of the workers.

For asset purchases, Workday doesn't carry over prior withholding order limit balances and only carries over support orders to the successor company.

Workday doesn't support successor employer company relationships for workers who have an international assignment position in the U.S.

## Tenant Setup

No impact.

## Security

Domains	
<i>Set Up: Payroll (Tax Filing/W-2s) - USA domain in the USA Payroll functional area. Manage: Company domain in the Organizations and Roles functional area.</i>	Enables you to create and edit successor employer company relationships.
<i>Manage: Company and Set Up: Payroll - Company Specific (Taxes) - USA domain in the USA Payroll functional area.</i>	For an acquisition, enables you to load successor employer types of company relationships using web services.

## Business Processes

Configure these business processes and security policies in the Staffing functional area:

- *Change Job*
- *Move Workers (By Organization)*
- *Move Workers (Supervisory)*

Configure these business processes and security policies in the USA Payroll functional area:

- *Copy Tax Elections for Workers*
- *Copy Withholding Orders for Workers*

## Reporting

Reports	Considerations
Tax Filing Periodic Data by Company Tax Filing Periodic for Workers Tax Filing Monthly Data for Workers Tax Filing Quarterly Data by Company Tax Filing Quarterly for Workers	You can view balances from the predecessor company for the <i>Asset Purchase - Alternates</i> and <i>Mergers</i> successor employer types.
Multiple Worksite Report by Company Multiple Worksite Report by Worker	You can view combined predecessor amounts for QTD and YTD for all employees in predecessor and successor companies.
Tax Filing Periodic Data for Workers	You can view periods from the predecessor company.

For alternate acquisitions, Workday W-2 reports display combined year-to-date data for all employees in predecessor and successor companies.

You can create custom reports from the *All Successor Employers* report data sources.

## Integrations

Web Services	Considerations
<i>Get Multiple Worksite Report</i>	Includes combined predecessor amounts for QTD and YTD for all employees in predecessor and successor companies.
<i>Get Successor Employer</i> <i>Put Successor Employer</i>	For an acquisition, Workday enables you to load successor employer types of company relationships using these web services.
<i>Get Periodic Company Tax Filing Data</i> <i>Get Periodic Worker Tax Filing Data</i> <i>Get Monthly Worker Tax Filing Data</i> <i>Get Quarterly Worker Tax Filing Data</i>	These web services include balances from the predecessor company for alternate asset purchases and mergers.

## Connections and Touchpoints

- HCM Staffing.
- Multiple Worksite Reporting.
- Year-End.

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

#### Concepts

[Setup Considerations: Year-End Tax Reporting \(USA\)](#) on page 959

#### Tasks

[Steps: Multiple Worksite Reporting \(USA\)](#) on page 1267

[Steps: Set Up Companies for Mergers and Acquisitions \(USA\)](#) on page 1293

[Create or Edit a Successor Employer \(USA\)](#) on page 1295

#### Examples

[Setup Considerations: Staffing](#)

## Steps: Set Up Companies for Mergers and Acquisitions (USA)

### Prerequisites

Review setup considerations for successor employer company relationships.

Security: The *Set Up: Payroll (Tax Filing/W-2s) - USA* domain in the USA Payroll functional area.

### Context

When you merge or acquire companies, set up company and employee data to continue payroll and tax reporting in the new relationship.

### Steps

1. (Optional) [Steps: Set Up Companies](#).

If the predecessor company isn't in Workday, create the company.

2. (Optional) [Steps: Prepare and Load Payroll History](#) on page 195.  
If the predecessor company isn't in Workday, load its employee and payroll data into Workday.
3. [Create or Edit a Successor Employer \(USA\)](#) on page 1295.  
Set up a relationship for a merger or an asset purchase.
4. Move workers from the predecessor company to the successor company.  
[See Concept: Moving Workers](#).
5. (Optional) Copy the worker tax elections from the predecessor company or add them for each worker.
  - [Copy Tax Elections for a Worker \(USA\)](#) on page 1258
  - [Copy Tax Elections for Multiple Workers \(USA\)](#) on page 1259
  - [Steps: Add Worker Tax Elections \(USA\)](#) on page 1245
6. (Optional) Copy withholding orders from the predecessor company in bulk or for each worker.
  - [Copy Withholding Orders for Multiple Workers \(USA\)](#) on page 1365
  - [Copy Withholding Orders for a Worker \(USA\)](#) on page 1364

## Result

When you process payroll, balances include the values from the predecessor company.

The Tax Filing Periodic Data for Workers report displays periods from the predecessor company.

### Mergers

- Workday W-2 reports display YTD data for all employees in predecessor and successor companies.
- Workday uses payroll data for all companies in the relationship to determine withholding order limits. All withholding orders automatically carried over to the successor company.

### Acquisitions

#### Workday:

- Doesn't carry over prior withholding order limit balances.
- Only carries over support orders to the successor company.

### Reports and Web Services

- These reports and web services include combined predecessor amounts for QTD and YTD for all employees in predecessor and successor companies:
  - *Get Multiple Worksite Report*
  - Multiple Worksite Report by Company
  - Multiple Worksite Report by Worker

For alternate acquisitions, Workday W-2 reports display combined year-to-date data for all employees in predecessor and successor companies.

### Related Information

#### Tasks

[Steps: Multiple Worksite Reporting \(USA\)](#) on page 1267

**Steps:** Set Up, Audit, and Print Year-End Tax Forms (USA) on page 971

### Examples

Reference: Tax Filing Reports

## Create or Edit a Successor Employer (USA)

### Prerequisites

Load payroll data from the predecessor company.

Security: *Set Up: Payroll (Tax Filing/W-2s)* - USA domain in the USA Payroll functional area.

### Context

Define a relationship between companies when a company acquires or merges with another.

Note: When using a tax filing vendor, Workday recommends that you supply the vendor with test files. Test files ensure that the vendor supports any new or modified configuration involving company relationships.

### Steps

1. Access the Create Company Relationship or Edit Company Relationship task.

Note: Only create 1 relationship type per company, per year.

2. From the Company Relationship Type field, select *Successor Employer*.
3. Select the Successor Employer Type. As you complete this field, consider what Workday carries over from the predecessor to the successor company for each type:

Carried over to successor company?	Asset Purchase - Standard	Asset Purchase - Alternate	Merger
Employees.	Yes, if employment is continuous at the time of the acquisition.	Yes, if employment is continuous at the time of the acquisition.	Yes, if employed by predecessor during the tax year.
Wages in limit calculations.	Yes	Yes	Yes
Prior withholding order limit balances.	No	No	Yes
Multiple worksite reports.	No	Yes, for acquired employees.	Yes, quarter-to-date, starting with the quarter the merger took place.
W-2s and W-2 reporting.	Employee receives a W-2 from the predecessor company and a separate W-2 from the successor company.	If the tax authority recognizes combined tax filing, employee receives a W-2 only from the successor company.	Yes, year-to-date.

Note: Once you've completed a payroll, you can't modify this relationship type.

4. As you complete the task, consider:

Option	Description
Acquisition or Merger Date	For information only. Doesn't affect calculations.
Payroll Processing Begin Date	<p>The date that you must enter when you set up the company relationship.</p> <p>You can enter any date, but make sure the:</p> <ul style="list-style-type: none"> <li>• Date is based on the year in which you want the relationship.</li> <li>• Payroll Processing Begin Date is equal to the worker's transfer date.</li> <li>• Pay date after the transfer date is within the correct year that you intend for tax reporting to report all workers under the successor company.</li> <li>• Affected workers have at least 1 pay result with a pay date: <ul style="list-style-type: none"> <li>• After the date the worker transferred to the successor company.</li> <li>• In that year.</li> </ul> </li> </ul> <p>Workday requires that you set 1 Payroll Processing Begin Date that applies to all workers in the companies. This solution ensures that results and reporting are correct, and is regardless of different pay frequencies.</p> <p>For mergers, this date must be 2013-10-01 or later.</p> <p>The worker transfer date must be equal to the Payroll Processing Begin Date. For companies that have multiple pay groups with overlapping period dates in the relationship, Workday calculates multiple results for the worker and creates subperiods for the appropriate company.</p> <p>Example: You have 2 pay groups whose workers have a Transfer Effective Date of 1/1/2022:</p> <ul style="list-style-type: none"> <li>• Pay Group 1 has a pay period of 12/18/2021 - 12/31/2021, paid on 1/7/2022.</li> <li>• Pay Group 2 has a pay period of 12/25/2021 - 1/7/2022, paid on 1/7/2022.</li> </ul> <p>You enter 1/1/2022 in the Payroll Processing Begin Date field. The Active Through End of Tax Year displays 2022.</p> <p>Workday issues multiple gross to nets if there are multiple pay groups with start dates</p>

Option	Description
	different from the Payroll Processing Begin Date.  Workday recommends that you preview any impacted W-2 forms in a Sandbox Preview tenant.
Successor Company	The company that is acquiring employees.
Predecessor Company	The company from which you're acquiring employees.
Withholding Order Types	Select the withholding order types to carry forward to the successor company.
Tax Authorities Not Recognizing Combined Tax Filing and W-2 Reporting	Available only for these successor employer types: <ul style="list-style-type: none"> <li>• <i>Asset Purchase - Alternate</i></li> <li>• <i>Merger</i></li> </ul>

## Result

You've established a relationship between companies, enabling payroll processing according to the type you selected.

Administrative results display values from the current company only.

You can use the Delete Successor Employer task as long as there are no payroll results on or after the Payroll Processing Begin Date.

## Example

Global Modern Services is the successor company for Green Planet Solutions. Green Planet Solutions has these pay groups:

- USA Semimonthly Professional Corporate is semimonthly with these periods:
  - 2020-01-01 to 2020-01-15
  - 2020-01-16 to 2020-01-31
- USA Biweekly with these periods:
  - 2020-01-05 to 2020-01-18
  - 2020-01-19 to 2020-02-01

The Payroll Processing Begin Date is 2020-01-16, so you must transfer the workers into Global Modern Services effective 2020-01-16.

You also transfer workers in pay group USA Biweekly effective 2020-01-16. Workday creates separate gross to net results for the workers in pay group USA Biweekly, with the results:

- 2020-01-05 to 2020-01-15 for Green Planet Solutions.
- 2020-01-16 to 2020-01-18 for Global Modern Services.

## Next Steps

These reports display balances from the predecessor company for the *Asset Purchase - Alternates* and *Mergers* successor employer types:

- Tax Filing Periodic Data by Company
- Tax Filing Periodic for Workers

- Tax Filing Monthly Data for Workers
- Tax Filing Quarterly Data by Company
- Tax Filing Quarterly for Workers

These web services are also available:

- *Get Periodic Company Tax Filing Data*
- *Get Periodic Worker Tax Filing Data*
- *Get Monthly Worker Tax Filing Data*
- *Get Quarterly Worker Tax Filing Data*

(Optional) You can copy worker tax elections from the predecessor or add them manually.

(Optional) You can copy income withholding orders (IWOs) from the predecessor or add them manually.

Related Information

### Tasks

[Copy Tax Elections for a Worker \(USA\)](#) on page 1258

[Copy Tax Elections for Multiple Workers \(USA\)](#) on page 1259

[Copy Withholding Orders for Multiple Workers \(USA\)](#) on page 1365

[Copy Withholding Orders for a Worker \(USA\)](#) on page 1364

[Steps: Add Worker Tax Elections \(USA\)](#) on page 1245

[Steps: Prepare and Load Payroll History](#) on page 195

### Concept: Pay and Tax Calculation in Predecessor and Successor Companies (USA)

Worker Payment is In Progress for both Predecessor and Successor Companies

Workday considers the taxable wages and taxes with limits from the predecessor company when calculating the successor company. Complete worker payroll results in predecessor companies before completing payroll in the successor company.

Predecessor Payment Status	Successor Payment Status
<i>In Progress</i>	<i>Pending Completion</i>
<i>Complete</i>	<i>Requires Re-Calculation</i>

Example:

Company Z acquires Company A on 2013-6-3, and a worker transfers from Company A to Z on 2013-6-10.

Both companies reside in the same pay group with a pay period of 2013-6-1 to 2013-6-15. The worker has 2 subperiod gross-to-net payments in progress:

- Company A for 2013-6-1 to 2013-6-9 (*In Progress*).
- Company Z for 2013-6-10 to 2013-6-15 (*Pending Completion of Prior*).

When the Company A payroll is complete:

- The calculation status of Company Z payroll for this worker changes to *Requires Re-Calculation*.

## Employee Works in the Successor Company

- Workday recalculates taxes considering the taxable wages and tax limits from Company A, the predecessor company.

Workday calculates cross company taxable wages and applies limits differently for mergers and acquisitions:

Type	How Workday Handles Limits
Merger	Uses taxable wages and taxes in both predecessor and successor companies for the calendar year in which the merger takes place. Includes wages for workers terminated by the predecessor company before the merger.
Acquisition	Uses taxable wages and taxes in both predecessor and successor companies for the calendar year of the acquisition. Includes only workers actively employed at the time of the acquisition.

For an acquisition, Workday enables you to load successor employer types of company relationships using these web services:

- *Get Successor Employer*
- *Put Successor Employer*

These web services are secured to the *Manage: Company and Set Up: Payroll - Company Specific (Taxes) - USA* domains in the USA Payroll functional area.

## Related Information **Concepts**

[Concept: Retro Events from Other Companies \(CAN, USA\)](#) on page 944

## Single Legal Entity

### Setup Considerations: Single Legal Entity Company Relationships (USA)

You can use this topic to help make decisions when planning your configuration and use of the USA Single Legal Entity (SLE) company relationship type. 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

The SLE company relationship type in Workday enables you to roll up multiple companies into 1 managing company that serves as the reporting legal entity.

## Business Benefits

- Process U.S. payroll for related companies while respecting tax and withholding order limits for workers in multiple companies in the company relationship.
- Combine wages and taxes paid by all companies for periodic and quarterly payroll tax filing.
- Combine Affordable Care Act (ACA) reporting for all companies.
- Produce financial and managerial reports for the legal entity and its related companies.
- Specify the length of the SLE relationship by tax year.

## Use Cases

- Generate balance sheet statements for related companies using the balancing worktag for other purposes.
- Produce consolidated financial statements for all companies in the SLE company relationship that are part of a company hierarchy.

## Questions to Consider

Questions	Considerations
How do you review and file tax data for companies in an SLE company relationship?	Workday calculates taxes in the related company. You can report taxes for related companies in 1 of 2 ways: <ul style="list-style-type: none"> <li>• Combined: The SLE issues a single W-2, which includes wages paid by all companies in the relationship. You can't review and file tax data for individual companies in the company relationship.</li> <li>• Separate: Workday creates 1 W-2 for workers. Your tax filing vendor can create a separate W-2 for each company the worker is in.</li> </ul>
Do your workers have withholding orders in the related companies?	You can copy withholding orders to the managing company to continue processing them.
What are your worker's tax elections in the related companies?	You can copy tax elections to the managing legal entity company to continue processing them.
How have you set up taxes for the related companies?	You need to set taxes up the same way for all companies in the relationship.
How can I add a new related company to an existing SLE company relationship?	You can only add a new company on the Edit Company Relationship task if you haven't run any pay calculations yet.

Questions	Considerations
How does Workday calculate 1042-S taxes when there's a Single Legal Entity (SLE) company relationship?	When there's a Single Legal Entity (SLE) company relationship and the Exclude 1042-S Taxes from Tax Filing configuration is different across the companies in the relationship, Workday only considers what you selected for the Exclude 1042-S Taxes from Tax Filing option for the managing company to determine if 1042-S taxes should be included or excluded from tax filing.

## Recommendations

Workday recommends that you review tax elections in the companies, and align them with tax elections entered in the managing company. Workday takes the tax elections for the worker from the managing company.

## Requirements

For tax reporting purposes, Workday treats all companies in the SLE relationship as a single company. For tax reporting purposes, Workday requires that you standardize tax configurations for the SLE and the related companies. For all companies in the relationship, you must use the same:

- Federal, state, and local tax setup.
- Federal Employer Identification Number (FEIN)

## Limitations

When you complete a payroll run, you can't modify or delete the SLE relationship. You can only end the relationship at the end of the tax year.

Workday doesn't support SLE for workers who have an international assignment position in the U.S.

## Tenant Setup

No impact.

## Security

Domains	Considerations
<i>Set Up: Payroll (Tax Filing/W-2s) - USA in the USA Payroll functional area</i>  <i>Manage: Company in the Organizations and Roles functional area.</i>	Enable you to create and edit SLE company relationships.

## Business Processes

No impact.

## Reporting

Reports	Considerations
All Single Legal Entities	Use to review all SLE relationships.  You can use the Entry Date prompt to specify when you changed your SLE company

Reports	Considerations
	relationship. The changes that you make to an existing SLE company relationship may not display until after the entry date.
Tax Filing Periodic Data by Company Tax Filing Periodic Data for Workers Tax Filing Monthly Data for Workers Tax Filing Quarterly Data by Company Tax Filing Quarterly Data for Workers	Use to review tax filing data for SLE relationships.
1099 MISC Report	You can review transactions from the SLE company and its related companies.
Custom Reports	You can use the All Single Legal Entities report data source when creating custom reports for SLE relationships.
Multiple Worksite Report by Company Multiple Worksite Report by Worker	You can use these reports to review combined QTD and YTD amounts for all employees in SLE company relationships.

## Integrations

These web services enable you to extract and load SLE relationships:

- *Get Single Legal Entities*
- *Put Single Legal Entity*

## Connections and Touchpoints

Touchpoint	Considerations
Tax Filing Vendors	Set up tax filing vendors for correct reporting to the tax authorities.
Financial Accounting	Set up financial accounting features, such as journals and financial statements.
1099 MISC	Set up 1099 MISC reporting.

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

#### Concepts

[Setup Considerations: FLSA Company Relationships \(USA\)](#) on page 1037

[Setup Considerations: FLSA Company Relationships](#) on page 1037

#### Tasks

[Copy Tax Elections for Multiple Workers \(USA\)](#) on page 1259

[Copy Withholding Orders for Multiple Workers \(USA\)](#) on page 1365

[Steps: Add Worker Tax Elections \(USA\)](#) on page 1245

#### Examples

[Concept: Financial Reporting](#)

[Concept: Reorganizations](#)

[Steps: Set Up 1099 Reporting](#)  
[Steps: Process Accounting Journals](#)  
[Setup Considerations: 1099 Reporting](#)  
[Steps: Set Up Financial Accounting Structure](#)

### Steps: Set Up a Single Legal Entity (USA)

#### Prerequisites

Review [Setup Considerations: Single Legal Entity Company Relationships \(USA\)](#).

Create the managing or legal entity company, and the related companies. See: [Steps: Set Up Companies](#).

[Create Organization Hierarchies](#) to create consolidated financial statements for the legal entity and related companies. Then add the single legal entity company and related companies.

Security:

- *Manage: Company* domain in the Organizations and Roles functional area.
- *Set Up: Payroll (Tax Filing/W-2s) - USA* domain in the USA Payroll functional area.

#### Context

Set up a company relationship where multiple companies roll up to a single managing company that serves as the reporting legal entity.

When you set up a Single Legal Entity (SLE), define each company that's part of the company relationship separately. Then create the SLE relationship. For each company in the SLE relationship, set up and separately maintain:

- Employer ID Number. This is the Federal Employer Identification Number (FEIN) Tax ID Type you select or edit on the Edit Company Tax Details task. For the length of the single legal entity relationship, all related companies must use the same Employer ID Number Tax ID type.
- Tax authority information.
- Company-specific information.

#### Steps

1. Access the Create Company Relationship or Edit Company Relationship task.
2. From the Company Relationship Type prompt, select *Single Legal Entity*.

Note: Once you create a relationship and complete a payroll, you can't modify this relationship type.

3. As you complete the task, consider:

Option	Description
Reporting Tax Year	The tax year in which the SLE relationship begins and is applicable for the entire specified tax year. The year must be 2014 or later.
Inactive as-of Tax Year	(Optional) The company relationship ends at the beginning of the tax year entered.
Related Companies	Parent and child companies in a single legal entity relationship: <ul style="list-style-type: none"> <li>• Must have the same Tax ID. (Only companies with the same tax ID will be available to select.)</li> <li>• Can't be part of another legal entity relationship.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Can be in different countries or in the country listed for the legal entity.</li> </ul>
Periodic Tax Reporting	<p>Select whether to report taxes for related companies separately for each company or combined for all companies.</p> <p>When combined, you can't review and return tax data for individual companies in the company relationship.</p>
Quarterly Tax Reporting	<p>Select whether to report taxes for related companies separately for each company or combined for all companies.</p> <p>Your selection also applies to monthly tax reporting to ADP for Illinois State Unemployment Insurance (SUI).</p> <p>When combined, you can't review and return tax data for individual companies in the company relationship.</p>
Withholding Order Types to Carry Forward	<p>Select the withholding order types that you want to copy with the <i>Copy Withholding Orders</i> business process. Workday automatically displays previously selected withholding order types.</p>
Affordable Care Act (ACA) Reporting	<p>Select the Combined ACA reporting for all companies check box to enable ACA reporting for a single legal entity.</p>

## Result

You can use the SLE company relationship to:

- Generate balance sheets statements for the related nonlegal entity companies that are using the balancing worktag for other purposes.
  - Produce consolidated financial statements for all companies in the single legal entity company relationship that are part of a company hierarchy.
  - Run the 1099 MISC Report report, which includes transactions from the single legal entity company and its related companies.
- All other reports run for the SLE company and don't include transactions from the related companies.
- Process W-2s and W-2Cs. Impacted employees receive a single W-2 from the managing company (the legal entity).

## Next Steps

You can add new related companies to the SLE relationship if the companies don't have any prior related pay calculations. If you need to add a company, consider:

- Creating a new company.
- Moving related workers into the new company.
- Adding the new company to your SLE relationship so that there's no prior calculations.

Workday Payroll for the USA only applies tax elections and income withholding orders entered under the single legal entity. To add:

- Tax elections, use the *Copy Tax Elections* business process.
- Income withholding orders, use the *Copy Withholding Orders* business process.

You can use the Delete Single Legal Entity task as long as there are no completed payroll results for the legal entity.

#### Related Information

##### Tasks

[Steps: Add Worker Tax Elections \(USA\)](#) on page 1245

[Copy Tax Elections for Multiple Workers \(USA\)](#) on page 1259

[Copy Withholding Orders for Multiple Workers \(USA\)](#) on page 1365

##### Examples

[Concept: Financial Reporting](#)

[Steps: Process Accounting Journals](#)

[Steps: Set Up 1099 Reporting](#)

#### Concept: Single Legal Entities (USA)

##### Single Legal Entities

A Single Legal Entity (SLE) company relationship establishes a one-to-many relationship between one managing company (designated as the legal entity) and related companies. You can create an SLE company relationship to produce financial and managerial reports for the legal entity and its related companies.

For tax reporting purposes, Workday treats all companies in the SLE relationship as a single company. Workday requires that you set up tax configurations for the SLE in addition to the related companies. Federal, state, and local tax setup must be the same for all companies in the relationship.

SLE relationships enable you to:

- Track transactions for the legal entity company and each related entity company.
- Produce consolidated financial reports for the legal entity.
- Produce individual reports for the related companies in the SLE
- Perform transactions between nonlegal entities within the same SLE relationship
- Segregate sensitive data within the SLE.

Workday processes payroll for each related company in an SLE and respects limits across companies for taxes and withholding orders.

##### Single Legal Entity Reporting

When you run the 1099 MISC report for an SLE company, the report includes transactions from the SLE company and its related companies.

##### Example

- Company A is the managing legal entity company for Company B.
- Company 1 is the managing legal entity company for Company 2.

- Both SLE companies and their related nonlegal entity companies are part of the Global Modern Services company hierarchy.

When you run the 1099 MISC Report task for the SLE Company A, click the value in the Reportable Amount field to display a breakdown of the transactions and their amounts for Company A and Company B.

When you run the 1099 MISC Report task for the Global Modern Services company hierarchy, the report displays amounts for the Company A and Company 1 single legal entities.

When you create a balance sheet statement for the Global Modern Services company hierarchy, it displays consolidated transaction information for all legal entities and their related companies.

[Related Information](#)

[Examples](#)

[Concept: Reorganizations](#)

## Withholding Orders (USA)

### Setup Considerations: Income Withholding Orders (USA)

You can use this topic to help make decisions when planning your configuration and use of USA income withholding orders (IWOs). 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

Workday enables you to process these types of IWOs using rules that follow state and federal legislation:

- Bankruptcy
- Creditor Garnishment
- Federal Administrative Wage Garnishment
- Federal Student Loan
- Federal Tax Levy
- State Tax Levy
- Support Order (including Lump Sum)
- Wage Assignment

### Business Benefits

Workday makes it easy to comply with withholding order requirements by:

- Determining the amount to withhold from the employee's disposable earnings, including arrears and any agency and employer fees.
- Applying withholding limits and setting priorities for what to withhold.
- Updating the IWO calculation rules in accordance with federal and state changes.
- Providing visibility into the calculation rules that Workday uses to calculate IWOs, by tax authority and withholding order type.
- Providing Workday-delivered statutory pay components for each withholding type.
- Dynamically displaying the required fields for each type of IWO you record.
- Beginning automatic deductions during payroll processing once you record the IWO.
- Calculating multiple IWOs based on the rules for that order type and state.
- Aggregating IWO amounts to avoid exceeding limits for a type of withholding order.
- Enabling you to participate in the system-to-system eIWO program with the Office of Child Support Enforcement (OCSE).

You can also attach a document to the IWO in Workday, such as the issued order to:

- Eliminate the need for paper.
- Provide the flexibility for multiple payroll administrators to view the issued order.

## Use Cases

- Payroll administrators can view active and inactive withholding orders directly from the worker's profile.
- For employees that have multiple IWOs with the amount to withhold exceeding the maximum withholding limit, Workday uses statutory rules to calculate what to withhold per order.
- You can override the tax authority for Creditor Garnishment, State Tax Levy, Support Order, and Wage Assignment orders.
- You can override withholding order priority for workers with multiple withholding orders.
- When you receive an official amended support order for a worker who already has a support order in Workday, you can enter the amended order details with different dates. Workday creates a new record for the amended order, and retains the original order for tracking purposes.
- When workers transfer companies or you create a new company relationship, you can copy their IWOs from 1 company to another.

## Questions to Consider

Questions	Considerations
Does the worker have past due amounts?	When recording a support order for a worker, you can enter the past due amount. In the order details, record the current child or spouse support and the past due child or spousal support amounts. Workday calculates the max amount that's available to withhold, and limits the deduction to that amount.
For workers with multiple withholding orders, which one is of higher priority?	When a worker has multiple income withholding orders, Workday assigns a processing priority to each order based on the rules of the issuing agencies. You can override this priority from the related actions of the withholding order as needed.

## Recommendations

If necessary, ensure that IWOs are valid by contacting the issuing court or agency.

Notify the worker of the order, and ensure they understand how it will affect their net pay.

Terminate IWOs for terminated employees after you process their final check.

## Requirements

Load active IWOs for the employees into Workday.

Add earnings and nonstatutory deductions to the pay component groups Workday uses to calculate disposable income.

Set up an account with the OSCE to participate in the system-to-system eIWO program.

## Limitations

Workers can't view their IWOs in Workday.

You can't delete IWOs that Workday is calculating as part of a payroll, even if the payroll calculation isn't complete yet. You can inactivate the order instead.

Workday doesn't support income withholding orders for workers who have an international assignment position in the U.S.

## Tenant Setup

(Optional) Define IDs for deduction recipients, that Workday will use during processing and with integrations on the Edit Tenant Setup - Financials task.

## Security

Domains	
<i>Worker Data: Payroll (Income Withholding Orders)</i> in the Core Payroll functional area.	Enables you to record information for a third-party deduction recipient in Workday, view IWOs by worker, and override IWO priority for workers with multiple IWOs.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	Enables you to set up pay component groups to calculate disposable income.
<i>Worker Data: Payroll (Income Withholding Orders) - USA</i> in the USA Payroll functional area.	Enables you to record, amend, terminate, and view USA income withholding orders.
<i>Reports: Results for Worker (Pay Calculation) - USA</i> in the USA Payroll functional area.	Enables you to review payroll results, where you can audit withholding order results.
<i>Set Up: Payroll (Income Withholding Orders)</i> in the Core Payroll functional area.	Enables you to view IWO data and allocation.
<i>Process: Payroll (Income Withholding Orders) - USA</i> in the USA Payroll functional area. <i>Security Configuration</i> in the System functional area.	Enables you to complete and submit a profile application to the OCSE for approval to participate in the system-to-system eIWO program and process eIWOs.
<i>Setup: Payroll (Income Withholding Orders)</i> in the USA Payroll functional area.	Enables you to override the Workday-assigned default IWO rule.

## Business Processes

You can use these business processes for copying IWOs for a single or multiple workers:

- *Copy Withholding Orders for Worker*

- *Copy Withholding Orders for Workers*

## Reporting

Reports	Considerations
All Payroll Withholding Order Data	Displays calculation rules for calculating IWOs by tax authority and order type. Includes information on: <ul style="list-style-type: none"> <li>Withholding limits.</li> <li>Calculation methods.</li> <li>Prioritization.</li> </ul>
View Payroll Withholding Order Data	Displays an overview of the IWO information that Workday maintains, such as: <ul style="list-style-type: none"> <li>Calculation rules, as-of a date.</li> <li>Compliance updates by country and IWO type.</li> </ul>
Withholding Orders for Worker	Enables you to edit, delete, change the processing priority, and view deduction history of an IWO.
Pay Calculation Results - Deduction Register	View IWO deductions in one or more periods, pay run groups, or pay groups.

You can create custom reports from these report data sources:

- *All Payroll Withholding Order Tax Authority Rules*
- *All Withholding Orders*
- *Payroll Tax Withholding Form Data for BIRT*

## Integrations

You can use these web services when creating a custom integration for IWO processing to or from a third-party application:

- *Put Deduction Recipients* loads deduction recipient information into Workday.
- *Get Deduction Recipients* retrieves information from Workday.

Use these web services to integrate with third-party vendors that manage withholding orders, and to override the Workday-assigned default IWO rule:

- *Put Payroll Involuntary Withholding Order*
- *Get Payroll Involuntary Withholding Orders*

Use these integrations to retrieve and respond to eIWO files from the OSCE web portal:

- *Electronic Income Withholding Order Inbound* imports eIWO files in XML format and as image-ready PDFs.
- *Electronic Income Withholding Order Outbound* generates IWO acknowledgment records and sends them to the OCSE portal.

## Connections and Touchpoints

Create and set up bank accounts to pay third-party deduction recipients.

Record a *Business Number* tax ID for the worker's company.

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.

## Other Impacts

No impact.

Related Information

### Concepts

[Concept: Payroll Third-Party Payments](#) on page 772

### Tasks

[Create a Payment for an Income Withholding Order or Court Order](#) on page 780

## Steps: Set Up Withholding Orders (USA)

### Context

Review setup considerations for USA income withholding orders (IWOs).

Set up withholding orders to begin automatic deductions during payroll processing.

### Steps

1. [Set Up Pay Component Groups to Calculate Disposable Income \(USA\)](#) on page 1311.
2. [Create Deduction Recipient](#) on page 239.
3. To record a withholding order, select from:
  - [Record a Bankruptcy Withholding Order \(USA\)](#) on page 1313
  - [Record a Creditor Garnishment Withholding Order \(USA\)](#) on page 1318
  - [Record a Federal Administrative Wage Garnishment Withholding Order \(USA\)](#) on page 1324
  - [Record a Federal Tax Levy Withholding Order \(USA\)](#) on page 1329
  - [Record a State Tax Levy Withholding Order \(USA\)](#) on page 1336
  - [Record a Student Loan Withholding Order \(USA\)](#) on page 1343
  - [Record a Support Order \(USA\)](#) on page 1348
  - [Record a Wage Assignment Withholding Order \(USA\)](#) on page 1354
4. (Optional) [Amend a Support Order \(USA\)](#) on page 1363.  
Amend a support order when you receive an official amended support order from the agency.
5. (Optional) [Terminate a Support Order \(USA\)](#) on page 1364.  
Terminate a support when you receive an official termination order from the agency.

### Next Steps

You can:

- Configure a withholding order to be tax deductible.
- Override the defaults for most order types. See the All Payroll Withholding Order Data report for the limits on each type of withholding order.
- (Optional) Override the processing order that Workday assigns.
- Delete withholding orders that don't have payroll input or completed results, using the related action Withholding Order > Delete.

Use these web services to integrate with third-party vendors that manage withholding orders:

- *Put Payroll Involuntary Withholding Order*
- *Get Payroll Involuntary Withholding Orders*

## Related Information

### Examples

Concept: Electronic Income Withholding Order Integrations

## Set Up Pay Component Groups to Calculate Disposable Income (USA)

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

Create earnings and deductions.

### Context

Before you process withholding orders, add earnings and nonstatutory deductions to the pay component groups Workday uses to calculate disposable income. Workday determines which pay component groups to resolve during processing based on:

- Tax authority rules.
- Order type.

### Steps

1. Add earnings to Workday-provided pay component groups:
  - a) Access the Edit Earning task.
  - b) On the Non-Effective Dated tab, select the appropriate pay component groups in the Groups field.

Earnings	Pay Component Group
Earnings paid to employees on a regular basis, such as base pay and hourly pay.	<i>Withholding Order (All): Periodic Earnings [USA]</i>
One-time or occasional earnings for gifts and prizes.	<i>Withholding Order (All): Monetary Gifts and Prizes [USA]</i>
Lump sum earnings, such as a signing bonus. Applies to support orders only.	<i>Withholding Order (All): Lump Sum Earnings [USA]</i>

2. Add nonstatutory deductions to Workday-provided pay component groups:
  - a) Access the Edit Deduction task.
  - b) On the Non-Effective Dated tab, select the appropriate pay component groups in the Groups field.

Deductions	Pay Component Group
Deductions for disability plan contributions.	<i>Withholding Order (All): Disability Insurance [USA]</i>
Deductions for contributions to: <ul style="list-style-type: none"> <li>• Group Life Insurance Plan.</li> <li>• Group Accident Insurance Plan.</li> </ul>	<i>Withholding Order (All): Group Life / Group [USA]</i>
Deductions for loan repayments due to an employer.	<i>Withholding Order (All): Loan Repayment to Employer [USA]</i>
Deductions for mandatory contributions to federal or state retirement plans.	<i>Withholding Order (All): Mandatory Retirement Deduction [USA]</i>

Deductions	Pay Component Group
Deductions for mandatory union dues.	<i>Withholding Order (All): Mandatory Union Dues [USA]</i>
Deductions for medical insurance contributions.	<i>Withholding Order (All): Medical Insurance [USA]</i>
Deductions for health savings account (HSA) contributions.	<i>Withholding Order (All): Medical Savings Account [USA]</i>
Deductions for 401K and other voluntary retirement plans.	<i>Withholding Order (All): Retirement Plan Deductions [USA]</i>

3. (Optional) For each tax authority, identify pay component exceptions for calculation of disposable earnings. To exclude or include exceptions when calculating disposable earnings for a withholding order, use the Maintain Tax Authority Exceptions Pay Component Groups task.

Example: Pennsylvania doesn't count workmens compensation payments as part of disposable earnings for creditor garnishments. Use the Maintain Tax Authority Exceptions Pay Component Groups task to configure this exception for Pennsylvania:

Payroll Tax Authority	Withholding Order Type	Exclude Pay Component(s)	Include Pay Component(s)
<i>Pennsylvania</i>	<i>Creditor Garnishment (USA)</i>	<i>Workmens Comp Pay [USA]</i>	

With this setup, Workday doesn't include worker's compensation payments as income when calculating disposable income for creditor garnishments.

## Result

Workday withholds the correct amount from employee pay based on state and federal rules for calculating disposable income. To calculate disposable income, Workday references the calculation rule for each state. The rule controls:

- Pay component groups and associated earnings to add to disposable income.
- Pay component groups and associated mandatory deductions to subtract from disposable income.

## Example

States A and B calculate disposable income for a support order according to these rules:

State A	State B
<ul style="list-style-type: none"> <li>+ Periodic Earnings</li> <li>+ Monetary Gifts and Prizes</li> <li>- Federal Taxes</li> <li>- State Taxes</li> <li>- Mandatory Retirement Contributions</li> <li>- Medical Insurance</li> <li>- Mandatory Union Dues</li> <li>= Disposable Income</li> </ul>	<ul style="list-style-type: none"> <li>+ Periodic Earnings</li> <li>+ Monetary Gifts and Prizes</li> <li>- Federal Taxes</li> <li>- State Taxes</li> <li>- Disability Insurance</li> <li>- Mandatory Union Dues</li> <li>= Disposable Income</li> </ul>

## Related Information

### Tasks

[Define Tax Authority Exceptions from Pay Component Groups \(USA\) on page 1197](#)

Steps: [Create Deductions on page 234](#)

Steps: [Create Earnings on page 229](#)

## Record Withholding Orders (USA)

### Record a Bankruptcy Withholding Order (USA)

#### Prerequisites

Enter the company *Tax ID* number on the Tax IDs tab of the Edit Company Tax Details task.

Security: *Worker Data: Payroll (Income Withholding Orders) - USA* domain in the USA Payroll functional area.

#### Context

Record a bankruptcy withholding order to begin automatic deductions during payroll processing.

#### Steps

1. Access the Record US Withholding Order for Worker task.
2. Enter the Worker name and select the *Bankruptcy Order (USA)* Order Type.  
Workday dynamically displays the fields required for this type of withholding order.
3. Complete the Order Info fields. These fields are common to all withholding order types. As you complete this task, consider:

Option	Description
Case Number	<p>Enter the Case Number listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Company.</li> <li>• Order date.</li> <li>• Order type.</li> <li>• Worker.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you defined a default withholding order ID for integrations, Workday sets that as the default.</p> <p>To define a default Withholding Order ID, see <a href="#">Create ID Definitions and Sequence Generators</a>.</p> <p>To associate the withholding order ID you formatted, see the ID Sequence Generators section of the <a href="#">Reference: Edit Tenant Setup - Payroll</a> topic.</p> <p>When you define a sequence generator using these tasks, you can leave the Withholding Order ID field blank. Workday enters the generated ID when you complete the task.</p>
Order Number	Identification number on the order. Some states use the term <i>Order Identifier</i> .

Option	Description
Order Date	Issue date of the order or judgment. When the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Workday requires this date for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date. To determine this date, follow the state laws of the employee's principal place of employment.</p> <p>Workday deducts the full pay period amount, even if the begin date is mid pay period.</p> <p>You can define a later begin date for fees on the Order Fees tab.</p>
End Date	<p>Doesn't apply to child support orders or federal tax levies.</p> <p>Workday deducts the final withholding amount (including any agency or employer fees) in the pay period that's before the 1 with the End Date.</p> <p>Regardless of the End Date, for most types of withholding orders, Workday stops processing a withholding order as soon as it is:</p> <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Marked inactive.</li> <li>• Repaid (the worker has satisfied the total debt amount).</li> </ul> <p>To stop federal and state tax levies after receiving a release from the tax authority:</p> <ol style="list-style-type: none"> <li>a. Edit the order.</li> <li>b. Select the Inactive Order check box.</li> </ol> <p>Workday doesn't stop processing tax levies until you select this check box.</p> <p>You can define an earlier end date for agency and employer fees on the Order Fees tab.</p>
Company	<p>Displays the company the employee is in as of the date entered in the Date Received field.</p> <p>Select the company when:</p> <ul style="list-style-type: none"> <li>• The employee has a future hire date.</li> <li>• The employee has positions in multiple companies on the Date Received.</li> <li>• You've terminated the employee.</li> </ul>

Option	Description
	You can't change the company once there are completed income withholding order pay results.
Inactive Order	Select to make the order inactive. For termination support orders, select to reactivate the original support order.
Amount Type	Select the amount type indicated on the order.
Pay Period Amount	Doesn't apply to state tax levies issued in Kentucky or Virginia. Usage varies by order type. For orders that specify the Amount Type <i>Amount on Order</i> , enter the total amount to withhold each pay period as specified on the order.
Amount as Percent	Doesn't apply to federal tax levies. When the Amount Type on the order is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i> , enter the percent to withhold from the worker's income.
Pay Period Frequency	Frequency of the pay period amount as indicated on the withholding order, such as weekly or monthly. Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.  Example: Alan has a withholding order for 200 USD monthly and he's paid weekly. To calculate the deduction amount, Workday: <ul style="list-style-type: none"><li>• Annualizes the pay period amount based on the pay period frequency of the withholding order (<math>200 \times 12 \text{ months} = 2400 \text{ USD}</math>).</li><li>• Deannualizes the result based on the pay period frequency (<math>2400/52 = 46.15 \text{ USD per week}</math>) of Alan.</li></ul>
Total Debt Amount	Total amount of the worker's debt or the balance due as indicated on the order.  Note: This is required for these order types: <ul style="list-style-type: none"><li>• Creditor garnishment.</li><li>• Federal administrative wage assignment.</li><li>• Federal tax levy.</li><li>• State tax levy.</li><li>• Student loan.</li><li>• Wage assignment.</li></ul> If the order doesn't specify the total amount, enter 999,999.00.

Option	Description
	When a bankruptcy order has no total amount, Workday continues to take the deduction until the End Date or until the order is made inactive.
Monthly Limit	<p>Workday supports monthly limits for allocations and order amount calculations for all withholding order types except:</p> <ul style="list-style-type: none"> <li>• Federal tax levies.</li> <li>• State tax levies.</li> </ul> <p>If an order provides a monthly deduction amount, Workday ensures that the deduction amount doesn't exceed the monthly limit.</p> <p>If a previous pay period in the current month didn't have sufficient funds, Workday takes up to that amount to recoup the funds. Workday checks the balances until it reaches the monthly limit.</p>
Process in Regular Pay Period	<p>Applies only to support orders that are a lump sum.</p> <p>Select to withhold wages only in regular pay runs; clear to withhold wages only in nonregular pay runs, such as bonus runs.</p>

4. Complete the Order Info fields on the right side of the page. Some of these fields are unique to bankruptcy withholding orders. As you complete this step, consider:

Option	Description
Issued In	Workday populates this field with Federal and this value can't be changed.
Deduction Recipient	Select the third-party recipient of the withholding deduction. If the deduction recipient isn't set up in Workday, select Create to add the recipient.
Originating Entity	Agency or court that issued the withholding order.
Chapter 13 Chapter 7	Select as indicated on the order.
Memo	For information only. Use this field to document additional details for this IWO.

5. Complete the fields on the Order Fees tab. As you complete this step, consider:

Option	Description
Fee Type	Select the applicable fee type.
Withholding Order Fee Amount Type	Select the applicable fee amount type.
Fee Amount/Percent	Enter the fee amount to be paid. Workday maintains tax authority employer fee limits, but doesn't maintain agency fee limits. Although

Option	Description
	<p>Workday doesn't enforce Fee Amount/Percent limits set by tax authorities, it does provide a warning to let you know if the amount you enter exceeds the limit.</p> <p>Note: You can set up Workday to deduct partial fees when taking the entire fee causes the deduction to exceed the maximum amount to withhold. Select the Allow Partial Fees check box on the Edit Tenant Setup - Payroll task.</p>
Fee Monthly Limit	<p>Available only for these Fee Types:</p> <ul style="list-style-type: none"> <li>• <i>Per Pay Period Employer Fees</i></li> <li>• <i>Per Pay Period Agency Fees</i></li> </ul> <p>Workday provides a warning if the fee exceeds the state-defined monthly limit.</p>
Fee Schedule	<p>You can select the Override Fee Schedule check box to specify when you want the fee deducted. When you select this check box, you can enter the Fee Begin Date and Fee End Date.</p>

6. On the Attachments tab, select relevant attachments.
7. On the Withholding Frequency tab, select the pay period to withhold from. You can select more than 1 pay period.

Note: When you don't specify a withholding frequency, Workday withholds from each of the worker's pay periods.

## Result

Workday deducts the full amount in the initial and final periods, when admitted under state and federal law.

You can perform these related actions on the withholding order:

Option	Description
Edit	Modify a withholding order.
Delete	You can delete a withholding order that doesn't have payroll input or completed results.
Edit Override Withholding Order Setup	<p>Applies only to:</p> <ul style="list-style-type: none"> <li>• Creditor garnishments.</li> <li>• State tax levies.</li> <li>• Support orders (including lump sum).</li> <li>• Wage assignments.</li> </ul> <p>Used to change the tax authority for all withholding orders of the specified type in a tax authority.</p>
Override Priority	For employees with multiple orders, Workday assigns a processing priority to each order based on state and federal regulations. Use this task to change the assigned priority.

Option	Description
View Deduction History	View deduction details.

## Next Steps

Review payroll results to ensure that the correct deduction and fee amounts were withheld.

### Related Information

#### Reference

[FAQ: Withholding Orders \(USA\)](#) on page 1371

#### Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Record a Creditor Garnishment Withholding Order (USA)

### Prerequisites

Enter the company *Tax ID* number on the Tax IDs tab of the [Edit Company Tax Details](#) task.

[Security: Worker Data: Payroll \(Income Withholding Orders\) - USA](#) domain in the USA Payroll functional area.

### Context

Record a Creditor Garnishment withholding order to begin automatic deductions during payroll processing.

### Steps

- Access the Record US Withholding Order for Worker task.
- Enter the Worker name and select the *Creditor Garnishment (USA)* Order Type.  
Workday dynamically displays the fields required for this type of withholding order.
- Complete the Order Info fields. These fields are common to all withholding order types. As you complete this task, consider:

Option	Description
Case Number	<p>Enter the Case Number listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>Company.</li> <li>Order date.</li> <li>Order type.</li> <li>Worker.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you defined a default withholding order ID for integrations, Workday sets that as the default.</p> <p>To define a default Withholding Order ID, see <a href="#">Create ID Definitions and Sequence Generators</a>.</p> <p>To associate the withholding order ID you formatted, see the ID Sequence Generators section of the <a href="#">Reference: Edit Tenant Setup - Payroll</a> topic.</p>

Option	Description
	When you define a sequence generator using these tasks, you can leave the Withholding Order ID field blank. Workday enters the generated ID when you complete the task.
Order Number	Identification number on the order. Some states use the term <i>Order Identifier</i> .
Order Date	Issue date of the order or judgment. When the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Workday requires this date for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date. To determine this date, follow the state laws of the employee's principal place of employment.</p> <p>Workday deducts the full pay period amount, even if the begin date is mid pay period.</p> <p>You can define a later begin date for fees on the Order Fees tab.</p>
End Date	<p>Doesn't apply to child support orders or federal tax levies.</p> <p>Workday deducts the final withholding amount (including any agency or employer fees) in the pay period that's before the 1 with the End Date.</p> <p>Regardless of the End Date, for most types of withholding orders, Workday stops processing a withholding order as soon as it is:</p> <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Marked inactive.</li> <li>• Repaid (the worker has satisfied the total debt amount).</li> </ul> <p>To stop federal and state tax levies after receiving a release from the tax authority:</p> <ol style="list-style-type: none"> <li>a. Edit the order.</li> <li>b. Select the Inactive Order check box.</li> </ol> <p>Workday doesn't stop processing tax levies until you select this check box.</p> <p>You can define an earlier end date for agency and employer fees on the Order Fees tab.</p>
Company	<p>Displays the company the employee is in as of the date entered in the Date Received field.</p> <p>Select the company when:</p>

Option	Description
	<ul style="list-style-type: none"> <li>The employee has a future hire date.</li> <li>The employee has positions in multiple companies on the Date Received.</li> <li>You've terminated the employee.</li> </ul> <p>You can't change the company once there are completed income withholding order pay results.</p>
Inactive Order	<p>Select to make the order inactive.</p> <p>For termination support orders, select to reactivate the original support order.</p>
Amount Type	<p>Select the amount type indicated on the order.</p>
Pay Period Amount	<p>Doesn't apply to state tax levies issued in Kentucky or Virginia. Usage varies by order type. For orders that specify the Amount Type <i>Amount on Order</i>, enter the total amount to withhold each pay period as specified on the order.</p>
Amount as Percent	<p>Doesn't apply to federal tax levies. When the Amount Type on the order is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i>, enter the percent to withhold from the worker's income.</p>
Pay Period Frequency	<p>Frequency of the pay period amount as indicated on the withholding order, such as weekly or monthly. Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.</p> <p>Example: Alan has a withholding order for 200 USD monthly and he's paid weekly. To calculate the deduction amount, Workday:</p> <ul style="list-style-type: none"> <li>Annualizes the pay period amount based on the pay period frequency of the withholding order (<math>200 \times 12 \text{ months} = 2400 \text{ USD}</math>).</li> <li>Deannualizes the result based on the pay period frequency (<math>2400/52 = 46.15 \text{ USD per week}</math>) of Alan.</li> </ul>
Total Debt Amount	<p>Total amount of the worker's debt or the balance due as indicated on the order.</p> <p>Note: This is required for these order types:</p> <ul style="list-style-type: none"> <li>Creditor garnishment.</li> <li>Federal administrative wage assignment.</li> <li>Federal tax levy.</li> <li>State tax levy.</li> <li>Student loan.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Wage assignment.</li> </ul> <p>If the order doesn't specify the total amount, enter 999,999.00.</p> <p>When a bankruptcy order has no total amount, Workday continues to take the deduction until the End Date or until the order is made inactive.</p>
Monthly Limit	<p>Workday supports monthly limits for allocations and order amount calculations for all withholding order types except:</p> <ul style="list-style-type: none"> <li>Federal tax levies.</li> <li>State tax levies.</li> </ul> <p>If an order provides a monthly deduction amount, Workday ensures that the deduction amount doesn't exceed the monthly limit.</p> <p>If a previous pay period in the current month didn't have sufficient funds, Workday takes up to that amount to recoup the funds. Workday checks the balances until it reaches the monthly limit.</p>
Process in Regular Pay Period	<p>Applies only to support orders that are a lump sum.</p> <p>Select to withhold wages only in regular pay runs; clear to withhold wages only in nonregular pay runs, such as bonus runs.</p>

4. Complete the fields on the right side of the page. Some of these fields are unique to creditor garnishment withholding orders. As you complete this step, consider:

Option	Description
Issued In	Select the state that issued the order.
Override Withholding Order Rule	<p>Use this field to override the Workday default tax authority and rule for an individual employee. Workday calculates these withholding order deduction criteria based on that rule:</p> <ul style="list-style-type: none"> <li>Deduction priority.</li> <li>Disposable earnings.</li> <li>Frequency conversion factor.</li> <li>Maximum amount to withhold.</li> </ul>
Payroll Tax Authority Used	Displays the Workday-assigned Payroll Tax Authority.
Non Resident State	Applies only to Alaska creditor garnishments. Select to have Workday correctly calculate the maximum amount to withhold for nonresident Alaska workers.

Option	Description
County FIPS code	Applies only to Maryland Creditor Garnishments.
Deduction Recipient	Select the third-party recipient of the withholding deduction. If the deduction recipient isn't set up in Workday, select Create to add the recipient.
Originating Entity	Agency or court that issued the withholding order.
Creditor Garnishment Type	Workday applies applicable rules based on the tax authority and the type you select in this field.
Head of Household	Applies only to Nebraska.
Number of Dependents	Applies only to: <ul style="list-style-type: none"><li>• Massachusetts.</li><li>• Rhode Island.</li><li>• South Dakota.</li><li>• West Virginia.</li></ul>
Worker is Laborer or Mechanic	Applies only to Arkansas.
Worker Income is Poverty Level	Applies only to New Jersey.
Good Cause Limit Percent	Applies only to Indiana creditor garnishments.
Expected Annual Earnings	Applies only to Iowa.
Weekly Gross Wages	Applies only to Nevada.
Memo	For information only. Use this field to document additional details for this IWO.

5. Complete the fields on the Order Fees tab. As you complete this step, consider:

Option	Description
Fee Type	Select the applicable fee type.
Withholding Order Fee Amount Type	Select the applicable fee amount type.
Fee Amount/Percent	Enter the fee amount to be paid. Workday maintains tax authority employer fee limits, but doesn't maintain agency fee limits. Although Workday doesn't enforce Fee Amount/Percent limits set by tax authorities, it does provide a warning to let you know if the amount you enter exceeds the limit.  Note: You can set up Workday to deduct partial fees when taking the entire fee causes the deduction to exceed the maximum amount to withhold. Select the Allow Partial Fees check box on the Edit Tenant Setup - Payroll task.
Fee Monthly Limit	Available only for these Fee Types: <ul style="list-style-type: none"><li>• <i>Per Pay Period Employer Fees</i></li><li>• <i>Per Pay Period Agency Fees</i></li></ul>

Option	Description
	Workday provides a warning if the fee exceeds the state-defined monthly limit.
Fee Schedule	You can select the Override Fee Schedule check box to specify when you want the fee deducted. When you select this check box, you can enter the Fee Begin Date and Fee End Date.

6. On the Attachments tab, select relevant attachments.
7. On the Local Minimum Wage tab, select the Use Override Rate check box and enter the local minimum wage in the Local Minimum Wage Amount field.

Applies only to California creditor garnishments. Workday uses this information for compliance with the state requirement to use the higher of federal, state, or local minimum wages in creditor garnishment withholding order calculations.

You can use these web services for loading local minimum wages:

- *Get Withholding Order Local Minimum Wage Rate*
- *Put Withholding Order Local Minimum Wage Rate*

## Result

Workday deducts the full amount in the initial and final periods, when admitted under state and federal law.

You can perform these related actions on the withholding order:

Option	Description
Edit	Modify a withholding order.
Delete	You can delete a withholding order that doesn't have payroll input or completed results.
Edit Override Withholding Order Setup	<p>Applies only to:</p> <ul style="list-style-type: none"> <li>• Creditor garnishments.</li> <li>• State tax levies.</li> <li>• Support orders (including lump sum).</li> <li>• Wage assignments.</li> </ul> <p>Used to change the tax authority for all withholding orders of the specified type in a tax authority.</p>
Override Priority	For employees with multiple orders, Workday assigns a processing priority to each order based on state and federal regulations. Use this task to change the assigned priority.
View Deduction History	View deduction details.

## Next Steps

Review payroll results to ensure that the correct deduction and fee amounts were withheld.

Related Information

**Concepts**

Concept: Intelligent Prompt Recommendations for Payroll on page 88

## Reference

[FAQ: Withholding Orders \(USA\) on page 1371](#)

## Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Record a Federal Administrative Wage Garnishment Withholding Order (USA)

### Prerequisites

Enter the company *Tax ID* number on the Tax IDs tab of the Edit Company Tax Details task.

Security: *Worker Data: Payroll (Income Withholding Orders) - USA* domain in the USA Payroll functional area.

### Context

Record Federal Administrative Wage Garnishment withholding orders to begin automatic deductions during payroll processing.

### Steps

1. Access the Record US Withholding Order for Worker task.
2. Enter the Worker name and select the *Federal Administrative Wage Garnishment (USA)* Order Type. Workday dynamically displays the fields required for this type of withholding order.
3. Complete the Order Info fields. These fields are common to all withholding order types. As you complete this task, consider:

Option	Description
Case Number	<p>Enter the Case Number listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Company.</li> <li>• Order date.</li> <li>• Order type.</li> <li>• Worker.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you defined a default withholding order ID for integrations, Workday sets that as the default.</p> <p>To define a default Withholding Order ID, see <a href="#">Create ID Definitions and Sequence Generators</a>.</p> <p>To associate the withholding order ID you formatted, see the ID Sequence Generators section of the <a href="#">Reference: Edit Tenant Setup - Payroll</a> topic.</p> <p>When you define a sequence generator using these tasks, you can leave the Withholding Order ID field blank. Workday enters the generated ID when you complete the task.</p>
Order Number	Identification number on the order. Some states use the term <i>Order Identifier</i> .

Option	Description
Order Date	Issue date of the order or judgment. When the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Workday requires this date for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date. To determine this date, follow the state laws of the employee's principal place of employment.</p> <p>Workday deducts the full pay period amount, even if the begin date is mid pay period.</p> <p>You can define a later begin date for fees on the Order Fees tab.</p>
End Date	<p>Doesn't apply to child support orders or federal tax levies.</p> <p>Workday deducts the final withholding amount (including any agency or employer fees) in the pay period that's before the 1 with the End Date.</p> <p>Regardless of the End Date, for most types of withholding orders, Workday stops processing a withholding order as soon as it is:</p> <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Marked inactive.</li> <li>• Repaid (the worker has satisfied the total debt amount).</li> </ul> <p>To stop federal and state tax levies after receiving a release from the tax authority:</p> <ol style="list-style-type: none"> <li>a. Edit the order.</li> <li>b. Select the Inactive Order check box.</li> </ol> <p>Workday doesn't stop processing tax levies until you select this check box.</p> <p>You can define an earlier end date for agency and employer fees on the Order Fees tab.</p>
Company	<p>Displays the company the employee is in as of the date entered in the Date Received field.</p> <p>Select the company when:</p> <ul style="list-style-type: none"> <li>• The employee has a future hire date.</li> <li>• The employee has positions in multiple companies on the Date Received.</li> <li>• You've terminated the employee.</li> </ul>

Option	Description
	You can't change the company once there are completed income withholding order pay results.
Inactive Order	Select to make the order inactive. For termination support orders, select to reactivate the original support order.
Amount Type	Select the amount type indicated on the order.
Pay Period Amount	Doesn't apply to state tax levies issued in Kentucky or Virginia. Usage varies by order type. For orders that specify the Amount Type <i>Amount on Order</i> , enter the total amount to withhold each pay period as specified on the order.
Amount as Percent	Doesn't apply to federal tax levies. When the Amount Type on the order is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i> , enter the percent to withhold from the worker's income.
Pay Period Frequency	Frequency of the pay period amount as indicated on the withholding order, such as weekly or monthly. Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.  Example: Alan has a withholding order for 200 USD monthly and he's paid weekly. To calculate the deduction amount, Workday: <ul style="list-style-type: none"><li>• Annualizes the pay period amount based on the pay period frequency of the withholding order (<math>200 \times 12 \text{ months} = 2400 \text{ USD}</math>).</li><li>• Deannualizes the result based on the pay period frequency (<math>2400/52 = 46.15 \text{ USD per week}</math>) of Alan.</li></ul>
Total Debt Amount	Total amount of the worker's debt or the balance due as indicated on the order.  Note: This is required for these order types: <ul style="list-style-type: none"><li>• Creditor garnishment.</li><li>• Federal administrative wage assignment.</li><li>• Federal tax levy.</li><li>• State tax levy.</li><li>• Student loan.</li><li>• Wage assignment.</li></ul> If the order doesn't specify the total amount, enter 999,999.00.

Option	Description
	When a bankruptcy order has no total amount, Workday continues to take the deduction until the End Date or until the order is made inactive.
Monthly Limit	<p>Workday supports monthly limits for allocations and order amount calculations for all withholding order types except:</p> <ul style="list-style-type: none"> <li>• Federal tax levies.</li> <li>• State tax levies.</li> </ul> <p>If an order provides a monthly deduction amount, Workday ensures that the deduction amount doesn't exceed the monthly limit.</p> <p>If a previous pay period in the current month didn't have sufficient funds, Workday takes up to that amount to recoup the funds. Workday checks the balances until it reaches the monthly limit.</p>
Process in Regular Pay Period	<p>Applies only to support orders that are a lump sum.</p> <p>Select to withhold wages only in regular pay runs; clear to withhold wages only in nonregular pay runs, such as bonus runs.</p>

4. Complete the Order Info fields. As you complete this step, consider:

Option	Description
Issued In	<p>Select the state that issued the order.</p> <p>Note: Workday always uses the work state to define disposable earnings rules, regardless of the state that issued the withholding order.</p>
Deduction Recipient	Select the third-party recipient of the withholding deduction. If the deduction recipient isn't set up in Workday, select Create to add the recipient.
Originating Entity	Agency or court that issued the withholding order.
Memo	For information only. Use this field to document additional details for this IWO.

5. Complete the fields on the Order Fees tab. As you complete this step, consider:

Option	Description
Fee Type	Select the applicable fee type.
Withholding Order Fee Amount Type	Select the applicable fee amount type.
Fee Amount/Percent	Enter the fee amount to be paid. Workday maintains tax authority employer fee limits, but doesn't maintain agency fee limits. Although Workday doesn't enforce Fee Amount/Percent

Option	Description
	<p>limits set by tax authorities, it does provide a warning to let you know if the amount you enter exceeds the limit.</p> <p>Note: You can set up Workday to deduct partial fees when taking the entire fee causes the deduction to exceed the maximum amount to withhold. Select the Allow Partial Fees check box on the Edit Tenant Setup - Payroll task.</p>
Fee Monthly Limit	<p>Available only for these Fee Types:</p> <ul style="list-style-type: none"> <li>• <i>Per Pay Period Employer Fees</i></li> <li>• <i>Per Pay Period Agency Fees</i></li> </ul> <p>Workday provides a warning if the fee exceeds the state-defined monthly limit.</p>
Fee Schedule	You can select the Override Fee Schedule check box to specify when you want the fee deducted. When you select this check box, you can enter the Fee Begin Date and Fee End Date.

6. On the Attachments tab, select relevant attachments.

## Result

Workday deducts the full amount in the initial and final periods, when admitted under state and federal law.

You can perform these related actions on the withholding order:

Option	Description
Edit	Modify a withholding order.
Delete	You can delete a withholding order that doesn't have payroll input or completed results.
Edit Override Withholding Order Setup	<p>Applies only to:</p> <ul style="list-style-type: none"> <li>• Creditor garnishments.</li> <li>• State tax levies.</li> <li>• Support orders (including lump sum).</li> <li>• Wage assignments.</li> </ul> <p>Used to change the tax authority for all withholding orders of the specified type in a tax authority.</p>
Override Priority	For employees with multiple orders, Workday assigns a processing priority to each order based on state and federal regulations. Use this task to change the assigned priority.
View Deduction History	View deduction details.

## Next Steps

Review payroll results to ensure that the correct deduction and fee amounts were withheld.

## Related Information

### Reference

[FAQ: Withholding Orders \(USA\)](#) on page 1371

### Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Record a Federal Tax Levy Withholding Order (USA)

### Prerequisites

Enter the company *Tax ID* number on the Tax IDs tab of the Edit Company Tax Details task.

Security: *Worker Data: Payroll (Income Withholding Orders) - USA* domain in the USA Payroll functional area.

### Context

Record a federal tax levy withholding order to begin automatic deductions during payroll processing.

### Steps

1. Access the Record US Withholding Order for Worker task.
2. Enter the Worker name and select the *Federal Tax Levy (USA)* Order Type.  
Workday dynamically displays the fields required for this type of withholding order.
3. Complete the Order Info fields. These fields are common to all withholding order types. As you complete this task, consider:

Option	Description
Case Number	<p>Enter the Case Number listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Company.</li> <li>• Order date.</li> <li>• Order type.</li> <li>• Worker.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you defined a default withholding order ID for integrations, Workday sets that as the default.</p> <p>To define a default Withholding Order ID, see <a href="#">Create ID Definitions and Sequence Generators</a>.</p> <p>To associate the withholding order ID you formatted, see the ID Sequence Generators section of the <a href="#">Reference: Edit Tenant Setup - Payroll</a> topic.</p> <p>When you define a sequence generator using these tasks, you can leave the Withholding Order ID field blank. Workday enters the generated ID when you complete the task.</p>
Order Number	Identification number on the order. Some states use the term <i>Order Identifier</i> .

Option	Description
Order Date	Issue date of the order or judgment. When the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Workday requires this date for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date. To determine this date, follow the state laws of the employee's principal place of employment.</p> <p>Workday deducts the full pay period amount, even if the begin date is mid pay period.</p> <p>You can define a later begin date for fees on the Order Fees tab.</p>
End Date	<p>Doesn't apply to child support orders or federal tax levies.</p> <p>Workday deducts the final withholding amount (including any agency or employer fees) in the pay period that's before the 1 with the End Date.</p> <p>Regardless of the End Date, for most types of withholding orders, Workday stops processing a withholding order as soon as it is:</p> <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Marked inactive.</li> <li>• Repaid (the worker has satisfied the total debt amount).</li> </ul> <p>To stop federal and state tax levies after receiving a release from the tax authority:</p> <ol style="list-style-type: none"> <li>a. Edit the order.</li> <li>b. Select the Inactive Order check box.</li> </ol> <p>Workday doesn't stop processing tax levies until you select this check box.</p> <p>You can define an earlier end date for agency and employer fees on the Order Fees tab.</p>
Company	<p>Displays the company the employee is in as of the date entered in the Date Received field.</p> <p>Select the company when:</p> <ul style="list-style-type: none"> <li>• The employee has a future hire date.</li> <li>• The employee has positions in multiple companies on the Date Received.</li> <li>• You've terminated the employee.</li> </ul>

Option	Description
	You can't change the company once there are completed income withholding order pay results.
Inactive Order	Select to make the order inactive. For termination support orders, select to reactivate the original support order.
Amount Type	Select the amount type indicated on the order.
Pay Period Amount	Doesn't apply to state tax levies issued in Kentucky or Virginia. Usage varies by order type. For orders that specify the Amount Type <i>Amount on Order</i> , enter the total amount to withhold each pay period as specified on the order.
Amount as Percent	Doesn't apply to federal tax levies. When the Amount Type on the order is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i> , enter the percent to withhold from the worker's income.
Pay Period Frequency	Frequency of the pay period amount as indicated on the withholding order, such as weekly or monthly. Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.  Example: Alan has a withholding order for 200 USD monthly and he's paid weekly. To calculate the deduction amount, Workday: <ul style="list-style-type: none"><li>• Annualizes the pay period amount based on the pay period frequency of the withholding order (<math>200 \times 12 \text{ months} = 2400 \text{ USD}</math>).</li><li>• Deannualizes the result based on the pay period frequency (<math>2400/52 = 46.15 \text{ USD per week}</math>) of Alan.</li></ul>
Total Debt Amount	Total amount of the worker's debt or the balance due as indicated on the order.  Note: This is required for these order types: <ul style="list-style-type: none"><li>• Creditor garnishment.</li><li>• Federal administrative wage assignment.</li><li>• Federal tax levy.</li><li>• State tax levy.</li><li>• Student loan.</li><li>• Wage assignment.</li></ul> If the order doesn't specify the total amount, enter 999,999.00.

Option	Description
	When a bankruptcy order has no total amount, Workday continues to take the deduction until the End Date or until the order is made inactive.
Monthly Limit	<p>Workday supports monthly limits for allocations and order amount calculations for all withholding order types except:</p> <ul style="list-style-type: none"> <li>• Federal tax levies.</li> <li>• State tax levies.</li> </ul> <p>If an order provides a monthly deduction amount, Workday ensures that the deduction amount doesn't exceed the monthly limit.</p> <p>If a previous pay period in the current month didn't have sufficient funds, Workday takes up to that amount to recoup the funds. Workday checks the balances until it reaches the monthly limit.</p>
Process in Regular Pay Period	<p>Applies only to support orders that are a lump sum.</p> <p>Select to withhold wages only in regular pay runs; clear to withhold wages only in nonregular pay runs, such as bonus runs.</p>

4. Complete the Order Info fields on the right side of the page. Some of these fields are unique to federal tax levy withholding orders. As you complete this step, consider:

Option	Description
Issued In	Defaults to <i>Federal</i> .
Deduction Recipient	Select the third-party recipient of the withholding deduction. If the deduction recipient isn't set up in Workday, select <i>Create</i> to add the recipient.
Part 3 Effective Date	For federal tax levies. Workday uses the chart in Publication 1494 for the year you enter here.
Marital Status	For federal tax levies. Worker's marital status from Part 3 of Form 668-W (Notice of Levy on Wages, Salary, and Other Income). This can differ from the worker's marital status on Form W-4.
Personal Exemptions	Enter the number of personal exemptions from Part 3 of Form 668-W.
Additional 65+ or Blind Exemptions	Enter the number of personal exemptions from Part 3 of Form 668-W.
Exemption Amount Override	Applies to federal tax levies and state tax levies in: <ul style="list-style-type: none"> <li>• Arizona.</li> <li>• Kentucky.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Virginia.</li> </ul>
Exemption Frequency	Applies to federal tax levies and state tax levies in: <ul style="list-style-type: none"> <li>Arizona.</li> <li>Kentucky.</li> <li>Virginia.</li> </ul>
Pay Period Exemption Amount	Applies only to federal tax levies. Enter the pay period exemption amount from Form 668-W.  If Part 3 effective date is before 2007-01-01, Workday calculates this amount as equal to the exemption amount override multiplied by the pay period frequency divided by the exemption frequency.
Block Tax Election Changes in ESS	Applies only to federal tax levies. When selected, employees can no longer use the Withholding Elections task to change their tax elections. Administrators can still make updates using the Add Worker US Tax Elections task.
Termination Date	Applies only to federal tax levies. Enter the termination date of the levy from Form 668-D (Release of Levy/Release of Property from Levy). Entering a termination date is the only way to stop withholding for a federal tax levy.
Memo	For information only. Use this field to document additional details for this IWO.

5. Complete the fields on the Persons Claimed as Personal Exemptions tab. Enter dependents claimed as personal exemptions.

Enter the name and Social Security Number for each dependent claimed. They can't be the same as the dependents included in a child support order.

6. Complete the fields on the Order Fees tab. As you complete this step, consider:

Option	Description
Fee Type	Select the applicable fee type.
Withholding Order Fee Amount Type	Select the applicable fee amount type.
Fee Amount/Percent	<p>Enter the fee amount to be paid. Workday maintains tax authority employer fee limits, but doesn't maintain agency fee limits. Although Workday doesn't enforce Fee Amount/Percent limits set by tax authorities, it does provide a warning to let you know if the amount you enter exceeds the limit.</p> <p>Note: You can set up Workday to deduct partial fees when taking the entire fee causes the deduction to exceed the maximum amount to withhold. Select the Allow Partial Fees check box on the Edit Tenant Setup - Payroll task.</p>

Option	Description
Fee Monthly Limit	<p>Available only for these Fee Types:</p> <ul style="list-style-type: none"> <li>• <i>Per Pay Period Employer Fees</i></li> <li>• <i>Per Pay Period Agency Fees</i></li> </ul> <p>Workday provides a warning if the fee exceeds the state-defined monthly limit.</p>
Fee Schedule	<p>You can select the Override Fee Schedule check box to specify when you want the fee deducted. When you select this check box, you can enter the Fee Begin Date and Fee End Date.</p>

7. On the Attachments tab, select relevant attachments.
8. The Restrictions for Disposable Earnings tab applies only to federal tax levies that use baseline deductions. Use fields on this tab to manage baseline and future deductions that affect the federal tax levy deduction calculation.

As you complete this step, consider:

Option	Description
Current Deduction Restrictions	<p>Applies only to federal tax levies. Displays a detailed list of the current deductions and overrides used to calculate disposable earnings. The information becomes available when you establish baseline deductions.</p>
Deduction Restriction Overrides	<p>To prevent changes to voluntary employee deductions from impacting disposable earnings, add deduction restriction overrides. Select the deduction and 1 of these override options:</p> <ul style="list-style-type: none"> <li>• Amount: The allowable amount for the deduction.</li> <li>• Percent: The allowable percent for the deduction. This option is only available when the deduction is a benefit calculated as a percent.</li> <li>• Never Reduces DE: Select to exclude the deduction from the disposable earning calculation.</li> <li>• Always Reduces DE: Select to include the deduction in the disposable earnings calculation without limiting the amount.</li> </ul> <p>When deduction amounts are greater than override amounts, Workday subtracts the difference from take-home pay, not disposable earnings.</p>
Baselined Deductions	<p>Select Load Deductions to create a baseline list of deduction as of the effective date. This baseline can help you determine whether future changes in the deductions are allowable in the calculation of disposable earnings.</p>

Option	Description
	<p>For new federal tax levies, establish this baseline when the levy starts. After you load deductions the first time, you can verify them, make adjustments to them. However, after you complete payroll with baseline deductions in place, you can no longer change the baseline. It serves as a record of the deductions in place when the levy took effect. Instead, use deduction restriction overrides to make changes.</p> <p>Note: Workday can't correctly load baseline deductions when an employee has:</p> <ul style="list-style-type: none"> <li>• A midperiod pay group change.</li> <li>• Current payroll input</li> <li>• An adjustment override for percent-based deductions.</li> </ul> <p>In these cases, add deduction restriction overrides to accurately reflect the deductions to include in the disposable earnings calculation.</p> <p>For existing federal tax levies with completed payroll results, you can't load baseline deduction restrictions. Instead, use deduction restriction overrides to accurately reflect the deductions present when the levy took effect.</p>

## Result

Workday deducts the full amount in the initial and final periods, when admitted under state and federal law.

You can perform these related actions on the withholding order:

Option	Description
Edit	Modify a withholding order.
Delete	You can delete a withholding order that doesn't have payroll input or completed results.
Edit Override Withholding Order Setup	<p>Applies only to:</p> <ul style="list-style-type: none"> <li>• Creditor garnishments.</li> <li>• State tax levies.</li> <li>• Support orders (including lump sum).</li> <li>• Wage assignments.</li> </ul> <p>Used to change the tax authority for all withholding orders of the specified type in a tax authority.</p>
Override Priority	For employees with multiple orders, Workday assigns a processing priority to each order based on state and federal regulations. Use this task to change the assigned priority.
View Deduction History	View deduction details.

## Next Steps

Review payroll results to ensure that the correct deduction and fee amounts were withheld.

[Related Information](#)

### Reference

[FAQ: Withholding Orders \(USA\)](#) on page 1371

### Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Record a State Tax Levy Withholding Order (USA)

### Prerequisites

Enter the company *Tax ID* number on the Tax IDs tab of the [Edit Company Tax Details](#) task.

[Security: Worker Data: Payroll \(Income Withholding Orders\) - USA](#) domain in the USA Payroll functional area.

### Context

Record a state tax levy withholding order to begin automatic deductions during payroll processing.

### Steps

1. Access the Record US Withholding Order for Worker task.
2. Enter the Worker name and select the *State Tax Levy (USA)* Order Type.  
Workday dynamically displays the fields required for this type of withholding order.
3. Complete the Order Info fields. These fields are common to all withholding order types. As you complete this task, consider:

Option	Description
Case Number	<p>Enter the Case Number listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Company.</li> <li>• Order date.</li> <li>• Order type.</li> <li>• Worker.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you defined a default withholding order ID for integrations, Workday sets that as the default.</p> <p>To define a default Withholding Order ID, see <a href="#">Create ID Definitions and Sequence Generators</a>.</p> <p>To associate the withholding order ID you formatted, see the ID Sequence Generators section of the <a href="#">Reference: Edit Tenant Setup - Payroll</a> topic.</p> <p>When you define a sequence generator using these tasks, you can leave the Withholding Order ID field blank. Workday enters the generated ID when you complete the task.</p>

Option	Description
Order Number	Identification number on the order. Some states use the term <i>Order Identifier</i> .
Order Date	Issue date of the order or judgment. When the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Workday requires this date for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date. To determine this date, follow the state laws of the employee's principal place of employment.</p> <p>Workday deducts the full pay period amount, even if the begin date is mid pay period.</p> <p>You can define a later begin date for fees on the Order Fees tab.</p>
End Date	<p>Doesn't apply to child support orders or federal tax levies.</p> <p>Workday deducts the final withholding amount (including any agency or employer fees) in the pay period that's before the 1 with the End Date.</p> <p>Regardless of the End Date, for most types of withholding orders, Workday stops processing a withholding order as soon as it is:</p> <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Marked inactive.</li> <li>• Repaid (the worker has satisfied the total debt amount).</li> </ul> <p>To stop federal and state tax levies after receiving a release from the tax authority:</p> <ol style="list-style-type: none"> <li>a. Edit the order.</li> <li>b. Select the Inactive Order check box.</li> </ol> <p>Workday doesn't stop processing tax levies until you select this check box.</p> <p>You can define an earlier end date for agency and employer fees on the Order Fees tab.</p>
Company	<p>Displays the company the employee is in as of the date entered in the Date Received field.</p> <p>Select the company when:</p> <ul style="list-style-type: none"> <li>• The employee has a future hire date.</li> <li>• The employee has positions in multiple companies on the Date Received.</li> <li>• You've terminated the employee.</li> </ul>

Option	Description
	You can't change the company once there are completed income withholding order pay results.
Inactive Order	Select to make the order inactive. For termination support orders, select to reactivate the original support order.
Amount Type	Select the amount type indicated on the order.
Pay Period Amount	Doesn't apply to state tax levies issued in Kentucky or Virginia. Usage varies by order type. For orders that specify the Amount Type <i>Amount on Order</i> , enter the total amount to withhold each pay period as specified on the order.
Amount as Percent	Doesn't apply to federal tax levies. When the Amount Type on the order is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i> , enter the percent to withhold from the worker's income.
Pay Period Frequency	Frequency of the pay period amount as indicated on the withholding order, such as weekly or monthly. Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.  Example: Alan has a withholding order for 200 USD monthly and he's paid weekly. To calculate the deduction amount, Workday: <ul style="list-style-type: none"><li>• Annualizes the pay period amount based on the pay period frequency of the withholding order (<math>200 \times 12 \text{ months} = 2400 \text{ USD}</math>).</li><li>• Deannualizes the result based on the pay period frequency (<math>2400/52 = 46.15 \text{ USD per week}</math>) of Alan.</li></ul>
Total Debt Amount	Total amount of the worker's debt or the balance due as indicated on the order.  Note: This is required for these order types: <ul style="list-style-type: none"><li>• Creditor garnishment.</li><li>• Federal administrative wage assignment.</li><li>• Federal tax levy.</li><li>• State tax levy.</li><li>• Student loan.</li><li>• Wage assignment.</li></ul> If the order doesn't specify the total amount, enter 999,999.00.

Option	Description
	When a bankruptcy order has no total amount, Workday continues to take the deduction until the End Date or until the order is made inactive.
Monthly Limit	<p>Workday supports monthly limits for allocations and order amount calculations for all withholding order types except:</p> <ul style="list-style-type: none"> <li>• Federal tax levies.</li> <li>• State tax levies.</li> </ul> <p>If an order provides a monthly deduction amount, Workday ensures that the deduction amount doesn't exceed the monthly limit.</p> <p>If a previous pay period in the current month didn't have sufficient funds, Workday takes up to that amount to recoup the funds. Workday checks the balances until it reaches the monthly limit.</p>
Process in Regular Pay Period	<p>Applies only to support orders that are a lump sum.</p> <p>Select to withhold wages only in regular pay runs; clear to withhold wages only in nonregular pay runs, such as bonus runs.</p>

4. Complete the Order Info fields on the right side of the page. Some of these fields are unique to state tax levy withholding orders. As you complete this step, consider:

Option	Description
Show States Eligible for Federal Tax Levy Calculation	<p>Applies to state tax levies issued in Arizona, Kentucky, or Virginia.</p> <p>Selecting the check box makes the fields for recording Form 668-W information available.</p> <p>For Arizona, Workday uses the federal tax levy calculation and the information you enter from Form 668-W to determine the withholding amount.</p> <p>For Kentucky and Virginia, you can enter Part 3 data from Form 668-W or select the Amount Type field and enter related information. Workday uses the federal tax levy calculation only if you enter Part 3 data.</p> <p>For Virginia, use the Pay Period Exemption Amount Override Amount field if Part 3 data isn't applicable.</p>
Issued In	Select the state that issued the order.
Override Withholding Order Rule	Use this field to override the Workday default tax authority and rule for an individual employee. Workday calculates these

Option	Description
	withholding order deduction criteria based on that rule: <ul style="list-style-type: none"> <li>• Deduction priority.</li> <li>• Disposable earnings.</li> <li>• Frequency conversion factor.</li> <li>• Maximum amount to withhold.</li> </ul>
Payroll Tax Authority Used	Displays the Workday-assigned Payroll Tax Authority.
County FIPS code	Applies only to Maryland State Tax Levies.
Deduction Recipient	Select the third-party recipient of the withholding deduction. If the deduction recipient isn't set up in Workday, select Create to add the recipient.
Originating Entity	Agency or court that issued the withholding order.
Number of Dependents	Applies only to: <ul style="list-style-type: none"> <li>• Massachusetts</li> <li>• Rhode Island</li> <li>• South Dakota</li> <li>• West Virginia</li> </ul>
Worker is Laborer or Mechanic	Applies only to Arkansas.
Worker Income is Poverty Level	Applies only to New Jersey.
Part 3 Effective Date	Applies to federal tax levies.  Workday uses the chart in Publication 1494 for the year entered here.
Pay Period Exemption Override Amount	For state tax levies issued in Arizona, Kentucky, or Virginia.  Selecting the check box makes the fields for recording Form 668-W information available.  For Arizona, Workday uses the federal tax levy calculation and the information you enter from Form 668-W to determine the withholding amount.  For Kentucky and Virginia, you can enter Part 3 data from Form 668-W or select the Amount Type field and enter related information. Workday uses the federal tax levy calculation only if you enter Part 3 data.  For Virginia, use the Pay Period Exemption Override Amount field if Part 3 data isn't applicable.
Form and Revision Number	For state tax levies issued in Michigan.  Select whichever of these numbers are printed on the top of the withholding order:

Option	Description
	<ul style="list-style-type: none"> <li>• 3793 (Rev. 01-16)</li> <li>• 3793 (Rev. 05-22)</li> <li>• 3793A (Rev. 09-18)</li> </ul> <p>The number you enter determines what withholding calculation rules Workday uses to calculate the order. You can see the calculation rules for the form and revision numbers on the All Payroll Withholding Order Data and the View Payroll Withholding Order Data reports.</p>
Marital Status	<p>For federal and Michigan tax levies.</p> <p>Marital status from Part 3 of Form 668-W (Notice of Levy on Wages, Salary, and Other Income). Can differ from the worker's marital status on Form W-4.</p> <p>For a Michigan form and these revision numbers, Marital Status is required:</p> <ul style="list-style-type: none"> <li>• 3793 (Rev. 05-22)</li> <li>• 3793A (Rev. 09-18)</li> </ul>
Personal Exemptions	Enter the number of personal exemptions from Part 3 of Form 668-W.
Additional 65+ or Blind Exemptions	Enter the number of additional exemptions from Part 3 of Form 668-W.
Pay Period Exemption Amount	<p>For federal tax levies.</p> <p>Enter the pay period exemption amount from Form 668-W. If Part 3 Effective Date is before 2007-01-01, Workday calculates this amount as equal to the exemption amount override multiplied by the pay period frequency divided by the exemption frequency.</p>
Termination Date	<p>For federal tax levies.</p> <p>Enter the termination date of the levy from Form 668-D (Release of Levy/Release of Property from Levy). This is the only way to stop withholding for a federal tax levy.</p>
Good Cause Limit Percent	Applies only to Indiana creditor garnishments.
Process Until	Applies only to Puerto Rico.
Prorate Until Date	Applies only to Puerto Rico.
Memo	For information only. Use this field to document additional details for this IWO.

5. Complete the fields on the Persons Claimed as Personal Exemptions tab.  
Can't be the same as those persons included in a child support order.
  - a) Enter Dependent Name.
  - b) Enter the Social Security Number for each person in the Dependent Identification Number field.
6. Complete the fields on the Order Fees tab. As you complete this step, consider:

Option	Description
Fee Type	Select the applicable fee type.
Withholding Order Fee Amount Type	Select the applicable fee amount type.
Fee Amount/Percent	<p>Enter the fee amount to be paid. Workday maintains tax authority employer fee limits, but doesn't maintain agency fee limits. Although Workday doesn't enforce Fee Amount/Percent limits set by tax authorities, it does provide a warning to let you know if the amount you enter exceeds the limit.</p> <p>Note: You can set up Workday to deduct partial fees when taking the entire fee causes the deduction to exceed the maximum amount to withhold. Select the Allow Partial Fees check box on the Edit Tenant Setup - Payroll task.</p>
Fee Monthly Limit	<p>Available only for these Fee Types:</p> <ul style="list-style-type: none"> <li>• <i>Per Pay Period Employer Fees</i></li> <li>• <i>Per Pay Period Agency Fees</i></li> </ul> <p>Workday provides a warning if the fee exceeds the state-defined monthly limit.</p>
Fee Schedule	You can select the Override Fee Schedule check box to specify when you want the fee deducted. When you select this check box, you can enter the Fee Begin Date and Fee End Date.

7. On the Attachments tab, select relevant attachments.
8. (Optional) To override the local minimum wage rate set for the worker's location, on the Local Minimum Wage tab:
  - Select the Use Override Rate check box.
  - Enter a new minimum wage rate in the Local Minimum Wage Amount field.

## Result

Workday deducts the full amount in the initial and final periods, when admitted under state and federal law.

You can perform these related actions on the withholding order:

Option	Description
Edit	Modify a withholding order.
Delete	You can delete a withholding order that doesn't have payroll input or completed results.
Edit Override Withholding Order Setup	Applies only to:

Option	Description
	<ul style="list-style-type: none"> <li>Creditor garnishments.</li> <li>State tax levies.</li> <li>Support orders (including lump sum).</li> <li>Wage assignments.</li> </ul> <p>Used to change the tax authority for all withholding orders of the specified type in a tax authority.</p>
Override Priority	For employees with multiple orders, Workday assigns a processing priority to each order based on state and federal regulations. Use this task to change the assigned priority.
View Deduction History	View deduction details.

## Next Steps

Review payroll results to ensure that the correct deduction and fee amounts were withheld.

Related Information

### Reference

[FAQ: Withholding Orders \(USA\)](#) on page 1371

### Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Record a Student Loan Withholding Order (USA)

### Prerequisites

Enter the company *Tax ID* number on the Tax IDs tab of the [Edit Company Tax Details](#) task.

Security: *Worker Data: Payroll (Income Withholding Orders) - USA* domain in the USA Payroll functional area.

### Context

Record a student loan withholding order to begin automatic deductions during payroll processing.

### Steps

- Access the [Record US Withholding Order for Worker](#) task.
- Enter the Worker name and select the *Student Loan (USA)* Order Type.  
Workday dynamically displays the fields required for this type of withholding order.
- Complete the Order Info fields. These fields are common to all withholding order types. As you complete this task, consider:

Option	Description
Case Number	<p>Enter the Case Number listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>Company.</li> <li>Order date.</li> <li>Order type.</li> <li>Worker.</li> </ul>

Option	Description
	Note: You can't change this number once the order has pay results.
Withholding Order ID	<p>If you defined a default withholding order ID for integrations, Workday sets that as the default.</p> <p>To define a default Withholding Order ID, see <a href="#">Create ID Definitions and Sequence Generators</a>.</p> <p>To associate the withholding order ID you formatted, see the ID Sequence Generators section of the <a href="#">Reference: Edit Tenant Setup - Payroll</a> topic.</p> <p>When you define a sequence generator using these tasks, you can leave the Withholding Order ID field blank. Workday enters the generated ID when you complete the task.</p>
Order Number	Identification number on the order. Some states use the term <i>Order Identifier</i> .
Order Date	Issue date of the order or judgment. When the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Workday requires this date for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date. To determine this date, follow the state laws of the employee's principal place of employment.</p> <p>Workday deducts the full pay period amount, even if the begin date is mid pay period.</p> <p>You can define a later begin date for fees on the Order Fees tab.</p>
End Date	<p>Doesn't apply to child support orders or federal tax levies.</p> <p>Workday deducts the final withholding amount (including any agency or employer fees) in the pay period that's before the 1 with the End Date.</p> <p>Regardless of the End Date, for most types of withholding orders, Workday stops processing a withholding order as soon as it is:</p> <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Marked inactive.</li> <li>• Repaid (the worker has satisfied the total debt amount).</li> </ul>

Option	Description
	<p>To stop federal and state tax levies after receiving a release from the tax authority:</p> <ol style="list-style-type: none"> <li>a. Edit the order.</li> <li>b. Select the Inactive Order check box.</li> </ol> <p>Workday doesn't stop processing tax levies until you select this check box.</p> <p>You can define an earlier end date for agency and employer fees on the Order Fees tab.</p>
Company	<p>Displays the company the employee is in as of the date entered in the Date Received field.</p> <p>Select the company when:</p> <ul style="list-style-type: none"> <li>• The employee has a future hire date.</li> <li>• The employee has positions in multiple companies on the Date Received.</li> <li>• You've terminated the employee.</li> </ul> <p>You can't change the company once there are completed income withholding order pay results.</p>
Inactive Order	<p>Select to make the order inactive.</p> <p>For termination support orders, select to reactivate the original support order.</p>
Amount Type	<p>Select the amount type indicated on the order.</p>
Pay Period Amount	<p>Doesn't apply to state tax levies issued in Kentucky or Virginia. Usage varies by order type. For orders that specify the Amount Type <i>Amount on Order</i>, enter the total amount to withhold each pay period as specified on the order.</p>
Amount as Percent	<p>Doesn't apply to federal tax levies. When the Amount Type on the order is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i>, enter the percent to withhold from the worker's income.</p>
Pay Period Frequency	<p>Frequency of the pay period amount as indicated on the withholding order, such as weekly or monthly. Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.</p> <p>Example: Alan has a withholding order for 200 USD monthly and he's paid weekly. To calculate the deduction amount, Workday:</p> <ul style="list-style-type: none"> <li>• Annualizes the pay period amount based on the pay period frequency of the withholding order (<math>200 \times 12 \text{ months} = 2400 \text{ USD}</math>).</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Deannualizes the result based on the pay period frequency (<math>2400/52 = 46.15</math> USD per week) of Alan.</li> </ul>
Total Debt Amount	<p>Total amount of the worker's debt or the balance due as indicated on the order.</p> <p>Note: This is required for these order types:</p> <ul style="list-style-type: none"> <li>Creditor garnishment.</li> <li>Federal administrative wage assignment.</li> <li>Federal tax levy.</li> <li>State tax levy.</li> <li>Student loan.</li> <li>Wage assignment.</li> </ul> <p>If the order doesn't specify the total amount, enter 999,999.00.</p> <p>When a bankruptcy order has no total amount, Workday continues to take the deduction until the End Date or until the order is made inactive.</p>
Monthly Limit	<p>Workday supports monthly limits for allocations and order amount calculations for all withholding order types except:</p> <ul style="list-style-type: none"> <li>Federal tax levies.</li> <li>State tax levies.</li> </ul> <p>If an order provides a monthly deduction amount, Workday ensures that the deduction amount doesn't exceed the monthly limit.</p> <p>If a previous pay period in the current month didn't have sufficient funds, Workday takes up to that amount to recoup the funds. Workday checks the balances until it reaches the monthly limit.</p>
Process in Regular Pay Period	<p>Applies only to support orders that are a lump sum.</p> <p>Select to withhold wages only in regular pay runs; clear to withhold wages only in nonregular pay runs, such as bonus runs.</p>

4. Complete the Order Info fields on the right side of the page. Some of these fields are unique to student loan withholding orders. As you complete this step, consider:

Option	Description
Issued In	<p>Select the state or authority that issued the order.</p> <p>Note: Workday always uses the work state to define disposable earnings rules, regardless of the state that issued the withholding order.</p>

Option	Description
Deduction Recipient	Select the third-party recipient of the withholding deduction. If the deduction recipient isn't set up in Workday, select Create to add the recipient.
Originating Entity	Agency or court that issued the withholding order.
Department of Education Student Loan	Select the check box for federal student loans.
Memo	For information only. Use this field to document additional details for this IWO.

5. Complete the fields on the Order Fees tab. As you complete this step, consider:

Option	Description
Fee Type	Select the applicable fee type.
Withholding Order Fee Amount Type	Select the applicable fee amount type.
Fee Amount/Percent	<p>Enter the fee amount to be paid. Workday maintains tax authority employer fee limits, but doesn't maintain agency fee limits. Although Workday doesn't enforce Fee Amount/Percent limits set by tax authorities, it does provide a warning to let you know if the amount you enter exceeds the limit.</p> <p>Note: You can set up Workday to deduct partial fees when taking the entire fee causes the deduction to exceed the maximum amount to withhold. Select the Allow Partial Fees check box on the Edit Tenant Setup - Payroll task.</p>
Fee Monthly Limit	<p>Available only for these Fee Types:</p> <ul style="list-style-type: none"> <li>• <i>Per Pay Period Employer Fees</i></li> <li>• <i>Per Pay Period Agency Fees</i></li> </ul> <p>Workday provides a warning if the fee exceeds the state-defined monthly limit.</p>
Fee Schedule	You can select the Override Fee Schedule check box to specify when you want the fee deducted. When you select this check box, you can enter the Fee Begin Date and Fee End Date.

6. On the Attachments tab, select relevant attachments.

## Result

Workday deducts the full amount in the initial and final periods, when admitted under state and federal law.

You can perform these related actions on the withholding order:

Option	Description
Edit	Modify a withholding order.

Option	Description
Delete	You can delete a withholding order that doesn't have payroll input or completed results.
Edit Override Withholding Order Setup	<p>Applies only to:</p> <ul style="list-style-type: none"> <li>• Creditor garnishments.</li> <li>• State tax levies.</li> <li>• Support orders (including lump sum).</li> <li>• Wage assignments.</li> </ul> <p>Used to change the tax authority for all withholding orders of the specified type in a tax authority.</p>
Override Priority	For employees with multiple orders, Workday assigns a processing priority to each order based on state and federal regulations. Use this task to change the assigned priority.
View Deduction History	View deduction details.

## Next Steps

Review payroll results to ensure that the correct deduction and fee amounts were withheld.

[Related Information](#)

[Reference](#)

[FAQ: Withholding Orders \(USA\) on page 1371](#)

[Examples](#)

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Global](#)

## Record a Support Order (USA)

### Prerequisites

Enter the company *Tax ID* number on the Tax IDs tab of the Edit Company Tax Details task.

[Security: Worker Data: Payroll \(Income Withholding Orders\) - USA domain](#) in the USA Payroll functional area.

### Context

Record a support order or support order (lump sum) to begin automatic deductions during payroll processing.

### Steps

1. Access the Record US Withholding Order for Worker task.
2. Enter the Worker name and select the *Support Order (USA)* or *Support Order (Lump Sum) (USA)* Order Type.

For a non-lump sum order, confirm that the Original Order check box is selected.

Workday dynamically displays the fields required for this type of withholding order.

3. Complete the Order Info fields. These fields are common to all withholding order types. As you complete this task, consider:

Option	Description
Case Number	<p>Enter the Case Number listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Company.</li> <li>• Order date.</li> <li>• Order type.</li> <li>• Worker.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you defined a default withholding order ID for integrations, Workday sets that as the default.</p> <p>To define a default Withholding Order ID, see <a href="#">Create ID Definitions and Sequence Generators</a>.</p> <p>To associate the withholding order ID you formatted, see the ID Sequence Generators section of the <a href="#">Reference: Edit Tenant Setup - Payroll</a> topic.</p> <p>When you define a sequence generator using these tasks, you can leave the Withholding Order ID field blank. Workday enters the generated ID when you complete the task.</p>
Order Number	Identification number on the order. Some states use the term <i>Order Identifier</i> .
Order Date	Issue date of the order or judgment. When the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Workday requires this date for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date. To determine this date, follow the state laws of the employee's principal place of employment.</p> <p>Workday deducts the full pay period amount, even if the begin date is mid pay period.</p> <p>You can define a later begin date for fees on the Order Fees tab.</p>
End Date	<p>Doesn't apply to child support orders or federal tax levies.</p> <p>Workday deducts the final withholding amount (including any agency or employer fees) in the pay period that's before the 1 with the End Date.</p>

Option	Description
	<p>Regardless of the End Date, for most types of withholding orders, Workday stops processing a withholding order as soon as it is:</p> <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Marked inactive.</li> <li>• Repaid (the worker has satisfied the total debt amount).</li> </ul> <p>To stop federal and state tax levies after receiving a release from the tax authority:</p> <ol style="list-style-type: none"> <li>a. Edit the order.</li> <li>b. Select the Inactive Order check box.</li> </ol> <p>Workday doesn't stop processing tax levies until you select this check box.</p> <p>You can define an earlier end date for agency and employer fees on the Order Fees tab.</p>
Company	<p>Displays the company the employee is in as of the date entered in the Date Received field.</p> <p>Select the company when:</p> <ul style="list-style-type: none"> <li>• The employee has a future hire date.</li> <li>• The employee has positions in multiple companies on the Date Received.</li> <li>• You've terminated the employee.</li> </ul> <p>You can't change the company once there are completed income withholding order pay results.</p>
Inactive Order	<p>Select to make the order inactive.</p> <p>For termination support orders, select to reactivate the original support order.</p>
Amount Type	<p>Select the amount type indicated on the order.</p>
Pay Period Amount	<p>Doesn't apply to state tax levies issued in Kentucky or Virginia. Usage varies by order type. For orders that specify the Amount Type <i>Amount on Order</i>, enter the total amount to withhold each pay period as specified on the order.</p>
Amount as Percent	<p>Doesn't apply to federal tax levies. When the Amount Type on the order is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i>, enter the percent to withhold from the worker's income.</p>
Pay Period Frequency	<p>Frequency of the pay period amount as indicated on the withholding order, such as weekly or monthly. Workday calculates the amount to deduct in each pay period when</p>

Option	Description
	<p>a worker's pay frequency differs from the frequency on the withholding order.</p> <p>Example: Alan has a withholding order for 200 USD monthly and he's paid weekly. To calculate the deduction amount, Workday:</p> <ul style="list-style-type: none"> <li>• Annualizes the pay period amount based on the pay period frequency of the withholding order (<math>200 \times 12 \text{ months} = 2400 \text{ USD}</math>).</li> <li>• Deannualizes the result based on the pay period frequency (<math>2400/52 = 46.15 \text{ USD per week}</math>) of Alan.</li> </ul>
Total Debt Amount	<p>Total amount of the worker's debt or the balance due as indicated on the order.</p> <p>Note: This is required for these order types:</p> <ul style="list-style-type: none"> <li>• Creditor garnishment.</li> <li>• Federal administrative wage assignment.</li> <li>• Federal tax levy.</li> <li>• State tax levy.</li> <li>• Student loan.</li> <li>• Wage assignment.</li> </ul> <p>If the order doesn't specify the total amount, enter 999,999.00.</p> <p>When a bankruptcy order has no total amount, Workday continues to take the deduction until the End Date or until the order is made inactive.</p>
Monthly Limit	<p>Workday supports monthly limits for allocations and order amount calculations for all withholding order types except:</p> <ul style="list-style-type: none"> <li>• Federal tax levies.</li> <li>• State tax levies.</li> </ul> <p>If an order provides a monthly deduction amount, Workday ensures that the deduction amount doesn't exceed the monthly limit.</p> <p>If a previous pay period in the current month didn't have sufficient funds, Workday takes up to that amount to recoup the funds. Workday checks the balances until it reaches the monthly limit.</p>
Process in Regular Pay Period	<p>Applies only to support orders that are a lump sum.</p> <p>Select to withhold wages only in regular pay runs; clear to withhold wages only in nonregular pay runs, such as bonus runs.</p>

4. Complete the Order Info fields on the right side of the page. Some of these fields are unique to support orders. As you complete this step, consider:

Option	Description
Issued In	Select the state that issued the order.
Override Withholding Order Rule	<p>Use this field to override the Workday default tax authority and rule for an individual employee. Workday calculates these withholding order deduction criteria based on that rule:</p> <ul style="list-style-type: none"> <li>• Deduction priority.</li> <li>• Disposable earnings.</li> <li>• Frequency conversion factor.</li> <li>• Maximum amount to withhold.</li> </ul>
Payroll Tax Authority Used	Displays the Workday-assigned Payroll Tax Authority.
County FIPS Code	Used in processing electronic income withholding orders (eIWOs).
Deduction Recipient	Select the third-party recipient of the withholding deduction. If the deduction recipient isn't set up in Workday, select Create to add the recipient.
Originating Entity	Agency or court that issued the withholding order.
Custodial Party Name	Enter the name of the person who has custody of the children, as shown on the order.
Remittance ID Override	Enter if the remittance ID differs from the case number.
Support Second Family	Workday uses this field to define disposable earnings limits.
Memo	For information only. Use this field to document additional details for this IWO.

5. Enter details from the support order in the Children Supported section.  
 6. Enter details from the support order on the Order Details tab.  
 7. Complete the fields on the Order Fees tab. As you complete this step, consider:

Option	Description
Fee Type	Select the applicable fee type.
Withholding Order Fee Amount Type	Select the applicable fee amount type.
Fee Amount/Percent	Enter the fee amount to be paid. Workday maintains tax authority employer fee limits, but doesn't maintain agency fee limits. Although Workday doesn't enforce Fee Amount/Percent limits set by tax authorities, it does provide a warning to let you know if the amount you enter exceeds the limit.

Option	Description
	Note: You can set up Workday to deduct partial fees when taking the entire fee causes the deduction to exceed the maximum amount to withhold. Select the Allow Partial Fees check box on the Edit Tenant Setup - Payroll task.
Fee Monthly Limit	Available only for these Fee Types: <ul style="list-style-type: none"><li>• <i>Per Pay Period Employer Fees</i></li><li>• <i>Per Pay Period Agency Fees</i></li></ul> Workday provides a warning if the fee exceeds the state-defined monthly limit.
Fee Schedule	You can select the Override Fee Schedule check box to specify when you want the fee deducted. When you select this check box, you can enter the Fee Begin Date and Fee End Date.

8. On the Attachments tab, select relevant attachments.

## Result

Workday deducts the full amount in the initial and final periods, when admitted under state and federal law.

You can perform these related actions on the withholding order:

Option	Description
Edit	Modify a withholding order.
Delete	You can delete a withholding order that doesn't have payroll input or completed results.
Edit Override Withholding Order Setup	Applies only to: <ul style="list-style-type: none"><li>• Creditor garnishments.</li><li>• State tax levies.</li><li>• Support orders (including lump sum).</li><li>• Wage assignments.</li></ul> Used to change the tax authority for all withholding orders of the specified type in a tax authority.
Override Priority	For employees with multiple orders, Workday assigns a processing priority to each order based on state and federal regulations. Use this task to change the assigned priority.
View Deduction History	View deduction details.

## Next Steps

Review payroll results to ensure that the correct deduction and fee amounts were withheld.

Related Information

### Tasks

[Amend a Support Order \(USA\)](#) on page 1363

## Reference

[FAQ: Withholding Orders \(USA\) on page 1371](#)

## Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Record a Wage Assignment Withholding Order (USA)

### Prerequisites

Enter the company *Tax ID* number on the Tax IDs tab of the Edit Company Tax Details task.

Security: *Worker Data: Payroll (Income Withholding Orders) - USA* domain in the USA Payroll functional area.

### Context

Record a wage assignment withholding order to begin automatic deductions during payroll processing.

### Steps

1. Access the Record US Withholding Order for Worker task.
2. Enter the Worker name and select the *Wage Assignment (USA)* Order Type.  
Workday dynamically displays the fields required for this type of withholding order.
3. Complete the Order Info fields. These fields are common to all withholding order types. As you complete this task, consider:

Option	Description
Case Number	<p>Enter the Case Number listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Company.</li> <li>• Order date.</li> <li>• Order type.</li> <li>• Worker.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you defined a default withholding order ID for integrations, Workday sets that as the default.</p> <p>To define a default Withholding Order ID, see <a href="#">Create ID Definitions and Sequence Generators</a>.</p> <p>To associate the withholding order ID you formatted, see the ID Sequence Generators section of the <a href="#">Reference: Edit Tenant Setup - Payroll</a> topic.</p> <p>When you define a sequence generator using these tasks, you can leave the Withholding Order ID field blank. Workday enters the generated ID when you complete the task.</p>
Order Number	Identification number on the order. Some states use the term <i>Order Identifier</i> .

Option	Description
Order Date	Issue date of the order or judgment. When the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Workday requires this date for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date. To determine this date, follow the state laws of the employee's principal place of employment.</p> <p>Workday deducts the full pay period amount, even if the begin date is mid pay period.</p> <p>You can define a later begin date for fees on the Order Fees tab.</p>
End Date	<p>Doesn't apply to child support orders or federal tax levies.</p> <p>Workday deducts the final withholding amount (including any agency or employer fees) in the pay period that's before the 1 with the End Date.</p> <p>Regardless of the End Date, for most types of withholding orders, Workday stops processing a withholding order as soon as it is:</p> <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Marked inactive.</li> <li>• Repaid (the worker has satisfied the total debt amount).</li> </ul> <p>To stop federal and state tax levies after receiving a release from the tax authority:</p> <ol style="list-style-type: none"> <li>a. Edit the order.</li> <li>b. Select the Inactive Order check box.</li> </ol> <p>Workday doesn't stop processing tax levies until you select this check box.</p> <p>You can define an earlier end date for agency and employer fees on the Order Fees tab.</p>
Company	<p>Displays the company the employee is in as of the date entered in the Date Received field.</p> <p>Select the company when:</p> <ul style="list-style-type: none"> <li>• The employee has a future hire date.</li> <li>• The employee has positions in multiple companies on the Date Received.</li> <li>• You've terminated the employee.</li> </ul>

Option	Description
	You can't change the company once there are completed income withholding order pay results.
Inactive Order	Select to make the order inactive. For termination support orders, select to reactivate the original support order.
Amount Type	Select the amount type indicated on the order.
Pay Period Amount	Doesn't apply to state tax levies issued in Kentucky or Virginia. Usage varies by order type. For orders that specify the Amount Type <i>Amount on Order</i> , enter the total amount to withhold each pay period as specified on the order.
Amount as Percent	Doesn't apply to federal tax levies. When the Amount Type on the order is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i> , enter the percent to withhold from the worker's income.
Pay Period Frequency	Frequency of the pay period amount as indicated on the withholding order, such as weekly or monthly. Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.  Example: Alan has a withholding order for 200 USD monthly and he's paid weekly. To calculate the deduction amount, Workday: <ul style="list-style-type: none"><li>• Annualizes the pay period amount based on the pay period frequency of the withholding order (<math>200 \times 12 \text{ months} = 2400 \text{ USD}</math>).</li><li>• Deannualizes the result based on the pay period frequency (<math>2400/52 = 46.15 \text{ USD per week}</math>) of Alan.</li></ul>
Total Debt Amount	Total amount of the worker's debt or the balance due as indicated on the order.  Note: This is required for these order types: <ul style="list-style-type: none"><li>• Creditor garnishment.</li><li>• Federal administrative wage assignment.</li><li>• Federal tax levy.</li><li>• State tax levy.</li><li>• Student loan.</li><li>• Wage assignment.</li></ul> If the order doesn't specify the total amount, enter 999,999.00.

Option	Description
	When a bankruptcy order has no total amount, Workday continues to take the deduction until the End Date or until the order is made inactive.
Monthly Limit	<p>Workday supports monthly limits for allocations and order amount calculations for all withholding order types except:</p> <ul style="list-style-type: none"> <li>• Federal tax levies.</li> <li>• State tax levies.</li> </ul> <p>If an order provides a monthly deduction amount, Workday ensures that the deduction amount doesn't exceed the monthly limit.</p> <p>If a previous pay period in the current month didn't have sufficient funds, Workday takes up to that amount to recoup the funds. Workday checks the balances until it reaches the monthly limit.</p>
Process in Regular Pay Period	<p>Applies only to support orders that are a lump sum.</p> <p>Select to withhold wages only in regular pay runs; clear to withhold wages only in nonregular pay runs, such as bonus runs.</p>

4. Complete the Order Info fields on the right side of the page. Some of these fields are unique to wage assignment withholding orders. As you complete this step, consider:

Option	Description
Issued In	Select the state that issued the order.
Override Withholding Order Rule	<p>Use this field to override the Workday default tax authority and rule for an individual employee. Workday calculates these withholding order deduction criteria based on that rule:</p> <ul style="list-style-type: none"> <li>• Deduction priority.</li> <li>• Disposable earnings.</li> <li>• Frequency conversion factor.</li> <li>• Maximum amount to withhold.</li> </ul>
Payroll Tax Authority Used	Displays the Workday-assigned Payroll Tax Authority.
Deduction Recipient	Select the third-party recipient of the withholding deduction. If the deduction recipient isn't set up in Workday, select Create to add the recipient.
Regulated Loan	Applies only to Minnesota wage assignments.
Head of Household	Applies only to Nebraska.
Married	Applies only to Ohio.

Option	Description
Memo	For information only. Use this field to document additional details for this IWO.

5. Complete the fields on the Order Fees tab. As you complete this step, consider:

Option	Description
Fee Type	Select the applicable fee type.
Withholding Order Fee Amount Type	Select the applicable fee amount type.
Fee Amount/Percent	<p>Enter the fee amount to be paid. Workday maintains tax authority employer fee limits, but doesn't maintain agency fee limits. Although Workday doesn't enforce Fee Amount/Percent limits set by tax authorities, it does provide a warning to let you know if the amount you enter exceeds the limit.</p> <p>Note: You can set up Workday to deduct partial fees when taking the entire fee causes the deduction to exceed the maximum amount to withhold. Select the Allow Partial Fees check box on the Edit Tenant Setup - Payroll task.</p>
Fee Monthly Limit	<p>Available only for these Fee Types:</p> <ul style="list-style-type: none"> <li>• <i>Per Pay Period Employer Fees</i></li> <li>• <i>Per Pay Period Agency Fees</i></li> </ul> <p>Workday provides a warning if the fee exceeds the state-defined monthly limit.</p>
Fee Schedule	You can select the Override Fee Schedule check box to specify when you want the fee deducted. When you select this check box, you can enter the Fee Begin Date and Fee End Date.

6. On the Attachments tab, select relevant attachments.

## Result

Workday deducts the full amount in the initial and final periods, when admitted under state and federal law.

You can perform these related actions on the withholding order:

Option	Description
Edit	Modify a withholding order.
Delete	You can delete a withholding order that doesn't have payroll input or completed results.
Edit Override Withholding Order Setup	<p>Applies only to:</p> <ul style="list-style-type: none"> <li>• Creditor garnishments.</li> <li>• State tax levies.</li> <li>• Support orders (including lump sum).</li> <li>• Wage assignments.</li> </ul>

Option	Description
	Used to change the tax authority for all withholding orders of the specified type in a tax authority.
Override Priority	For employees with multiple orders, Workday assigns a processing priority to each order based on state and federal regulations. Use this task to change the assigned priority.
View Deduction History	View deduction details.

## Next Steps

Review payroll results to ensure that the correct deduction and fee amounts were withheld.

### Related Information

#### Reference

[FAQ: Withholding Orders \(USA\)](#) on page 1371

#### Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Override Withholding Order Rule (USA)

### Prerequisites

Security: *Setup: Payroll (Income Withholding Orders)* domain in the USA Payroll functional area.

### Context

If you want to change the IWO rule for only 1 IWO, use 1 of these methods:

- When initially recording the IWO, select the desired rule in the Override Withholding Order Rule field.
- For an existing IWO, take the related action Withholding Order > Edit, then select the desired rule in the Override Withholding Order Rule field.

### Steps

1. Access the Edit Override Withholding Order Setup task.
2. Select the Payroll Tax Authority and Order Type.
3. Select the Start Date and Withholding Order Rule.  
You can't back-date the Start Date.
4. Review existing IWOs in the state of this type to ensure the rules that you have set up are correct.

### Result

Workday applies the rule to all IWOs of that type for that tax authority.

### Example

Workday automatically applies the Work State rule to all creditor garnishments. Midperiod, the payroll administrator changes the withholding order rule for all creditor garnishments in the state of Pennsylvania to Issued State. As of the specified Start Date, when processing payroll for Pennsylvania, Workday applies the Issued State rule to all creditor garnishments in Pennsylvania.

## Next Steps

You can use the All Payroll Withholding Order Data report to review the IWO rule Workday automatically assigns to each withholding order type.

You can use the View Override Withholding Order Setup report to review or edit the rules and pay components entered on the Edit Override Withholding Order Setup task.

Related Information

### Concepts

[Concept: Override Withholding Order Rule \(USA\)](#) on page 1369

## Electronic Income Withholding Orders (USA)

### Steps: Set Up Electronic Income Withholding Orders (USA)

#### Prerequisites

Complete and submit a profile application to the Office of Child Support Services (OCSS) to register to participate in the system-to-system eIWO program.

Security:

- *Process: Payroll (Income Withholding Orders) - USA* domain in the USA Payroll functional area.
- *Security Configuration* domain in the System functional area.

#### Context

Effective 2015-10-01, all U.S. states and territories must electronically transmit child support orders to employers and payroll providers through the federal Office of Child Support Services (OCSS) portal.

#### Steps

1. Verify that your SDU (state disbursement unit) contact information is correct and that the contact is entered correctly as a deduction recipient.
  - Use the View Deduction Recipient report to verify existing deduction recipient contact information. Select Deduction Recipient > Edit to update any information.
  - Use the Create Deduction Recipient report to create missing deduction recipients.
2. Define these frequencies using the Maintain Frequencies task:
  - *Annual*
  - *Bi-weekly*
  - *Monthly*
  - *Semi-monthly*
  - *Weekly*
3. (Optional) Disable automatic calculation of the withholding order monthly limit.

Workday automatically calculates the withholding order monthly limit by annualizing the order amount and then de-annualizing the amount based on pay period intervals. This can result in under-withholding in some situations, such as workers paid biweekly.

To enable manual entries of monthly limits, select the Disable Automatic Calculation of Monthly Limit check box in the US Electronic Withholding Orders section of the Edit Tenant Setup - Payroll task.

4. Set up the inbound and outbound eIWO integrations and test them.
  - a) See [Steps: Set Up Inbound Electronic Income Withholding Order Integration](#).  
The integration runs on the schedule you set up and imports eIWO files in XML format and as image-ready PDFs from the OSCE portal.
  - b) See [Steps: Set Up Outbound Electronic Income Withholding Order Integration](#).  
The integration runs on the schedule you set up and sends acknowledgments and notifications to the OSCE portal.

## Next Steps

After you run the inbound integration, use the Process Electronic Income Withholding Order (eIWO) Records task to review, match, accept, and reject support orders by file or batch.

### Related Information

#### Examples

[Concept: Electronic Income Withholding Order Integrations](#)

## Process Electronic Income Withholding Orders (USA)

### Prerequisites

- Confirm the inbound eIWO integration has produced a file for you to process.
- Security: *Process: Payroll (Income Withholding Orders) - USA* domain in the USA Payroll functional area.

### Context

Workday supports the federally mandated electronic submission of child support orders through the Office of Child Support Enforcement (OCSE) portal. The OSCE portal transmits files daily that contain batches of orders, sorted by company Federal Employer Identification Number (FEIN). Payroll administrators can review, match, accept, and reject eIWOs.

### Steps

1. Access the Process Electronic Income Withholding Order (eIWO) Records task and select the file or batch you want to process.
2. Under Matching, review the support orders Workday automatically matched to your employees.  
When determining whether records match your data, Workday searches legal and preferred employee names. Workday assigns accepted status *A* to accepted records.
3. Under Not Matching, review the support orders that don't match your data.  
Rejected records are assigned at least 1 Disposition Reason Code.

Issue	Description
Deduction recipient not found or incorrect	Workday displays the deduction recipient's name and address in the Remittance Information section of the full record.  When Workday can't find a deduction recipient, it restricts you from submitting this task until you select one. You may need to access the Create Deduction Recipient task to add the deduction recipient. Then return to this task to correct the record.
Employee not assigned to a pay group	Workday rejects the record with the disposition reason code <i>O</i> .

Issue	Description
	<p>To record the order:</p> <ol style="list-style-type: none"> <li>a. Print the PDF record.</li> <li>b. Assign the employee to a pay group.</li> <li>c. Record the support order using the Record Withholding Orders task.</li> </ol>
Missing Dependent Date of Birth	<p>Workday returns 09/09/9999.</p> <p>Use the related action Withholding Order &gt; Edit task to correct the dependent's date of birth after the support order is created.</p>
Record for contingent worker	<p>Workday rejects the support order.</p> <p>Print the PDF record before processing the batch or file. PDF links are not available after you submit this task.</p>
Rejected for multiple reasons	<p>Workday rejects the record and displays all disposition reason codes.</p> <p>You can't correct records rejected for more than 1 reason.</p>

4. Under Not Matching, select the Accept Rejected Detail check box and correct rejected support orders when possible.

You can correct rejected orders for all disposition reason codes except these:

- D
- O
- X
- Z

Example: An order is listed under Not Matching because the employee's name, *Rebecca Harris*, wasn't found in Workday. You know that *Rebecca Harris* is listed in Workday as *Becca Harris*.

- a. Select the check box next to the support order.
- b. Then select the Employee Name as it displays in Workday to accept the support order.

## Result

Workday processes accepted support orders the next time you run payroll.

Workday generates acknowledgments of the accepted and rejected support orders for the eIWO outbound integration to transmit. While Workday always retains records of OCSE integration events, we recommend you retain rejected order data for 6 months.

## Next Steps

Run the outbound eIWO integration to send acknowledgments and notifications to the OCSE portal. If an error occurs in the outbound integration file, the OCSE portal sends an acknowledgment results file within 1 day.

### Related Information

#### Examples

[Concept: Electronic Income Withholding Order Integrations](#)

[Steps: Set Up Outbound Electronic Income Withholding Order Integration](#)

[Steps: Set Up Inbound Electronic Income Withholding Order Integration](#)

## Concept: Electronic Income Withholding Orders (USA)

Workday supports your compliance with the federally mandated electronic submission of child support orders through the Office of Child Support Enforcement (OCSE) portal. The OCSE portal transmits files daily that contain batches of orders, sorted by company Federal Employer Identification Number (FEIN).

Workday uses 2 integrations to transfer files to and from the OCSE portal:

- *Implement Inbound Electronic Withholding Order Integration*
- *Implement Outbound Electronic Withholding Order Integration*

You can set up Electronic Income Withholding Order (eIWO) integrations to:

- Import eIWOs in XML format or as image-ready PDFs.
- Send confirmation of whether eIWOs are accepted or rejected.
- Send OCSE notifications of the processing statuses of eIWOs.

Workday automatically accepts or rejects eIWO records based on OCSE-established criteria, assigning:

- Accepted records a status of A.
- Rejected records at least 1 disposition reason code.

Payroll administrators can review, match, accept, or reject eIWOs using the Process Electronic Income Withholding Order (e-IWO) Records task.

## Amend a Support Order (USA)

### Prerequisites

A support order exists for the employee in Workday and you receive an official amended support order from the agency.

Security: *Worker Data: Payroll (Income Withholding Orders) - USA domain* in USA Payroll functional area.

### Context

Editing a support order and amending a support order are 2 different things. You only amend a support order when you receive an amended order from the agency. When you enter the amended support order details with different dates, Workday automatically inactivates the original order. Workday retains the original order for tracking purposes and creates a new record for the amended order.

Note: Dates on amended orders can't be the same as the dates on the original order. Entering the original dates causes calculation errors.

If you need to make a correction, edit the support order instead of amending it. To edit the original support order record, select the related action on the order Withholding Order > Edit.

### Steps

1. Access the Withholding Orders for Worker report.
2. Select Withholding Order > Amend/Terminate from the related actions menu of the support order listed in the Withholding Order column.
3. If clear, select the Amended Order check box.
4. Enter the issue date of the amended order in the Order Date field.
5. Enter the date the amended order becomes effective in the Begin Date field.  
The order becomes effective in the first pay period that includes the Begin Date.
6. Revise other details of the original order as required.

## Result

As of the order date, the status of the:

- Amended order is set to *Active*.
- Original order changes to *Inactive*.

Related Information

### Tasks

[Steps: Set Up Withholding Orders \(USA\) on page 1310](#)

## Terminate a Support Order (USA)

### Prerequisites

Security: *Worker Data: Payroll (Income Withholding Orders)* - USA domain in USA Payroll functional area.

A support order exists for the employee in Workday.

### Context

When you terminate a support order, Workday:

- Inactivates and retains the original order for tracking purposes.
- Creates a new record for the termination order.

### Steps

1. Access the Withholding Orders for Worker report.
  - a) Select the related action *Withholding Order > Amend/Terminate* from the related actions menu of the withholding order listed in the Withholding Order column.
2. Select the Termination Order check box.
3. Enter the issue date of the termination order in the Order Date field.
4. Revise other details of the original order as required.

## Result

As of the order date, withholding ends immediately and the status of the:

- Original order is set to *Inactive*.
- Termination order is set to *Complete*.

### Next Steps

To reactivate the original support order, deactivate the termination order: Edit the termination order and select the Inactive Order check box.

Related Information

### Tasks

[Steps: Set Up Withholding Orders \(USA\) on page 1310](#)

## Copy Withholding Orders for a Worker (USA)

### Prerequisites

- Configure the *Copy Withholding Orders for Worker* business process and security policy in the USA Payroll functional area.
- The employee must have existing relationships with both the Source Company and the Proposed Company.

## Context

Copy a worker withholding order from 1 company to another when:

- An employee transfers between companies.
- New company relationships were created.

Workday copies IWO deduction history and balances for a worker across companies in these relationships:

- Single Legal Entity
- Successor Employer

When a worker transfers from 1 company to another and no company relationship exists, Workday doesn't copy deduction history or balances or apply limits. In this case, we anticipate that you'll request a new order from the courts.

## Steps

1. From related actions menu of the worker, select Payroll > Copy Withholding Orders for Worker.
2. Select the Effective Date and the Source Company.  
If you copy withholding orders after you transfer a worker, enter the transfer date as the effective date. An effective date that is after the transfer date has no orders to copy, because the worker is no longer associated with the source company.
3. Select the Proposed Company (the company to which you're copying the orders).
4. Select the withholding orders to copy.

## Result

- Workday copies the withholding orders you selected into the proposed company. Workday copies all the rows of amended withholding orders, including inactive rows.
- The copied withholding order displays the case number that it's Copied From and the Copied From Date.

## Next Steps

View withholding orders for a worker in the Pay section of their worker profile.

If you update an original withholding order that has already been copied, Workday doesn't update the copy.

Related Information

### Tasks

[Steps: Prepare and Load Payroll History](#) on page 195

## Copy Withholding Orders for Multiple Workers (USA)

### Prerequisites

- Ensure that transferring employees have existing relationships with both the Source Company and the Proposed Company.
- Configure the *Copy Withholding Orders for Workers* business process and security policy in the USA Payroll functional area.

## Context

Workday doesn't copy:

- Fully paid debt orders (except for federal tax levy).
- Inactive orders.

- Orders for which the end date has passed (except for Federal, Arizona, Kentucky, and Virginia tax levies).

You can copy:

- A withholding order from 1 company to another company only once.
- The same withholding order from 1 company to multiple companies.
- Withholding orders for workers from 1 company to another when:
  - Employees transfer between companies.
  - You create new company relationships.

For the *Copy Withholding Order for Worker* business process, reviewers can:

- Approve
- Deny
- Cancel
- Rescind

Reviewers can only rescind subprocesses of the business process.

You can't rescind copied orders with an *In Progress* or *Completed* payroll status.

## Steps

1. Access the Copy Withholding Orders for Workers task.
2. Enter the Effective Date and the Source Company.  
When you copy withholding orders after workers transfer, enter the transfer date as the effective date. An effective date that is after the transfer date has no orders to copy, because the worker is no longer associated with the source company.
3. Select All Workers or enter more than 1 worker.
4. From the Withholding Order Type prompt, select 1 or more withholding order types when there's no successor employer relationship. When a successor employer relationship exists, Workday automatically populates the withholding order types from the setup on the Successor Employer Company Relationship task. You can't add or delete them.

## Result

Workday copies:

- Withholding orders to the Proposed Company for relevant workers who have them. The copied withholding orders retain links to the originals.
- All the rows of amended withholding orders, including inactive rows.
- All corresponding amendments and terminations for support orders, including those terminated before the effective date of the support order.

## Next Steps

To view withholding order deductions in detail, including the amounts deducted for the withholding order you copied from, select Withholding Order > View Deduction History from the related actions menu of the withholding order.

Related Information

### Tasks

[Steps: Prepare and Load Payroll History](#) on page 195

[Create or Edit a Successor Employer \(USA\)](#) on page 1295

### Examples

[Concept: Business Processes](#)

[Reference: Actions Available on Business Processes](#)

## Concept: Withholding Orders (USA)

### Income Withholding Order (IWO) Types

Workday provides rules for processing these types of income withholding orders (IWOs):

- Bankruptcy
- Creditor Garnishment
- Federal Administrative Wage Garnishment
- Federal Student Loan
- Federal Tax Levy
- State Tax Levy
- Support Order (including Lump Sum)
- Wage Assignment

### How Workday Calculates IWO Deductions

Based on state and federal rules, Workday:

- Determines the amount to withhold from disposable earnings, including any agency and employer fees.
- Applies the withholding limit.
- Sets garnishment priorities.
- Follows statutory rules to determine what to withhold for each order when:
  - An employee has multiple orders.
  - The amount to withhold exceeds the limit.

Workday automatically assigns the payroll tax authority. The withholding order calculation is based on these tax authority-defined criteria:

- Deduction priority.
- Disposable earnings.
- Frequency conversion factor.
- Limits.
- Maximum amount to withhold.

These criteria for all states are listed on the View Payroll Withholding Order Data report. This report displays the withholding order rule used for each IWO type.

### IWO Allocation Methods

Workday assigns the allocation method to the IWO based on the state rules for the IWO type. The allocation method specifies the allocation priority for workers with multiple IWOs. You can view the allocation types and the priority order of each on the View Payroll Withholding Order Data Allocation report. However, this report doesn't provide the context of state IWO calculation rules. To troubleshoot the allocation calculation with the context of the IWO calculation rules that Workday maintains, access the View Payroll Withholding Order Data report.

## Override Withholding Order Setup

You can override the assigned payroll tax authority for these U.S. IWO types:

- Creditor Garnishment
- State Tax Levy
- Support Order
- Wage Assignment

For details, see the topic *Override Withholding Order Rule (USA)*.

## IWO Priority

IWO priority indicates which IWO Workday processes first when a worker has multiple IWOs. Workday delivers these IWO priorities, with the lower numbers indicating higher priority:

- 200 - Support
- 201 - Lump Sum
- 300 - Bankruptcy
- 400 - Federal Tax Levy
- 500 - Creditor Garnishment
- 500 - Federal Administrative Wage Assignment
- 500 - State Tax Levy
- 500 - Student Loan
- 600 - Wage Assignment

You can override the delivered withholding order priorities using the Withholding Order > Override Priority related action on the withholding order.

You can override the priority order assigned to any order type except support orders. See the topic *Override Withholding Order Priority*.

## View IWOs

You can view active and past withholding orders in the Pay > Withholding Orders tab on the worker profile. Workers can't view their withholding orders.

You can upload the official copy of the withholding order when creating or editing the IWO in Workday, from the attachments tab.

Workday doesn't keep a record of deleted IWOs.

## Create a Payment for IWOs

You can use the payroll third-party payments feature to pay and settle IWOs. For more information, see: [Create a Payment for an Income Withholding Order](#).

### Related Information

#### Concepts

[Concept: Payroll Third-Party Payments](#) on page 772

#### Tasks

[Override Withholding Order Priority](#) on page 258

[Create a Payment for an Income Withholding Order or Court Order](#) on page 780

## Concept: Override Withholding Order Rule (USA)

### Withholding Order Processing Rules

Income withholding order (IWO) deductions are based on rules established by one of these governing tax authorities:

- Federal.
- Issued state.
- Work state.
- Resident state.

IWO calculation and processing criteria controlled by the rules includes:

- Deduction priority.
- Disposable earnings.
- Frequency conversion factor.
- Maximum amount to withhold.

Workday automatically assigns the payroll tax authority and applies the rules accordingly.

### Types of Withholding Order Rules

Withholding Order Rule	Description
Federal	Uses the rules established by the federal government for each withholding order type.
Issued State	Uses the rules established by the Issued State which is entered on the Record US Withholding Order for Worker task.
Work State	Uses the rules established by the Work State, which is defined in the employee's Work Contact Information.
Resident State (Available only at the worker level)	Uses the rules established by the employee's Resident State, which is defined in Home Contact Information for the worker.

### Overriding the Withholding Order Rule

You can override the assigned rule for these IWO types:

- Creditor garnishment.
- State tax levy.

- Support order (including Lump Sum).
- Wage assignment.

You can override the withholding order rule at the state or worker level for specific withholding order types:

State-Level Override	Worker-Level Override
Creditor Garnishment	Creditor Garnishment
State Tax Levy	State Tax Levy
Wage Assignment	Support Order (including Lump Sum) Wage Assignment

#### Methods Used to Override a Withholding Order Rule

Rule Override Method	How to Override	Result
For a single IWO for a worker	When initially recording the IWO, select the desired rule in the Override Withholding Order Rule field.  Or, edit an existing IWO to override the withholding order rule.	The rule applies only to the modified IWO.
For all IWOs of a specified type for a single tax authority	Access the Edit Override Withholding Order Setup task and select the desired rule in the Withholding Order Rule field.	You change the rule for all IWOs of that type in the tax authority.  Note: Use this task with caution. Using this method changes the rule for all IWOs of that type in the tax authority. Review existing IWOs in the state to ensure the rules that you

Rule Override Method	How to Override	Result
		have set up are correct.

**Rule Override Hierarchy**

Workday uses this hierarchy for rule overrides:

Override Level	Hierarchy
Administrator-Level	Overrides the Workday-delivered rule.
Worker-Level	Overrides the: <ul style="list-style-type: none"> <li>Workday-delivered rule.</li> <li>Administrator-level override.</li> </ul>

**Withholding Order Reports**

You can use these reports to review IWO data:

Report	Description
All Payroll Withholding Order Data	Review the IWO rule Workday automatically assigns to each withholding order type.
View Override Withholding Order Setup	Review or edit the rules and pay components entered on the Edit Override Withholding Order Setup task.

**Related Information****Tasks**

[Override Withholding Order Rule \(USA\)](#) on page 1359

**FAQ: Withholding Orders (USA)**

The questions in this topic are applicable only to Payroll for the U.S. To view withholding order FAQs for Payroll for Canada or France, see:

- FAQ: Withholding Orders (CAN)
- FAQ: Withholding Orders (FRA)

What happens if an employee doesn't have enough wages to cover a withholding payment?

Workday follows statutory rules to determine what to withhold for each order. You can override the priority defaults for most order types.

Can I purge withholding order data?

You can purge all withholding order attachments for any type of worker with the Purge Person Data task.

How can I find out what limits Workday sets for a type of withholding order?

Access the All Payroll Withholding Order Data report and filter on the Payroll Tax Authority and Pay Component.

To ensure that Workday doesn't exceed limits, Workday aggregates withholding order amounts.

How can I tell what allocation method Workday uses when calculating withholding order data for certain states?

Depending on the tax authority and the withholding order type, access the All Payroll Withholding Order Data report to get the calculation information. You can review calculation information such as allocation method, max amount to withhold, and fee limits.

How can I see a detailed list of withholding orders for workers?

You can access the USA Withholding Order Results for Workers report. The report:

- Displays employees with any type of U.S. IWO deductions in payroll result lines.
- Makes it easier for you to audit IWO results.

How do I stop withholding for a federal tax levy?

Access the withholding order and enter the Termination Date from Form 668-D. Entering a termination date is the only way to stop withholding for a federal tax levy.

How can I prevent Workday from deducting amount-based withholding orders from on-demand payments?

Access the Edit Run Category task. On the Off-Cycle (On Demand Additional, Manual) tab, add the withholding order type in the Pay Components to Calculate column. In the Processing Criteria column, select *Only Include Percentage Type Withholding Order*.

You can prevent Workday from deducting percent-based withholding orders by selecting *Only Include Amount Type Withholding Order*.

#### Related Information

##### Tasks

[Override Withholding Order Priority](#) on page 258

[Steps: Purge Person Privacy Data](#)

## Payroll for Canada

### Payroll for Canada

Use these quick links to view Payroll for Canada features:

- [Examples: Earnings and Deductions \(CAN\)](#)
- [Tax Setup \(CAN\)](#)
- [Worker Tax Elections \(CAN\)](#)
- [Withholding Orders \(CAN\)](#)
- [Record of Employment \(CAN\)](#)
- [Holiday Pay \(CAN\)](#)

- Successor Employer (CAN)
- Year-End Tax Reporting (CAN)

## Examples: Earnings and Deductions (CAN)

### Example: Calculate AD&D with Sales Tax (CAN)

This example illustrates 1 way to define an AD&D plan where there's no cost to the employee but the benefit is taxable to the employee.

#### Context

The company offers and pays the premiums for accidental death and dismemberment (AD&D) insurance for its employees. The company has offices in, and employs people from, many different provinces including Quebec.

Configure an employer-paid deduction for which the employer taxes employees on imputed income.

#### Prerequisites

- Set up sales taxes that apply to the company and provinces.
- Define an AD&D benefit plan.
- Security:
  - *Set Up: Payroll - Company Specific (Taxes) - CAN domain* in the CAN Payroll functional area.
  - *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Steps

1. Access the Create Deduction task.

2. Enter these settings:

Option	Description
Name	AD&D - Employer Paid [CAN]
Code	AD&D_ER
Country	<i>Canada</i> In order for the calculation to work, you must flag it for use in Canada.

3. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Current date
Worker Eligibility	Row 1: <ul style="list-style-type: none"> <li>• <i>Benefits: Employer Cost (taxable) and &lt;&gt; 0</i></li> <li>• <i>Processing Primary Job</i></li> </ul> Row 2: <ul style="list-style-type: none"> <li>• <i>Payroll Input Exists for Pay Component</i></li> </ul>
Calculation	<i>Original Amount + Sales Tax (CAN)</i>
Proration	(Optional) Prorate Using Days Worked
Retro Calculation	(Optional) Recalculate during Retro

Option	Description
Calculation Worktag	<i>Province</i>
Worktag Type	<i>Work</i> This prompt displays automatically after you save changes to the task. The <i>Work</i> type displays for deductions configured with the Employer Paid Benefits pay component group.

4. Enter these settings in the Related Calculations grid:

Related Calculation	Groups	Default Calculation	Override Calculation	Results - Display Current / Current and Balances
<i>Original Amount</i>	<i>RST Taxable [CAN]</i>		Select the calculation generating the amount. Example: <i>Benefits:</i> <i>Employer Cost.</i>	<i>Display Current</i>
<i>Sales Tax (CAN)</i>		<i>Sales Tax on Original Amount (CAN)</i>		<i>Display Current</i>

5. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<ul style="list-style-type: none"> <li><i>Benefits During Leave</i></li> <li><i>CPP Taxable [CAN]</i></li> <li><i>CPP2 Taxable [CAN]</i></li> <li><i>Employer Paid Benefits [GBR CAN USA]</i></li> <li><i>Income Taxable (Withhold Taxes) [CAN]</i></li> <li><i>ONEHT Taxable [CAN]</i></li> <li><i>QHSE Taxable [CAN]</i></li> <li><i>QPP Taxable (CAN)</i></li> <li><i>QPP2 Taxable [CAN]</i></li> <li><i>Quebec Taxable (Withhold Taxes) [CAN]</i></li> </ul>
Calculation Details	Resolve Effective Date > Based on Period End Date

## Result

Workday calculates the *AD&D - Employer Paid [CAN]* deduction for eligible workers and displays this amount on worker pay results as imputed income for provincial and federal taxation.

### Related Information

#### Tasks

[Steps: Create Deductions](#) on page 234

## Example: Calculate Manitoba Retail Sales Tax on Employer-Paid Premiums (CAN)

This example illustrates 1 way to create a deduction that calculates the Manitoba Retail Sales Tax (RST) based on the worker's province of residence.

## Context

Jon's company calculates sales taxes on employer-paid insurance premiums for the employee payroll deductions. Jon's company employs workers from all over Canada, including Manitoba. For employer-paid premiums, Manitoba RST is based on the province of residence, while Quebec and Ontario sales tax is based on the province of employment. As a result, Jon needs to define 2 separate deductions:

- 1 that calculates the Manitoba RST for Manitoba resident employees.
- 1 that calculates sales tax based on province of employment for employees who aren't residents of Manitoba.

## Prerequisites

- Add the *Manitoba Retail Sales Insurance Premium Tax (MBRST) [CAN]* deduction to Manitoba's tax setup.
- Add the *Manitoba Retail Sales Insurance Premium Tax (MBRST) [CAN]* deduction to your account posting rule set.
- Security:
  - *Set Up: Payroll - Company Specific (Taxes)* - CAN domain in the CAN Payroll functional area.
  - *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Steps

1. Create the deduction that calculates the Manitoba RST for Manitoba residents.

- a. Access the Effective Dated tab on the Create Deduction task.
- b. Select *Canada* for Country.
- c. In the Criteria section, select:

Field	Setting
Worker Eligibility	<i>Worker (CAN): Resident Province = Manitoba (as of Sub Period End Date)</i>

- d. In the Calculation Details section, select:

Field	Setting
Calculation	<i>Original Amount + Sales Tax (CAN)</i>
Calculation Worktag	<i>Province</i>
Worktag Type	<p><i>Resident</i></p> <p>Worktag Type displays automatically after you save changes to the task. The <i>Resident</i> Worktag Type displays if you select:</p> <ul style="list-style-type: none"> <li>• <i>Canada</i> for Country.</li> <li>• <i>Manitoba</i> for Worker Eligibility Resident Province on the Effective Dated tab.</li> <li>• <i>Employer Paid Benefits</i> for the Pay Component Group on the Non-Effective Dated tab.</li> </ul>

Field	Setting
	<ul style="list-style-type: none"> <li>Province for the Calculation Worktag on the Effective Dated tab.</li> </ul>

- e. Add these related calculations to the deduction:

Related Calculation	Groups	Override Calculation	Display? (on Results)
<i>Original Amount</i>	<i>RST Manitoba Taxable</i>	Set according to where you retrieve the amount. Example: <i>Benefits: Employer Cost.</i>	Yes
<i>Sales Tax (CAN)</i>			Yes

- f. Add the *Employer Paid Benefits* pay component group on the Non-Effective Dated > Groups tab.
2. For employees who aren't Manitoba residents, create the deduction that calculates sales tax based on province of employment.

- a. Access the Effective Dated tab on the Create Deduction task.  
b. Select *Canada* for Country.  
c. In the Criteria section, select:

Field	Setting
Worker Eligibility	<i>Worker (CAN): Resident Province &lt;&gt; Manitoba (as of Sub Period End Date)</i>

- d. In the Calculation Details section, select:

Field	Setting
Calculation	<i>Original Amount + Sales Tax (CAN)</i>
Calculation Worktag	<i>Province</i>
Worktag Type	<i>Work</i>  Worktag Type displays automatically after you save changes to the task. The <i>Work</i> type displays for deductions configured with the Employer Paid Benefits pay component group.

- e. Add these related calculations to the deduction:

Related Calculation	Groups	Override Calculation	Display? (on Results)
<i>Original Amount</i>	<i>RST Taxable [CAN]</i>	Set according to where you retrieve the amount. Example: <i>Benefits: Employer Cost.</i>	Yes
<i>Sales Tax (Can)</i>			Yes

- f. Add the *Employer Paid Benefits* pay component group on the Non-Effective Dated > Groups tab.

Related Information

### **Examples**

[Set Up Account Posting Rules](#)

## Tax Setup (CAN)

### Steps: Set Up Payroll Taxes (CAN)

#### **Context**

Workday provides tax data and deductions for processing federal and provincial payroll taxes according to Canadian tax authorities. Enter the company and worker-specific tax data.

#### **Steps**

1. [Set Up Company Tax ID \(CAN\) on page 1378](#) .
2. [Set Up Company Federal Taxes \(CAN\) on page 1379](#).
3. [Set Up Company Province and Territory Taxes \(CAN\) on page 1383](#).
4. [Set Up Province Payroll Tax for Northwest Territories and Nunavut \(CAN\) on page 1388](#).
5. [Exempt Workers in Northwest Territories and Nunavut from the Province Payroll Tax \(CAN\) on page 1389](#).
6. (Optional) Set up Workday to calculate taxes for nonresident workers and retirees who are earning income amounts for specified services performed in Canada.  
See [Set Up Nonresident Tax Treaty Withholding \(CAN\) on page 1399](#).
7. Set up a pay component group to either exclude or include pay components for a tax authority.  
See [Define Tax Authority Exceptions from Pay Component Groups \(USA\) on page 1197](#).
8. [Steps: Set Up Workers Compensation \(CAN\) on page 1391](#).
9. [Steps: Set Up RPP and DPSP Registration Number Configuration on page 1395](#).
10. Add worker tax elections or enable workers to add their own tax elections.  
See [Add Worker Federal Tax Elections \(CAN\) on page 1412](#).

#### **Next Steps**

You can use these reports and the web service when you outsource tax filing to a third party:

- Workers Compensation Summary report.
- Workers Compensation Summary by Company report.
- Provincial Employee Payroll Tax Summary report.
- Tax Remittance Summary report.
- *Get Periodic Company CAN Tax Remittance Data* web service. This web service doesn't support custom tax deductions.

Related Information

### **Concepts**

[Setup Considerations: Year-End Tax Reporting \(CAN\) on page 983](#)

### **Reference**

[FAQ: Worker's Compensation \(CAN\) on page 1395](#)

## Set Up Company Tax ID (CAN)

### Prerequisites

Security:

- *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.
- *Set Up: Company General* domain in the Common Financial Management functional area.

### Context

Record tax ID numbers for a company.

### Steps

1. Access the Edit Company Tax Details task.
2. (Optional) On the VAT on Payment tab, for financial transactions, select VAT on Payment to record Value Added Tax (VAT) on payments instead of invoices.  
For financial transactions, if you use VAT on Payment, select the Default Tax Applicability and Default Tax Code.
3. On the Tax IDs tab, in the Tax IDs grid, add information for each country for which the company processes payments.

Field	Description
Country for Tax ID Type	The prompt displays only the countries with Workday-delivered tax ID types.
Tax ID Type	<i>Business Number</i> <i>Non-Resident Tax Account</i>
Identification #	Enter the ID number for the selected tax ID type.
Transaction Tax ID	Select this check box to include this identification number on financial transactions, like customer invoices and purchase orders.  If you don't select Transaction Tax ID for any of the identification numbers you configure, financial transactions report the Primary Tax ID.  Example: You configure 2 Tax IDs for your company. You select Transaction Tax ID for 1 of them. Workday includes that tax ID as the Transaction Tax ID on any invoices and purchase orders you generate for that company.
Primary Tax ID	Select to indicate this identification number as the Primary Tax ID for your business entity. If you didn't select Transaction Tax ID for any of the identification numbers you configured, Workday finds and uses the Primary Tax ID.  If you configured neither a Transaction Tax ID nor a Primary Tax ID for the business entity, financial transactions don't use tax

Field	Description
	ID, except for customer invoices where you selected Transaction Tax ID Required. You're unable to complete the customer invoice without configuring a Transaction Tax ID.

### Example

The Blake Company uses Workday Payroll for the U.S. to pay U.S. employees through their corporate office in the United States. Their branch office in Toronto uses Workday Payroll for Canada to process payroll for Canadian employees. They can also process payments to their non-resident workers. Enter this tax ID information:

Country	Tax ID Type	Identification #
Canada	<i>Business Number</i>	123456789
Canada	<i>Non-Resident Tax Account Number</i>	NR1234567
United States of America	<i>Employer ID Number</i>	98-7654321
United States of America	<i>Transmitter Control Code</i>	56565

Related Information

### Tasks

[Set Up Company Federal Taxes \(CAN\) on page 1379](#)

## Set Up Company Federal Taxes (CAN)

### Prerequisites

- In Workday, record the business number (federal tax ID).
- If applicable, record the non-resident tax account number of the company in Workday.
- Security: *Set Up: Payroll - Company Specific (Taxes) - CAN domain* in the CAN Payroll functional area.

### Context

Enter company-specific data for calculating and reporting federal payroll taxes. Workday provides and maintains federal tax data for payroll tax processing.

### Steps

1. Access the Edit Company Federal CAN Tax Reporting task for the company.
2. Access the Federal tab.
3. In the Reference Number Criteria Assignment section, define criteria for assigning payroll account numbers to workers.

Option	Description
Reference Number	The last 4 digits of the payroll account number assigned to a worker. This number determines the rate Workday uses to calculate their employment insurance. Employees subject to different reduced employment insurance rates require separate reference numbers. Workday recommends creating a default reference for employees subject to the premium rate.

Option	Description
Default	The reference number for workers who don't meet any predefined criteria. Typically, you assign this reference number to employees who aren't eligible for a reduced employment insurance rate.
Worker Criteria Assignment	<p>Criteria that workers must meet for Workday to assign the reference number.</p> <ul style="list-style-type: none"> <li>• Select 1 or more eligibility that defines the criteria.</li> <li>• Workers must meet all criteria defined in the same row.</li> <li>• Don't enter criteria for the default reference number.</li> </ul> <p>During the pay calculation process, workers must meet the criteria on the end date of the period you're processing.</p>
Payroll Account Description	Enter an explanation for a worker having multiple year-end forms for the same company, tax year, and province. Example: 1 for part time and 1 for full time. This explanation displays on the worker's Employee Self Service.

4. In the EI Reduced Rates section, identify the reference numbers for employees subject to a reduced employment insurance rate and enter the Reduced Rate.

The reduced rate applies to all workers across Canada, including workers in Quebec.

5. In the Bonus Tax Method section, select the *Regular Bonus Tax Method* or the *YTD Bonus Tax Method*.

To calculate the bonus tax using the:

- *Regular Bonus Tax Method*, Workday determines the annual taxable income by multiplying the current periodic taxable wages by the number of pay periods in the year.
- *YTD Bonus Tax Method*, Workday determines the annual taxable income by multiplying the current periodic taxable wages by the number of remaining pay periods in the year and adding the year to date taxable income.

To calculate taxes for a bonus paid out separately from wages, Workday looks for the most recent, completed payroll result with a pay period before the current payroll result to determine the periodic taxable wages to use in the annual taxable income calculation.

Workday uses the Annual Taxable Wages for Bonus Calculation field on the Federal Income Tax (FIT) pay component to report on annual taxable income and bonus values, and determine the tax calculation to use on an in progress or completed bonus payment. On the FIT pay component, the field displays a worker's annual periodic wages and bonus year-to-date (YTD) wages, excluding any current bonus for FIT.

Workday defaults to the Regular Bonus Tax method when you don't select an option.

6. In the Optional CPP Coverage (CPT124) grid, enter the Start Date and select the Enable Coverage check box. This is applicable if you're an employer and have filed a CPT-124 form with CRA. When enabled, CPP resolves, enabling you to deduct and remit.
7. Access the Record of Employment tab.

8. In the Default ROE Information section, configure ROE information for the payroll reference numbers:

Option	Description
Issuer Contact Name	The person responsible for ensuring the accuracy of the information reported in the ROE, typically a payroll partner.
Reason Contact Name	The person who can explain the reason for issuing an ROE, typically an HR analyst. The phone number must be in this format to comply with Service Canada guidelines: (000) 000-0000. If the phone number is incorrect for the worker, access the Change Contact Information report and edit the primary work phone number.  You can also enter a generic contact as Text Input. Example: You input Payroll Department so that a team, instead of an individual worker, handles calls from Service Canada.
Reason Contact Phone Number	The phone number must be in this format to comply with Service Canada guidelines: (000) 000-0000. To ensure that the phone number formatting matches Service Canada guidelines, add the appropriate countries in the Allowed Phone Validations prompt on the Edit Tenant Setup – Global task.
Default Payment Dates	(Optional) Enables Workday to populate the ROE Payment Start Date and Payment End Date. On the ROE, these are: <ul style="list-style-type: none"> <li>• Block 17 - Separation payments</li> <li>• Block 19 - Paid sick/maternity/parental/compassionate care/Family Caregiver leave or group wage loss indemnity payment</li> </ul>
Organization Number	(Optional) Enables Workday to populate the ROE with the organization identifying number that you created on the Service Canada ROE website.
Folder CD	(Optional) Enables Workday to populate the ROE with the folder for submitting your ROE outbound file that you created on the Service Canada ROE website.

When you create ROE data, you can see the results of these settings on the View Payroll ROE Data report.

9. (Optional) In the Override ROE Contact Information section, override the ROE contact information by location for a company reference number:

Option	Description
Reference Number	Configure a payroll reference number on the Default ROE Information grid in order to select it here.

Option	Description
Location	Select the location you'd like to override ROE contact information for. You can select from active locations that have <i>Business Site</i> as a location usage.
Preferred Language	Select the language you'd like Service Canada to use when contacting the reason contact for the location.  Workday uses the default ROE preferred language on the ROE when the location you selected is inactive when creating the ROE.  Example: For Quebec, you select French (Canada).
Reason Contact Name	Select a worker or enter custom text input as the overriding ROE reason contact for the location.  The phone number must be in this format to comply with Service Canada guidelines: (000) 000-0000. If the phone number is missing or incorrect for the worker, access the Change Contact Information report and edit the primary work phone number.  Workday uses the default ROE reason contact on the ROE when the: <ul style="list-style-type: none"> <li>• Location you selected is inactive when creating the ROE.</li> <li>• Worker assigned as the overriding ROE reason contact is on leave-of-absence or terminated.</li> </ul>
Reason Contact Phone Number	The phone number must be in this format to comply with Service Canada guidelines: (000) 000-0000.  To ensure that the phone number formatting matches Service Canada guidelines, add the appropriate countries in the Allowed Phone Validations prompt on the Edit Tenant Setup – Global task.

10. Access the Year End tab.

11. In the Contact Information - Address section, select the address printed on your payroll tax remittance (required for ROEs and T4 reporting).

For each reference number, specify Use Primary Company Address or Use Location Address.

12. In the Year End Tax Form Configuration - T4 / T4A section, configure your year-end tax T4 and T4A form data:

Option	Description
Create T4 with Box 14 Less than \$500	Select these check boxes to override Canada Revenue Agency's tax form thresholds for amounts less than 500 CAD.
Create T4A with Total Income Less than \$500	

Option	Description
Default T4A Employee ID Number	To include a worker's employee number on the T4A slip, check this to map it.  To submit year-end tax filings using the CRA T4A integration, enable for each company. Workday will then report the Employee ID in Box 014 on the T4A form.
Employer Name Override	If the employer name and the legal company name are different, enter the employer name. Add a row for each payroll Reference Number.

13. In the Year End Tax Form Configuration - NR4 section, configure your year-end tax NR4 form data:

Option	Description
Non-Resident Account Number	The <i>Non-Resident Tax Account</i> number you configured in the Edit Company Tax Details task.
Default NR4 Employee ID Number	Enable and Workday will include the Employee ID in the Payer or agent identification number box on the NR4 form.
Use Primary Company Address / Use Location Address	For each reference number, specify whether you want to use the primary company address or the company location address.
Location	Workday will use the address of the location you select when you select Use Location Address.

## Next Steps

- Enter provincial tax reporting elections for each company.
- To view a summary of the company federal and provincial tax elections, including a history of elections that have ended, access the Company CAN Tax Reporting report.

### Related Information

#### Concepts

[Concept: What Payroll History to Load](#) on page 196

#### Tasks

[Steps: Set Up ROE Reporting](#) on page 1450

[Set Up Company Tax ID \(CAN\)](#) on page 1378

#### Reference

[Reference: ROE Results for Workers](#) on page 1471

[FAQ: Payroll History](#) on page 216

## Set Up Company Province and Territory Taxes (CAN)

### Prerequisites

- Define workers compensation codes.
- Record the company business number (federal tax ID) in Workday.
- Set up federal tax reporting elections for the company.
- Security: *Set Up: Payroll - Company Specific (Taxes) - CAN domain* in the CAN Payroll functional area.

## Context

Enter company-specific data for calculating and reporting workers compensation, sales tax, and other employer-paid provincial taxes.

Workday uses this data to generate reports. These reports have the tax amounts, subject wages, and other figures you must report to tax authorities as part of your tax filing.

Start dates control when tax elections go into effect in Workday. When a tax election changes, enter an End Date for the election that is no longer in effect. Then add a row for the new Start Date and all information for the new election. When calculating payroll, Workday applies the tax elections in effect on the worker's payment date.

## Steps

1. Access the Edit Company Province CAN Tax Reporting task.
2. Select the Company and Province.  
Tabs and sections displayed vary by province.
3. Enter information for employer-paid income taxes on the Province tab.

Note: The provincial education and health taxes exclude TD1-IN exempt wages.

The Province tab displays for these provinces:

Option	Description
British Columbia	(Optional) In the Payroll Tax or Health Tax sections, select the Calculate Tax check box to calculate payroll tax or health tax amounts based on subject wages.  Enter the annual exemption and tax rate for the <i>Employer Health Tax</i> , or select Exempt. The Start Date must be the first day of a calendar year.
Manitoba	(Optional) In the Payroll Tax or Health Tax sections, select the Calculate Tax check box to calculate payroll tax or health tax amounts based on subject wages.  Enter the annual exemption amount and tax rate for the <i>Health and Post Secondary Education Tax Levy</i> , or select Exempt. The Start Date must be the first day of a calendar year.
Newfoundland and Labrador	(Optional) In the Payroll Tax or Health Tax sections, select the Calculate Tax check box to calculate payroll tax or health tax amounts based on subject wages.  Enter the annual exemption amount for the <i>Health and Post Secondary</i> tax or select Exempt. The Start Date must be the first day of a calendar year. To view the tax rate, access the View Payroll Tax / Allowance Data report.
Ontario	(Optional) In the Payroll Tax or Health Tax sections, select the Calculate Tax check box to calculate payroll tax or health tax amounts based on the subject wages.

Option	Description
	<p>For the Ontario health tax, associate the health tax number of the employer with a reference number. Then enter the exemption amount and tax rate, or select Exempt. The Start Date must be the first day of a calendar year. Add multiple rows if the company has more than 1 set of reporting requirements.</p>
Québec	<p>In the Withholding section, enter the numbers needed to report employee withholding for Québec personal income tax:</p> <ul style="list-style-type: none"> <li>• The 10-digit Québec Enterprise Number assigned by the Registre des entreprises (REQ) or the clerk of the Superior Court. Example: 1187654321.</li> <li>• The Identification Number provided by Revenu Québec. It's used for remittances, similar to the payroll account number for Canada Revenue Agency. Example: 1245678904RS0001.</li> <li>• The Reference Number that's aligned with the Canada Revenue Agency federal reference numbers.</li> </ul> <p>Select the Regular or Year-to-Date Bonus Tax Method. Workday defaults to the Regular method when you don't make a selection.</p> <p>To calculate the bonus tax using the:</p> <ul style="list-style-type: none"> <li>• <i>Regular Bonus Tax Method</i>, Workday determines the annual taxable income by multiplying the current periodic taxable wages by the number of pay periods in the year.</li> <li>• <i>YTD Bonus Tax Method</i>, Workday determines the annual taxable income by multiplying the current periodic taxable wages by the number of remaining pay periods in the year and adding the year to date taxable income.</li> </ul> <p>To calculate taxes for a bonus paid out separately from wages, Workday looks for the most recent, completed payroll result with a pay period prior to the current payroll result to determine the periodic taxable wages to use in the annual taxable income calculation.</p> <p>Workday uses the Annual Taxable Wages for Bonus Calculation field on the Provincial Income Tax (PIT) pay component to report on annual taxable income and bonus values, and determine the tax calculation to use on an in progress or completed bonus payment. On the PIT pay component, the field displays a</p>

Option	Description
	<p>worker's QC- Annual Periodic and YTD Bonus (QC-PIT) wages, excluding any current bonus for Quebec.</p> <p>In the Health Tax section, enter the tax rate for the <i>Québec Health Services Fund</i> tax or select Exempt.</p> <p>In the Quebec Compensation Tax section, specify whether the company is exempt from this tax. If your company is a financial institution, select the company business type from the Financial Business Type prompt.</p> <p>In these sections, specify whether the company is exempt from these taxes:</p> <ul style="list-style-type: none"> <li>• Commission des normes, de l'équité, de la santé et de la sécurité du travail</li> <li>• Quebec Workforce Skills Development Recognition Fund</li> </ul> <p>The Optional QPP Coverage (RR-2) section is applicable if you're an employer and have filed an RR-2 form with Revenu Québec. Enter the Start Date and select the Enable Coverage check box. This selection enables QPP for status Indian workers if you decide to pay the employer QPP as well. When enabled, QPP resolves, enabling you to deduct and remit. Workday recommends you configure this grid in the same way you configure the Optional CPP Coverage (CPT124) section on the Edit Company Federal CAN Tax Reporting task.</p>

4. On the Workers Compensation tab, complete the fields in the Account Information and Workers Compensation Rates sections.  
For Québec, enter the Identification Number you added to the Withholding section on the Province tab. Example: 1245678904RS0001.
5. On the Sales Tax tab, select the Workday-owned deductions to use for calculating provincial sales tax.
6. The Other tab displays for these provinces:

Option	Description
<p>Northwest Territories Nunavut</p>	<p>Enter the Start Date and Account Number for each company with workers in these territories that require either of these deductions:</p> <ul style="list-style-type: none"> <li>• <i>NT: Province Payroll Tax [CAN]</i></li> <li>• <i>NU: Province Payroll Tax [CAN]</i></li> </ul> <p>Add these pay component groups to the Groups section in the Non-Effective Dated tab of the employees' pay components:</p> <ul style="list-style-type: none"> <li>• <i>Northwest Territories Payroll Tax Taxable [CAN]</i></li> <li>• <i>Nunavut Payroll Tax Taxable [CAN]</i></li> </ul>

7. On the Year End tab (Québec only), configure year-end options:

Option	Description
Transmitter Number	Configure a transmitter number, as provided by Revenu Québec, for each Identification Number for the same dates. Example: You enter the <i>NPI123456</i> transmitter number for the <i>1245678904RS0001</i> identification number.
RL-1 Slip Numbers (Not required after 2019-12-31)	As of 2020, Workday maintains the RL-1 slip and transmission slip numbers so that you don't have to enter them.  You can access the View Quebec Year End Slip Numbers report to view the starting numbers that Revenu Québec assigned Workday to use on the year-end forms.
RL-2 Slip Numbers (Not required after 2019-12-31)	As of 2020, Workday maintains the RL-2 Slip and Transmission Slip numbers so that you don't have to enter them.  You can access the View Quebec Year End Slip Numbers report to view the starting numbers that Revenu Québec assigned Workday to use on the year-end forms.
Reference Number	Enter the Identification Number you configured for your company. Example: <i>1245678904RS0001</i> .  (Optional) You can display the employee ID number on the RL-1 and RL-2 slips. Select the Default Employee ID Number check box.
Employer Name	Enter an Employer Name Override if the employer name populating the RL-1 or RL-2 slip is different from the company organization name.  Enter the required contact name for the RL-1 and RL-2 forms for integrations with Revenu Québec.
Employer Address	You can select Use Primary Company Address or a Use Location Address. When you select Use Location Address, also select the Location.

## Result

Access these reports to review company province and territory tax data:

Report	Description
Provincial Employer Payroll and Health Tax Summary	This report provides the health tax calculation based on tax type, payment month, and account number for a company. You can run the report for a company or multiple companies.

Report	Description
Provincial Employer Payroll and Health Tax (Actual) - Summary	This report provides tax amounts and subject wages reported and totaled by Account Number, payment month, and tax type for totaling. You can run the report for a company or multiple companies.
Provincial Employer Payroll and Health Details	<p>This report provides taxable amounts by employee. To view tax amounts after subject wages:</p> <ol style="list-style-type: none"> <li>1. Access the Edit Company Province CAN Tax Reporting task for Ontario, Manitoba, or Newfoundland and Labrador.</li> <li>2. Select the Calculate Tax check box on payroll tax or health tax amounts.</li> </ol>
View Payroll Tax/Allowance Data	Workday-maintained tax rates.

## Next Steps

Enter tax elections for employees.

Related Information

### Tasks

[Add Worker Federal Tax Elections \(CAN\)](#) on page 1412

[Set Up Province Payroll Tax for Northwest Territories and Nunavut \(CAN\)](#) on page 1388

[Steps: Set Up Payroll Taxes \(CAN\)](#) on page 1377

[Steps: Set Up Workers Compensation \(CAN\)](#) on page 1391

## Set Up Province Payroll Tax for Northwest Territories and Nunavut (CAN)

### Prerequisites

For positions in Northwest Territories or Nunavut, confirm worker locations and location contact information:

- From the worker profile, select Job > Job Details.
- From the Job Details tab, select the province or territory in the Location field.

### Security:

- *Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.*
- *Set Up: Payroll - Company Specific (Taxes) - CAN domain in the CAN Payroll functional area.*

### Context

Set up these employee tax deductions for employees working in Northwest Territories or Nunavut:

- *NT: Province Payroll Tax*
- *NU: Province Payroll Tax*

These deductions use the *Province Location (CAN)* calculation worktag and apply the location based on the pay period end date.

Note: Workday only supports the Province Payroll Tax for the payroll processing position. Workday doesn't support the more than 50 rule for workers who work more than 50% of their time in one of these territories. It is your responsibility to ensure that you tax affected workers at the correct rate.

## Steps

1. Access the Edit Company Province CAN Tax Reporting task.

On the Other tab, add the Start Date and Account Number for each company with employees in Northwest Territories or Nunavut. If the Other tab doesn't display, verify that you have the location set up for at least 1 employee working in Northwest Territories or Nunavut.

2. Access the Edit Earning task for the income of employees working in Northwest Territories and Nunavut and select the applicable earning.

On the Non Effective Dated tab, add *Northwest Territories Payroll Tax Taxable [CAN]* and *Nunavut Payroll Tax Taxable [CAN]* in the Groups field.

## Result

Payroll results for eligible workers display the *NT: Province Payroll Tax [CAN]* or *NU: Province Payroll Tax [CAN]* tax deduction on the Gross to Net tab in the Taxes section.

These reports are available for *NT: Province Payroll Tax [CAN]* and *NU: Province Payroll Tax [CAN]*:

- Provincial Employee Payroll Tax Summary: Displays an aggregation of:
  - Earnings.
  - Total earnings.
  - Taxable earnings.
  - Tax amount by account number.
- Provincial Employee Payroll Tax Details: Displays the same information by worker.

## Next Steps

Access the Add Worker CAN Tax Elections task to exempt workers who work in Northwest Territories or Nunavut, but aren't required to pay the Province Payroll Tax.

### Related Information

#### Tasks

[Add Worker Federal Tax Elections \(CAN\)](#) on page 1412

[Add Earnings or Deductions to Pay Component Groups](#) on page 241

[Exempt Workers in Northwest Territories and Nunavut from the Province Payroll Tax \(CAN\)](#) on page 1389

[Set Up Company Province and Territory Taxes \(CAN\)](#) on page 1383

[Steps: Create Earnings](#) on page 229

## Exempt Workers in Northwest Territories and Nunavut from the Province Payroll Tax (CAN)

### Prerequisites

- Set up the Province Payroll Tax for Northwest Territories and Nunavut.
- Security: *Worker Data: Payroll (Company Specific) - CAN domain*.

### Context

You can exempt employees who work in Northwest Territories or Nunavut, but don't have to pay the Province Payroll Tax.

## Steps

1. Access the Add Worker CAN Tax Elections task for each exempt employee.
2. From the Company prompt, select the appropriate company.
3. From the Work Province prompt, select *Northwest Territories* or *Nunavut*

4. On the Other tab, click Exempt.

## Result

Workday doesn't deduct the *Province Payroll Tax [CAN]* for this worker.

## Related Information

### Tasks

[Add Worker Federal Tax Elections \(CAN\)](#) on page 1412

[Set Up Province Payroll Tax for Northwest Territories and Nunavut \(CAN\)](#) on page 1388

## Define Tax Authority Exceptions from Pay Component Groups (CAN)

### Prerequisites

- Add the province worktag to the pay components in the pay component group.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

You can set up a pay component group (PCG) to either exclude or include pay components for a tax authority.

### Steps

1. Access the Maintain Tax Authority Exceptions Pay Component Groups task.
2. Select the Pay Component Group that requires exceptions.
3. Select a date from the Update Existing Effective Date or Add New Effective Date prompt.

When you add an effective date for an exception for taxes or withholding orders, Workday considers the exception snapshot that's effective as of the payment date or payment date override while processing payroll calculations.

For Flat Sum Bonus, Workday considers the snapshot that's effective as of the subperiod or period end dates while processing calculations.

4. On the Effective Dated Details tab, in the Exceptions for Taxes section, select the Payroll Tax Authority.
  - a) From the Exclude Pay Component(s) prompt, select the pay component that should be excluded from the PCG.
  - b) From the Include Pay Component(s) prompt, select the pay component that should be included in the PCG
5. On the Exceptions for Withholding Orders tab, specify exceptions to the disposable earnings calculation for withholding orders.
  - a) From the Payroll Tax Authority prompt, select 1 or more tax authorities that calculate disposable earnings differently.
  - b) From the Withholding Order Type prompt, select 1 or more types of withholding orders.
  - c) When the pay component:
    - Is part of the group but the tax authority treatment of it doesn't apply, select it from the Exclude Pay Component(s) prompt.
    - Isn't part of the group but the tax authority treatment of it does apply, select it from the Include Pay Component(s) prompt.

## Result

Workday makes the PCG exceptions that you configure. You can access the View Pay Component Group report to verify the Exceptions tab in the Effective Dated Details .

## Example

### Example

The *Pay in Lieu of Notice [CAN]* earning should be included in the *Workers Compensation Exempt* PCG for:

- British Columbia
- Quebec
- Saskatchewan
- Yukon

Exceptions for taxes for the *Workers Compensation Exempt [CAN]* PCG:

Payroll Tax Authority	Exclude Pay Component(s)	Include Pay Component(s)
British Columbia		<i>Pay in Lieu of Notice [CAN]</i>
Quebec		
Saskatchewan		
Yukon		

With this configuration, Workday includes the *Pay in Lieu of Notice [CAN]* pay component in the *Workers Compensation Exempt [CAN]* PCG when processing payroll for British Columbia, Quebec, Saskatchewan, and Yukon.

## Next Steps

### Steps: Set Up Workers Compensation (CAN)

#### Context

Workday calculates workers compensation for an employee's payroll processing province based on Workers Compensation Board (WCB) Code worktags associated with:

- Pay results, if they exist.
- The worker's payroll processing position.

When calculating a worker's pay, Workday determines the:

- Worker's compensation rate in effect for the business location of the worker's payroll processing position. The location and the worker's compensation code display in the payroll results as worktags.
- Job profile as of the payment date for the payroll run.

#### Steps

1. Access the Maintain Workers' Compensation Codes task to define industry classification codes for workers compensation reporting.

If a code pertains to more than 1 province (region), list all provinces that use it.

Security: *Set Up: Job* domain in the Jobs & Positions functional area.

2. Assign workers compensation codes to job profiles.

- Access the Create Job Profile or Edit Job Profile task.

Security: *Set Up: Job* domain in the Jobs & Positions functional area.

- On the Worker's Compensation Codes tab, add a row for each worker's compensation code.

To configure a worker who is physically in 1 province but has a different province of employment for tax purposes:

- Verify that the Location field on the worker's position displays their physical location. A position's location determines which province calculates worker's compensation.
- Verify that the Alternate Work Location field displays the province where the worker is taxed.

Example: A remote worker works from home in British Columbia where there's no physical work location. After reviewing Canada Revenue Agency (CRA) guidelines, you determine the worker's province of employment is Ontario. For this worker, the position Location province is British Columbia and the Alternate Work Location is Ontario. Taxes (FIT/PIT, CPP, EI, ONEHT) calculate for Ontario. Workers compensation benefits calculate for British Columbia.

See: [Determine the province of employment](#).

- Access the Edit Company Province CAN Tax Reporting task for a company and province.
- On the Workers Compensation tab, as you complete the fields in the Account Information and Workers Compensation Rates sections, consider:

#### Account Information

Start Date End Date (Optional)	These dates must match the Workers Compensation Rates date range for each identification number.
Identification Number	<p>Enter a new row for each identification number. The provincial worker's compensation board for your corporate entity provides the identification numbers.</p> <p>Note: For Quebec, the Identification Number should match the Quebec identification number for remitting payroll to avoid exceptions on the Company Canada Year End Audit and the various Organization Exception audit reports.</p>

#### Workers Compensation Rates

Start Date End Date	These dates must match the Account Information date range for each identification number.  Note: The date range for rates must fall within the rate range for the account information.
Code	Enter a new row for each classification code.
Identification Number	Enter a new row for each identification number and code combination.

Rate	Enter the rate for each identification number and code combination.
------	---

Example: Worker's Compensation Rates

Start Date	End Date	Code	Identification Number	Rate
1/1/2011	12/31/2011	541990 - All Other Professional, Scientific, and Technical Services (Canada)	4577233-WCAQ	3.10%
1/1/2011	12/31/2011	561330 - Professional Employer Organizations (Canada)	4577233-WCAQ	3.55%
1/1/2011	12/31/2011	541990 - All Other Professional, Scientific, and Technical Services (Canada)	9876544-WCAQ	3.20%
1/1/2011	12/31/2011	561330 - Professional Employer Organizations (Canada)	9876544-WCAQ	3.65%

These reports reflect data from each identification number and report data based on pay result worktags. You can use these reports to identify and correct missing supplemental worktags:

- Workers Compensation Summary
  - Workers Compensation Summary by Company
  - Workers Compensation Details
5. Exempt employees from workers compensation, if applicable. Employees can't exempt themselves.
    - a) Access the Add Worker CAN Tax Elections task.  
Security: *Worker Data: Payroll (Company Specific)* - CAN domain in the CAN Payroll functional area.
    - b) Select the Exempt check box in the Province Workers Compensation section of the Province tab.
  6. Access the Edit Earning task to assign earnings that are exempt from worker's compensation to the appropriate pay component group.

Pay Component Group	Description
<i>Workers Compensation Other</i>	Add earnings that are subject to workers compensation reporting, but not province income tax.

Pay Component Group	Description
	Typically, these earnings are for workers who might not be employees or whom you pay outside of Workday Payroll. For reporting purposes, you must include these wages in workers compensation reporting.
<i>Workers Compensation Exempt</i>	Add earnings that are exempt from worker's compensation.  Workday subtracts exempt wages from gross T-4 or RL-1 wages to determine insurable (assessable) income.

#### 7. Define Tax Authority Exceptions from Pay Component Groups (USA) on page 1197.

If an earning applies to some, but not all provinces, you can include or exclude it from calculations.

Example: If pay in lieu of notice is subject to worker's compensation in all except these provinces, add a rule to handle these exceptions:

- British Columbia
- Quebec
- Saskatchewan
- Yukon

### Next Steps

Review these reports to ensure you defined worker's compensation codes and rates correctly:

- View Workers' Compensation Codes
- View Workers Compensation Rates
- Audit - Workers Compensation Codes In Use with No Rate
- Workers' Compensation Code Exception Audit

After calculating payroll, use these reports to view worker's compensation calculations, and to prepare for tax filing:

- Workers Compensation Summary: Displays totals by province.
- Workers Compensation Summary by Company: Displays totals by company.
- Workers Compensation Details: Displays totals by employee within each province.
- Tax Remittance Details: Includes Quebec CNESST tax amounts by worker.
- Tax Remittance Summary: Includes total deductions for Quebec CNESST by federal Payroll Account Number.
- Tax Remittance Summary - Quebec: Includes total deductions by Quebec CNESST by Quebec Identification Number.

You can also use these report fields in custom reports:

- *Worker's Compensation Code (Worktag)*, which returns the worker's compensation code from the WCB Code worktag for pay results.
- *Worker's Compensation Tax Rate (Worktag)*, which returns the worker's compensation tax rate based on the WCB Code worktag for pay results.

If necessary, use payroll input to override the:

- Work province pay component worktag for employees who work in more than 1 province.
- Worker's compensation code supplemental worktag to create prior period adjustments, or manually input a worker's compensation code for a specific province. These worktags only display with a worker's compensation deduction for payment dates on or after 2018-01-01.

To file federal and Quebec provincial tax remittance information, you can use the *Get Periodic Company CAN Tax Remittance Data* web service. This web service includes provincial worker's compensation information and provincial employer payroll and health tax information. You can exclude Worker Compensation Board tax items from this web service. Partners can use this feature to process necessary payments on your behalf. This web service doesn't support custom tax deductions.

#### Related Information

##### Tasks

[Set Up Company Province and Territory Taxes \(CAN\)](#) on page 1383

##### Reference

[FAQ: Worker's Compensation \(CAN\)](#) on page 1395

##### Examples

[Create Job Profiles](#)

[Troubleshooting: Incorrect Earning or Deduction Amount](#) on page 751

[Troubleshooting: Payroll Tax Calculations \(CAN\)](#) on page 749

## FAQ: Worker's Compensation (CAN)

How do I configure workers' compensation for a remote worker when they work from home in a province that doesn't have a physical work location where they report?

To configure workers' compensation for a remote worker, set their Position Location to the location where they actually work. Workers' compensation benefits derive from the province in which the worker is physically located.

#### Related Information

##### Tasks

[Steps: Set Up Workers Compensation \(CAN\)](#) on page 1391

## Steps: Set Up RPP and DPSP Registration Number Configuration

### Prerequisites

Established registered pension plan (RPP) or deferred profit sharing plan (DPSP) registration numbers.

Security: These domains in the CAN Payroll functional area:

- *Set Up: Payroll (Year End) - CAN*
- *Worker Data: Payroll (Company Specific) - CAN*

### Context

You can define the 7-digit Registered Pension Plan (RPP) or Deferred Profit Sharing Plan (DPSP) number at the company level. You can also identify when a registration number is a union pension plan.

To populate Box 50 of the T4 form, you must configure each RPP or DPSP registration number.

You can use these web services to load and retrieve RPP and DPSP registration numbers in bulk:

- *Get Payroll Employer RPP or DPSP Registration Number Configuration*
- *Put Payroll Employer RPP or DPSP Registration Number Configuration*

### Steps

1. Access the Create RPP or DPSP Registration Numbers task.
2. Enter the 7-digit RPP or DPSP number.
3. Access the View Canada Year End Form Box Configuration report for the T4 form.

4. Select the Maintain T4 Box Configuration button for Box 52 and set up pay components associated with pension adjustments.
5. Access the Maintain RPP or DPSP Registration Number Configuration task and consider:

Option	Description
Effective Until End of Year	Optional.
Reference Number	Select one or more Reference Numbers associated with the Company selected.
Pension Adjustment Pay Component	Select one or more pay components associated with the RPP or DPSP registration number.
RPP or DPSP Registration Number	Select the RPP or DPSP Registration Number that you created.
Union	Select to identify the registration number as a union pension plan.

Note:

You can override a registration number for a specific worker using the Override RPP or DPSP Registration Number for Worker task.

You can use these web services to load or extract override RPP or DPSP registration numbers in bulk:

- *Get Override Payroll Payee RPP or DPSP Registration Number Configuration*
- *Put Override Payroll Payee RPP or DPSP Registration Number Configuration*

Use the override option sparingly. If you override the pension plan number at the worker level and the individual moves between plans, Workday can't allocate the appropriate registration number.

## Next Steps

You can view the RPP or DPSP registration number aligned to a worker in Box 50 on the T4 Preview report.

When there's an amount for Box 034 of the T4A form, you can view the RPP registration number in Box 036 on the T4A Preview report.

### Related Information

#### Tasks

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(CAN\)](#) on page 989

[Steps: Set Up, Audit, and Print Year-End Corrections \(CAN\)](#) on page 1003

## Set Up the Indian Act Exemption for Employment Income (CAN)

### Prerequisites

Security: These domains in the CAN Payroll functional area:

- *Set Up: Payroll - Company Specific (Taxes) - CAN*
- *Set Up: Payroll (Year End) - CAN*
- *Worker Data: Payroll (Company Specific) - CAN*

### Context

You can configure Workday to exempt Indian status workers from income tax when they perform employment duties on a reserve.

When configured, Workday calculates and reports on these taxes accordingly:

- Federal Income Tax (FIT).
- Province Income Tax (PIT).
- QC-Province Income Tax (QC-PIT).

## Steps

1. Access the Add Worker CAN Tax Elections task.
  - a) Add a row to the TD1-IN Exemption Percent grid.  
Workday populates the Percent Exempt field with 100. Add a new row and select Inactive when a worker changes job location and no longer works on a reserve.
2. (Optional) Access the Edit Company Federal CAN Tax Reporting task.
  - a) Locate the Optional CPP Coverage (CPT124) grid.
  - b) Add a row, enter the Start Date, and select the Enable Coverage check box.
3. (Optional) Access the Edit Company Province CAN Tax Reporting task.
  - a) Locate the Optional QPP Coverage (RR-2) grid.
  - b) Add a row, enter the Start Date, and select the Enable Coverage check box.
4. Add the *Federal Income Tax (FIT) [CAN] - Indian Exempt Employment Income* pay component related calculation (PCRC) to Box 71 on the T4 Form.
  - a) Access the View Canada Year End Form Box Configuration task.
  - b) Select *Year End Forms by Country* from the Payroll Year End Form Type field.
  - c) Select the appropriate year.
  - d) Select *T4* from the Canada Year End Forms prompt.
  - e) Locate the Other Information row and select the Maintain T4 Box Configuration button.
  - f) Add a row to the Maintain Canada Year End Form Box Configuration grid and enter these values:

Option	Description
Effective Date	Select the appropriate year.
Calculation	Select the <i>Federal Income Tax (FIT) [CAN] - Indian Exempt Employment Income</i> pay component related calculation.
Detail Reporting Code	71 - Indian employee

5. Add the *Province Income Tax (QC-PIT) [CAN] - Indian Exempt Employment Income* PCRC to Box R on the RL-1 form.
  - a) Access the View Canada Year End Form Box Configuration task.
  - b) Select *Year End Forms by Country* from the Payroll Year End Form Type field.
  - c) Select the appropriate year.
  - d) Select *RL-1* from the Canada Year End Forms prompt.
  - e) Locate the R - Income paid to an Indian and situated on a reserve or premises row and select Maintain RL-1 Box Configuration.
  - f) Add a row to the Maintain Canada Year End Form Box Configuration grid and enter these values:

Option	Description
Effective Date	Select the appropriate year.

Calculation	Select the <i>Province Income Tax (QC-PIT) [CAN] - Indian Exempt Employment Income</i> pay component related calculation.
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**Related Information****Tasks**[Add Worker Federal Tax Elections \(CAN\)](#) on page 1412[Map Earnings and Deductions to Year-End Boxes \(CAN\)](#) on page 1402[Set Up Company Federal Taxes \(CAN\)](#) on page 1379

## Set Up Taxation for Pretax Registered Pension and Savings Plan Deductions (CAN)

**Prerequisites**

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

**Context**

Workday offers 2 ways to configure RPP / RRSP deductions:

- Proportional taxable wage reduction.
- Wage-specific taxable wage reduction.

In these examples, the employee contributes 10% of their salary to an RRSP and 5,000 of their 7,500 bonus to their RRSP.

Example: This table displays how RRSP deductions calculate with proportional taxable wage reduction configuration on the deduction.

Wage Type	Gross Amount	RRSP Deduction	Taxable Wages
Salary	2,500	1,312.50	1,187.50
Bonus	7,500	3,937.50	3,562.50

Example: This table displays how RRSP deductions calculate with wage-specific taxable wage reduction configuration on the deduction.

Wage Type	Gross Amount	RRSP Regular Deduction	RRSP Bonus Deduction	Taxable Wages
Salary	2,500	250.00		2,250
Bonus	7,500		5,000	2,500

Your RRSP deductions use proportional taxable wage reduction and use these pay component groups:

- *RPP/RRSP/RCA (F) [CAN]*
- *Other Quebec Deductions (F) [CAN]*

As of Workday 2020R2, you can configure your existing RRSP deductions to use wage-specific taxable wage reduction by following these steps.

**Steps**

1. Access the Enable Factor F Pay Component Groups (Regular / Bonus / Lump Sum) task.
2. Clear the Prorate RPP/RRSP/RCA (F) Source Deductions check box.

Clearing this check box enables you to attach wage type-specific pay component groups to your existing deductions.

- As you attach the pay component groups to your deductions, consider these valid pairings to reduce taxable wages subject to specific tax methods:

Taxable Wage Type	Valid Pay Component Group Pairs
<i>Regular</i>	<i>RPP/RRSP/RCA (F) – Regular [CAN]</i> <i>Other Quebec Deductions (F) – Regular [CAN]</i>
<i>Bonus</i>	<i>RPP/RRSP/RCA (F) – Bonus [CAN]</i> <i>Other Quebec Deductions (F) – Bonus [CAN]</i>
<i>Lump Sum</i>	<i>RPP/RRSP/RCA (F) - Lump Sum [CAN]</i> <i>Other Quebec Deductions (F) - Lump Sum [CAN]</i>

- Access the Create Deduction task to create additional pension and savings plan deductions for additional wage types.

See [Steps: Create Deductions](#) on page 234.

As you create the new deductions, consider the valid pay component group pairings listed above.

#### Related Information

##### Tasks

[Steps: Create Deductions](#) on page 234

## Nonresident Taxation (CAN)

### Set Up Nonresident Tax Treaty Withholding (CAN)

#### Prerequisites

- Set up company federal taxes.
- Verify that the employee is assigned to a company and pay group.
- Security: *Worker Data: Payroll (Company Specific)* - CAN domain.

#### Context

Effective 2019-01-01, you can set up Workday to calculate taxes for nonresident workers and retirees earning income amounts for these services performed in Canada:

- Annuities.
- Investment income.
- Pensions.
- Research and development royalties.
- Retirement compensation arrangements.

Set up Workday to honor tax treaties between Canada and other countries for nonresidents. Workday refers to the Canada Revenue Agency NR4 – Non-Resident Tax Withholding, Remitting, and Reporting (T4061) guide when calculating taxes and taxable wages for NR4 reporting.

You can use these web services to update tax treaty information:

- Get Payroll CAN Worker Tax Treaties*
- Put Payroll CAN Worker Tax Treaty*

#### Steps

- Access the Maintain Worker Tax Treaties task.
- Select the Worker and Tax Country.

3. Select the tax Start Date and End Date.

4. As you complete this task, consider:

Option	Description
Tax Residency Country	Select only 1 country of residence.
Canada Payroll Income Codes	Select only 1 Canada Payroll Income Code per row.
Exemption Code	Select the applicable code.
Withholding Rate	Enter a Withholding Rate percentage if other than 25%.

5. Add earnings that are subject to a tax treaty to the appropriate pay component groups:

- *NR Tax Income Code - 29 - RRSP – Refund of premiums*
- *NR Tax Income Code - 35 - Research and development royalties*
- *NR Tax Income Code - 36 - Retiring allowance*
- *NR Tax Income Code - 37 - Retirement compensation arrangements*
- *NR Tax Income Code - 39 - Superannuation or pension benefits – Periodic payments*
- *NR Tax Income Code - 40 - Superannuation or pension benefits – Lump-sum payments*

## Result

Workday calculates and reports on nonresident taxes according to configuration.

### Concept: Tax Withholding for Nonresident Workers and Retirees (CAN)

#### Nonresident Taxation

Effective 2019-01-01, Workday enables you to tax nonresident workers and retirees earning income amounts for these income codes or services performed in Canada:

- Annuity payments.
- Investment income.
- Pension payments.
- Pooled registered pension plan payments.
- Registered retirement savings plan payments.
- Retiring allowances.
- Royalty payments.

Nonresident workers and retirees can apply for a lower tax rate based on tax treaties between their country and Canada.

The *Federal Income Tax Non-Resident (FIT-NR) [CAN]* deduction calculates federal income tax for eligible nonresident workers and retirees. Workday calculates federal taxes for nonresidents at 25% unless there's a tax treaty. Workday uses the information in effect as of the pay period end date. The deduction references:

- The worker's country.
- The Income Code that's recorded on the Maintain Worker Tax Treaties task.

When calculating T4A tax within these deductions, Workday excludes workers or retirees whose province of employment is U.S. or Other:

- *Federal Income Tax (FIT T4A) [CAN]*
- *Federal Income Tax (FIT2 T4A Intermediate Calculation Only for Withholding Order DE) [CAN]*
- *Province Income Tax T4A (PIT T4A) [CAN]*
- *Province Income Tax (PIT2 T4A Intermediate Calculation Only for Withholding Order DE) [CAN]*

#### Workday-Delivered Nonresident Pay Component Groups

Workday delivers these nonresident income codes pay component groups (PCGs) you can associate to related earnings for year-end tax reporting:

Pay Component Group	Description
<i>NR Tax Income Code - 29 - Refund of premiums</i>	Amounts related to RRSP refund of premiums.
<i>NR Tax Income Code - 35 - Research and development royalties</i>	Amounts related to research and development royalties.
<i>NR Tax Income Code - 36 - Retiring Allowance</i>	Amounts representing retiring allowance earnings.
<i>NR Tax Income Code - 37 - Retirement compensation arrangements</i>	Amounts for retirement compensation arrangements.
<i>NR Tax Income Code - 39 - Superannuation or pension benefits - Periodic payments</i>	Amounts related to periodic superannuation or pension benefits payments.
<i>NR Tax Income Code - 40 - Superannuation or pension benefits - Lump-sum payments</i>	Amounts for superannuation or pension benefits.

Workday prevents you from selecting these PCGs with a nonresident income code PCG on a pay component:

- Any other nonresident income code PCG
- *Bonus Earnings - Regular [CAN]*
- *Income Taxable (Do Not Withhold Taxes) [CAN]*
- *Income Taxable (Withhold Taxes) [CAN]*
- *Lump Sum Taxable T4 [CAN]*

You can configure these PCGs on an earning with another nonresident income code PCG:

	<ul style="list-style-type: none"> <li>• <i>Income Taxable T4A-RCA [CAN]</i></li> <li>• <i>Lump Sum Taxable T4A [CAN]</i></li> <li>• <i>Lump Sum Taxable T4A-RCA [CAN]</i></li> <li>• <i>Pension Income T4A [CAN]</i></li> </ul>
Reports	These reports include the <i>Federal Income Tax Non-Resident (FIT-NR)</i> amounts within the <i>1a - Canada Revenue Agency Non Resident Tax</i> pay component group: <ul style="list-style-type: none"> <li>• <i>Tax Remittance Summary</i></li> <li>• <i>Tax Remittance Details</i></li> </ul>
Web Services	You can use these withholding elections web services to import and export nonresident federal tax elections: <ul style="list-style-type: none"> <li>• <i>Get Payroll CAN Worker Tax Treaty</i></li> <li>• <i>Put Payroll CAN Worker Tax Treaties</i></li> </ul>
Related Information <b>Tasks</b>	The <i>Get Periodic Company CAN Tax Remittance Data</i> web service includes nonresident tax deductions with the NR Tax Account.

[Set Up Nonresident Tax Treaty Withholding \(CAN\) on page 1399](#)

## Map Earnings and Deductions to Year-End Boxes (CAN)

### Prerequisites

Security: *Set Up: Payroll (Year End) - CAN* in the CAN Payroll functional area.

### Context

Map Canada year-end form boxes to earnings, deductions, and pay-component related calculations. Workday Payroll calculates them and displays them in each section on the forms.

Workday already maps several boxes for you.

### Steps

1. Access the View Canada Year End Form Box Configuration report.
2. Select the relevant form in the Canada Year End Forms field.
3. Click the relevant button for a configurable box:
  - Maintain T4 Box Configuration
  - Maintain T4A Box Configuration
  - Maintain T4A-RCA Box Configuration
  - Maintain RL-1 Box Configuration
  - Maintain RL-2 Box Configuration
4. As you complete the box configuration, consider:

Option	Description
Effective Until End of Year	If you:

Option	Description
	<ul style="list-style-type: none"> <li>Don't select a year, this mapping remains valid indefinitely.</li> <li>Select a year, you must provide a new mapping for subsequent years.</li> </ul>
Calculation	<p>Select all pay components for a given year in the same row. For all boxes except detail reporting codes, Workday sums up pay components in the same row. Workday then reports the total of those pay components on the year-end form in the box you're configuring.</p> <p>Keep all calculations valid for a year-end box in the same row. End date a previous row before adding a new one. Example: You add a new row with a new pay component effective 2020. You end the existing row in 2019, and add the pay components from that row to the new row for 2020.</p> <p>Create calculations as needed, such as one for research grants.</p>
Detail Reporting Code	<ul style="list-style-type: none"> <li>T4 and T4A: This column is available only for Other Information.</li> <li>RL-1: This column is available only for Box O and Additional Information.</li> <li>RL-2: This column is available only for Additional Information.</li> </ul> <p>Select all the pay components valid for the detail reporting code in the same row.</p>

## Result

Once you've completed a payroll, you can view the results of your configuration on these reports and change it if necessary:

- T4 Preview
- T4A Preview
- T4A-RCA Preview
- RL-1 Preview
- RL-2 Preview

You can access the Canada Company Year End Audit report to view company level exceptions.

You can also view the Other Information and Additional Information box details by box code and amount in separate columns with totals. Access these reports:

- T4 Corrections Preview – Other Info
- T4 Preview – Other Info
- T4A Preview – Other Info
- RL-1 Corrections Preview – Additional Info
- RL-1 Preview – Additional Info
- RL-2 Preview – Additional Info
- View T4 Form Data – Other Info
- View T4A Form Data - Other Info

- View RL-1 Form Data – Additional Info
- View RL-2 Form Data - Additional Info

### **Box O and Additional Info (RL-1)**

#### Multiple Calculations

You've created a *Research Grants [CAN]* calculation for your company. You configure multiple calculations for Box O and 1 or more calculations for Additional Info:

Payroll Year End Form Box	Calculation	Detail Reporting Code
O	<i>Retiring Allowances [CAN]</i> <i>Research Grants [CAN]</i>	<i>RJ - Retiring allowance (including an amount paid for the loss of employment)</i> <i>RC - Research grants</i>
Additional Info	<i>Basic Life - Standard Life - ER [CAN]</i> <i>Canada Pension Plan (CPP) [CAN]</i>	<i>A-1 - Employee benefit plan</i> <i>B-1 - CPP contribution</i>

The value of the pay components you configured are:

- Retiring allowance = 10,000
- Research grants = 5,000
- Basic life insurance = 1,400.48
- CPP contribution = 456

Workday lists the amounts for Box O and Additional Info in the Additional Info box on the RL-1.

RL-1 Box	Code	Amount	Explanation
O - Other income not included in box A		15,000 CAD	What you configured for Box O. For multiple Box O amounts, the RL-1 displays the aggregated amount.

RL-1 Box	Code	Amount	Explanation
Code (case O)	RZ		What you configured for Box O.  For multiple Box O amounts, the RL-1 displays code RZ (amount derived from more than 1 source). Code RZ identifies it as having multiple calculations.
Additional Info	RZ-RJ	10,000 CAD	What you configured for Box O.
Additional Info	RZ-RC	5,000 CAD	What you configured for Box O.
Additional Info	Box A-1	1400.48 CAD	What you configured for Additional Info.
Additional Info	Box B-1	456.00 CAD	What you configured for Additional Info.

## Related Information

### Tasks

[Steps: Set Up, Audit, and Print Year-End Tax Forms \(CAN\) on page 989](#)

[Steps: Set Up, Audit, and Print Year-End Corrections \(CAN\) on page 1003](#)

[Steps: Set Up RPP and DPSP Registration Number Configuration on page 1395](#)

### Reference

[Reference: Year-End Form Box Mappings \(CAN\) on page 1407](#)

## Concept: Taxable Pension Income

Workday provides calculation elements to help you prepare pension income taxable calculations. They enable you to ensure amounts are on the correct pay component related calculation (PCRC) before year end.

### Pay Component Groups

Use these Workday-delivered pay component groups to return numeric values for specific earnings reported with the appropriate tax calculation:

- *Pension Income RL-2*
- *Pension Income T4A*

Validations on the new pay component groups ensure that you don't enable combinations such as pension and bonus.

### PCRCs

These Workday-delivered PCRCs are available:

- *Exempt Wages RL-2*
- *Exempt Wages T4A*
- *Regular Tax RL-2*
- *Regular Tax T4A*
- *Subject Wages RL-2*
- *Subject Wages T4A*
- *Taxable Wages RL-2*
- *Taxable Wages T4A*

### Pension Wages for Tax Calculation

Workday references the Pension Wages for Tax Calculation value on the View Payroll Tax/Allowance Data report to determine whether to launch the pension wages tax calculation for federal, provincial, and Quebec income tax.

Related Information

#### Tasks

[Steps: Create Earnings](#) on page 229

## Reference: View Tax Authority Data (CAN)

These reports display the federal and provincial tax data Workday uses to calculate payroll taxes. Workday automatically updates tax data in response to changes made by tax authorities.

Report	Description
View Payroll Tax Authority	<p>Specifies federal, state, local, or all tax authorities by:</p> <ul style="list-style-type: none"> <li>• Start date.</li> <li>• Valid and default marital statuses.</li> <li>• Default allowances.</li> <li>• Valid and default supplemental tax methods.</li> </ul> <p>Workday displays the Compliance Updates tab if the tax authority you select has any compliance updates (since 2014/12/05).</p>

Report	Description
View Payroll Tax/Allowance Data	Provides tax authority values, limits, calculation methods, and rates or amounts for individual tax authorities (federal or province).
All Payroll Tax Allowance Data	Workday displays the Compliance Updates tab if the tax authority you select has any compliance updates (since 2014/08/01). Provides information defining all pay components for all tax authorities (federal and province), including:
All Payroll Tax Data	<ul style="list-style-type: none"> <li>• Start date.</li> <li>• Type (such as, reduces taxable wages or reduces calculated tax).</li> <li>• Description.</li> <li>• Calculation method.</li> <li>• Flat tax rate or flat deduction amount.</li> <li>• Wages to compare against table base/cap amounts.</li> </ul>
Payroll Authority Minimum Wages	<p>Displays the:</p> <ul style="list-style-type: none"> <li>• Calculation values.</li> <li>• Limits.</li> <li>• Calculation methods.</li> <li>• Rates or amounts for the tax authorities (federal or province).</li> <li>• Tax deduction combinations that you select.</li> </ul>
All Payroll Authority Minimum Wages	<p>The start date reflects the most recent changes. Displays the minimum wages for the specified province since 2010.</p> <p>Workday displays the Compliance Updates tab if the tax authority you select has any compliance updates (since 2014/12/05).</p> <p>Displays the minimum wage for all provinces since 2010 in one scrollable table.</p>

## Reference: Year-End Form Box Mappings (CAN)

Workday maps federal and provincial taxable earnings and tax withholding deductions to some boxes on these forms:

- T4
- T4A
- T4A-RCA
- RL-1
- RL-2
- NR4

Map earnings, deductions, and pay component-related calculations to the other boxes on the forms.

Workday then calculates earnings and deductions and displays them in each section of the forms. Use the View Canada Year End Form Box Configuration report to set up and maintain box configurations.

When you select Preferred on the General Name Display Type on the Edit Tenant Setup - System task, Workday still uses the legal name on year-end forms.

## T4 Boxes

Workday maps these boxes:

- Employer's name
- Employee's name and address
- Year
- 10 - Province of employment
- 12 - Social insurance number
- 14 - Employment income
- 16 - Employee's CPP contributions
- 16A - Employee's second CPP contributions
- 17 - Employee's QPP contributions
- 17A - Employee's second QPP contributions
- 18 - Employee's EI premiums
- 22 - Income tax deducted
- 24 - EI insurable earnings
- 26 - CPP/QPP pensionable earnings
- 28 - Exempt - CPP/QPP
- 28 - Exempt - EI
- 28 - Exempt - PPIP
- 29 - Employment code
- 45 - Employer-offered dental benefits
- 50 - RPP or DPSP registration number
- 54 - Payroll account number
- 55 - Employee's PPIP premiums
- 56 - PPIP insurable earnings

Workday maps Box 10 (Province of Employment) from the worker's payroll result. You can verify the worker's work address using these reports:

- Work Contact Information for Worker. Security: *Person Data: Work Contact Information* in the Contact Information functional area.
- Report Worker Province of Employment and Location. Security: *Worker Data: Payroll (Company Specific)* - CAN domain in the CAN Payroll functional area.

Workday includes all codes applicable to Box 29 (Employment code).

Map these boxes:

- 20 - RPP contributions
- 44 - Union dues
- 46 - Charitable donations
- 52 - Pension adjustment
- Other Information

## T4A Boxes

Workday maps these boxes:

- Payer's Name
- Recipient's name and address
- Year
- 012 - Social insurance number
- 015 - Payer-offered dental benefits

This box is optional. To report a value in Box 016, you must complete this box.

- 022 - Income tax deducted
- 061 - Payer's account number

Map these boxes:

- 016 - Pension or superannuation
- 018 - Lump-sum payments
- 020 - Self-employed commissions
- 024 - Annuities
- 048 - Fees for services
- Other Information

### **T4A-RCA Boxes**

Workday maps these boxes:

- Year
- Recipient's name and address
- 24 - Social insurance number
- Name of the Custodian or Person who bought an interest in the RCA
- 22 - Income tax deducted
- 61 - Payroll Account Number

Map these boxes:

- 12 - Refund of employer contributions
- 14 - Refund of employee contributions
- 16 - Distributions
- 17 - Distributions eligible for pension income splitting
- 18 - Selling price of an interest in the RCA
- 20 - Other amounts

### **RL-1 Boxes**

Workday maps these boxes:

- Year
- RL-1 Slip Code
- Number of last form transmitted
- Last name, first name, and address of the employee
- Social insurance number
- Name and address of the employer or the payee
- A - Employment income before source deductions
- B - Quebec Pension Plan (QPP) contribution
- C - Employment insurance premium
- E - Quebec income tax withheld at source
- G - Pensionable salary or wages under the Quebec Pension Plan (QPP)
- H - Quebec parental insurance plan (QPIP) premium
- I - Eligible salary or wages under the Québec parental insurance plan (QPIP)
- Code (case O) Amount
- Codes for Additional Info

You map these boxes:

- D - Registered Pension Plan (RPP) contribution
- F - Union dues
- J - Amount paid by the employer to a private health services plan

- K - Trips made by a resident of a designated remote area
- L - Other benefits
- M - Commissions included in the amount in box A or box R
- N - Charitable donations and gifts
- O - Other income not included in box A
- P - Contribution to a multi-employer insurance plan
- Q - Deferred salary or wages
- R - Income paid to an Indian and situated on a reserve or premises
- S - Tips not included in box T
- T - Tips allocated by the employer
- U - Amount deemed, under a phased retirement arrangement
- V - Meals and lodging
- W - Use of a motor vehicle for personal purposes
- Additional Info - Example: A-1 Income situated on a reserve or premises.

## RL-2 Boxes

Workday maps these boxes:

- Year
- RL slip code
- Number of last form transmitted
- Last name, first name, and address
- Social insurance number of the individual
- Name and address of the employer or payer
- Box J - Quebec income tax withheld at source
- Box N - Social insurance number of the contributor spouse (RRSP or RRIF)

Map these boxes:

- Source of Income.
- A - Payments from a registered pension plan
- B - Payments under an RRSP, RRIF, DPSP, PRPP, VRSP or Annuities
- C - Other Payments
- D - Refund of RRSP premiums paid to the surviving spouse
- E - Benefit deemed to have been received at the time of death (RRSP, RRIF, PRPP or VRSP)
- F - Refund of unused contributions (RRSP, PRPP or VRSP)
- G - Amount that is taxable because of the revocation of the registration of an RRSP or RRIF
- H - Other Income (RRSP or RRIF)
- I - Amount giving entitlement to a deduction (RRSP or RRIF)
- K - Income earned after death (RRSP, RRIF, PRPP or VRSP)
- L - Withdrawal under the LLP
- M - Tax paid amounts
- O - Withdrawal under the HBP
- Additional Info: A-1 - Income situated on a reserve or premises.

## NR4 Forms

Workday maps all NR4 form boxes:

- 10 - Year
- 11 - Recipient Code
- 12 - Country Code for tax purposes
- Payer or agent identification number

- Non-resident recipient's name and address
- Country code
- 13 - Foreign or Canadian tax identification number
- Name and address of payer or agent
- Non-resident account number
- 14/24 - Income code
- 15/25 - Currency code
- 16/26 - Gross income
- 17/27 - Non-resident tax withheld
- 18/28 - Exemption code

### **Other Information Box Details**

You can view the Other Information box details by box code, amount, and totals on these reports:

- T4 Corrections Preview – Other Info
- T4 Preview – Other Info
- T4A Preview – Other Info
- View T4 Form Data – Other Info
- View T4A Form Data - Other Info

### **Additional Information Box Details**

You can view Additional Information box details by box code, amount, and totals on these reports:

- RL-1 Corrections Preview – Additional Info
- RL-2 Corrections Preview - Additional Info
- RL-1 Preview – Additional Info
- RL-2 Preview – Additional Info
- View RL-1 Form Data – Additional Info
- View RL-2 Form Data - Additional Info

Related Information

#### **Tasks**

[Map Earnings and Deductions to Year-End Boxes \(CAN\)](#) on page 1402

## **FAQ: Setup Taxes (CAN)**

How do I configure taxes for a remote worker who physically works in a province that is different than their province of employment for tax purposes?

To configure a worker who physically works in a province that is different than their province of employment for tax purposes:

- Verify the Location field on the worker's position displays their physical location. The position location determines which province calculates workers compensation and statutory holiday.
- Use the Change Work Contact Information task and set the Alternate Work Location to the province that taxes the worker. Take this action if the tax province is different from their physical location, according to Canada Revenue Agency (CRA) guidelines.

See: [Which provincial or territorial tax tables you should use.](#)

Example: A remote worker works from home in British Columbia where there's no physical work location. After reviewing Canada Revenue Agency (CRA) guidelines, you determine that Ontario is the worker's province of employment. For this worker, the position Location province is British Columbia and the Alternate Work Location is Ontario. Taxes (FIT/PIT, CPP, EI, ONEHT) calculate for Ontario. Workers compensation benefits calculate for British Columbia.

#### Related Information

##### Tasks

[Steps: Set Up Payroll Taxes \(CAN\)](#) on page 1377

## Worker Tax Elections (CAN)

### Add Worker Federal Tax Elections (CAN)

#### Prerequisites

Define company elections for federal and provincial taxes.

Verify that the worker has:

- An assigned company.
- An assigned pay group.
- A valid work and primary home address in Canada.

Security: *Worker Data: Payroll (Company Specific)* - CAN domain in the CAN Payroll functional area.

#### Context

Enter federal tax elections for an employee when they submit a TD1 or TD1X instead of using self-service. If a worker works in more than 1 company, enter a separate set of tax elections for each company.

Only 1 set of elections can be in effect at a time. When calculating payroll for an employee, Workday uses the tax elections in effect on the payment date.

#### Steps

1. Access the Add Worker CAN Tax Elections task and select the worker.

When there are existing worker tax elections, you can view them by selecting:

- Current Elections
- All Elections

As you complete this task, consider:

Field	Description
Company	<p>Displays the company the employee is in on the Effective Date.</p> <p>When the employee has a future hire date, is terminated, or has positions in multiple companies on the Effective Date, select the company.</p>

Field	Description
	Accept the default company displayed, or choose one or more companies from the list.
Work Province	<p>Displays the province for primary work address, if it exists. Otherwise, it displays the province for the primary position business location.</p> <p>When the worker works in the U.S., Work Province automatically populates to <i>United States</i>. When the worker works in any other country outside of Canada, Work Province automatically populates to <i>Other</i>.</p> <p>To enter future tax elections for another province, select the appropriate effective date and province. Example: If the employee is moving to another province, you can enter the tax elections for that province in advance.</p>

- Enter worker tax elections on the Federal tab, recording information from the form TD Personal Tax Credits Return.

## TD1

Field	Description
Basic Personal Amount	Workday calculates the amount based on the Effective Date.
Total Claim Amount	Workday calculates the amount. If you select More than One Employer or Payer at the Same Time, Workday sets it to zero.
Non-Resident	Select to identify the worker as a nonresident for FIT taxes and set the Basic Personal Amount to zero.

## TD1X

Enter the employee-provided TD1X Statement of Commission Income and Expenses for Payroll Tax Deductions.

Field	Description
Inactive	Workers can deactivate elections anytime during the year.

Field	Description
Estimated Annual Net Commission Income	Calculated from the estimated Commission, Salary or Wages, and Commission Expenses.
Estimated Annual Pension / Retirement Deduction	Although Estimated Annual Pension / Retirement Deduction isn't on the federal TD1X form, Workday uses it in the tax calculation.

You can provide this information and configure commission earnings for the *Income Taxable (Withhold Taxes) [CAN]* PCG. When configured, Workday uses the commission tax calculation instead of the regular periodic pay calculation.

For more information about the commission tax calculation, see the View Payroll Tax/Allowance Data report for *Federal Income Tax (FIT) [CAN]*.

#### Federal Annual Values for Payments in the Effective Year

Enter the next payroll payment date as the Effective Date. Workday annualizes the amount and calculates the values for the remaining periods in the year. Federal annual values only impact the tax calculation for payments within the effective year. If the tax election is valid for more than one year, enter a separate row and effective date per year.

Field	Description
Annual Deductions	The authorized amount for costs not deducted from the salary. Might include costs such as childcare, alimony, or maintenance payments.
Annual Tax Credits	The authorized amount for costs such as medical expenses and charitable donations.
Labour-Sponsored Funds	View only. Total amount the worker paid to purchase approved shares of capital stock in a

Field	Description
	<p>labour-sponsored venture capital corporation.</p> <p>Add the Labour-Sponsored Funds (LCF/LCP) pay component group to your deductions to calculate the applicable federal tax credit. This credit is based on the amount withheld for the pay period, while respecting the annual credit limit.</p>

#### Estimated Annual Lump Sum Wages

Field	Description
Inactive	Select when you don't require Estimated Lump Sum.
Estimated Annual Lump Sum	<p>Workday bases taxes on the expected lump sum wages for the calendar year.</p> <p>Outside Quebec, Workday uses the aggregate of the lump sum wages to determine the tax rate of the lump sum when:</p> <ul style="list-style-type: none"> <li>• A worker has earnings that are a combination of T4 and T4A lump sum payment types on their pay results.</li> <li>• You haven't provided an Estimated Annual Lump Sum.</li> </ul>

## Bonus - Regular Taxable Wages Override

Field	Description
Inactive	<p>Inactivate this election once the worker receives a regular wages payment or once you no longer need it.</p>
Bonus - Regular Taxable Wages Override	<p>Enter an override amount for Workday to use instead of a regular taxable wage for a worker who's never received a regular wages payment through Workday.</p> <p>To calculate tax withholding for a regular bonus for an employee on leave for whom Workday hasn't yet processed payroll:</p> <ul style="list-style-type: none"> <li>a. Enter the bonus as pay input.</li> <li>b. Enter pay input for the worker for the same pay period.</li> <li>c. Mark it as a Special Entry.</li> <li>d. Assign the Pay Component <i>Federal Income Tax (FIT) [CAN]</i></li> <li>e. In the Input Details section, select <i>Bonus - Regular Taxable Wages Override</i> in the Type field.</li> <li>f. Enter the gross amount typically paid to the worker for a pay period for Workday to</li> </ul>

Field	Description
	<p>use as the tax basis.</p> <p>g. For a Quebec worker, repeat the steps for the pay component <i>Province Income Tax (QC-PIT) [CAN]</i>.</p> <p>Example: For a worker making 78,000 CAD annually and paid biweekly, select <i>Bonus - Regular Taxable Wages Override</i> and enter 3,000 CAD. Workday uses the 3,000 CAD solely to determine how to tax the bonus and doesn't pay that amount to the worker.</p> <p>To report on the Annual Taxable Income for Bonus Calculation for a regular on-cycle or completed payroll result, use the <i>Annual Taxable Income for Bonus Calculation</i> related calculation.</p>

Federal (FIT)

Specify whether the employee is exempt from the federal income tax. The effective date determines the number of months that are subject to taxation.

Employment Insurance (EI)

Specify if the employee is exempt from the employment insurance premium. The effective date determines the number of months that are subject to taxation.

Canada Pension Plan (CPP) / Quebec Pension Plan (QPP)

Specify if the employee is exempt from pension plan withholding and the reason for the exemption. The effective date determines the number of months that are subject to taxation.

Canada Pension Plan Second Contribution (CPP2)/Quebec Pension Plan Second Contribution (QPP2)

Specify if the employee is exempt from additional contributions to the Canada and Quebec pension plans and the reason for the exemption. The effective date determines the number of months that are subject to taxation.

RPP or DPSP Registration Numbers

Only displays when you:

- Enter an effective date on or before 2020-12-31.
- Didn't enable RPP or DPSP configuration for 2020 on the Edit Tenant Setup - Payroll task.

See: [Steps: Set Up RPP and DPSP Registration Number Configuration](#) on page 1395.

Detached Employee - US - United States employment

For detached employees working in the USA, select an Employment Code Election:

- *16 - Detached employee - Social Security Agreement*

When selected, Workday reports code 16 in Box 29 of the T4 for employees whose province is USA.

- *No Social Security Agreement*

Detached Employee - ZZ - Other Countries employment

For detached employees working in countries besides the USA, select an Employment Code Election:

- *16 - Detached employee - Social Security Agreement*

When selected, Workday reports code 16 in Box 29 of the T4 for employees whose province is ZZ (Other).

- *No Social Security Agreement*

T4 - Box 29 - Employment Code

Select the Employment Code Election to report in Box 29 of the T4 year-end form for the worker. Example: For a worker who withdraws from a deferral plan, you select *14 - Withdrawal from a prescribed salary deferral arrangement plan*. The worker's province isn't USA or ZZ (Other) so Workday reports code 14 in Box 29 of their T4. Box 14 reports zero.

TD1-IN Exemption Percent

Enter the Percent Exempt. If the TD1-IN election is no longer required for the worker, enter a new election and select the Inactive check box.

## Next Steps

Add worker Province tax elections.

You can view a worker's tax elections with these reports:

- Worker CAN Tax Elections
- Payee T1 Withholding Election

- Worker TD1X Tax Elections

To correct a worker's tax elections, access the Worker CAN Tax Elections report. In the first column, select Worker Tax Election > Edit from the related actions menu.

If a worker changes companies, enter the worker's tax elections for the new company.

#### Related Information

##### **Tasks**

[Steps: Set Up Payroll Taxes \(CAN\)](#) on page 1377

## Add Worker Province Tax Elections (CAN)

### Prerequisites

Security: *Worker Data: Payroll (Company Specific)* - CAN domain in the CAN Payroll functional area.

### Context

Enter provincial tax elections for an employee when the worker submits a TD1 or TD1X instead of using self-service. If a worker works in more than 1 company, enter a separate set of tax elections for each company.

Only 1 set of elections can be in effect at a time. When calculating payroll for an employee, Workday uses the tax elections in effect on the payment date.

### Steps

1. Access the Add Worker CAN Tax Elections.

When there are existing worker tax elections, you can view them by selecting:

- Current Elections
- All Elections

2. Access the Province tab.

As you complete this tab, consider:

TD1

Enter TD1 information provided by the employee.

Field	Description
Basic Personal Amount	The default amount based on the Effective Date.
Total Claim Amount	Workday sets the Total Claim Amount to zero if you select More than One Employer or Payer at the Same Time.

TD1X

Quebec is the only province that requires provincial commissions and expenses election in addition to the federal election.

Field	Description
Inactive	Workers can inactivate elections at any time during the year.
Estimated Annual Net Commission Income	Workday-supplied information when you enter the Effective Date, estimated Annual Wages, Gross Commissions, and Expenses Related to Commissions.
Percentage of Commissions	<p>Estimated Annual Net Commission Income / Gross Commissions</p> <p>Used to determine the percentage of periodic commission to include in the Quebec regular income tax calculation.</p> <p>Example: The worker's Estimated Annual Net Commission Income can be 80% of their Gross Commissions.</p>

Workday uses the commission tax calculation for Quebec when you provide this information and configure earnings for these pay component groups:

- *Quebec Taxable (Withhold Taxes) [CAN]*
- *Quebec Commission Earnings [CAN]*

You can use these web services to enter and retrieve workers' commission elections for Quebec:

- *Put Payroll Payee PTDIX*
- *Get Payroll Payee PTDIX*

#### Province Annual Values for Payments in the Effective Year

Province annual values will only impact the tax calculation for payments within the effective year. If the tax election is valid for more than 1 year, enter a separate row and effective date per year.

Field	Description
Annual Deductions (Quebec only)	The authorized amount for costs not deducted from salary, such as childcare, alimony, or maintenance payments.
Annual Tax Credits	The authorized amount for costs such as medical expenses and charitable donations.
Labour-Sponsored Funds (Not applicable to Quebec)	<p>View only. Total amount the worker paid to purchase approved shares of capital stock in a labour-sponsored venture capital corporation.</p> <p>View only. Add the Labour-Sponsored Funds (LCF/LCP) pay component group to your deductions to calculate the applicable provincial tax credit. This credit is based on the amount withheld for the pay period, while respecting the annual credit limit.</p>

#### Estimated Annual Lump Sum Wages

Field	Description
Effective Date	Automatically populates to the current date.
Inactive	Select if the Estimated Lump Sum isn't applicable.
Province	Quebec only.
Estimated Annual Lump Sum	Workday bases the taxes on the expected lump sum.

Field	Description
	sum wages for the calendar year.

### Quebec Tax Elections

These tax election grids only display for Quebec province. Specify if the employee is exempt from any of these taxes:

- *Quebec Parental Insurance Plan*
- *Quebec Compensation Tax*
- *Quebec Health Services Fund*
- *Workforce Skills Development and Recognition Fund*
- *Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNEST)*

### Province Workers Compensation

To exempt an employee from workers compensation, select Exempt. Employees can't select the exempt status through ESS.

### Province (PIT)

Specify if the employee is exempt from PIT.

### Year End RL-2 Reporting

Select the Spouse Receiving Payments check box, if applicable. When selected, Workday populates the worker's Social Insurance Number (SIN) in the spouse box on the RL-2 form.

3. The Other tab displays if there are workers in the Northwest Territories or Nunavut. For employees not required to pay the tax, if you set up Province Payroll Tax and at least 1 worker location:

- Enter an Effective Date.
- Select the Exempt check box for the Province Payroll Tax Election.

## Next Steps

You can view a worker's tax elections with these reports:

- Worker CAN Tax Elections
- Payee T1 Withholding Election

To correct a worker's tax elections, access the Worker CAN Tax Elections report. In the first column, select Worker Tax Election > Edit from the related actions menu.

If a worker changes companies, enter the worker's tax elections for the new company.

## Related Information

### Tasks

[Steps: Set Up Payroll Taxes \(CAN\)](#) on page 1377

[Set Up Province Payroll Tax for Northwest Territories and Nunavut \(CAN\)](#) on page 1388

[Steps: Set Up Workers Compensation \(CAN\)](#) on page 1391

## Concept: Worker Tax Elections (CAN)

### Tax Calculations

Only 1 set of tax elections can be in effect at a time. When calculating payroll for an employee, Workday uses the tax elections in effect for the payroll processing company and province on the payment date.

	<p>When a worker is missing tax elections, Workday calculates tax deductions based on amounts (set by the Canada Revenue Agency) that are in effect on the payment date.</p> <p>If a worker changes companies, you must enter the worker's tax elections for the new company.</p> <p>If permitted, Workday uses an index calculation to determine the total claim amount when the employee has:</p> <ul style="list-style-type: none"> <li>• A form TD1 Personal Tax Credits Return for the previous tax year.</li> <li>• No current withholding instructions.</li> </ul>
Tax Elections	<p>Federal and provincial annual tax elections</p> <p>Workday calculates the federal and provincial annual value tax elections for payments during the effective date year. Workday doesn't consider them in the tax calculation for the subsequent year. This process reduces your need to stop the tax election the next year manually for letters of authority.</p>
Future-Dated Tax Elections	<p>To enter future tax elections for another province, select the appropriate effective date and province. Example: If the employee is moving to another province, you can enter the tax elections for that province in advance.</p>
Correcting Tax Elections	<p>To correct a worker's tax elections, access the Worker CAN Tax Elections report. In the first column, select Worker Tax Election &gt; Edit from the related actions menu.</p>
Employee Self-Service Tax Elections	<p>For security, Workday automatically masks workers' Social Insurance Numbers (SINs) on all tax withholding elections. On the Edit Tenant Setup - Payroll task, you can select USA and CAN ESS Withholding Elections &gt; Display National ID to display all worker SINs. Workers can use the related action from their profile page Personal Data &gt; View My ID Information &gt; Verify National ID to validate their SIN. To validate their SIN, they require access to the <i>Self Service: Verify National ID</i> domain in the Personal Data functional area.</p> <p>To enable employees to add their own tax withholding elections, set up these business processes (secured to the CAN Payroll functional area) and their security policies:</p> <ul style="list-style-type: none"> <li>• <i>Complete Federal Withholding Elections</i></li> <li>• <i>Complete Province Withholding Elections</i></li> <li>• <i>Complete Federal Commissions and Expenses Withholding Elections</i></li> <li>• <i>Complete Quebec Commissions and Expenses Withholding Elections</i></li> </ul>

They're available as a subprocess of the *Onboarding* business process.

To add a tax election for the first time, employees can access the Withholding Elections report. To update existing elections, employees can select the Update button on the Federal Elections and Province Elections tabs, either from the report or from their worker profile. They can also add or edit federal and provincial TD1 tax elections using Workday on Android, iPad, and iPhone.

Employees can use these ESS tasks to enter their TD1X and TP-1015.R.13.1 elections:

- Complete Federal Commissions and Expenses Withholding Elections
- Complete Quebec Commissions and Expenses Withholding Elections

Workday doesn't support employee self-service tax elections for workers on international assignment in Canada.

## Tax Election Reports

You can view worker tax elections with these reports:

- Worker CAN Tax Elections
- Payee T1 Withholding Election

## Related Information

### Examples

[Steps: Set Up Employee Self-Service](#)

## Withholding Orders (CAN)

### Setup Considerations: Income Withholding Orders (CAN)

You can use this topic to help make decisions when planning your configuration and use of Canadian income withholding orders (also known as garnishments). 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

Workday enables you to process these types of income withholding orders using rules that follow provincial and federal legislation:

- Family maintenance.
- Federal tax levies and provincial tax levies.
- Garnishments.

- Wage assignment.

## Business Benefits

Workday makes it easy to comply with withholding order requirements by:

- Determining the amount to withhold from the employee's disposable earnings, including arrears and any agency and employer fees.
- Applying withholding limits and setting priorities for what to withhold.
- Updating the withholding order calculation rules in accordance with federal and provincial changes. Example: The yearly update Quebec makes to their withholding rules.
- Providing visibility into the calculation rules that Workday uses to calculate withholding orders, by tax authority and withholding order type.
- Providing Workday-delivered statutory pay components for each withholding type.
- Dynamically displaying the required fields for each type of withholding order you record.
- Beginning automatic deductions during payroll processing once you record the withholding order.
- Calculating multiple withholding orders based on the rules for that order type and province.
- Aggregating withholding order amounts to avoid exceeding limits for a type of withholding order.

You can also attach a document to the income withholding order in Workday, such as the issued order. The attachment eliminates the need for paper and provides the flexibility for multiple payroll administrators to view the issued order.

## Use Cases

- Payroll administrators can view active and inactive withholding orders directly from the worker's profile.
- For employees that have multiple withholding orders and the amount to withhold exceeds the maximum withholding limit, Workday uses statutory rules to calculate what to withhold for each order.
- Workday enables you to override withholding order priority when a worker has multiple withholding orders. The override enables you to change the order in which they're processed.

## Questions to Consider

Questions	Considerations
Does the worker have past due amounts?	When recording a family maintenance order for a worker, you can enter the past due amount. In the order details, record the current child or spouse support and the past due child or spousal support amounts. Workday calculates the max amount that's available to withhold, and limits the deduction to that amount.
For workers with multiple withholding orders, which one is of higher priority?	When a worker has multiple income withholding orders (IWOs), Workday assigns a processing priority to each order. The priority is based on the rules of the issuing agencies. You can override this priority from the related actions of the withholding order as needed.

## Recommendations

If necessary, ensure that withholding orders are valid by contacting the issuing court or agency.

Notify the worker of the order, and ensure they understand how it will affect their net pay.

## Requirements

Load active withholding orders for the employees into Workday.

## Limitations

Workers can't view their withholding orders in Workday.

You can't delete withholding orders Workday has calculated as part of a payroll, even if the payroll calculation isn't complete yet. You can deactivate the order instead.

Workday doesn't support income withholding orders for workers in international assignments.

## Tenant Setup

(Optional) Define IDs for deduction recipients that Workday will use during processing and with integrations on the Edit Tenant Setup - Financials task.

## Security

Domains	
<i>Worker Data: Payroll (Income Withholding Orders)</i> in the Core Payroll functional area.	Enables you to record information for a third-party deduction recipient in Workday, and view orders by worker.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	Enables you to set up pay component groups to calculate disposable income.
<i>Worker Data: Payroll (Income Withholding Orders) - CAN</i> in the CAN Payroll functional area.	Enables you to record and view Canadian income withholding orders.
<i>Worker Data: Payroll (Income Withholding Orders)</i> in the Core Payroll functional area.	Enables you to override withholding order priority for workers that have multiple IWOs.
<i>Reports: Pay Calculation Results for Pay Group (Results) - CAN</i> in the CAN Payroll functional area.	Enables you to review payroll results, where you can audit withholding order results.
<i>Set Up: Payroll (Income Withholding Orders)</i> in the Core Payroll functional area.	Enables you to view payroll withholding order data and allocation.

## Business Processes

No impact.

## Reporting

Reports	Considerations
All Payroll Withholding Order Data	Displays the calculation rules of Workday for calculating withholding orders, by tax authority and order type. Includes information on: <ul style="list-style-type: none"> <li>• Withholding limits.</li> <li>• Calculation methods.</li> <li>• Prioritization.</li> </ul>
View Payroll Withholding Order Data	Displays an overview of the withholding order information that Workday maintains, such as: <ul style="list-style-type: none"> <li>• Calculation rules, as-of a date.</li> </ul>

Reports	Considerations
	<ul style="list-style-type: none"> <li>• Compliance updates by country and IWO type.</li> </ul>
Withholding Orders for Worker	Enables you to edit, delete, change the processing priority, and view deduction history of a withholding order.
Pay Calculation Results - Deduction Register	View withholding order deductions in one or more periods, pay run groups, or pay groups.

You can create custom reports from these report data sources:

- *All Payroll Withholding Order Tax Authority Rules*
- *All Withholding Orders*

## Integrations

You can use these web services when creating a custom integration for garnishment processing to or from a third-party application:

- *Put Payroll Deduction Recipient* loads deduction recipient information into Workday.
- *Get Payroll Deduction Recipients* retrieves information from Workday.

These web services enable you to enter Canada withholding orders into Workday, and retrieve them from Workday:

- *Put Canada Income Withholding Order*
- *Get Canada Income Withholding Orders*

## Connections and Touchpoints

Create and set up bank accounts to pay third-party deduction recipients.

Record a *Business Number* tax ID for the worker's company.

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.

## Other Impacts

No impact.

Related Information

### Concepts

[Concept: Payroll Third-Party Payments](#) on page 772

### Tasks

[Create a Payment for an Income Withholding Order or Court Order](#) on page 780

## Steps: Set Up Withholding Orders (CAN)

### Prerequisites

Review setup considerations for income withholding orders (IWOs).

### Context

You can use Workday-delivered rules to process these types of IWOs:

- Family maintenance.
- Federal tax levies and provincial tax levies.

- Garnishments.
- Wage assignment.

Based on provincial and federal law, Workday:

- Determines the amount to withhold from the employee's disposable earnings, including arrears and any agency and employer fees.
- Applies withholding limits and sets priorities for what to withhold.
- Determines statutory rules to determine what to withhold for each order, when an employee has multiple orders and the amount to withhold exceeds the limit.
- Dynamically displays the required fields for each type of withholding order you record.

You can configure a withholding order to be tax deductible for most order types. You can run the All Payroll Withholding Order Data report to view the limits Workday applies on each type of withholding order.

## Steps

1. Set Up Pay Component Groups to Calculate Disposable Income (CAN) on page 1428.
  2. Create Deduction Recipient on page 239.
  3. Record an IWO.
    - Record a Family Maintenance Withholding Order (CAN) on page 1429.
    - Record a Garnishment Withholding Order (CAN) on page 1434.
    - Record a Federal or Province Tax Levy Withholding Order (CAN) on page 1438.
    - Record a Wage Assignment Withholding Order (CAN) on page 1441.
  4. Calculate payroll and review the results to ensure that Workday withholds the correct deduction and fee amounts.
- See Steps: Process Payroll on page 644.

## Next Steps

- You can override the default processing order that Workday assigns according to federal and provincial rules.
- Withholding Order > Delete related action.
- You can view compliance updates (since 2014-08-01) for the withholding order type you select on the Payroll Compliance Updates tab on the View Payroll Withholding Order Data report.

## Set Up Pay Component Groups to Calculate Disposable Income (CAN)

### Prerequisites

Create any earnings and nonstatutory deductions you need to calculate disposable income.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

Before processing withholding orders, you can add the earnings and nonstatutory deductions that you created to the pay component groups Workday uses to calculate disposable income. Workday then uses the rules for the order type to decide which pay component groups to resolve during payroll processing.

You don't need to define statutory deductions or pay component groups for federal, provincial, and territorial taxes. Workday provides these definitions and automatically excludes them from disposable income calculations as required by law. You can run the All Payroll Withholding Order Data report for an overview of the information that Workday maintains.

## Steps

1. Access the Edit Earning task for earnings you created to calculate disposable income.
2. Add the *Withholding Order (All): Periodic and Lump Sum Earnings Canada [CAN]* pay component group to the Groups section on the Non-Effective Dated tab.
3. Access the Edit Deduction task for nonstatutory deductions you created to calculate disposable income.
4. Add the appropriate pay component groups to the Groups section on the Non-Effective Dated tab:
  - *Withholding Order (All): Compulsory Retirement Plan [CAN]*
  - *Withholding Order (All): Union Dues [CAN]*
  - *Withholding Order (All): Employee Paid Premium Deductions [CAN]*
  - *Withholding Order (All): Deductions (Canada) [CAN]*
5. Access the Edit Pay Accumulation task.
6. Select the Net pay accumulation for each run category that you've created.
7. Add the *Withholding Order (All): Deductions Canada [CAN]* pay component group to the Deductions field on the Subtract from Pay Accumulation section.

## Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

[Steps: Create Deductions](#) on page 234

## FAQ: Withholding Orders (CAN)

The questions in this topic are applicable only to Payroll for Canada. To view withholding order FAQs for Payroll for France or the U.S., see:

- [FAQ: Withholding Orders \(FRA\)](#)
- [FAQ: Withholding Orders \(USA\)](#)

What happens if an employee doesn't have enough wages to cover a withholding payment?

Workday follows statutory rules to determine what to withhold for each order. You can override the priority defaults for most order types.

Can I purge withholding order data?

You can purge all withholding order attachments for any type of worker with the Purge Person Data task.

How can I find out what limits Workday sets for a type of withholding order?

Access the All Payroll Withholding Order Data report and filter on the Payroll Tax Authority and Pay Component.

To ensure that Workday doesn't exceed limits, Workday aggregates withholding order amounts.

## Record a Family Maintenance Withholding Order (CAN)

### Prerequisites

Record a *Business Number* tax ID for the worker's company.

Security: *Worker Data: Payroll (Income Withholding Orders)* - CAN domain in the CAN Payroll functional area.

### Context

You can record a family maintenance withholding order to begin automatic deductions during payroll processing.

## Steps

1. Access the Record CAN Withholding Order for Worker task.
2. Select the *Family Maintenance (CAN)* Order Type.
3. As you complete the Order Info fields that are for all withholding order types, consider:

Option	Description
Case Number	<p>Enter the Case Number when it's listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Worker.</li> <li>• Order type.</li> <li>• Order date.</li> <li>• Company.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you've defined a default withholding order ID, Workday enters that as the default in this field when you complete this task.</p> <p>To define a default Withholding Order ID, see the <i>Create ID Definitions and Sequence Generators</i> topic.</p> <p>To associate the Withholding Order ID you formatted with withholding orders, see the ID Sequence Generators section of the <i>Reference: Edit Tenant Setup - Payroll</i> topic.</p>
Order Number	Identification number on the order. Might be referred to as <i>order identifier</i> .
Order Date	If the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Certain provinces might require this information for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date.</p> <p>You can specify a later begin date for fees on the Order Fees tab.</p>
End Date	Workday deducts the final withholding amount, including agency or employer fees, in the pay period before the one that includes the End Date.
Termination Date	<p>Deductions can end earlier than the period before the one with the End Date.</p> <p>You can specify an end date for agency and employer fees that is before the Termination Date on the Order Fees tab.</p>
Company	Displays the employee's company on the Date Received.

Option	Description
	<p>Select the company when the employee:</p> <ul style="list-style-type: none"> <li>• Has a future hire date.</li> <li>• Has positions in multiple companies on the Date Received.</li> <li>• Is terminated.</li> </ul> <p>Note: You can't change the company after Workday calculates a result for the withholding order.</p>
Inactive Order	<p>Select when the court has placed the order in inactive status. Workday will stop processing the order.</p>
Pay Period Frequency	<p>Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.</p> <p>Example: Alan has a withholding order for 200 monthly and he's paid weekly. To calculate the deduction amount, Workday:</p> <ul style="list-style-type: none"> <li>• Annualizes the pay period amount based on the pay period frequency on the withholding order (<math>200 \times 12 \text{ months} = 2400</math>).</li> <li>• Deannualizes the result based on Alan's pay period frequency (<math>2400/52 = 46.15</math> per week).</li> </ul>
Monthly Limit	<p>When an order specifies a monthly deduction amount, Workday ensures that the deductions don't exceed the amount you enter in this field. If a previous pay period didn't have sufficient funds, Workday takes up to that amount to recoup the arrears amount. Workday checks the balances until it reaches the monthly limit.</p>
Originating Entity	<p>The agency or court that issued the withholding order.</p>
Exemption Frequency	<p>Available only when you enter an amount in the Exemption Amount Override field.</p> <p>Workday automatically populates the payroll period frequency.</p>

4. Some Order Info fields display dynamically based on the order type and tax authority. As you complete the fields for family maintenance withholding orders, consider:

Option	Description
Current Total Debt Amount Past Due Total Debt Amount	<p>Workday uses these amounts to prioritize payments and honor past due and limit calculations.</p> <p>Use the Order Details section to specify current or past due amounts.</p>

Option	Description
Maintenance Type	Displays for British Columbia and Newfoundland and Labrador only. Select 1 of these maintenance types: <ul style="list-style-type: none"> <li>• Court Order Enforcement Act</li> <li>• Family Maintenance Enforcement Act</li> </ul>
Remittance ID Override	You can override the order number if necessary.
No Exemption	Workday automatically applies the base exemption. Select this check box when there's no exemption amount, dependent exemption amount, or additional exemption amounts for family maintenance.
Exempt Percent Override	Displays for British Columbia, Ontario, Quebec, and Northwest Territories only. Select this field to override the Workday-determined exemption percentage.
Past Due Pay Period Maximum	Displays for Ontario only. Required only for past due child or spousal support.

5. As you complete the Order Details tab, consider:

Option	Description
Tax Deductible	For British Columbia, this field determines the exemption data Workday uses for the IWO calculation. When you select this check box, Workday uses the exemption amounts required for a tax deductible order. When you clear this check box, Workday uses the exemption amounts required for orders where tax deduction doesn't apply.  When selected, to calculate taxable wages without affecting subject wages, Workday uses the <i>Federal Income Tax (FIT2)</i> and <i>Province Income Tax (PIT2)</i> pay components. You can view them in the Other section on the Additional Pay Components tab of the worker's payroll result.

6. As you complete the Order Fees tab, consider:

Option	Description
Fee Schedule	By default, the Begin Date and End Date you enter in the Order Info section automatically determine the fee payment schedule. Fee processing can follow a different schedule.  To start a fee later than the Begin Date, enter a Fee Begin Date.
Complete	A view-only field for one-time payments. Workday automatically selects this check box after making the payment.

## Result

You can view the withholding order using the Withholding Orders for Worker report. From the related actions menu of the withholding order, you can:

- Edit.
- Delete.
- Change the processing priority.
- View deduction history.

## Next Steps

If the employee transfers to a new company, inactivate the withholding order using the Inactive Order check box in the Order Info section and create a new one.

Related Information

### Tasks

[Create Deduction Recipient](#) on page 239

[Create a Payment for an Income Withholding Order or Court Order](#) on page 780

### Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Concept: Amended or Terminated Family Maintenance Withholding Order (CAN)

Workday supports recording an amendment or termination family maintenance withholding order when you receive one from an issuing agency or court. Workday retains the original family maintenance order for tracking purposes.

Note: To correct clerical errors in the original family maintenance order, select Withholding Order > Edit from the related actions menu on the order.

These examples illustrate how to record additional family maintenance withholding orders.

Security: *Worker Data: Payroll (Income Withholding Orders) - CAN domain* in the CAN Payroll functional area.

Example: Record an Amended Order

You've received an amended family maintenance order from an issuing agency.

1. Access the Record CAN Withholding Order for Worker task.
2. As you complete the task, consider these fields:

Option	Description
Amended Order	Select this check box.
Case Number	The number should be the same as the original order.
Order Date	Enter the issue date of the amended order.

3. Complete the rest of the fields as needed.

As of the amended order date, Workday adjusts the relevant payroll deduction, and sets the status of the:

- Original order to *Inactive*.
- Amended order to *Active*.

#### Example: Record a Terminated Order

You've received a termination family maintenance order from an issuing agency.

1. Access the Record CAN Withholding Order for Worker task.
2. As you complete the task, consider these fields:

Option	Description
Termination Order	Select this check box.
Termination Date	Workday stops processing the withholding order as of this date.
Case Number	The number should be the same as the original order.
Order Date	Enter the issue date of the amended order.

3. Complete the rest of the fields as needed.

As of the termination order date, Workday sets the status of the:

- Original order to *Inactive*.
- Termination order to *Complete*.

## Record a Garnishment Withholding Order (CAN)

### Prerequisites

Record a *Business Number* tax ID for the worker's company.

Security: *Worker Data: Payroll (Income Withholding Orders)* - CAN domain in the CAN Payroll functional area.

### Context

You can record a garnishment withholding order to begin automatic deductions during payroll processing.

### Steps

1. Access the Record CAN Withholding Order for Worker task.

2. As you complete the Order Info fields that are for all withholding order types, consider:

Option	Description
Case Number	<p>Enter the Case Number when it's listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Worker.</li> <li>• Order type.</li> <li>• Order date.</li> <li>• Company.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you've defined a default withholding order ID, Workday enters that as the default in this field when you complete this task.</p> <p>To define a default Withholding Order ID, see the <i>Create ID Definitions and Sequence Generators</i> topic.</p> <p>To associate the Withholding Order ID you formatted with withholding orders, see the ID Sequence Generators section of the <i>Reference: Edit Tenant Setup - Payroll</i> topic.</p>
Order Number	Identification number on the order. Might be referred to as <i>order identifier</i> .
Order Date	If the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Certain provinces might require this information for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date.</p> <p>You can specify a later begin date for fees on the Order Fees tab.</p>
End Date	Workday deducts the final withholding amount, including agency or employer fees, in the pay period before the one that includes the End Date.
Termination Date	<p>Deductions can end earlier than the period before the one with the End Date.</p> <p>You can specify an end date for agency and employer fees that is before the Termination Date on the Order Fees tab.</p>
Company	<p>Displays the employee's company on the Date Received.</p> <p>Select the company when the employee:</p> <ul style="list-style-type: none"> <li>• Has a future hire date.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Has positions in multiple companies on the Date Received.</li> <li>Is terminated.</li> </ul> <p>Note: You can't change the company after Workday calculates a result for the withholding order.</p>
Inactive Order	Select when the court has placed the order in inactive status. Workday will stop processing the order.
Pay Period Frequency	<p>Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.</p> <p>Example: Alan has a withholding order for 200 monthly and he's paid weekly. To calculate the deduction amount, Workday:</p> <ul style="list-style-type: none"> <li>Annualizes the pay period amount based on the pay period frequency on the withholding order (<math>200 \times 12 \text{ months} = 2400</math>).</li> <li>Deannualizes the result based on Alan's pay period frequency (<math>2400/52 = 46.15</math> per week).</li> </ul>
Monthly Limit	When an order specifies a monthly deduction amount, Workday ensures that the deductions don't exceed the amount you enter in this field. If a previous pay period didn't have sufficient funds, Workday takes up to that amount to recoup the arrears amount. Workday checks the balances until it reaches the monthly limit.
Originating Entity	The agency or court that issued the withholding order.
Exemption Frequency	<p>Available only when you enter an amount in the Exemption Amount Override field.</p> <p>Workday automatically populates the payroll period frequency.</p>

3. Some Order Info fields display dynamically based on the order type and tax authority. As you complete the fields for garnishment withholding orders, consider:

Option	Description
No Exemption	Displays for all tax authorities except Nova Scotia. Workday automatically applies the base exemption amount, dependent exemption amount, or additional exemption amounts for garnishments. Select this check box when no exemptions apply.
Max Additional Exempt Amount Override	Displays for Alberta only.

Option	Description
Exempt Percent Override	Select this field to override the Workday-determined exemption percentage.
Amount as Percent	When the Amount Type is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i> , enter the percentage to withhold from the worker's income.
Total Debt Amount	The total amount of the worker's debt, or the balance due if the worker has already paid part of the debt.  When a bankruptcy order doesn't indicate a total amount, Workday continues deductions until the End Date or until you deactivate the order.

4. As you complete the Order Fees tab, enter employer or agency fees for processing the withholding order. Consider:

Option	Description
Fee Schedule	By default, the Begin Date and End Date you enter in the Order Info section automatically determine the fee payment schedule. Fee processing can follow a different schedule.  To start a fee later than the Begin Date, enter a Fee Begin Date.
Complete	A view-only field for one-time payments. Workday automatically selects this check box after making the payment.

## Result

You can view the withholding order using the Withholding Orders for Worker report. From the related actions menu of the withholding order, you can:

- Edit.
- Delete.
- Change the processing priority.
- View deduction history.

## Next Steps

If the employee transfers to a new company, deactivate the withholding order using the Inactive Order check box in the Order Info section and create a new one.

### Related Information

#### Tasks

[Create Deduction Recipient](#) on page 239

[Create a Payment for an Income Withholding Order or Court Order](#) on page 780

#### Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Record a Federal or Province Tax Levy Withholding Order (CAN)

### Prerequisites

Record a *Business Number* tax ID for the worker's company.

Security: *Worker Data: Payroll (Income Withholding Orders) - CAN domain* in the CAN Payroll functional area.

### Context

You can record federal or province tax levy withholding orders to begin automatic deductions during payroll processing.

### Steps

1. Access the Record CAN Withholding Order for Worker task.
2. Select the Order Type:
  - *Federal Tax Levy (CAN)*, or
  - *Province Tax Levy (CAN)*
3. For a *Federal Tax Levy (CAN)*, select the Tax Authority to determine which exemptions and rules Workday will use when calculating the order:
  - *Federal*
  - *Quebec*

Example: You need to pay the Canada Revenue Agency (CRA) for employment insurance owed by a Quebec employee. When creating the order, Workday defaults *Quebec* as the tax authority, because the worker's province of employment is Quebec. The order you received from the government specifies *Federal*, so you select the *Federal* tax authority instead. Workday uses CRA rules for federal withholding to calculate the order.

4. As you complete the Order Info fields that are for all withholding order types, consider:

Option	Description
Case Number	<p>Enter the Case Number when it's listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Worker.</li> <li>• Order type.</li> <li>• Order date.</li> <li>• Company.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	<p>If you've defined a default withholding order ID, Workday enters that as the default in this field when you complete this task.</p> <p>To define a default Withholding Order ID, see the <i>Create ID Definitions and Sequence Generators</i> topic.</p> <p>To associate the Withholding Order ID you formatted with withholding orders, see the ID Sequence Generators section of the <i>Reference: Edit Tenant Setup - Payroll</i> topic.</p>
Order Number	Identification number on the order. Might be referred to as <i>order identifier</i> .

Option	Description
Order Date	If the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Certain provinces might require this information for auditing purposes.
Begin Date	Workday deducts the initial withholding amount in the pay period that includes the Begin Date. You can specify a later begin date for fees on the Order Fees tab.
End Date	Workday deducts the final withholding amount, including agency or employer fees, in the pay period before the one that includes the End Date.
Termination Date	Deductions can end earlier than the period before the one with the End Date. You can specify an end date for agency and employer fees that is before the Termination Date on the Order Fees tab.
Company	<p>Displays the employee's company on the Date Received.</p> <p>Select the company when the employee:</p> <ul style="list-style-type: none"> <li>• Has a future hire date.</li> <li>• Has positions in multiple companies on the Date Received.</li> <li>• Is terminated.</li> </ul> <p>Note: You can't change the company after Workday calculates a result for the withholding order.</p>
Inactive Order	Select when the court has placed the order in inactive status. Workday will stop processing the order.
Pay Period Frequency	<p>Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.</p> <p>Example: Alan has a withholding order for 200 monthly and he's paid weekly. To calculate the deduction amount, Workday:</p> <ul style="list-style-type: none"> <li>• Annualizes the pay period amount based on the pay period frequency on the withholding order (<math>200 \times 12 \text{ months} = 2400</math>).</li> <li>• Deannualizes the result based on Alan's pay period frequency (<math>2400/52 = 46.15</math> per week).</li> </ul>

Option	Description
Monthly Limit	When an order specifies a monthly deduction amount, Workday ensures that the deductions don't exceed the amount you enter in this field. If a previous pay period didn't have sufficient funds, Workday takes up to that amount to recoup the arrears amount. Workday checks the balances until it reaches the monthly limit.
Originating Entity	The agency or court that issued the withholding order.
Exemption Frequency	Available only when you enter an amount in the Exemption Amount Override field. Workday automatically populates the payroll period frequency.

5. Some Order Info fields display dynamically based on the order type and tax authority. As you complete the fields for tax levies, consider:

Option	Description
Pay Period Amount	Workday converts the <i>Order Form Amount</i> to the pay period amount, taking into account the frequency for each.
Amount as Percent	When the Amount Type is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i> , enter the percentage to withhold from the worker's income.
Total Debt Amount	The total amount of the worker's debt, or the balance due if the worker has already paid part of the debt.  When a bankruptcy order doesn't indicate a total amount, Workday continues deductions until either the End Date or when you deactivate the order.
Exempt Percent Override	Select this field to override the Workday-determined exemption percentage.
Override Subject Rate	For Quebec, enter a percentage to override the delivered exemption override rate for workers.

6. As you complete the Order Fees tab, consider:

Option	Description
Fee Schedule	By default, the Begin Date and End Date you enter in the Order Info section automatically determine the fee payment schedule. Fee processing can follow a different schedule.  To start a fee later than the Begin Date, enter a Fee Begin Date.
Complete	A view-only field for one-time payments. Workday automatically selects this check box after making the payment.

## Result

You can view the withholding order using the Withholding Orders for Worker report. From the related actions menu of the withholding order, you can:

- Edit.
- Delete.
- Change the processing priority.
- View deduction history.

## Next Steps

If the employee transfers to a new company, inactivate the withholding order using the Inactive Order check box in the Order Info section and create a new one.

Related Information

### Tasks

[Create Deduction Recipient](#) on page 239

[Create a Payment for an Income Withholding Order or Court Order](#) on page 780

### Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Record a Wage Assignment Withholding Order (CAN)

### Prerequisites

Record a *Business Number* tax ID for the worker's company.

Security: *Worker Data: Payroll (Income Withholding Orders)* - CAN domain in the CAN Payroll functional area.

### Context

You can record wage assignment withholding orders to begin automatic deductions during payroll processing.

Workday no longer supports wage assignment withholding orders for Saskatchewan effective 2017-11-01.

### Steps

1. Access the Record CAN Withholding Order for Worker task.
2. Select the *Wage Assignment (CAN)* Order Type.
3. As you complete the Order Info fields that are for all withholding order types, consider:

Option	Description
Case Number	<p>Enter the Case Number when it's listed on the order. It must be unique for the:</p> <ul style="list-style-type: none"> <li>• Worker.</li> <li>• Order type.</li> <li>• Order date.</li> <li>• Company.</li> </ul> <p>Note: You can't change this number once the order has pay results.</p>
Withholding Order ID	If you've defined a default withholding order ID, Workday enters that as the default in this field when you complete this task.

Option	Description
	<p>To define a default Withholding Order ID, see the <i>Create ID Definitions and Sequence Generators</i> topic.</p> <p>To associate the Withholding Order ID you formatted with withholding orders, see the ID Sequence Generators section of the <i>Reference: Edit Tenant Setup - Payroll</i> topic.</p>
Order Number	Identification number on the order. Might be referred to as <i>order identifier</i> .
Order Date	If the order includes a serve date, enter that date instead.
Date Received	Date and time your company received the withholding order, as stamped on the form. Certain provinces might require this information for auditing purposes.
Begin Date	<p>Workday deducts the initial withholding amount in the pay period that includes the Begin Date.</p> <p>You can specify a later begin date for fees on the Order Fees tab.</p>
End Date	Workday deducts the final withholding amount, including agency or employer fees, in the pay period before the one that includes the End Date.
Termination Date	<p>Deductions can end earlier than the period before the one with the End Date.</p> <p>You can specify an end date for agency and employer fees that is before the Termination Date on the Order Fees tab.</p>
Company	<p>Displays the employee's company on the Date Received.</p> <p>Select the company when the employee:</p> <ul style="list-style-type: none"> <li>• Has a future hire date.</li> <li>• Has positions in multiple companies on the Date Received.</li> <li>• Is terminated.</li> </ul> <p>Note: You can't change the company after Workday calculates a result for the withholding order.</p>
Inactive Order	Select when the court has placed the order in inactive status. Workday will stop processing the order.
Pay Period Frequency	Workday calculates the amount to deduct in each pay period when a worker's pay frequency differs from the frequency on the withholding order.

Option	Description
	<p>Example: Alan has a withholding order for 200 monthly and he's paid weekly. To calculate the deduction amount, Workday:</p> <ul style="list-style-type: none"> <li>• Annualizes the pay period amount based on the pay period frequency on the withholding order (<math>200 \times 12 \text{ months} = 2400</math>).</li> <li>• Deannualizes the result based on Alan's pay period frequency (<math>2400/52 = 46.15</math> per week).</li> </ul>
Monthly Limit	When an order specifies a monthly deduction amount, Workday ensures that the deductions don't exceed the amount you enter in this field. If a previous pay period didn't have sufficient funds, Workday takes up to that amount to recoup the arrears amount. Workday checks the balances until it reaches the monthly limit.
Originating Entity	The agency or court that issued the withholding order.
Exemption Frequency	Available only when you enter an amount in the Exemption Amount Override field. Workday automatically populates the payroll period frequency.

4. Some Order Info fields display dynamically based off of the order type and tax authority. As you complete these fields for wage assignment withholding orders, consider:

Option	Description
Amount as Percent	When the Amount Type is <i>Percent of Disposable Earnings</i> or <i>Percent of Gross</i> , enter the percentage to withhold from the worker's income.
Total Debt Amount	The total amount of the worker's debt, or the balance due if the worker has already paid part of the debt.  When a bankruptcy order doesn't indicate a total amount, Workday continues deductions until either the End Date or when you deactivate the order.
Exempt Percent Override	Displays for Ontario only. Select this field to override the Workday-determined exemption percentage.

5. As you complete the Order Fees tab, consider:

Option	Description
Fee Schedule	By default, the Begin Date and End Date you enter in the Order Info section automatically determine the fee payment schedule. Fee processing can follow a different schedule.

Option	Description
	To start a fee later than the Begin Date, enter a Fee Begin Date.
Complete	A view-only field for one-time payments. Workday automatically selects this check box after making the payment.

## Result

You can view the withholding order using the Withholding Orders for Worker report. From the related actions menu of the withholding order, you can:

- Edit.
- Delete.
- Change the processing priority.
- View deduction history.

## Next Steps

If the employee transfers to a new company, deactivate the withholding order using the Inactive Order check box in the Order Info section and create a new one.

### Related Information

#### Tasks

[Create Deduction Recipient](#) on page 239

[Create a Payment for an Income Withholding Order or Court Order](#) on page 780

#### Examples

[Create ID Definitions and Sequence Generators](#)

[Reference: Edit Tenant Setup - Payroll](#)

## Record of Employment (CAN)

### Setup Considerations: Record of Employment (ROE) Reporting

You can use this topic to help make decisions when planning your configuration and use of Record of Employment (ROE) reporting. 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

Workday helps you generate and submit Records of Employment (ROEs) to Service Canada using a series of tasks and an integration.

Workday generates ROEs for employees who experience an interruption of earnings such as:

- Termination.
- Leave of absence.
- Change organization assignment.

- Change in pay frequency or schedule because of a pay group transfer.

You can also create an ROE on demand when Service Canada requests one and an ROE triggering event hasn't occurred.

## **Business Benefits**

Workday makes it easier to manage your ROE reporting obligations while complying with Service Canada requirements. Workday keeps your ROE data synchronized with Service Canada when you use Workday as your system of record for ROE reporting. Workday also enables you to:

- Issue original and amended ROEs.
- Configure criteria based on ROE events, worker eligibility, and pay results for Workday to create ROEs automatically.
- Configure reason codes and default comments. When configured, Workday automatically populates the comments and reason codes on the ROE when you create ROE data.
- Integrate with Service Canada.
- Load *Issued* ROEs and serial numbers back into Workday from Service Canada, using an integration. Therefore, keeping Workday in sync with Service Canada.

## **Use Cases**

Issue an ROE when an employee experiences an interruption of earnings.

Configure ROE creation criteria so Workday prepopulates ROE data when you complete these business processes in Workday:

- *Assign Pay Group* with a pay frequency or schedule change
- *Change Organization Assignments*
- *Request Leave of Absence*
- *Termination*

Create ROEs for retro-active events without having to rerun the specific effective date range.

Create ROEs for workers in multiple jobs.

Schedule when Workday should create ROEs based on completed events and effective since the last time Workday created ROEs.

Amend a previously issued ROE when you need to correct ROE data.

Ignore an ROE triggering event when there isn't an interruption of earnings, such as a worker on paid leave.

Use or modify these Workday delivered ROE creation criteria:

- Any specified leave event.
- Any specified termination event.
- Company transfer events.
- Completed ROE events.
- Events effective after first processing period begin date of previous pay group.
- Last Day For Which Paid Prior to First Day of Leave events.
- Leave events that aren't part of cascading leaves.
- Leave events that have payroll effects.
- Leave event types.
- No leave entitlement as of first day of leave events.
- Pay frequency change on assign pay group events.
- Termination event types.
- Terminations after ignored ROE leave events.

## Questions to Consider

Questions	Considerations
Will I issue ROEs before going live on Workday to start a new employment period as of my Workday implementation date?  Will I load historical data from my previous payroll application so that when I create ROEs in Workday, Workday reports the existing employment period that started in my previous payroll application?	Make this decision before running your first pay calculation in Workday.  See <a href="#">Prepare and Load Historic ROE Data</a> on page 1451.
Which pay period do I need to allocate my earnings and deductions to?	Review Service Canada guidelines. You can specify the pay period allocation for insurable earnings and hours for each earning and deduction: Edit the earning or deduction and update the ROE section.
Are my earnings configured to report separation payments on the ROE?	You can configure separation payments for each earning by assigning it an ROE reporting type.
Where do you want to see ROE results?	Workday automatically displays ROE results on the ROE Results for Worker(s) and View ROE Events reports.  To display ROE results on the worker profile, add ROE Results to the Pay for Worker Profile group.  This tab will only be visible to payroll administrators, not workers.

## Recommendations

Use Workday Payroll as your system of record for ROE reporting, including:

- Corrections, such as overrides you process on the ROE.
- Amendments, when you need to change what you reported on a previously issued ROE.

Do not correct or amend ROEs directly in Service Canada. Use Workday Payroll to process any ROE data, including data corrections or amendments to keep the data synchronized between Workday and Service Canada. Changing, correcting, or amending ROE data outside of Workday causes the ROE data in Workday to be out of sync with Service Canada. There is no way to resynchronize the data.

## Requirements

- Create an ROE Web account with Service Canada.
- Set up earnings and deductions for ROE reporting. The earnings and deductions define which periods Workday allocates the payments to when creating ROEs.
- When there's a completed business process for an ROE triggering event in Workday, create the ROE for events. See: [Steps: Create ROE Data to Report to Service Canada](#) on page 1457.
- Have access to a computer with a File Transfer Protocol (FTP) server to:
  - Export ROE data with the Outbound ROE integration.
  - Download ROE files from Service Canada.

## Limitations

When Service Canada accepts and issues the ROEs in ROE Web, Workday:

- Won't automatically update the Workday ROEs with a status of *Issued*.
- Will be out of sync with Service Canada until you run the *Canada ROE Inbound* integration.

To update the status of the ROEs, you must:

1. Manually download the Service Canada import file from ROE Web.
2. Run the *Canada ROE Inbound* integration in Workday, which will update the status of the ROEs to *Issued*.

Workday doesn't support pay frequencies for 13 pay periods a year. To submit these types of ROEs with Service Canada, manually create and issue them.

Workday doesn't support Record of Employment (ROE) for workers with international assignments in Canada.

## Tenant Setup

Configure the ROE (CAN) section of the Edit Tenant Setup - Payroll task. Select:

- The Select Submit by default on Approve ROE task check box.
- The Preserve ROE period and separation payment overrides when re-creating ROE (default option) check box.

## Security

Domains	Considerations
<i>Integration Build, Integration Configure, and Integration Event</i> in the Integration functional area.	Users with access to these domains can set up the integration systems to submit ROEs to Service Canada, and import <i>Issued</i> ROEs into Workday.
<i>Set Up: Payroll (ROE) - CAN</i> in the CAN Payroll functional area.	<p>Users with access to this domain can use the Maintain ROE Configuration task and View ROE Configuration report.</p> <p>They can map Service Canada reason codes and add default comments to ROE triggering event types. Users with access to this domain can also use these ROE creation criteria tasks, enabling them to create, review, and edit ROE creation rules:</p> <ul style="list-style-type: none"> <li>• Create ROE Creation Criteria</li> <li>• Delete ROE Creation Criteria</li> <li>• Edit ROE Creation Criteria</li> <li>• View ROE Creation Criteria</li> </ul>
In the CAN Payroll functional area: <ul style="list-style-type: none"> <li>• <i>Process: ROE (Create Data) - CAN</i></li> <li>• <i>Process: ROE (Amend Data) - CAN</i></li> <li>• <i>Reports: ROE Results for Worker(s) - CAN</i></li> <li>• <i>Process: ROE (Edit Data) - CAN</i></li> <li>• <i>Process: ROE (Approve Data) - CAN</i></li> </ul>	Users with access to these domains can: <ul style="list-style-type: none"> <li>• Create, edit, and amend ROEs.</li> <li>• Ignore and cancel ignored ROE events.</li> </ul>
<i>Set Up: Payroll (Calculations – Payroll Specific)</i> in the Core Payroll functional area.	Users with access to this domain can create earnings and deductions for ROE reporting.

Domains	Considerations
<i>Set Up: Payroll - Company Specific (Taxes) - CAN</i> in the CAN Payroll functional area.	Users with access to this domain can set up federal tax reporting and ROE information for the company.

## Business Processes

These business processes are an ROE triggering event:

- *Assign Pay Group* with a pay frequency or schedule change.
- *Change Organization Assignments*.
- *Place Worker on Leave and Request Leave of Absence*.
- *Termination*.

When the business process completes, use the Create ROE Data for Events task to create ROE data.

## Reporting

Report	Considerations
ROE Prior Period History Results	Review ROE historical periods from your previous payroll application that you uploaded using the <i>Import ROE Prior Period History Results</i> web service.
ROE Reason Configuration	Review reason code mapping for accuracy.
ROE Results for Worker(s)	Review ROE data for workers.
View Create ROE Data Run History	Review this report to: <ul style="list-style-type: none"> <li>• See ROE creation method.</li> <li>• Directly access ROEs.</li> </ul>
View ROE Events	View all ROE triggering events that are <i>In Progress</i> , <i>Completed</i> , or marked <i>Ignored</i> .  View ROE events that Workday hasn't created ROEs for yet, but are ROE triggering events. You configure ROE Events using the Maintain ROE Configuration task.
View ROEs to Amend	View terminated workers and workers on unpaid leave with an Issued ROE who receive earnings after Service Canada issues their ROE, but before their return to work.

You can create custom reports from report data secured to these ROE business objects:

- *ROEs for Selection Criteria*
- *ROE Reason Configurations*
- *ROEs for Worker Parm*
- *ROE Prior History Load*

## Integrations

Integrations	Considerations
<i>Canada ROE Outbound</i>	<p>Workday includes only ROEs in <i>Approved</i> status in the outbound integration file.</p> <p>Generates an ROE outbound integration file. Exports the file to a server from which you can manually upload it to Service Canada.</p> <p>If Service Canada fails or rejects the ROEs, or you find an error, do not make changes to the ROE in Service Canada. You must use Workday to make any changes. In Workday, un-approve the ROE, correct the data, recreate and reapprove the ROE, then resend to Service Canada.</p>
<i>Canada ROE Inbound</i>	<p>Retrieves and imports an ROE file that you previously downloaded from Service Canada.</p> <p>Once Service Canada accepts an ROE, they assign it the <i>Issued</i> status. Import only <i>Issued</i> ROEs from Service Canada.</p>

Web Services	Considerations
<i>Import_ROE_Prior_Period_History_Results</i>	<p>Enables you to load your historical insurable hours and earnings into Workday. Use this web service before your Workday implementation if you've decided to continue the existing employment period without an interruption of earnings.</p> <p>Before using this web service, ensure that your period schedules include the historical periods you want to load. We recommend that you load a minimum of 1 year before your Workday implementation date and include only 1 line per reporting period, per worker. Example: If your pay periods are semi-monthly, load 24 payroll periods.</p> <p>If the data isn't valid, access the Cancel ROE Prior Period History Results task to remove the historical periods. Recreate the ROE to remove the canceled prior period history results from the ROE.</p>

## Connections and Touchpoints

Area	Considerations
Absence Management	Define leave types to map Service Canada reason codes to terminations and leaves.
Staffing	Maintain termination categories to map Service Canada reason codes to terminations and leaves.
Human Capital Management	Completing these business processes creates an ROE when you configure them as ROE triggering events:

Area	Considerations
	<ul style="list-style-type: none"> <li>• <i>Request Leave of Absence</i></li> <li>• <i>Termination</i></li> </ul>
Staffing Payroll Processing	<p>Completing these business processes or task creates an ROE when you configure them as ROE triggering events:</p> <ul style="list-style-type: none"> <li>• Assign Pay Group task or <i>Assign Pay Group</i> business process when it results in a pay frequency or schedule change.</li> <li>• <i>Change Organization Assignments</i> business process when it results in a company change.</li> </ul>
Reference Number	<p>Use the Create Reference Number task and create the reference number. Then:</p> <ul style="list-style-type: none"> <li>• Access the Edit Company Federal CAN Tax Reporting task to map it on the Federal tab.</li> <li>• Configure it on the Record of Employment tab.</li> </ul>

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

##### Concepts

[Setup Considerations: Adjustments for Prior Periods](#) on page 735

##### Tasks

[Steps: Set Up ROE Reporting](#) on page 1450

[Set Up Company Federal Taxes \(CAN\)](#) on page 1379

[Steps: Create ROE Data to Report to Service Canada](#) on page 1457

##### Examples

[Launch Service Canada ROE Integrations](#)

[2023R1 What's New Post: Records of Employment \(ROEs\) for Workers with Multiple Jobs](#)

## Set Up Record of Employment (ROE)

### Steps: Set Up ROE Reporting

#### Prerequisites

Review setup considerations for Record of Employment (ROE) reporting.

#### Context

You can generate Records of Employment (ROEs) for employees who experience an interruption of earnings such as:

- Change in pay frequency because of a pay group transfer.
- Leave of absence.
- Termination.
- Company Transfers.

To keep your ROE data synchronized with Service Canada, use Workday Payroll as your sole record for ROE reporting, including:

- Corrections, such as overrides you process on the ROE.
- Amendments, when you need to change what you reported on a previously issued ROE.

## Steps

1. Prepare and load historic ROE data from your previous payroll application.  
See [Prepare and Load Historic ROE Data](#) on page 1451.
2. Set up integration with Service Canada.  
See [Steps: Set Up Service Canada ROE Integration](#).
3. [Set Up Earnings for ROE Reporting](#) on page 1452.  
Identify earnings that are insurable, specify their allocation, and configure separation payments.
4. Set up deductions for ROE reporting.  
See [Steps: Create Deductions](#) on page 234.
5. Set up ROE contact information.  
See [Set Up Company Federal Taxes \(CAN\)](#) on page 1379.
6. [Set Up ROE Configurations](#) on page 1455.
7. To add an ROE Results tab to your worker profile Pay tabs, access the Configure Profile Group task.
  - a. Select *Pay for Worker Profile*.
  - b. Add *ROE Results* to the Report column.

## Next Steps

Complete payroll for a period you need to report on an ROE.

Related Information

### Examples

[Concept: Service Canada ROE Integration](#)

## Prepare and Load Historic ROE Data

### Prerequisites

Either:

- Start a new employment period as of your Workday implementation date.
- Continue the existing employment period without an interruption of earnings.

Security: *Process: ROE (Create Data) - CAN* in the CAN Payroll functional area:

### Context

To prepare your Workday tenant for ROE processing, you must load historical data from your previous payroll application:

- ROE History - ROEs issued after running your final payroll.
- ROE Prior Period History Results - Insurable hours and earnings paid 1 year before your Workday implementation.

Note: If you don't load ROE history from your previous payroll application, or you don't load prior period history results, all ROEs generated in Workday default the First Day Worked to the first day the worker receives insurable earnings in Workday.

## Steps

1. Before running your first pay calculation in Workday, ensure that you loaded historical data from your previous payroll application.
  - If you start a new employment period as of your Workday implementation date:  
Issue ROEs for all of your workers from your previous payroll application. Load the information for the issued ROEs into Workday. Your implementation partner loads ROE history for all workers before the Workday implementation, or you can access the Create ROE History task and enter the information manually by worker.
  - If you continue the existing employment period without an interruption of earnings:  
Your implementation partner will load your historical insurable hours and earnings into Workday with the *Import ROE Prior Period History Results* web service.  
Before using the web service, ensure that your period schedules include the historical periods you want to load. We recommend that you load a minimum of 1 year before your Workday implementation date. Example: If your pay periods are semimonthly, load 24 payroll periods.
2. If you issued ROEs for workers on leave and they returned from their leave within 1 year of your Workday implementation, you have to record their return from leave date. Workday uses this date to find the First Day Worked on the first ROE Workday creates.
  - a) Access the Create ROE History task.
  - b) Select a date on the Return from Leave Date (Prior to Go Live) calendar prompt.

## Set Up Earnings for ROE Reporting

### Prerequisites

- Select *Canada* in the Enabled Countries field on the Edit Tenant Setup – Payroll task.
- Set up the groups, criteria, calculation, payment source, and costing on the Create Earning task.

Security: *Set Up: Payroll (Calculations – Payroll Specific)* domain in the Core Payroll functional area.

### Context

Identify:

- Earnings as separation payments.
- Insurable earnings. Specify the allocation, and define how to report payments. If you have insurable hours, create an *Hours* related calculation.

## Steps

1. Access the Create Earning or Edit Earning tasks for the ROE reporting earning.
2. Access the Related Calculations section on the Effective Dated tab. If hours related to the earning are insurable, select *EI Hours* in the Group field on the related calculation for insurable hours.
3. If the earning or its hours are insurable, select *EI Taxable* from the Groups field on the Non-Effective Dated tab.

- In the ROE section of the Non-Effective Dated tab, specify the allocation for insurable earnings and hours. Your configuration defines which periods Workday allocates the payments to when creating ROEs.

When you use the Maintain ROE Period Allocations task to update the allocation method for insurable earnings and hours, the corresponding Allocation Reporting Period field also changes on the Non-Effective Dated tab for an earning or deduction code.

Option	Description
Allocation Reporting Period	<p>Select the period that Service Canada requires for allocating this type of earning to pay periods.</p> <ul style="list-style-type: none"> <li><i>Period Earned:</i> Allocate earnings to the period in which the employee earns them. Example: A worker receives earnings for the January 1st to 15th pay period. Workday allocates the earning to the January 1st to 15th pay period on the ROE.</li> <li><i>Period Paid:</i> Allocate earnings to the Period End date of the last completed regular on-cycle pay period. Example: A worker receives a quarterly bonus payment for January 1 to March 31 on a non-regular run category in May. Workday allocates the earnings to the May 15th pay period on the ROE.</li> </ul>
Allocation Reporting Period for Hours	<p>If hours for the earning are insurable, select the period that Service Canada requires for allocating insurable hours to pay periods.</p> <p>The reporting period for insurable earnings and hours is usually the same, except for overtime hours paid to employees after their termination date.</p>
Allocation Reporting Period Retro	<p>Applies when you use the Run Retro Pay Calculation task to recalculate earnings in response to prior period changes, such as adjustments and corrections. Example: Payments for overtime and commission paid after the period worked.</p> <p>Select the period for allocating differences between the original and recalculated earning amount. The default period is the same as the Allocation Reporting Period.</p> <ul style="list-style-type: none"> <li><i>Period Earned:</i> Allocate earnings to the period in which the employee earns them. Example: A worker receives retro earnings results for December 16 to 31st that were processed with the January 1st to 15th pay period. Workday allocates these earnings to the December 16 to 31st pay period on the ROE.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li><i>Period Paid:</i> Allocate earnings to the Period End date of the last completed regular on-cycle pay period. Example: A worker receives retro earnings results for December 16 to 31st that were processed with the January 1st to 15th pay period. Workday allocates these earnings to the January 1st to 15th pay period on the ROE.</li> </ul>
Allocation Reporting Period for Retro Hours	<p>Applies when you use the Run Retro Pay Calculation task to recalculate earnings with insurable hours in response to:</p> <ul style="list-style-type: none"> <li>Prior period changes (such as adjustments and corrections).</li> <li>Payments for overtime and commission paid after the period worked.</li> </ul> <p>Select the period for allocating differences between the original and recalculated hours. The default period is the same as the Allocation Reporting Period for Hours.</p>

5. If you use the earning for one of these types of separation payments, assign it a Reporting Type so that Workday can report separation payments on the ROE:

- Vacation (Block 17A)
- Statutory holidays occurring after the last day of work (Block 17B)
- Other monies (Block 17C)
- Wage loss (Block 19)

When configured, Workday reports the:

- Insurable earnings paid in or after the worker's final period, but before the start of the next employment period. The final period is defined as the period that:
  - Contains the worker's Last Day for Which Paid.
  - Is period 1 of the Insurable Earnings Detail (Block 15C) grid.
- Payment start and end dates on the ROE, when you configure it on the Edit Company Federal CAN Tax Reporting task. Select Default Payment Dates in the Record of Employment tab.
- Separation Payment type in one of these grids on the ROE:
  - Separation Payments (Block 17).
  - Paid Sick, Maternity/ Parental Leave, Wage Loss (Block 19).
- Amount of the Separation Payment that you paid in or after the worker's final period, where required
- ROE in *In Error* when it includes an earning with a wage loss or statutory holiday reporting type. Edit the ROE and enter additional information about the earning.

### Example

This example illustrates how to create a bonus earning that reports both regular and separation pay bonuses on the ROE.

Service Canada requires that you allocate:

- Bonuses to the period in which they're paid.
- Bonuses paid because of a separation in the last pay period of the employee.

Create a single *Bonus* earning.

Configure the *Bonus* earning on the Non-Effective Dated tab to report separation payment bonuses on the ROE:

1. From the Groups field, select *EI Taxable*.
2. In the ROE section, select these settings:

Field	Setting
Allocation Reporting Period	<i>Period Paid</i>
Allocation Reporting Period for Hours	Leave empty.
Reporting Type	<i>Bonus (Separation or retirement) (Other Monies)</i>

When you pay this insurable earning before the workers final period, Workday reports it on the ROE in the Insurable Earnings Detail (Block 15C) grid only. When you pay it in or after the workers final period it, Workday reports it in these grids:

- Insurable Earnings Detail (Block 15C)
- Separation Payments (Block 17C)

## Next Steps

Set up contact information and ROE Reporting on the Record of Employment tab on the Edit Company Federal CAN Tax Reporting task.

Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

[Steps: Set Up ROE Reporting](#) on page 1450

[Set Up Company Federal Taxes \(CAN\)](#) on page 1379

[Create Related Calculations](#) on page 247

### Examples

[2023R2 What's New Post: Record of Employment \(ROE\) Allocations and Insurable Details](#)

## Set Up ROE Configurations

### Prerequisites

Define:

- Leave types in Workday Absence Management.
- Termination categories in Workday Human Capital Management.

### Context

You can:

- Configure criteria based on ROE events, worker eligibility, and pay results for Workday to automatically create ROEs.
- Configure reason codes and default comments so that when you create ROE data, Workday automatically populates the comments and reason codes on the ROE.

## Steps

1. Access the Maintain ROE Configuration task.

As you complete the task, consider:

Option	Description
ROE Event	You can configure ROE creation for these events: <ul style="list-style-type: none"> <li>• Assign Pay Group</li> <li>• Change Organization Assignments for Worker</li> <li>• Request Leave of Absence</li> <li>• Termination</li> </ul>
Last Day for Which Paid Calculation	Depending on the ROE event, Workday automatically populates the Last Day For Which Paid Calculation.
Order	Order the events and conditions by priority so that when you create ROE data and a worker's event passes several criteria, Workday only creates 1 ROE against the condition that you configured with the highest priority.
ROE Creation Criteria	You can: <ul style="list-style-type: none"> <li>• Update the delivered ROE creation criteria to add any additional rule conditions to support creating the ROE in special scenarios.</li> <li>• Create new ROE Creation Criteria.</li> </ul>
ROE Reason Code	You're responsible for: <ul style="list-style-type: none"> <li>• Mapping Service Canada reason codes for any new ROE configurations you create.</li> <li>• Reviewing Service Canada reason codes on delivered ROE Creation Conditions and updating as necessary.</li> </ul>
ROE Default Comments	Workday automatically populates the comments when creating an ROE based on the configured conditions.

Security: *Set Up: Payroll (ROE) - CAN domain* in the CAN Payroll functional area.

2. Test new or updated ROE Creation Criteria with the Test ROE Creation Criteria task.

Security: *Set Up: Payroll (ROE) - CAN domain* in the CAN Payroll functional area.

## Result

Workday:

- Creates ROEs for triggering events that meet the ROE creation criteria.
- Enters the specified comment on the Comments field (Block 18) on the ROE.
- Enters the reason code on the Reason for Issuing the ROE (Block 16) field on the ROE.
- Displays the ROE creation criteria that initiated the ROE.

Related Information

### Examples

[Steps: Set Up Termination](#)

[Steps: Set Up Leave of Absence](#)

## Process Record of Employment (ROE)

### Steps: Create ROE Data to Report to Service Canada

#### Prerequisites

- Set up ROE reporting.
- Complete one of these actions:
  - Complete on-cycle payroll for the period in which the ROE-triggering event occurred.
  - Pay final wages using an off-cycle payment in the period containing the Last Day for Which Paid.
- Security: These domains in the CAN Payroll functional area:
  - *Process: ROE (Create Data) - CAN*
  - *Reports: ROE Results for Worker(s) - CAN*
  - *Process: ROE (Edit Data) - CAN*
  - *Process: ROE (Approve Data) - CAN*

#### Context

You can create, review, and approve ROE data in preparation for sending to Service Canada. You can create ROE data for these ROE triggering events:

- Assign pay group with a pay schedule or frequency change.
- Change organization assignment.
- Request Leave of Absence.
- Termination.

## Steps

1. Create an ROE:

- For an ROE triggering event. See: [Steps: Create ROE Data for Events](#) on page 1459.
- On-demand. Use only when you need to issue an ROE that isn't a result of an ROE triggering event. See: [Steps: Create ROE Data On-Demand](#) on page 1464

Note:

You can create an on-demand ROE only when the worker has either:

- No prior ROEs.
- *Issued* prior ROEs.

You can't create an on-demand ROE for a worker who has an ROE in one of these statuses:

- *Approved*
- *In Error*
- *In Progress*
- *Pending Issuance*
- On a schedule. See: [Steps: Schedule ROE Creations](#) on page 1465.

For workers in multiple jobs, Workday creates:

- 2 ROEs for a worker who has 2 positions in 2 pay groups with different pay frequencies.
- 2 ROEs for a worker who has 2 positions, in 2 companies with different payroll account numbers.
- 2 ROEs for a worker who has 2 positions, in 2 pay groups with the same frequency and different payment dates.
- One ROE for a worker who has 2 positions in the same company, but 2 different pay groups with the same pay frequency and schedule.

2. Access the ROE Results for Worker(s) report to review and correct any errors.

3. Select the ROE and the relevant command. When no errors exist, Workday sets the ROE status to *In Progress*. You can approve the ROE.

- View the ROE. See [Reference: ROE Results for Workers](#) on page 1471.
- Edit the ROE. See [Reference: ROE Results for Workers](#) on page 1471.
- Re-CREATE the ROE if you made data changes. See [Concept: Recreating ROE Data](#) on page 1469.
- Delete the ROE. If you have a subsequent ROE, don't delete the ROE.

4. From the related actions menu of the ROE, select ROE > Approve:

- Select Confirm to approve the ROE in *Draft* status.
- Select both Confirm and Submit to set the ROE to *Submit* status in the ROE outbound integration. Selecting both enables you to avoid submitting the draft ROEs manually after you import them to Service Canada.

Note: You can select the Submit check box automatically if you select the Select Submit by default on Approve ROE task check box on Edit Tenant Setup - Payroll.

## Result

You can launch the ROE integration file for Service Canada. Workday includes all ROEs in *Approved* status. Filter the selection by choosing options from these fields on the Launch/Schedule Integration task:

- Pay Group
- Company
- Worker

## Next Steps

Use an integration connector to prepare ROE files, upload them directly to Service Canada, and import ROEs issued by Service Canada. The ROEs in Workday remain in *Pending Issuance* status until you import the issued ROEs from Service Canada.

Note: Workday recommends you complete the full process and run the ROE inbound integration to update ROEs in *Pending Issuance* status to *Issued*.

Workday recommends that you import only ROEs with an *Issued* status from Service Canada. If you import ROEs with the *Passed*, *Failed*, or *Rejected* status into Workday, you must delete or recreate the ROE data before sending the ROE back to Service Canada.

Use the View ROEs to Amend report to view terminated workers and workers on unpaid leave who have an Issued ROE who receive earnings after Service Canada issues the ROE, but before the worker's return to work.

Monitor the status of ROEs submitted to Service Canada using the ROE Results for Worker(s) report.

For more information, see the Service Canada web site.

### Related Information

#### Tasks

[Steps: Amend ROE Data](#) on page 1466

[Steps: Set Up ROE Reporting](#) on page 1450

#### Examples

[2022R2 What's New Post: Record of Employment Outbound Integration](#)

[2023R1 What's New Post: Records of Employment \(ROEs\) for Workers with Multiple Jobs](#)

## Steps: Create ROE Data for Events

### Prerequisites

Security: *Process: ROE (Create Data)* - CAN domain in the CAN Payroll functional area.

### Context

Create ROEs for:

- Completed ROE events such as terminations or leave of absence, that are effective within the specified start and end date range.
- Events with a completion date between the start date and the day you run the Create ROE Data for Events task, but the events are effective before the start date.

### Steps

Access the Create ROE Data for Events task.

As you complete the task, consider:

Option	Description
ROE Events	If you don't select anything, Workday creates ROEs for all events based on the ROE creation criteria you configured on the Maintain ROE Configuration task.  When you generate an ROE, Workday populates the reason code based upon the configuration in the Maintain ROE Configuration task.

Option	Description
ROE Creation Criteria	You can select any of the ROE creation criteria events you configured on the Maintain ROE Configuration task.
Start Date / End Date	Workday creates ROEs for ROE events that are: <ul style="list-style-type: none"> <li>Effective in the date range.</li> <li>Effective in the past and completed within the start date and the day you run the task.</li> </ul>
Last Run Details	Display only. Displays the last 10 times the Create ROE Data for Events task or the Create ROE Data for Events - Scheduler task was last ran in descending order.

When workers in the specified date range have more than 1 ROE triggering event, Workday creates an ROE for each event with the earnings and hours associated to it.

## Next Steps

Access the ROEs to review and correct any errors with these reports:

- ROE Results for Worker(s)
- View ROE Events
- View Create ROE Data Run History

## Example: Create an ROE for a Terminated Worker

### Context

This example illustrates how to create a Record of Employment (ROE) for a terminated worker.

### Prerequisites

Security: These domains in the CAN Payroll functional area:

- *Process: ROE (Create Data) - CAN*
- *Reports: ROE Results for Worker(s) - CAN*
- *Process: ROE (Edit Data) - CAN*
- *Process: ROE (Approve Data) - CAN*

### Steps

1. Set up ROE reporting.

See: [Steps: Set Up ROE Reporting on page 1450](#).

2. You can:

- Complete on-cycle payroll for the period, which includes the worker's last day.
- Pay final wages using an off-cycle payment in the period containing the Last Day for Which Paid.

3. Create ROE data for the terminated worker.

See:

- [Steps: Create ROE Data for Events on page 1459](#)
- [Steps: Schedule ROE Creations on page 1465](#)

4. Access the ROE Results for Worker(s) report to select the ROE and the relevant command. When no errors exist, Workday sets the ROE status to *In Progress* and you can approve the ROE.
  - View the ROE. See [Reference: ROE Results for Workers](#) on page 1471.
  - Edit the ROE. See [Reference: ROE Results for Workers](#) on page 1471.
  - Re-create the ROE if you made data changes. See [Concept: Recreating ROE Data](#) on page 1469.
  - Delete the ROE. If you have a subsequent ROE, don't delete the ROE.
5. From the related actions menu of the ROE, select ROE > Approve:
  - To approve the ROE in *Draft* status, select the Confirm check box.
  - Select the Confirm and Submit check boxes to set the ROE to *Submit* status in the ROE outbound integration. Selecting both enables you to avoid the need to submit the draft ROEs manually after you loaded them to Service Canada.

Note: You can select the Submit check box automatically if you select the Select Submit by default on Approve ROE task check box on [Edit Tenant Setup - Payroll](#).

#### [6. Launch Service Canada ROE Integrations](#)

Select options from these fields on the Launch/Schedule Integration task to select which Approved ROEs to include in the outbound file for Service Canada:

- Pay Group
- Company
- Worker

Workday includes all ROEs in *Approved* status in the outbound integration file if you don't select an option.

Approved ROEs sent to Service Canada update to *Pending Issuance*. If you need to update or change an ROE in *Pending Issuance* status:

- Select Cancel Pending Issuance, either when you view the ROE or from the worker profile (ROE > Cancel Pending Issuance) to change the status of a single ROE back to *In Progress*.
- Use the Change ROE Pending Issuance Status to Approved task to revert all ROEs in an outbound integration file to *Approved*.

#### [7. Access the Service Canada website and upload the generated file or files.](#)

- See: <https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-roe-access-roe.html>.
- See: [Concept: Service Canada ROE Integration](#).

#### [8. Import the issued ROEs into Workday from Service Canada.](#)

- See: [Launch Service Canada ROE Integrations](#)
- See: [Steps: Set Up Inbound Service Canada ROE Integration](#)

Note: Workday recommends that you import only ROEs with an *Issued* status from Service Canada. If you import ROEs with the *Passed*, *Failed*, or *Rejected* status into Workday, you must delete or recreate the ROE data before sending the ROE back to Service Canada. For more information, see the Service Canada web site.

The imported ROE status updates from *Pending Issuance* to *Issued*. The Issued Date and ROE Serial Number display on the ROE.

#### Related Information

##### **Tasks**

[Steps: Create ROE Data for Events](#) on page 1459

[Steps: Amend ROE Data](#) on page 1466

[Steps: Schedule ROE Creations](#) on page 1465

## Reference

[Reference: ROE Results for Workers on page 1471](#)

## Examples

[2022R2 What's New Post: Record of Employment Outbound Integration](#)

[2023R1 What's New Post: Records of Employment \(ROEs\) for Workers with Multiple Jobs](#)

[Example: Create Multiple ROEs for a Terminated Worker in Multiple Jobs on page 1462](#)

### Example: Create Multiple ROEs for a Terminated Worker in Multiple Jobs

This example demonstrates how to create multiple Records of Employment (ROEs) for a terminated worker with multiple jobs.

## Context

A worker has 2 positions in 2 pay groups with different pay frequencies. You end the worker's additional job using the End Additional Job task, then terminate the worker.

## Prerequisites

Security: These domains in the CAN Payroll functional area:

- *Process: ROE (Create Data) - CAN*
- *Reports: ROE Results for Worker(s) - CAN*
- *Process: ROE (Edit Data) - CAN*
- *Process: ROE (Approve Data) - CAN*

## Steps

1. Set up ROE reporting.

[See: Steps: Set Up ROE Reporting.](#)

2. You can:

- Complete on-cycle payroll for the period, which includes the worker's last day.
- Pay final wages using an off-cycle payment in the period containing the Last Day for Which Paid.

3. Create ROE data for the terminated worker.

Note: For a worker in multiple jobs, Workday creates:

- 2 ROEs for a worker who has 2 positions in 2 pay groups with different pay frequencies.
- 2 ROEs for a worker who has 2 positions, in 2 companies with different payroll account numbers.
- 2 ROEs for a worker who has 2 positions, in 2 pay groups with the same frequency and different payment dates.
- One ROE for a worker who has 2 positions in the same company, but 2 different pay groups with the same pay frequency and schedule.

When you don't configure a processing position using the Maintain Payroll Processing Position Rules task, the worker's primary position for the ROE automatically populates the Occupation field.

See:

- [Steps: Create ROE Data for Events.](#)
- [Steps: Schedule ROE Creations.](#)

4. Access the ROE Results for Worker(s) report to select the ROEs and the relevant command. When no errors exist, Workday sets the ROE status to *In Progress*, and you can approve the ROEs.
  - View the ROE. See [Reference: ROE Results for Workers](#).
  - Edit the ROE. See [Reference: ROE Results for Workers](#).
  - Re-create the ROE if you made data changes. See [Concept: Recreating ROE Data](#).
  - Delete the ROE. If you have a subsequent ROE, don't delete the ROE.

To view a list of multiple ROEs for workers in multiple jobs or linked ROEs (Example: Original and Amend) for workers in one position, select the View linked or multiple ROEs for a worker in list view check box in the Edit Tenant Setup - Payroll task.

5. Access the Approve ROEs task. To find the ROEs you want to approve, select Approve All ROEs in Progress or search and select a worker's name.
  - To approve the ROE in *Draft* status, select the Confirm check box.
  - Select the Confirm and Submit check boxes to set the ROE to *Submit* status in the ROE outbound integration. Selecting both enables you to avoid the need to submit the draft ROEs manually after you loaded them to Service Canada.

Note: You can select the Submit check box automatically if you select the Select Submit by default on Approve ROE task check box on Edit Tenant Setup - Payroll.

#### 6. Launch Service Canada ROE Integrations.

Select options from these fields on the Launch/Schedule Integration task to select which Approved ROEs to include in the outbound file for Service Canada:

- Pay Group
- Company
- Worker

Workday includes all ROEs in *Approved* status in the outbound integration file if you don't select an option.

Approved ROEs sent to Service Canada update to *Pending Issuance*. If you need to update or change an ROE in *Pending Issuance* status:

- Select Cancel Pending Issuance, either when you view the ROE or from the worker profile (ROE > Cancel Pending Issuance) to change the status of a single ROE back to *In Progress*.
- Use the Change ROE Pending Issuance Status to Approved task to revert all ROEs in an outbound integration file to *Approved*.

#### 7. Access the Service Canada website and upload the generated files.

- See: <https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-roe-access-roe.html>.
- See: [Concept: Service Canada ROE Integration](#).

#### 8. Import the issued ROEs into Workday from Service Canada.

- See: [Launch Service Canada ROE Integrations](#)
- See: [Steps: Set Up Inbound Service Canada ROE Integration](#)

Note: Workday recommends that you import only ROEs with an *Issued* status from Service Canada. If you import ROEs with the *Passed*, *Failed*, or *Rejected* status into Workday, you must delete or recreate the ROE data before sending the ROE back to Service Canada. For more information, see the Service Canada web site.

## Result

Workday generates 2 ROEs and the imported ROE status for each update from *Pending Issuance* to *Issued*. The Issued Date and ROE Serial Number display for each ROE.

## Related Information

### Tasks

[Steps: Create ROE Data to Report to Service Canada on page 1457](#)

[Steps: Create ROE Data for Events on page 1459](#)

### Reference

[Reference: ROE Results for Workers on page 1471](#)

### Examples

[2023R1 What's New Post: Records of Employment \(ROEs\) for Workers with Multiple Jobs](#)

[Example: Create an ROE for a Terminated Worker on page 1460](#)

## Steps: Create ROE Data On-Demand

### Prerequisites

Security: *Process: ROE (Create Data)* - CAN domain in the CAN Payroll functional area.

### Context

Create an on-demand Record of Employment (ROE) when Service Canada requests it and there wasn't an ROE-triggering event.

#### Note:

Triggering events include:

- Assigned pay group with a pay schedule or frequency change.
- Change in organization assignment.
- Leave of Absence request.
- Termination.

When an ROE event occurs, use the Create ROE Data for Events task.

You can only create on-demand ROEs if there's no prior ROE or a previously-issued ROE for the worker. You can't create an on-demand ROE for a worker who has an ROE *In Progress*, *In Error* or *Approved*.

### Steps

Access the Create On-Demand ROE task.

As you complete the task, consider:

Option	Description
ROE Reason Code	Select Use the Same Reason Code for All to populate the same reason code when you create multiple on-demand ROEs.
Date Range	Enter a Start Date and End Date.  When you create an ROE using a specified date range, the Start Date displays in the First Day Worked field and the End Date displays in the Last Day for Which Paid field.  You can't enter a start or end date that matches or overlaps the dates for an issued ROE. However, you can enter overlapping dates if the issued ROE is History data.

## Next Steps

Access the ROE Results for Worker(s) report to review and correct any errors.

Related Information

### Concepts

[Concept: Creating ROE Data on page 1467](#)

### Tasks

[Steps: Create ROE Data for Events on page 1459](#)

### Steps: Schedule ROE Creations

#### Prerequisites

Security: *Process: ROE (Create Data)* - CAN domain in the CAN Payroll functional area.

#### Context

To save you time, you can schedule to create ROEs automatically on a recurring basis for:

- Completed events that are effective within the specified date range.
- Events with a completion date between the start date and the day you run the task, but the event is effective before the start of the date range.

#### Steps

- Access the Create ROE Data for Events - Scheduler task and select the Run Frequency.
- As you complete the Create ROE Criteria tab on the task, consider:

Option	Description
First Scheduled Run Date	The start date that Workday uses for the first scheduled run.
Days From Scheduled Run Date	<p>The number of days before or after the first scheduled run date you want to set as the end date for the ROE creations. You can specify from 5 to negative 5 days.</p> <p>If the Days From Scheduled Run Date:</p> <ul style="list-style-type: none"> <li>Is zero or blank, the ROE End Date Range is the same as the scheduled run date.</li> <li>Is negative, the ROE End Date Range is the scheduled run date minus the days you specified in the Days From Scheduled Run Date field.</li> <li>Is positive, the ROE End Date Range is the Scheduled Run Date plus the days you specified in the Days From Scheduled Run Date field.</li> </ul> <p>The ROE start date for the next scheduled run is the previous run date or the previous ROE end date, whichever is earlier.</p> <p>Click OK to verify the calendar of recurrence dates for the ROE runs. Workday doesn't save the schedule configurations when you click Cancel.</p>

## Example

You have a biweekly pay period, and you schedule the task to run every other Friday. You specify Monday October 4 for the First Scheduled Run Start Date.

- You specify zero or don't specify anything on the Day From Scheduled Run Date field. The scheduler runs for the first time on Friday October 15. The ROE end date for the run is Friday October 15 (the run date is the end date). The next scheduled ROE run will be on Friday October 29 with the:
  - ROE start date range of Friday Oct 15.
  - ROE end date range of Friday Oct 29.
- You specify -3 on the Day From Scheduled Run Date field. The scheduler runs for the first time on Friday October 15. The ROE end date for the run is Tuesday October 12 (3 days before the run date). The next scheduled ROE run will be on Friday October 29 with the:
  - ROE start date range of Tuesday October 12.
  - ROE end date range of Tuesday October 26.
- You specify 3 on the Day From Scheduled Run Date field. The scheduler runs for the first time on Friday October 15. The ROE end date for the run is Monday October 18 (3 days after the run date).
  - The next scheduled ROE run will be on Friday October 29 with the:
    - ROE start date range of Friday October 15.
    - ROE end date range of Tuesday November 1.

## Next Steps

Run the:

- Scheduled Future Processes report to view the status of future scheduled runs.
- View All Scheduled Occurrences by Date report to view upcoming, scheduled runs.
- View All Occurrences for a Schedule report to view all the upcoming, scheduled runs.
- View Create ROE Data Run History report to view the Run Request and completed ROE creations.

## Steps: Amend ROE Data

### Prerequisites

- The ROE type is *Original* or *Amend*.
- The ROE status is *Issued*.

Security: These domains in the CAN Payroll functional area:

- *Process: ROE (Amend Data) - CAN*
- *Reports: ROE Results for Worker(s) - CAN*
- *Process: ROE (Edit Data) - CAN*
- *Process: ROE (Approve Data) - CAN*

### Context

You can amend an ROE that you've already issued with Service Canada, as long as you've issued the original ROE using the Workday Outbound and Inbound integrations.

Example: You process an ROE for a worker who receives an additional payment after you issued the original ROE. You can amend the ROE to reflect the additional payment.

An amended ROE reports:

- The serial number of the original ROE.
- Changes made since issuing the original ROE.

When you create an amended ROE for an original ROE with override values entered, you can preserve the override values.

Whenever possible, don't amend ROEs directly through the Service Canada web site. Use Workday to manage all ROE activity so that you can maintain Workday as your system of record for ROE reporting.

## Steps

1. Access the Amend ROEs task.  
Workday returns all ROEs with an *Issued* status.
2. Select the ROE from the ROEs to Amend prompt.  
Workday identifies the ROE as *Amend* in the Type field.
3. Resolve any errors on the ROE by editing or recreating it. When no errors exist, Workday sets the ROE status to *In Progress*.
4. Select the check box to preserve any values you enter as an override.

Preserving values applies to either hours or earnings (or both) that you enter for these fields:

- Insurable Earnings by Period (box 15C)
- Separation Payments (box 17A or C).

Workday automatically selects the check box if you preserved the override values on the original ROE.

5. From the related actions menu of the ROE, select ROE > Approve:
  - To approve the ROE in *Draft* status, select only the Confirm check box.
  - Select the Confirm and Submit check boxes to set the ROE to *Submit* status in the ROE outbound integration. This action avoids the need to submit the draft ROEs manually after you load them to Service Canada.

Note: You can select the Submit check box automatically if you select the Select Submit by default on Approve ROE task check box on Edit Tenant Setup - Payroll.

## Result

Workday retains the original ROE for tracking purposes and creates a new amended ROE.

- The new Amend ROE is *In Progress* or *In Error*. The Amended From field contains a link to the original ROE.
- The original ROE remains in *Issued* status and the Amended By field contains a link to the amended ROE
- If the View linked or multiple ROEs for a worker in list view check box is enabled in Edit Tenant Setup - Payroll, you can view the list of linked ROEs (Original and Amend) for the worker.

## Related Information

### Tasks

[Steps: Create ROE Data to Report to Service Canada](#) on page 1457

[Concept: Creating ROE Data](#)

## Pay Periods and Frequencies

Workday supports:

- Standard pay periods, such as weekly, biweekly, monthly, and semi-monthly.
- Nonstandard monthly and semi-monthly periods that don't end on the 15th or last day of the month.

Workday doesn't support pay frequencies for 13 pay periods a year.

## ROE Status

Workday assigns these statuses to ROE data and events:

Status	Description
<i>Approved</i>	Workday only includes <i>Approved</i> ROEs in the Service Canada ROE Outbound integration file.
<i>In Error</i>	<p>Use the ROE Results for Worker(s) report to edit, recreate, or delete these ROEs.</p> <p>Workday keeps any overrides to First Day Worked and Last Day for Which Paid when you recreate ROE data for an employee who has an ROE <i>In Error</i>.</p>
<i>In Progress</i>	<p>Ready for your review and approval. You can edit, recreate, or delete these ROEs.</p> <p>If you recreate ROE data for an employee who has an ROE <i>In Progress</i>, Workday regenerates the ROE data. Workday keeps overriding data that you entered for:</p> <ul style="list-style-type: none"> <li>• First Day Worked, Last Day for Which Paid, and reason contact fields.</li> <li>• Insurable hours, earnings, and separation payments if you select the Preserve ROE period and separation payment overrides check box.</li> </ul>
<i>Issued</i>	<p>You've successfully issued the ROE for that worker and employment period.</p> <p>Workday changes the ROE status from <i>Pending Issuance</i> to <i>Issued</i> when you load the Service Canada ROE Inbound integration file retrieved from Service Canada.</p>
<i>Not Required</i>	<p>There's an ROE triggering event and the worker has no insurable earnings for the given employment period. If you later issue earnings in that employment period and recreate the ROE data, Workday:</p> <ul style="list-style-type: none"> <li>• Reports the added earnings on the ROE.</li> <li>• Updates the status to <i>In Progress</i> or <i>In Error</i>.</li> </ul> <p>Workday uses the employment period dates on these ROEs to derive the First Day Worked for subsequent ROEs.</p>
<i>Not Started</i>	<p>Indicates an ROE-triggering business process completed but ROE data isn't created.</p> <p>You can view this status on:</p> <ul style="list-style-type: none"> <li>• The Ignore ROE Events task.</li> <li>• The View ROE Events report.</li> </ul>

Status	Description
	<p>Example: A manager terminates a worker and the HR business partner approves the termination, completing the business process.</p> <p>The payroll admin accesses the View ROE Events report to see the <i>Not Started</i> status for the ROE. They use the Create ROE Data for Events task to create the ROE and proceed with the ROE process.</p>
<i>Pending Issuance</i>	<p>After approving the ROE and creating the Service Canada ROE Outbound integration file, the ROE status updates to <i>Pending Issuance</i>.</p> <p>Select Cancel Pending Issuance, either from the worker profile or on the ROE to return the ROE to <i>In Progress</i>.</p>

### Create ROEs Before and After Insurable Wage Loss Earnings

For earnings before the wage loss payment, create the first ROE on-demand with the Create On-Demand ROE task.

For earnings after the wage loss payment, create the second ROE with the Create ROE Data for Events task. Select a range of dates that includes the worker's Last Day for Which Paid date. Edit the ROE and complete the Paid Sick, Maternity/Parental Leave, Wage Loss section.

#### Related Information

##### Tasks

[Steps: Create ROE Data to Report to Service Canada on page 1457](#)

##### Examples

[2022R2 What's New Post: Record of Employment Outbound Integration](#)

#### Concept: Recreating ROE Data

You might need to recreate an ROE after you make changes that affect ROE data, such as when you:

- Add insurable earnings.
- Override an allocation method.
- Make off-cycle payments to adjust insurable earnings or hours reported in the ROE.
- Change the First Day Worked.
- Change the Last Day For Which Paid.
- Update employer or employee information.

To recreate ROE data, select the ROE and click Re-create on the ROE.

To recreate ROE data in bulk, create ROEs using the Create ROE Data for Events task.

#### Differences Between Recreating and Editing ROE Data

When you recreate ROE data, Workday:

- Keeps overriding data you entered for:
  - The First Day Worked, Last Day for Which Paid, and Reason Contact fields.
  - Insurable hours, earnings, and separation payments if you select the Preserve ROE period and separation payment overrides check box.
- Deletes the ROE record when you rescind or cancel the event that triggered the ROE.
- Deletes the ROE record when you cancel the pay period.

- Recalculates amounts using source data in Workday. Example: You paid the employee additional earnings.
- Refreshes employee and employer data. Example: You corrected a primary home address. Recreating the ROE pulls in the new address.
- Sets the status of the ROE to *In Progress* or *In Error*.
- Updates the Date and Time Created field on the ROE.

Editing ROE data enables you to:

- Add comments.
- Add insurable earnings for periods that occurred before your Workday implementation.
- Change the allocation period for insurable earnings or hours.
- Enter statutory holiday dates and amounts.
- Override the First Day Worked, Last Day for Which Paid, and Reason Contact fields.
- Override data for insurable hours, earnings, and separation payments. Workday keeps the overriding data when you select the Preserve ROE period and separation payment overrides check box and recreate the ROE.
- Record payments for paid sick time, maternity or parental leave, and wage loss.

After you edit the ROE to enter an Override Last Day for Which Paid date that's in a different period and recreate the ROE, Workday:

- Updates the ROE Insurable Earnings by Period and Insurable Earnings Detail sections (Block 15C).
- Recalculates the Final Pay Period Ending Date field (Block 12).

#### Related Information

##### Tasks

[Steps: Create ROE Data to Report to Service Canada](#) on page 1457

#### Concept: View ROE Events

With the View ROE Events report, you can audit ROE events and associated ROEs within Workday.

Use Case	Action	Outcome
You want to see all ROE events initiated within a specific range of dates.	<p>On the ROE Event Initiated On Date (From) prompt, enter a date to find all ROE events initiated on and after this date.</p> <p>On the ROE Event Initiated on Date (To) prompt, enter a date to find all ROE Events initiated on or before this date.</p> <p>Note: For performance purposes, Workday populates the dates in these fields to a 1 week period of time as of the current date. You can change these dates as needed.</p>	Workday displays all the ROE events initiated on or between the selected date range.
You want to know if there are any ROEs that exist for a rescinded ROE event. You also want to determine if there's any action needed for already approved or issued ROEs.	<p>Select <i>Rescinded</i> on the ROE Event Status prompt.</p> <p>Select all statuses except <i>Not Started</i> on the ROE Status prompt.</p>	You can check if the ROE event was rescinded before or after the ROE was processed by comparing the ROE Event Last Updated Date/Time value to the ROE Last Updated Date/Time value.

Use Case	Action	Outcome
You want to see the processed ROE events that don't have associated ROEs yet.	Select <i>Successfully Completed</i> on the ROE Event Status prompt. Select <i>Not Started</i> on the ROE Status prompt	Workday displays all completed ROE events that don't have an associated ROE created yet.
You want to determine if you need to follow up with the owner of the ROE triggering event to ensure that the event completes in time so you can issue the ROE on time.	Select <i>In Progress</i> on the ROE Event Status prompt.	Workday displays all started but not yet completed ROE events. You can also see the expected last day for which paid date on the ROE event. This can help you determine the date you need to issue the ROE.
You want to see all the events that are assigned to a particular ROE reason contact.	Select the specific name on the ROE Reason Contact prompt.	Workday displays all events that have ROEs where the selected contact: <ul style="list-style-type: none"> <li>• Is the default.</li> <li>• Is the override contact.</li> <li>• Is the Override Reason Contact entered directly on the ROE.</li> </ul>

### Reference: ROE Results for Workers

After creating ROE data, access the ROE Results for Worker(s) report to review and edit the ROE data. These sections represent the different sections of the ROE data in Workday.

### Employee Details

Field	Description
Employee Name and Employee Address	Displays in Block 9.
Employer's Payroll Reference Number	Displays in Block 3. The employee ID.
Social Insurance Number	Displays in Block 8.
Occupation	Displays in Block 13 of the ROE when you check the Display Occupation on ROE check box. Access this check box when setting up ROE information on the Edit Company Federal CAN Tax Reporting task. Workday retrieves this information from the worker profile.
Display Occupation on ROE	Displays <i>Yes</i> when configured on the Record of Employment tab on the Edit Company Federal CAN Tax Reporting task. If not configured: <ul style="list-style-type: none"> <li>• Workday still displays the occupation on the ROE in Workday but displays <i>No</i>.</li> <li>• Workday won't include the occupation on the ROE outbound integration file to Service Canada.</li> </ul>
Printing Language	Workday populates this field based upon the preferred locale set up by the employee. There are 2 languages available, Francais (Canada) and

Field	Description
	English (Canada). Workday sends the printing language to Service Canada so that they can display the ROE in French or English for the employee.

## Employer Details

Field	Description
Employer Name and Employer Address	Displays in Block 4.
CRA Business Number	Displays in Block 5.
Reason Contact Reason Contact Phone Number	Displays in Block 16.  The reason contact information you configured on the Record of Employment tab on the Edit Company Federal CAN Tax Reporting task.
Issuer Issuer Phone Number	The issuer contact information you configured on the Record of Employment tab on the Edit Company Federal CAN Tax Reporting task.
Override Reason Contact	Displays in Block 16.  This field is available when you edit the ROE.
Communication Preferred In	Displays in Block 21.  The preferred language you configured on the Record of Employment tab in the Edit Company Federal CAN Tax Reporting task. Service Canada uses this language if they need to contact the employer for questions.
Include Payroll History On ROE	No longer available for use in ROE reporting.

## ROE Details

Field	Description
Serial Number	Displays in Block 1.  Workday updates this number when you import the ROE inbound file from Service Canada.
Issued Date	Workday updates this date when you import the ROE inbound file from Service Canada.
Created From	Identifies how Workday created the ROE.
ROE Status	The work flow status of the ROE in Workday. See <i>Concept: Creating ROE Data</i> .
Issue Type	Displays when you approve the ROE for submission to Service Canada: <ul style="list-style-type: none"><li>• <i>Draft</i>: Displays when you approve the ROE without selecting the Submit check box. When you load the ROE to Service Canada, Service Canada validates the</li></ul>

Field	Description
	<p>ROE, but doesn't issue it. To issue the ROE, follow the additional steps outlined by Service Canada.</p> <ul style="list-style-type: none"> <li>• <i>Submit:</i> Displays when you approve the ROE and select the Submit check box. When you load the ROE to Service Canada, Service Canada validates the ROE. Service Canada issues it automatically if they don't find errors.</li> </ul>
Reason for Issuing the ROE	<p>Displays in Block 16.</p> <p>When you generate an ROE:</p> <ul style="list-style-type: none"> <li>• For events, Workday automatically populates the reason code on the ROE. The reason is based on the ROE creation criteria in the Maintain ROE Configuration task.</li> <li>• On-demand, you can select any reason code.</li> </ul> <p>Service Canada requires you to enter a comment for reason codes <i>K00 - Other</i> and <i>K15 - Other/Canadian Forces - Queen's Regulations/Orders</i>. An ROE that has this reason code will be <i>In Error</i> status until you enter a comment.</p>
Return from Leave Date (Prior to Go Live)	<p>Indicates the Return from Leave Date entered on an ROE History record as part of the Workday implementation.</p> <p>If the worker had a return from leave within 53 weeks before Workday implementation, this date is important for ROEs generated by Workday. Workday uses this date when calculating the First Day Worked for the worker's ROEs after the Workday implementation date.</p> <p>Note: Only enter a date for workers who returned from leave within the 53 week time period before your Workday implementation date.</p>
First Day Worked	<p>Displays in Block 10.</p> <p>The first day for which the employee receives insurable earnings. Defines the start of the employment period.</p> <p>You can edit the ROE to override this date on the Override First Day Worked field.</p>
Override First Day Worked	<p>Displays when you edit the ROE. Recreate the ROE after entering an override.</p> <p>When you enter a date on this field, Workday reports the overriding date instead of the default first day worked date.</p>

Field	Description
	<p>Workday recommends that you correct the source data by editing the hire, rehire, or return-from-leave date. Then, add insurable earnings into the period that contains the first day of work, or move the insurable earnings into the period. This correction of the source data helps ensure that Workday can accurately calculate the First Day Worked when creating the ROE.</p> <p>Often, First Day Worked errors occur on the ROE because the first payment for a new hire is in the period after the hire. Workday recommends that you use retro processing to report the retroactive amounts due in the correct period of the ROE. Enter pay input using the start and end date of the hire period. Check that you're using the correct allocation method in your earnings. When you create the ROE, Workday allocates the retro earnings to the retro period indicated in the pay input.</p>
Last Day for Which Paid	<p>Displays in Block 11.</p> <p>Defines the end of the worker's employment period. When you create an ROE using the Create ROE Data for Events task , Workday derives this date from the Last Date for Which Paid field on the business process.</p> <p>When you create an ROE using the Create On-Demand ROE task, Workday derives this date from the period end date of the worker's last completed pay result.</p> <p>For pay group changes or company transfers that result in a change in pay frequency, this date is 1 day before the effective date of the business process.</p> <p>You can edit the ROE to override this date with the Override Last Day for Which Paid field.</p>
Override Last Day for Which Paid	<p>Displays when you edit the ROE. Recreate the ROE after entering an override date. When the overriding date is in a different period, Workday:</p> <ul style="list-style-type: none"> <li>• Inserts or removes periods within the ROE Insurable Earnings by Period section (Block 15C). This action is regardless of whether pay results and insurable earnings exist for the periods.</li> <li>• Recalculates the Final Pay Period Ending Date field.</li> </ul> <p>When you enter a date on this field, Workday reports the overriding date instead of the default last day for which paid date on the ROE.</p>

Field	Description
	Workday recommends that you correct the source data by updating the Last Date for Which Paid date on the business process for the ROE-generating event instead.
Final Pay Period Ending Date	Displays in Block 12. This date is the period end date of the period that contains the Last Day for Which Paid.
Expected Date of Recall	Displays in Block 14. Workday indicates Unknown in the Expected Date of Recall field on the ROE when you: <ul style="list-style-type: none"> <li>• Don't enter a date on the Date of Recall field on the <i>Leave of Absence</i> business process.</li> <li>• Or, you didn't configure the field on the <i>Request Leave of Absence</i> business process.</li> </ul>

### ROE Insurable Earnings by Period (Block 15C)

This section reports insurable hours and earnings aggregated by pay period, for reporting in Block 15C. Information reported here determines a worker's eligibility for employment insurance and can impact the claims amount.

This section lists all pay periods, up to the maximum reporting periods defined by Service Canada, from the First Day Worked or Override First Day Worked through the Last Day for Which Paid or Override Last Day for Which Paid. If you didn't pay an employee for a period Workday processed, Workday:

- Inserts the period into the Insurable Earnings by Reporting Period grid.
- And, populates the insurable hours and earnings to zero.

Grid	Description
Insurable Earnings by Reporting Period	The Period Number identifies the reporting period that Workday allocates earnings or hours to. Period 1 always includes the Last Day for Which Paid.  The Period Start Date and Period End Date come from the Period Schedule for the pay frequency. Workday reports all required periods up to the maximum reporting periods by pay frequency.  Workday pulls insurable hours and insurable earnings from completed payroll results that fall within the employment period of the ROE.  The Override Insurable Hours and Override Insurable Earnings fields display when you edit the ROE. Select the corresponding Enable Override check box to enter an override. However, Workday recommends that you correct the source data in Workday instead.  When you select the Preserve ROE period and separation payment overrides check box,

Grid	Description
	Workday includes the overriding data on the ROE when Workday recreates it.
Edit Insurable Earnings for Prior Periods	<p>Displays when you edit the ROE.</p> <p>This grid enables you to insert periods that occurred before your Workday implementation date. The hours and earnings entered here reflect payroll periods processed in your legacy system. Enter information for ROE Prior Period History results that are missing.</p> <p>You can only insert periods that:</p> <ul style="list-style-type: none"> <li>• Occurred before your Workday implementation date.</li> <li>• You included in the period schedule as part of your Workday cut-over.</li> </ul> <p>You can't select a period that's before the worker's hire date or after the first period processed in Workday. Inserting a period in this grid won't add an ROE Prior Period History Result record for the worker.</p> <p>Example: Your organization went live on Workday Payroll on 2018-04-01. You loaded 1 year of ROE Prior Period History results for periods 2017-04-01 through 2018-03-31. These results reflect period by period insurable hours and earnings paid to workers from your previous payroll application.</p> <p>A monthly paid worker takes a leave of absence on 2018-05-01. When you create the ROE, you realize that the ROE prior period history results are missing for August 2017. You can add the missing period by editing the ROE in the Edit Insurable Earnings for Prior Periods grid.</p> <p>Recreate the ROE for Workday to include the inserted period, insurable hours, and insurable earnings in Block 15C.</p>
History Loaded Reporting Period	<p>Displays Yes to indicate that Workday reports the period from the ROE Prior Period History Results that you uploaded using the <i>Import ROE Prior Period History Results</i> web service.</p> <p>This column won't display if there are no historical periods reported in Block 15C.</p> <p>You can edit these reporting periods directly on the ROE by selecting the related action on the period. Editing the insurable earnings or hours will update the imported ROE Prior Period History Results record for that period.</p>

## Insurable Details

Reports pay components within a pay result that have insurable hours that Workday includes on the ROE. Workday lists all insurable hours within the employment period. Workday only includes pay results that you created in Workday.

Field	Description
Payroll Result	Click to see the payroll results details.
Payroll Period	Period against which you paid the insurable earnings.
Allocation Method	<p>Workday displays the allocation method of the pay component.</p> <p>To update the allocation method, use the pay component's Non-Effective Dated tab or the Maintain ROE Period Allocations task.</p>
Period Number	The period number that Workday reports the payment in Block 15C.
Reporting Period	<p>The period in which Workday reports the insurable hours and earnings in Block 15C, based upon the allocation method configured on the pay component.</p> <p>See: <a href="#">Set Up Earnings for ROE Reporting</a>.</p>

## Separation Payments (Block 17)

Workday only displays this section if there's a separation payment on the ROE or when you edit the ROE.

Workday displays the payment type and amounts when you:

1. Configure an earning with an ROE reporting type.
2. Pay the earning in or after the workers final period.

Grid	Description
Vacation Pay	<p>Displays in Block 17A.</p> <p>You can report on future earnings by inserting a row on the Vacation Pay grid. Select the payment type on the Override Payment Type field.</p> <p>Note: Your inserted separation payments don't update the Insurable Earnings by Reporting Period (Block 15C) grid. Workday recommends that you determine if you need to add the inserted separation payment amount to Period 1. If yes, enter the amount in the Override Insurable Earnings field of Period 1 on the Insurable Earnings by Reporting Period (Block 15C) grid.</p> <p>The Override Amount field displays when you edit the ROE. Select the corresponding Enable Override check box to enter an override amount. Workday clears the overriding data from these fields if you recreate the ROE, unless you select</p>

Grid	Description
	<p>the Preserve ROE period and separation payment overrides check box.</p> <p>Workday recommends that you correct the source data in Workday instead of overriding data.</p>
Statutory Holidays	<p>Displays in Block 17B.</p> <p>You can report a total of 10 Statutory Holidays in Block 17B.</p> <p>If the ROE includes separation payments for statutory holidays paid after the Last Day for Which Paid, you must edit the ROE and complete the Statutory Holidays amount fields. The sum of your entries should equal the statutory holiday separation payments you paid to the employee.</p> <p>You can report on future earnings by inserting a row in the Statutory Holidays grid.</p> <p>Note: Your inserted separation payments don't update the Insurable Earnings by Reporting Period (Block 15C) grid. Determine if you need to add the inserted separation payment amount to Period 1. If you do, enter the amount on the Override Insurable Earnings field of Period 1 on the Insurable Earnings by Reporting Period (Block 15C) grid.</p> <p>The Override Amount field displays when you edit the ROE. Select the corresponding Enable Override check box to enter an override amount. Workday clears the overriding data from these fields if you recreate the ROE, unless you select the Preserve ROE period and separation payment overrides check box.</p> <p>Workday recommends that you correct the source data in Workday instead of overriding data.</p>
Other Monies	<p>Displays in Block 17C.</p> <p>You can report a total of 3 separation payments in Block 17C.</p> <p>You can report on future earnings to Service Canada by inserting a row on the Other Monies grid. Select payment types not already reported on the ROE in the Override Payment Type field.</p> <p>Note: Your inserted separation payments don't update the Insurable Earnings by Reporting Period (Block 15C) grid. Determine if you need to add the inserted separation payment amount to Period 1. If you do, enter the override amount in Period 1 on the Insurable Earnings by Reporting Period (Block 15C) grid.</p> <p>The Override Amount field displays when you edit the ROE. Select the corresponding Enable</p>

Grid	Description
	<p>Override check box to enter an override. Workday clears the overriding data from these fields if you recreate the ROE, unless you select the Preserve ROE period and separation payment overrides check box.</p> <p>Workday recommends that you correct the source data in Workday instead of overriding data.</p>

### Paid Sick, Maternity/Parental Leave, Wage Loss (Block 19)

Edit the ROE to enter applicable payments for Block 19.

An ROE can include information for only 1 payment type.

For special payments, select 1 of these types:

- *Paid Maternity/Parental Compassionate Care/Family Caregiver leave (EI Insurable) (Maternity, Parental, Compassionate Care)*
- *Paid sick leave (EI Insurable) (Paid Sick Leave)*
- *Wage loss indemnity (Not EI insurable) (Wage Loss Insurance)*
- *Wage loss indemnity (ROE insurable) (Wage Loss Insurance)*

### Comments (Block 18)

To enter a comment, edit the ROE. You don't need to recreate the ROE after entering a comment.

Service Canada requires that you add comments to the ROE when reporting these reason codes:

- *K00-Other*
- *K15 - Other/Canadian Forces - Queen's Regulations/Orders*

The ROE will be *In Error* status until you enter one.

The Comment field has a max character limit of 160.

Related Information

#### Examples

[2023R2 What's New Post: Record of Employment \(ROE\) Allocations and Insurable Details](#)

### FAQ: Processing ROE Data

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- [Does Workday automatically delete any ROEs?](#) on page 1480
- [What happens if we rescind the event that triggered an ROE?](#) on page 1480
- [What happens if I reverse a payment reported on an ROE?](#) on page 1481
- [Why don't I see the earnings that I expected to see on an ROE?](#) on page 1481
- [How do we report retro payments on the ROE?](#) on page 1481
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- [We have employees in Canada who are working for a U.S. company. How can we record their Last Day for Which Paid?](#) on page 1482
- [What happens if I create ROE data for a worker who is in multiple jobs and they experience an ROE triggering event, such as Termination?](#) on page 1482
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- [How can I ensure that the ROEs I submit for workers in multiple jobs, in multiple pay frequencies, and in the same Payroll Account Number don't fail due to Overlapping Dates when I use Service Canada's ROE Web service?](#) on page 1482

- [Can I create only 1 ROE for a worker in multiple jobs when I use the Create On-Demand ROE task? on page 1482](#)
- [Can I view multiple ROEs created for a worker in multiple jobs together? on page 1482](#)
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- [Why don't I see a specific ROE event in the Ignore ROE Events task, Cancel Ignored ROE Events task, or the View ROE Events report? on page 1483](#)
- [How can I amend an ROE that I originally issued to Service Canada to change the reason code? on page 1483](#)

Which report can I use to review all the ROEs that we created?

Use the ROE Results for Worker(s) report. This Workday-delivered standard report includes information to assist you to manage ROEs in Workday and enables you to view all created ROEs. Use these prompts to select the ROEs to view:

- Status
- Period(s)
- Workers

Examples:

- You want to view ROEs *In Progress*. Select In Progress from Status and use the related action from the ROE to approve it.
- You want to view ROEs *In Error*. Select In Error from Status and take action on the ROE.

Workday recommends you periodically use the Delete ROEs task to keep the ROE Result(s) for Workers report as current as possible. You can only delete ROEs if they aren't *Approved* or *Issued*.

Does Workday automatically delete any ROEs?

No, unless you ignore the ROE-triggering event from the Ignore ROE Event task and the ROE isn't *Approved* or *Issued*. ROE triggering events include:

- Termination
- Leave of absence
- Change in pay frequency because of a pay group transfer.

What happens if we rescind the event that triggered an ROE?

Workday appends (rescinded) to the description on the Triggering Event field on the ROE regardless of whether you issued it.

If you already issued the ROE, assess if you should amend the ROE or not.

- If the ROE is *Approved*, confirm that Service Canada didn't already issue the ROE before deleting it.
- If the ROE is *In Progress*, *In Error*, or *Not Required*, use the Delete ROEs task and manually delete the ROE.

What happens if I reverse a payment reported on an ROE?

Situation	Outcome
Workday reported the original payment on the ROE.	<p>Workday allocates the reversal to the same reporting period as the original payment.</p> <p>Example: You allocated the original payment to the period paid. Workday allocates the reversal to the same period.</p>
Workday didn't report the original payment on the ROE.	<p>Workday excludes the reversal from the ROE.</p> <p>Example: Workday didn't report the original payment on the ROE because it occurred in a period before the maximum allowed reporting period in Block 15C. Workday won't report the reversal of that payment on the ROE.</p>

Why don't I see the earnings that I expected to see on an ROE?

Workday only reports ROE earnings in the ROE Insurable Earnings by Period (Block 15C) when you configure them as insurable. They must belong to the *EI Earnings* pay component group. If hours are insurable, the pay component-related calculation (PCRC) must belong to the *EI Hours* pay component group.

How do we report retro payments on the ROE?

Configure the earning with an allocation reporting period for retroactive earnings and hours. Complete these prompts in the ROE section of the Non-Effective Dated tab on the Create Earning or Edit Earning task:

- Allocation Reporting Period Retro
- Allocation Reporting Period for Retro Hours

If necessary, you can override the allocation reporting period by editing the ROE after its creation.

Where does Workday report retro payments on a worker's ROE?

We have employees in Canada who are working for a U.S. company. How can we record their Last Day for Which Paid?

What happens if I create ROE data for a worker who is in multiple jobs and they experience an ROE triggering event, such as Termination?

Does Workday create an ROE if a worker in multiple jobs ends 1 job?

How can I ensure that the ROEs I submit for workers in multiple jobs, in multiple pay frequencies, and in the same Payroll Account Number don't fail due to Overlapping Dates when I use Service Canada's ROE Web service?

Can I create only 1 ROE for a worker in multiple jobs when I use the Create On-Demand ROE task?

Can I view multiple ROEs created for a worker in multiple jobs together?

What happens if I delete 1 ROE for a worker in multiple positions?

Can we provide employees with paper copies of ROEs?

Workday reports:

- Insurable retro payments for any supported retro event in the ROE Insurable Earnings by Period (Block 15C) grid.
- All separation payments paid using retro processing on the Separation Payments (Block 17) section.

You can only record the Last Day for Which Paid for employees who work for a Canadian company.

When you terminate an employee, Workday HCM uses the worker's location to determine whether to display ROE fields. These fields can be:

- Last Day for Which Paid
- Expected Recall Date

Workday doesn't consider the worker's primary work state.

Workday creates multiple ROEs based on Service Canada requirements.

Example: Workday creates 2 ROEs for a worker in 2 positions in 2 companies with different payroll account numbers.

Workday doesn't support the End Additional Job event and doesn't create an ROE when a worker ends only one of their jobs.

You might need to contact Service Canada to request that they apply the Overlap Rule to the relevant Business Number in ROE Web. Service Canada extends the Overlap Rule permanently when your business regularly issues overlapping ROEs. See:[ROE Web – Registration and account management guide](#).

Workday creates multiple ROEs based on Service Canada requirements and a worker's circumstances. If a worker is set up to receive multiple ROEs, multiple ROEs are generated.

Yes, to view multiple ROEs together, enable the View linked or multiple ROEs for a worker in list view check box on the Edit Tenant Setup – Payroll task in the ROE (CAN) section.

If Workday creates multiple ROEs for a worker in multiple jobs and you delete 1 ROE, you can re-create the deleted ROE regardless of the other ROE status.

Workday doesn't generate printed ROEs. Employees can view or print their ROEs from the Service Canada website.

How can a worker indicate what language they want Service Canada to print their ROE in?	The worker can access the Change Preferences task and change the Preferred Locale.
How can I change the preferred language in which I view a worker's ROE?	Access the Change Preferences task to change your Preferred Locale and Preferred Display Language.
How can we change the preferred language for Service Canada to use to communicate with our company?	You can select <i>English (Canada)</i> or <i>French (Canada)</i> from the Preferred Language prompt. Navigate to Record of Employment > Other Information - ROE Reporting > Preferred Language on the Edit Company Federal CAN Tax Reporting task.
We forgot to load ROE Prior Period History Results as part of our implementation. Can we still include earnings and hours processed in our previous payroll application?	<p>Use the <i>Import ROE Prior Period History Results</i> web service to load the ROE prior period history. If you already created the ROE, recreate it to pick up the newly imported historical periods.</p> <p>Before using the web service, ensure that your period schedules include the historical periods you want to load. We recommend that you load a minimum of 1 year before your Workday implementation date. Example: If your pay periods are semimonthly, load 24 payroll periods.</p> <p>You can also edit the ROE and insert the missing legacy system periods using the Edit Insurable Earnings for Prior Periods grid on the ROE.</p>
How can I populate a date for Block 14 – Expected Date of Recall on the ROE?	Add the Date of Recall field to the <i>Request Leave of Absence</i> business process by adding Date of Recall on the Additional Fields tab on the Edit Leave Type task.
Why don't I see a specific ROE event in the Ignore ROE Events task, Cancel Ignored ROE Events task, or the View ROE Events report?	<p>Workday only displays <i>In Progress</i> and <i>Successfully Completed</i> ROE events and doesn't display canceled ROE events in these tasks and reports:</p> <ul style="list-style-type: none"> <li>• Ignore ROE Events</li> <li>• Cancel Ignored ROE Events</li> <li>• View ROE Events</li> </ul> <p>Workday doesn't display <i>Rescinded</i> ROE events in the Ignore ROE Events and Cancel Ignored ROE Events task, but does in the View ROE Events report.</p> <p>Note: Workday doesn't include on-demand ROEs on these tasks and reports because you create them manually, not by an event.</p>
How can I amend an ROE that I originally issued to Service Canada to change the reason code?	<p>You can amend the issued ROE and edit the ROE to change the reason code.</p> <p>Before you amend an ROE to report changes, confirm whether the ROE was included in the Canada ROE Outbound Integration file and sent to Service Canada.</p>

- If the ROE was sent to Service Canada and is in *Pending Issuance* status in Workday:
  1. Run the ROE Inbound integration file to update the ROE status to *Issued*.
  2. Amend the ROE in Workday.
  3. Approve the ROE.
  4. Send the ROE back to Service Canada using the ROE Outbound Integration.
- Select Cancel Pending Issuance on the ROE when the ROE isn't sent to Service Canada and is in *Pending Issuance* status in Workday. The ROE returns to *In Progress* and you can make changes.

## Related Information

### Concepts

[Concept: Ignore ROE Events](#) on page 1488

### Tasks

[Steps: Set Up ROE Reporting](#) on page 1450

[Set Up Earnings for ROE Reporting](#) on page 1452

[Set Up Company Federal Taxes \(CAN\)](#) on page 1379

### Examples

[Create Leave Types](#)

## Troubleshooting: Errors in ROE Results for Worker(s) Report

Workday validates Record of Employment (ROE) data to ensure that Service Canada accepts your ROEs. Workday displays an *In Error* status on the ROE when you have incorrect data. This topic provides strategies for diagnosing and resolving these errors in the ROE Results for Worker(s) report:

- [ROE has statutory holiday separation payment errors.](#) on page 1484
- [ROE has separation payment errors.](#) on page 1485
- [ROE has Last Day for Which Paid errors.](#) on page 1486
- [ROE has First Day Worked errors.](#) on page 1487

### ROE has statutory holiday separation payment errors.

Cause: You paid a statutory holiday separation payment to a worker during or after their final period and didn't include the payment date.

Solution:

### Steps

Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

1. From the ROE Results for Worker(s) report, select ROE > Edit from the related actions menu of the ROE.
2. Add a row on the Statutory Holidays (Block 17B) grid on the Separation Payments section for each separation payment after the Last Day for Which Paid date.

Enter the statutory holiday date in the Payment Date field and complete the Amount field.

Cause: The amount for block 17A, 17B, or 17C on the ROE or the amount in period 1 for block 15C is less than the actual insurable separation payment amount you paid the worker.

Solution:

### Steps

Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

1. From the ROE Results for Worker(s) report, select ROE > Edit from the related actions menu of the ROE.
2. Review the data and ensure Workday reports the correct amount.  
You can ignore the error and skip the next step when you need to report a different amount on the ROE than the actual separation payment amount. When you move the ROE to *Approved* status, the warning won't display.
3. Update the amount for block 15C or in 17A, B, or C:
  - The Insurable Earnings by Reporting Period (Block 15C) grid in the ROE Insurable Earnings by Period section.
  - The Vacation Pay (Block 17A) grid, Statutory Holidays grid (Block 17B), or the Other Monies (Block 17C) grid in the Separation Payments section.

Cause: You entered statutory holiday Separation Payments (Block 17) with dates before the Last Day for Which Paid date.

Solution:

### Steps

Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

1. From the ROE Results for Worker(s) report, select ROE > Edit from the related actions menu of the ROE.
2. Update the Payment Date prompts for all rows on the Statutory Holidays grid in the Separation Payments section.

Solution: Correct the Last Day for Which Paid date on the business process for the ROE-generating event, such as:

- *Assign Pay Group* with a pay frequency or schedule change.
- *Change Organization Assignments*.
- *Request Leave of Absence*.
- *Termination*.

Solution:

### Steps

Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

1. From the ROE Results for Worker(s) report, select ROE > Edit from the related actions menu of the ROE.
2. Enter an Override Last Day for Which Paid date that's before the statutory holiday separation payment date.
3. Click Re-CREATE on the ROE.

### **ROE has separation payment errors.**

Cause: You entered insurable earnings for the first period with a value less than the sum of insurable separation payments in the Separation Payments (Block 17) section. Enter insurable earnings for the first period that are greater than the sum of insurable amounts reported in these grids in the Separation Payments section:

- Vacation Pay (Block 17A)
- Statutory Holidays (Block 17B)
- Other Monies (Block 17C)

Solution:

### Steps

Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

1. From the ROE Results for Worker(s) report, select ROE > Edit from the related actions menu of the ROE.
2. Select the Enable Override check box.
3. Either:
  - Enter a value that reflects all earnings in the final period on the Override Insurable Earnings field on the Insurable Earnings by Reporting Period (Block 15C) grid in the ROE Insurable Earnings by Period section. Enter an amount that reflects all earnings that you need to report in the final period, including the overriding amount for the insurable separation payment.
  - Enter a value on the Override Amount field in the Separation Payments section with a sum that isn't greater than the insurable earnings for the final period.

### **ROE has Last Day for Which Paid errors.**

Cause: Period Number 1 doesn't have any reported earnings because you entered a Last Day for Which Paid or Override Last Day for Which Paid date that is after the Final Pay Period Ending Date.

Solution:

### Steps

Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

1. From the ROE Results for Worker(s) report, select ROE > Re-Create from the related actions menu of the ROE.  
Workday adds the new final period into Period Number 1 on the Insurable Earnings by Reporting Period (Block 15C) grid.
2. Select ROE > Edit from the related actions menu of the ROE and enter overriding hours and earnings in the final period.
3. Click Re-Create on the ROE.

Cause: You entered an Override Last Day for Which Paid date that's after both the Final Pay Period Ending Date and Last Day for Which Paid date. As a result, Workday reports a new final period without any insurable earnings into the ROE. Service Canada doesn't allow a worker's final period to report an insurable earnings amount of 0.00.

Solution:

### Steps

Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

1. From the ROE Results for Worker(s) report, select ROE > Edit from the related actions menu of the ROE.
2. Enter an Override Last Day for Which Paid date that's in a period before the Final Pay Period Ending Date or the Last Day for Which Paid date.
3. Click Re-Create.
4. Click Edit.
5. Add hours and amounts to Period Number 1, the final period, on the Insurable Earnings by Reporting Period (Block 15C) grid.

- Determine if you need to move wages out of other periods on the grid to compensate.

Example: You edited the ROE and entered an Override Last Day for Which Paid date that is in the future of the period the worker was last paid in (the Final Pay Period Ending Date). When you recreated the ROE after adding the Override Last Day for Which Paid date, the ROE added a new Period Number 1 that doesn't have any insurable earnings to report. Therefore, you need to edit the ROE and enter overrides for Period Number 1. Those amounts might already be reported in the original last period, which is now Period Number 2. Determine if you need to override Period Number 2 to remove the value that was reported in Period Number 1.

Cause: You either

- Changed the Last Day for Which Paid date since Workday created the ROE.
- Entered an Override Last Day for Which Paid date that's in a different period than the original Last Day for Which Paid date.

Solution: Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

From the ROE Results for Worker(s) report, select ROE > Edit from the related actions menu of the ROE.

Workday recalculates Period Number 1, the final period, on the Insurable Earnings by Reporting Period (Block 15C) grid based on the override date you enter.

### **ROE has First Day Worked errors.**

Cause: You configured a First Day Worked date that is before the first payroll period with insurable earnings by:

- Closing the period containing the worker's start date before entering that date in Workday.
- Adding the additional earnings to the next payroll period instead of running the retro process to calculate the additional earnings.
- Running an off-cycle payroll for the additional payment against the current period instead of the period of hire.

Solution:

### **Steps**

Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

- From the ROE Results for Worker(s) report, select ROE > Edit from the related actions menu of the ROE.
- Either:
  - Add insurable earnings from the first period of employment to the last period reported in the ROE Insurable Earnings by Period (Block 15C) section. Block 15C reports the insurable wages with the most recent period (Period 1) and the oldest period last. If you need to add the period, add the period and the related hours and amounts on the Edit Insurable Earnings to Prior Periods grid in the ROE Insurable Earnings by Period section.
  - Correct the First Day Worked date.
- Click Re-CREATE.

Cause: You changed the First Day Worked date since Workday created the ROE.

Solution:

### **Steps**

Security: *Reports: ROE Results for Worker(s)* - CAN domain in the CAN Payroll functional area.

- From the ROE Results for Worker(s) report, select ROE > Edit from the related actions menu of the ROE.
- Enter an Override First Day Worked date that's before the worker's return date.

3. Click Re-CREATE.

Workday displays insurable hours and earnings in the Insurable Earnings by Reporting Period (Block 15C) grid based on the overriding date that you entered.

#### **Concept: Ignore ROE Events**

With the Ignore ROE Events task, you can control which events to include or exclude from Record of Employment (ROE) processing.

Example: Worker Transitions Into Different Types of Leave

Use Case	Action	Outcome
The worker is on paid leave, and then transitions to an unpaid leave.  You don't want to issue an ROE for the paid leave event but want to issue an ROE for the unpaid leave event.	Ignore the paid leave event and select Exclude ROE Event. Then issue the ROE for the unpaid leave event.	Workday won't create an ROE for the paid leave event.  Workday excludes the paid leave event as an interruption of earnings.  The ROE for the unpaid leave includes earnings as of the first day insurable earnings are paid to the worker or after the last interruption of earnings.
The worker is on unpaid leave, and then transitions to another unpaid leave.  You issued an ROE for the first unpaid leave event and don't want to issue an ROE for the second unpaid leave.	Ignore the second unpaid leave event and select Exclude ROE Event.	Workday won't create an ROE for the second leave event.  Workday excludes the second leave event as an interruption of earnings.  If the worker experiences another interruption of earnings, the next ROE for the worker will include earnings paid

Use Case	Action	Outcome
		after the last interruption of earnings.

Example: Worker is Terminated While on Unpaid Leave

Use Case	Action	Outcome
<p>The worker is on an unpaid leave and you issued the ROE. You then terminate the worker because they didn't return from leave. You didn't pay additional earnings as a result of the termination.</p> <p>You don't want to create an ROE for the termination because you already reported the earnings when the worker went on the unpaid leave.</p>	<p>Ignore the termination event and select Exclude ROE Event.</p>	<p>Workday won't create an ROE for the termination event.</p> <p>Workday excludes the termination event as an interruption of earnings.</p> <p>If the worker experiences another interruption of earnings, the next ROE for the worker will include earnings paid after the last interruption of earnings.</p>
<p>The worker is on an unpaid leave and you issued the ROE. You terminate the worker because they didn't return from leave. You pay additional insurable earnings as a result of the termination.</p> <p>You don't want to</p>	<p>Ignore the termination event and select Exclude ROE Event.</p> <p>Amend the issued ROE for the leave event to report additional payments.</p>	<p>Workday won't create an ROE for the termination event.</p> <p>Workday excludes the termination event as an interruption of earnings.</p> <p>The pay period end date for the additional payments must be</p>

Use Case	Action	Outcome
create an ROE for the termination. You want to amend the ROE you issued when the worker went on the unpaid leave so you can report the additional payments.		before the return from leave date entered on the <i>Return from Leave</i> business process. Workday then includes the additional earnings on the amended ROE when Workday creates the amended ROE for the leave event.

Example: Worker is Terminated While on Paid Leave

Use Case	Action	Outcome
The worker is on a paid leave and then you terminate the worker because they didn't return from leave. You don't want to issue an ROE for the paid leave but want to issue an ROE for the termination event.	Ignore the paid leave event and select Exclude ROE Event. Then issue an ROE for the termination event.	Workday won't create an ROE for the paid leave event. Workday excludes the paid leave event as an interruption of earnings. The ROE for the termination includes earnings as of the first day insurable earnings are paid to the worker or after the last interruption of earnings.

Example: Worker has an ROE Triggering Event

Use Case	Action	Outcome
The worker had an ROE	Ignore the ROE event and select	Workday won't create an ROE for

Use Case	Action	Outcome
<p>triggering event:</p> <ul style="list-style-type: none"> <li>• Assign pay group event with a pay frequency change</li> <li>• Change organization assignment</li> <li>• Leave</li> <li>• Termination</li> </ul> <p>You then accidentally created and issued the ROE.</p>	Include ROE Event.	<p>the ROE event.</p> <p>Workday includes the event as an interruption of earnings.</p> <p>If the worker experiences another interruption of earnings, the next ROE for the worker will include earnings paid after the last interruption of earnings.</p>
The worker has an ROE triggering event, but you issued the ROE directly with Service Canada.	Ignore the ROE event and select Include ROE Event.	<p>Workday won't create an ROE for the ROE event.</p> <p>Workday includes the event as an interruption of earnings.</p> <p>If the worker experiences another interruption of earnings, the next ROE for the worker will include earnings paid after the last interruption of earnings.</p>

#### Example: Pay Frequency Change Before Running Your First Workday Payroll

Use Case	Action	Outcome
You process pay frequency changes for a group of workers,	Ignore the ROE events for the impacted workers and	Workday won't create an ROE for the pay

Use Case	Action	Outcome
<p>such as semimonthly to biweekly, before running your first payroll in Workday.</p> <p>You don't want to issue ROEs for this pay frequency change because you already issued ROEs for the old pay frequency as part of your migration to Workday.</p>	select Include ROE Event.	<p>frequency changes.</p> <p>Workday includes the events as an interruption of earnings.</p> <p>If the worker experiences another interruption of earnings, the next ROE for the worker includes earnings paid after the last interruption of earnings. In this case, Workday uses the first insurable earnings paid on or after your first payroll run.</p>

## Steps: Ignore ROE Events

### Prerequisites

Security: *Process: ROE (Create Data)* - CAN domain in the CAN Payroll functional area.

### Context

You can ignore ROE-triggering events when you determine an ROE isn't required. When you update an ROE event to be ignored, Workday automatically deletes the associated ROE. Ignoring an ROE event:

- Eliminates the need to manually delete the ROE or guessing which ROEs to delete.
- Prevents accidentally issuing the ROE.
- Prevents Workday from creating the ROE again.

### Steps

1. Access the Ignore ROE Events task.
2. As you complete the task, consider:

Option	Description
ROE Event Initiated On Date (From) / (To)	<p>The date the business process for the ROE event initiated.</p> <p>If you only enter a date in the ROE Event Initiated On Date (From) field, Workday returns</p>

Option	Description
	<p>all initiated events as of that date and forward. If you only enter a date in the ROE Event Initiated On Date (To) field, Workday returns all initiated events as of that date and backwards. For the best performance, add dates in the ROE Event Initiated On Date fields and restrict the date range to 6 months or less.</p> <p>Example: A worker's last day worked is August 8. Their manager initiated the business process for their leave August 21 (the business process is still <i>In Progress</i>). You enter <i>August 8</i> and <i>August 18</i> in the From and To fields. The ROE leave event doesn't display in the Ignore ROE Events report since the business process was initiated after the To date (August 18).</p> <p>For performance purposes, Workday populates the dates in these fields to a 1 week period of time as of the current date. You can change these dates as needed.</p>
Exclude ROE Event	<p>Workday excludes this event as an interruption of earnings.</p> <p>If the worker experiences another interruption of earnings, the next ROE that Workday creates includes earnings as the first day insurable earnings were paid to the worker or after the last interruption of earnings.</p> <p>Block 15C (Insurable Earnings Detail) includes earnings paid during the employment period of the ignored event.</p>
Include ROE Event	<p>Workday includes this event as an interruption of earnings.</p> <p>If the worker experiences another interruption of earnings, the next ROE Workday creates will include earnings paid after the last interruption of earnings.</p> <p>Select if you completed the ROE event but issued the ROE directly with Service Canada.</p> <p>Block 15C (Insurable Earnings Detail) doesn't include the earnings paid during the employment period of the ignored event.</p>
Comments	<p>You can enter comments when you ignore an event if you want to record the reason for ignoring the event. Limited to 1,000 characters.</p> <p>If you ignored an event but want to correct the comments, access the Ignore ROE Events task again to change the comments.</p>

- Review the rows in the grid, and remove any rows for the ROE events you don't want Workday to ignore.

4. Review the ROEs in each grid:

Option	Description
ROEs to be Deleted	By ignoring these ROE events, Workday deletes the In Progress, In Error, and Not Required (No EI Earnings) ROEs.
ROEs to be Reviewed	ROEs with Approved, Issued, or Amend status. Before ignoring these ROEs, review them to determine if you need to correct them. Workday won't delete these ROEs.

## Result

Workday deletes the associated ROEs and marks the event as Ignored. Workday won't create an ROE for the ignored event.

## Next Steps

If you ignore an event but determine later that you need to create and issue an ROE, use the Cancel Ignore ROE Events task. After you run the Cancel Ignore ROE Events, Workday puts the ROE event back into ROE processing.

# Statutory Holiday Pay (CAN)

## Setup Considerations: Statutory Holiday Pay (CAN)

You can use this topic to help make decisions when planning your configuration and use of statutory holiday pay. 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

Workday calculates statutory holiday hours and rates of pay based on federal, provincial, and territorial statutory requirements. This functionality requires:

- Workday Time Tracking to calculate the hours to pay for a statutory holiday.
- Workday Payroll for Canada to calculate the rate of pay for statutory holiday hours.

## Business Benefits

Calculate Canadian workers statutory holiday pay based on actual hours worked and legislation published by the federal jurisdictions, provinces, and territories in Canada. Workday updates compliance changes accordingly, while you can manage worker eligibility.

This feature also delivers the flexibility for you to provide more holiday pay than what minimum government guidelines prescribe.

## Use Cases

- Pay a worker's statutory holiday pay based on federal, provincial, and territorial regulatory compliance.
- Recalculate retroactive pay for statutory holiday pay.
- Use the variety of delivered calculations that are specific to provincial requirements, like:
  - Prior 4 weeks earnings divided by 20 days.
  - Earnings divided by days worked.
  - 10% of earnings.
- Configure statutory pay over and above the mandated base rates for your provincial or federal workers.
- Configure multiple statutory holidays in the same pay period.
- Include earnings that aren't time-based, such as vacation pay, as part of your eligible statutory holiday pay earnings.
- To make it easier to track the calculation rules applied to an earning, Workday pay results display statutory holiday payments and the associated work location.

## Questions to Consider

Questions	Considerations
How do you want to handle calculations for workers in multiple provinces or territories?	You can create: <ul style="list-style-type: none"> <li>• Holiday statutory configurations for each province and territory.</li> <li>• One calculation for the provinces and territories that reference statutory requirements in a lookup table.</li> </ul>
Which holidays do you want to include?	Determine which holidays to include in the worker holiday calendar by configuring statutory holidays and eligibility.
How do you include pay components not based on time, such as vacation pay, as part of your eligible statutory holiday pay earnings?	Configure a balance period for non-time-based earnings to calculate: <ul style="list-style-type: none"> <li>• Statutory pay based on the period end date.</li> <li>• The payment date within the look-back period.</li> </ul>
How do you want to handle multiple holidays occurring in the same pay period?	You can configure Time Tracking to calculate individual holiday pay balances when multiple holidays occur in the same pay period.
How do you exclude earnings that aren't eligible for holiday pay?	You can configure eligible earnings so that Workday includes only those earnings in the rate of pay calculation for statutory holiday earnings. You can configure earnings using time calculation tags or conditions for non-time-based earnings.
How do you set up benefits over and above the minimum requirements?	Workday automatically populates the look-back period for these requirements in the statutory holiday configuration: <ul style="list-style-type: none"> <li>• Federal</li> <li>• Provincial</li> <li>• Territorial</li> </ul>

Questions	Considerations
	<p>You can modify worker eligibility rules to increase benefits. At minimum, you must configure the Provincial Employment Standards requirements.</p> <p>You're responsible for configuring the Worked Hours Time Tags.</p> <p>Example: You want to include overtime or paid time off when the provincial requirements don't include it in the calculation of total earnings.</p>
Are your workers hourly or salaried?	<p>You can pay workers statutory holiday pay based on hours worked and legislation published by all the provinces and territories in Canada. Workday requires workers to record daily hours to calculate the statutory holiday pay.</p> <p>Salaried workers can:</p> <ul style="list-style-type: none"> <li>• Continue to get paid.</li> <li>• Have a statutory holiday pay for their daily standard hours that reduce their salary pay in the period.</li> </ul>
How do you pay federally regulated employees?	<p>Configure Workday to pay holiday pay for federally regulated industries by selecting the jurisdiction when creating the statutory holiday configuration.</p> <p>You can also select the Federal jurisdiction when you create the time calculation to link the calculation to a federal configuration.</p>

## Requirements

You must have both Workday Payroll and Workday Time Tracking to use the statutory holiday pay functionality.

Use Workday Time Tracking to configure:

- Holiday time block calculations.
- Identifying holiday time blocks.
- Specifying employee pay period eligibility for holiday time worked.
- Defining time calculation rules that govern worker statutory holiday payout.

Use Workday Payroll to set up earnings.

Each province requires a specific minimum number of days or weeks of data before the holiday. Run the first payroll calculation when you have enough weeks of time tracking and absence data in Workday.

To recalculate retro Statutory Holiday pay, you must use Statutory Holiday Total Time Based Earnings with in-progress retro in your calculations.

## Limitations

Workday doesn't support:

- Multiple eligibility rules by province.
- Payroll input for statutory holiday pay components.
- Multiple jobs or positions for statutory holiday pay.
- Workers with international assignments in Canada.

When a worker has both federal and provincial time blocks that resolve for the same statutory holiday, Workday calculates the federal, and not the provincial, statutory holiday pay. Test your time block eligibility rules to ensure that a worker isn't eligible for both provincial and federal statutory holiday.

## Tenant Setup

No impact.

## Security

Domain	Considerations
<i>Set Up: Time Calculations</i> domain in the Time Tracking Calculations functional area.	Enables users to create holiday time blocks for workers.
<i>Set Up: Time Tracking</i> domain in the Time Tracking functional area.	Enables users to: <ul style="list-style-type: none"> <li>Configure statutory holiday eligibility.</li> <li>Create time calculations for statutory holiday pay.</li> </ul>
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> domain in the Core Payroll functional area.	Enables users to set up earnings for holiday pay.

## Business Processes

No impact.

## Reporting

You can use the Time Block Audit Report to review details for time blocks and time block events over a specified period.

## Integrations

No impact.

## Connections and Touchpoints

Statutory holiday pay interacts with these Workday Payroll areas:

Features	Considerations
Look-back periods	Workday uses statutory holiday look-back periods to define a time boundary for earnings to determine a worker's holiday pay.
Payroll earnings and calculations	Workday includes non-time-based earnings, such as vacation pay, when calculating total earnings for the look-back period when a province specifies to include non-time-based earnings. Time-based earnings (regular hours) use the pay result to get the pay rate to calculate the earnings to include in the total for the look-back period.  You can create these types of calculations to configure a statutory holiday earning for all the provinces: <ul style="list-style-type: none"> <li>Related</li> </ul>

Features	Considerations
	<ul style="list-style-type: none"> <li>• Aggregate</li> <li>• Arithmetic</li> <li>• Conditional</li> </ul>

Statutory holiday pay interacts with these Workday Time Tracking areas:

Features	Considerations
Holiday calendars	Workday uses a worker's holiday calendar to determine if a day is a statutory holiday. When you have a holiday configured on a worker's holiday calendar, Workday Time Tracking assumes it's a statutory holiday.
Calculation tags	<p>Workday Time Tracking uses the worker's <i>Worked Hours Calculation Tags</i> to:</p> <ul style="list-style-type: none"> <li>• Calculate the average number of applicable hours per worked day over the specified look-back period.</li> <li>• Determine the number of hours in the statutory holiday time block.</li> </ul>
Holiday statutory configuration	You can create configurations for each province or territory based on regulatory requirements.
Holiday time block calculation	You can use holiday time block create calculations to create time blocks for workers on statutory holidays. Workday uses the statutory holiday configurations that you make to determine which workers are eligible for the time calculation.
Time calculation groups	You can create groups to specify worker eligibility criteria for statutory holiday pay. Workday verifies that the worker meets the eligibility rules on the last day of the week on the time entry calendar. Workday verifies using the worker's termination date, if earlier.
Work schedules	Workday translates work schedule calendar events with start and end times into schedule blocks that display in Time Tracking. Statutory holiday pay uses work schedules to determine the worker's weekly schedule, such as Monday-Sunday. This determines what date to start looking back from when the look-back reference is the preceding week of the holiday rather than immediately preceding the holiday.

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

##### Examples

[Set Up Statutory Holiday Eligibility \(CAN\)](#)

[Create Time Calculations for Statutory Holidays \(CAN\)](#)

## Steps: Configure Statutory Holiday Pay (CAN)

### Prerequisites

- Review setup considerations for statutory holiday pay.
- Create a holiday calendar using Workday Time Tracking.

### Context

The Canada Statutory Holiday Pay feature uses both Workday Time Tracking and Workday Payroll to:

- Provide a customizable framework of building blocks such as pay component groups, pay calculations, time calculations, and holiday time blocks.
- Capture all Statutory Holiday applicable time for workers.
- Calculate statutory holiday pay based on all variables and eligibility requirements.

### Steps

1. [Set Up Statutory Holiday Eligibility \(CAN\)](#).

Use Workday Time Tracking to specify employee period eligibility for holiday time worked.

Security: *Set Up: Time Tracking* in the Time Tracking functional area.

2. [Create Time Calculations for Statutory Holidays \(CAN\)](#).

Use Workday Time Tracking to track worker time eligible for statutory holiday pay.

Security: *Set Up: Time Tracking* in the Time Tracking functional area.

3. Using Workday Payroll, set up earnings for statutory holiday pay. Add the earnings to the *Statutory Holiday Pay Earning [CAN]* pay component group.

Workday provides the Statutory Holiday Pay example earning that you can use or amend to fit your needs. See:

- [Steps: Create Earnings](#) on page 229
- [Example: Configure Statutory Holiday Pay for Provinces \(CAN\)](#) on page 1502
- [Concept: Statutory Holiday Look-Back Periods \(CAN\)](#) on page 1499

4. Update the pay component related calculation for the hourly rate to include the *Statutory Holiday Rate of Pay [CAN]* pay component group for any hourly earning included in Statutory Holiday pay calculation.

### Result

Workday calculates and pays statutory holiday pay when you run payroll.

#### Related Information

#### Concepts

[Setup Considerations: Statutory Holiday Pay \(CAN\)](#) on page 1494

## Concept: Statutory Holiday Look-Back Periods (CAN)

### Context

Statutory holiday pay is based on the total of time-based and non-time-based earnings that preceded the holiday.

To determine the total time-based earnings, Workday:

- Uses the statutory holiday look-back periods.

- Uses a reference point to define a time boundary for earnings, which come through Time Tracking.

Statutory guidelines for look-back periods vary across provinces.

Example:

Province	Period Time Span	Period Pay Factor
Quebec	Looks back 4 weeks preceding the week of the holiday.	1/20th of worker earnings subject to statutory holiday pay (5% of earnings).
British Columbia	Looks back 30 days preceding the holiday day.	An average daily wage, derived from worker earnings subject to holiday divided by the number of days worked (Earnings / Days Worked).

To support your compliance with the Province of Alberta legislation, we provide the Override Statutory Holiday Data task. You can use this task to override an existing look-back reference point. Then, select either the preceding holiday or preceding week of holiday.

#### Look-Back Periods Non-Time-Based Earnings

For non-time-based earnings, the look-back periods don't necessarily align with pay periods and, depending on the province, can span pay periods.

Workday provides 2 balance periods that you can use to configure a pay balance:

Balance Period	Description
<i>Statutory Holiday Look Back Period - Period End Date</i>	Period end dates that occur during the look-back period.
<i>Statutory Holiday Look Back Period - Period Payment Date</i>	Period payment dates that occur during the look-back period.

## Prior Holidays and Paid Time Off

Prior holidays can occur in the look-back period for the statutory holiday that you're calculating.

To include the prior Statutory Holiday hours in the look back period in time tracking, create a Prior Statutory Holiday time tag. The tag is included in the Time Tags when creating the Statutory Holiday Time block.

For provinces requiring prior Statutory Holiday pay inclusion, enter the Prior Stat Holiday time tag in the Worked Hours Calculation Tags prompt on the Statutory Holiday Configuration task.

Some provinces require that you include paid time off in the look-back period. To include employee paid time off in the statutory holiday earning:

- Enter the time off in hours, not days.
- Configure the calculation tag for the employee time off plan to the statutory holiday configuration. Use the Worked Hours Calculation Tags prompt on the Create Statutory Holiday Configuration task.

## Example: Determining Earnings During a Look-Back Period for Quebec

Look-back periods enable you to determine all time-based earnings for a worker in a given province.

A worker has these time-based earnings during the look-back period:

Hours	Type	Hourly Rate	Total
112.5	Regular	15	1,687.50
37.5	Shift 1	20	750.00
10	Overtime	22.50	225.00
			2,662.50

The worker receives additional vacation pay as a percentage of earnings at 6%:  $2,662.50 * 6\% = 159.75$ .

The worker receives additional 159.75 in vacation pay, resulting in total time-based earnings of 2,822.25.

Per Service Canada guidelines for Quebec, statutory holiday pay is 1/20th of the total time-based earnings:  $2,822.25 * 0.05 = 141.11$ .

The worker payslip reflects the additional earnings of 141.11 for statutory holiday pay, resulting in total earnings of 2,963.36.

## Related Information

### Examples

[Create Time Calculations for Statutory Holidays \(CAN\)](#)

## Set Up Statutory Holiday Eligibility (CAN)

### Example: Configure Statutory Holiday Pay for Provinces (CAN)

This example illustrates 1 way to configure a statutory holiday earning to calculate all provinces for Canadian workers.

#### Context

Sonia the payroll administrator needs to configure statutory holiday earnings for all the provinces. She uses Workday-owned statutory holiday values.

#### Prerequisites

- Create holiday time blocks for workers.
- Specify employee period eligibility for holiday time worked.
- Configure time calculation rules that govern worker statutory holiday payout.
- Create an instance set comparison calculation for all provinces using the payroll tax authority worktags.
- Create a *Canada Statutory Holiday* time calculation tag.

Security: These domains in the Core Payroll functional area:

- *Set Up: Payroll (Calculations - Generic)*
- *Set Up: Payroll (Calculations - Payroll Specific)*

#### Steps

1. Access the Create Related Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday - Hours Worked
Code	STAT_HOL_HRWK
Category	<i>Payroll</i>
Value > Currency Related	Select

2. Access the Create Related Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday - Days Worked
Code	STAT_HOL_DYSWK
Category	<i>Payroll</i>
Value > Currency Related	Select

3. Access the Create Related Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday - Time-Based Earnings
Code	STAT_HOL_TB
Category	<i>Payroll</i>
Value > Currency Related	Select

4. Access the Create Related Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday - Non-Time Based Earnings
Code	STAT_HOL_NTB
Category	<i>Payroll</i>
Value > Currency Related	Select

5. Access the Create Related Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday - Total Earnings
Code	STAT_HOL_TOTERN
Category	<i>Payroll</i>
Value > Currency Related	Select

6. Access the Create Related Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday - EI Hours
Code	STAT_HOL_EIHRS
Category	<i>Payroll</i>
Value > Currency Related	Select

7. Access the Create Related Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday - Prior Period Holiday Pay
Code	STAT_HOL_PPHP
Category	<i>Payroll</i>
Value > Currency Related	Select

8. Access the Create Aggregate Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday Total Earnings Function - Sum
Function	<i>Sum</i>
Operand	<i>RCs for Prior SH, Non-Time Based Earnings and Time Based Earnings.</i>

9. Access the Create Arithmetic Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday Hours Worked / CAN Statutory Holiday Days Worked
Category	<i>Payroll</i>

Option	Description
1st Operand	CAN Statutory Holiday - Hours Worked
Operator	Divide
2nd Operand	CAN Statutory Holiday - Days Worked
Rounding	Round down to nearest 0.01

10. Access the Create Arithmetic Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday Total Earnings / CAN Statutory Holiday Days Worked
Category	Payroll
1st Operand	CAN Statutory Holiday - Total Earnings
Operator	Divide
2nd Operand	CAN Statutory Holiday - Days Worked

11. Access the Create Arithmetic Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday Total Earnings / 20
Category	Payroll
1st Operand	CAN Statutory Holiday - Total Earnings
Operator	Divide
2nd Operand	20

12. Access the Create Arithmetic Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday Total Earnings * 0.1
Category	Payroll
1st Operand	CAN Statutory Holiday - Total Earnings
Operator	Multiply
2nd Operand	0.1

13. Access the Create Conditional Calculation task and enter these settings:

Option	Description
Name	CAN Statutory Holiday Pay Calculation
Category	Payroll

14. Add 13 rows to the Conditional Calculations grid and enter these settings:

Order	Condition	Result
A	Payroll Tax Authority Worktags for Current Calculation = Alberta	CAN Statutory Holiday Total Earnings / CAN Statutory Holiday Days Worked

Order	Condition	Result
B	<i>Payroll Tax Authority Worktags for Current Calculation = British Columbia</i>	<i>CAN Statutory Holiday Total Earnings / CAN Statutory Holiday Days Worked</i>
C	<i>Payroll Tax Authority Worktags for Current Calculation = Manitoba</i>	<i>CAN Statutory Holiday Total Earnings / 20</i>
D	<i>Payroll Tax Authority Worktags for Current Calculation = New Brunswick</i>	<i>CAN Statutory Holiday Total Earnings / CAN Statutory Holiday Days Worked</i>
E	<i>Payroll Tax Authority Worktags for Current Calculation = Newfoundland and Labrador</i>	<i>CAN Statutory Holiday Total Earnings / CAN Statutory Holiday Days Worked</i>
F	<i>Payroll Tax Authority Worktags for Current Calculation = Northwest Territories</i>	<i>CAN Statutory Holiday Total Earnings / CAN Statutory Holiday Days Worked</i>
g	<i>Payroll Tax Authority Worktags for Current Calculation = Nova Scotia</i>	<i>CAN Statutory Holiday Total Earnings / CAN Statutory Holiday Days Worked</i>
h	<i>Payroll Tax Authority Worktags for Current Calculation = Nunavut</i>	<i>CAN Statutory Holiday Total Earnings / CAN Statutory Holiday Days Worked</i>
I	<i>Payroll Tax Authority Worktags for Current Calculation = Ontario</i>	<i>CAN Statutory Holiday Total Earnings / 20</i>
J	<i>Payroll Tax Authority Worktags for Current Calculation = Prince Edward Island</i>	<i>CAN Statutory Holiday Total Earnings / CAN Statutory Holiday Days Worked</i>
K	<i>Payroll Tax Authority Worktags for Current Calculation = Quebec</i>	<i>CAN Statutory Holiday Total Earnings / 20</i>
L	<i>Payroll Tax Authority Worktags for Current Calculation = Saskatchewan</i>	<i>CAN Statutory Holiday Total Earnings / 20</i>
M	<i>Payroll Tax Authority Worktags for Current Calculation = Yukon</i>	<i>CAN Statutory Holiday Total Earnings * 0.1</i>

15. Enter zero as the Default Response.

16. Access the Create Earning task and enter these settings:

Option	Description
Name	<i>Statutory Holiday Pay [CAN]</i>
Code	<i>CAN_STAT_HOLIDAY</i>
Country	<i>Canada</i>

17. Enter these settings on the Effective Dated tab:

Option	Description
Effective Date	Today
Worker Eligibility	Row 1: • <i>Timesheet: Approved Hours for Earning &lt; &gt; 0</i>
Calculation	<i>CAN Statutory Holiday Pay Calculation</i>
Override Frequency	<i>Hourly</i>
Calculation Proration	<i>None of the above</i>
Do Not Recalculate During Retro	Select.  Note: Workday doesn't support retro for Statutory Holiday Pay.

18. Enter these settings in the Related Calculations grid:

Related Calculation	Groups	Override Calculation	Do Not Store / Do Not Store if Zero	Display Current / Current and Balances	Do Not Apply Percentage Splits / Apply Percentage Splits
<i>CAN Statutory Holiday - Hours Worked</i>		<i>CAN Statutory Holiday: Hours Worked</i>	<i>None of the above</i>	<i>Current and Balances</i>	<i>None of the above</i>
<i>CAN Statutory Holiday - Days Worked</i>		<i>CAN Statutory Holiday: Days Worked</i>	<i>None of the above</i>	<i>Current and Balances</i>	<i>None of the above</i>
<i>CAN Statutory Holiday - Time Based Earnings</i>		<i>Statutory Holiday Total Time Based Earnings</i>	<i>None of the above</i>	<i>Current and Balances</i>	<i>None of the above</i>
<i>CAN Statutory Holiday - Non Time Based Earnings</i>		<i>CAN Statutory Holiday Non Time Based Earnings</i>	<i>None of the above</i>	<i>Current and Balances</i>	<i>None of the above</i>
<i>CAN Statutory Holiday - Total Earnings</i>		<i>CAN Statutory Holiday Total Earnings</i>	<i>None of the above</i>	<i>Current and Balances</i>	<i>None of the above</i>
<i>CAN Statutory Holiday EI Hours</i>	EI Hours [CAN]	<i>CAN Statutory Holiday Hours Worked / CAN Statutory Holiday Days Worked</i>	<i>None of the above</i>	<i>Current and Balances</i>	<i>None of the above</i>
<i>CAN Statutory Holiday - Prior Period Holiday Pay</i>		<i>Statutory Holidays Paid in Lookback Period</i>	<i>None of the above</i>	<i>Current and Balances</i>	<i>None of the above</i>

19. Enter *Hourly Pay* as the Compensation Element.

20. Enter *Canada Statutory Holiday* in the Time Calculation Tags grid.

Note: The Time Calculation Tag used on the earning must match the tag used on the Create Statutory Holiday Configuration task and used as the Statutory Holiday Calculation Tag.

21. Enter these settings on the Non-Effective Dated tab:

Option	Description
Groups	<i>Adds to Gross [CAN USA]</i> <i>CNESST Taxable [CAN]</i> <i>BCEHT Taxable [CAN]</i> <i>CPP Taxable [CAN]</i> <i>EI Taxable [CAN]</i> <i>Income Taxable (Withhold Taxes) [CAN]</i> <i>Manitoba Health Taxable [CAN]</i> <i>Newfoundland and Labrador Health Taxable [CAN]</i> <i>Northwest Territories Payroll Tax Taxable [CAN]</i> <i>Nunavut Payroll Tax Taxable [CAN]</i> <i>ONEHT Taxable [CAN]</i> <i>QHSF Taxable [CAN]</i> <i>QPIP Taxable [CAN]</i> <i>QPP Taxable (Withhold Taxes) [CAN]</i> <i>Quebec Taxable (Withhold Taxes) [CAN]</i> <i>Statutory Holiday Pay Earning [CAN]</i> <i>Withholding Order (All): Periodic Earnings and Lump Sum Earnings Canada [CAN]</i> <i>WSDRF Taxable [CAN]</i>
ROE	<i>Allocation Reporting Period &gt; Period Paid</i> <i>Allocation Reporting Period for Hours &gt; Period Paid</i> <i>Allocation Reporting Period Retro &gt; Period Paid</i> <i>Allocation Reporting Period for Retro Hours &gt; Period Paid</i>

## Result

Statutory Holiday Pay now resolves for each province when you process payroll.

Related Information

### Examples

[Set Up Statutory Holiday Eligibility \(CAN\)](#)

[Create Time Calculations for Statutory Holidays \(CAN\)](#)

[Create Time Calculation Tags](#)

[Steps: Set Up Calculations for Time Tracking](#)

Reference: Time Calculation Types

## Troubleshooting: Temporary Employees Aren't Receiving Statutory Holiday Pay

Cause: These scenarios are possible reasons the temporary employee isn't receiving Statutory Holiday pay:

- The employee doesn't have enough employment days prior to the holiday. For Payroll for Canada, the number of employment days prior to the holiday varies by province. Example: In British Columbia, the number of required days of employment prior to the holiday is 30.
- The employee didn't work their scheduled day before or after the holiday, if you've configured the Statutory Holiday configuration for the province that way.
- Your time Tracking eligibility rules or Statutory Holiday pay component aren't allowing for temporary employees to receive Statutory Holiday pay.

Solution: Do one of these:

- Confirm that the employee has worked the required number of days prior to the holiday.
- Check the employee's schedule and whether they worked the day before and/or after the holiday to confirm their eligibility. Make any updates and recalculate the result for the employee.
- Update your Time Tracking eligibility rules or Statutory Holiday pay component. See: [Steps: Set Up Time Tracking](#).

## Successor Employer (CAN)

### Setup Considerations: Successor Employer Company Relationships (CAN)

You can use this topic to help make decisions when planning your configuration and use of Canada successor employer company relationships. 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

Successor employer for Payroll for Canada enables you to consider a worker's employment continuous between a previous company and the company that immediately succeeds it through acquisition. A worker's deducted, remitted, or paid amounts under the Canada Pension Plan or the Employment Insurance Act, or both, from the predecessor company are considered in the annual limit and credit calculations by the successor employer.

#### Business Benefits

- You can load the worker tax elections by EIB for the predecessor company instead of adding them for each worker, saving time on data entry.

- Workday:
  - Considers wages paid by the predecessor company, instead of starting them over, when determining limits for taxes like:
    - CPP/CPP2
    - QPP/QPP2
    - EI
    - QPIP/QPIP (ER)
  - Includes wages paid only by the successor company when tax filing.

## Use Cases

You can continue your payroll and tax reporting in a new relationship whenever you acquire companies.

## Questions to Consider

Questions	Considerations
Has the successor company received a Canada Pension Plan (CPP) or Employer Insurance (EI) ruling from the Canada Revenue Agency?	If yes, create a manual (off-cycle) payment. See: <a href="#">Create Manual Payments</a> on page 719.  To load large quantities of worker data, use the Off-Cycle Pay Input EIB. See: <a href="#">Concept: Import Payment Off-Cycle EIB</a> .  You must obtain permission from the Canada Revenue Agency to proceed with successor employer.
Does the predecessor company need to be in Workday?	No. But you must obtain the year-to-date values for these pay components: <ul style="list-style-type: none"> <li>• CPP/CPP2</li> <li>• QPP/QPP2</li> <li>• EI</li> <li>• QPIP</li> <li>• QPIP (ER)</li> </ul> Then, create a manual (off-cycle) payment for the workers using the values obtained from the predecessor company.  You must create this off-cycle payment before you proceed with on-cycle payments in the successor employer.
Have you completed the workers' first on-cycle pay in the successor company?	If yes, you can't continue using Successor Employer for Canada this year. You must enter the predecessor values for your worker prior to the first on-cycle payment with the successor.

## Recommendations

- Confirm your workers' tax elections and withholdings are correct.
- Verify your off-cycle payroll entries before you complete the first on-cycle payment for workers in the successor company.

## Requirements

- Confirm any worker transfers in to or out of Quebec to ensure you're accounting for CPP or QPP contributions that need to be reported.
- You must obtain a Canada Pension Plan (CPP) or Employment Insurance (EI) ruling from the Canada Revenue Agency (CRA) before you can apply this functionality to successor employers.
- You must process an off-cycle payroll for your predecessor company workers in the successor company to capture the year-to-date predecessor values prior to completing your first on-cycle payroll in the successor company.
- Verify workers have no negative values entered or values over the maximum annual limits.
- You can use Successor Employer more than 1 time per year. Only consider the values from the immediate predecessor company when entering predecessor values.

## Limitations

If you use overrides for deductions that Workday configures (CPP/CPP2, QPP/QPP2, EI, QPIP), Workday recommends you don't use this feature for the remainder of 2024.

Tax forms for the predecessor company come from the predecessor company. The workers' year-to-date withholdings are not merged with the successor company.

You can't modify this relationship type once you've completed a payroll.

Workday doesn't support successor employer company relationships for workers who have an international assignment position in Canada.

Workday doesn't carry over prior withholding order limit balances, you must enter the information for withholding orders for your new workers.

## Tenant Setup

No impact.

## Security

Domains	
<i>Process: Off-Cycle (Manual Payment)</i> domain in the Core Payroll functional area.	Enables you to create an EIB for a large volume of workers using web service.

## Business Processes

No impact.

## Reporting

Reports	Considerations
Tax Remittance Details Tax Remittance Periods (CAN) Tax Remittance Summary Tax Remittance Summary - Federal Tax Remittance Summary - Quebec	Includes remittance details from the successor employer only.

## Integrations

Web Services	Considerations
<i>Process: Off-Cycle (Manual Payment)</i>	Provides the ability to input year-to-date predecessor amounts for all employees in the successor company.

## Connections and Touchpoints

No impact.

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

#### Concepts

[Concept: Pay and Tax Calculation in Predecessor and Successor Companies \(CAN\)](#) on page 1512

#### Tasks

[Steps: Process Pay Input for Successor Employer for Canada](#) on page 1511

#### Examples

[2024R1 Feature Release Note: Successor Employer for Payroll for Canada](#)

## Steps: Process Pay Input for Successor Employer for Canada

### Prerequisites

You must obtain:

- A Canada Pension Plan (CPP) or Employment Insurance (EI) ruling from the Canada Revenue Agency (CRA). If you use overrides for deductions that Workday configures (CPP/CPP2, QPP/QPP2, EI, QPIP), Workday recommends you don't use this feature for the remainder of 2024.
- The year-to-date records for your workers from the predecessor company.

### Context

Successor employer for Payroll for Canada doesn't require you to import the predecessor company and its data, if it's not in Workday. When you acquire companies, set up employee data to continue payroll and tax reporting in the new successor employer.

Workers in successor employer companies receive 2 year-end tax forms, 1 from the predecessor company and 1 from the successor employer company.

### Steps

- Run a manual (off-cycle) payment prior to the first on-cycle payment with the successor company.  
See: [Create Manual Payments](#) on page 719.  
The payment date must be prior to the end of the first pay period with the successor employer company.
- As you complete the off-cycle payment, consider:

Option	Description
Year-to-date values for: <ul style="list-style-type: none"> <li>CPP/CPP2</li> <li>QPP/QPP2</li> </ul>	For these components: <ul style="list-style-type: none"> <li>Predecessor Taxable Wages</li> <li>Predecessor Deducted Amount</li> <li>Predecessor Credit Allowance</li> </ul>

Option	Description
Year-to-date values for: <ul style="list-style-type: none"><li>• EI</li><li>• QPIP</li><li>• QPIP (ER)</li></ul>	For these components: <ul style="list-style-type: none"><li>• Predecessor Taxable Wages</li><li>• Predecessor Deducted Amount</li></ul>

To save time on data entry, Workday recommends you use an EIB for large quantities of workers.

3. Once the off-cycle payment is complete, process on-cycle payments in the successor employer.

#### Related Information

##### Tasks

[Create Manual Payments](#) on page 719

##### Examples

[2024R1 Feature Release Note: Successor Employer for Payroll for Canada](#)

## Concept: Pay and Tax Calculation in Predecessor and Successor Companies (CAN)

Predecessor Payment Status	Successor Payment Status
Payroll In Progress	Not Started.  You must complete all payments in the predecessor company before you add workers to the successor company.
Payroll Complete	You can start off-cycle pay input for successor company workers.  Enter predecessor year-to-date values in the successor company for CPP/CPP2, QPP/QPP2, EI, QPIP, and QPIP (ER).

Successor Payment Status	Successor Company Process
Off-Cycle In Progress	Canada Revenue Agency sent approval. Payroll with the predecessor company is complete.  Verify your predecessor entries in the successor company.
Off-Cycle Complete	Predecessor values are verified in the successor company and are used in the calculation.  Annual limits in the successor company consider the predecessor values entered.  K-2 credits are accurate when considering predecessor values in the calculation of CPP/CPP2, QPP/QPP2, EI, and QPIP.

#### Example:

Company A (predecessor) acquires Company B (successor) on 07/01/2024. Both companies are in Workday.

- Obtain a Canada Pension Plan or Employment Insurance Act ruling from the Canada Revenue Agency.
- Complete all payroll in Company A prior to Company B obtaining values for CPP/CPP2, QPP/QPP2, EI, QPIP, and QPIP (ER).

- Create a manual (off-cycle) pay input with payroll input for your worker in Company B with these pay components before you calculate on-cycle pay input for your workers in Company B:
  - Predecessor Credit Allowance (when applicable)
  - Predecessor Deducted Amount
  - Predecessor Taxable Wages
- Enter the YTD values for:
  - CPP/CPP2
  - QPP/QPP2
  - EI
  - QPIP
  - QPIP (ER)
- Verify your pay input:
  - Confirm the annual maximum limits for the pay components have not exceeded the annual limits.
  - Confirm the credit allowance has been prorated and entered correctly. (July 1 payroll, semi-monthly. The worker has a CPP credit allowance of  $\$145.82 \times 12 = \$1749.96$ )
  - Confirm there are no negative values entered for your worker.
  - Confirm the Amount fields are 0.
- Complete the Off-Cycle payroll.
- Run an on-cycle pay calculation for Company B so that it is *In Progress*.
- Verify the year-to-date values for the workers who have predecessor values.

When the Company B payroll is *In Progress*:

- The values paid, deducted and remitted in the predecessor company are included in the tax calculation with the successor company.
- Workday recalculates taxes considering the taxable wages and tax limits from Company A, the predecessor company.
- K-2 credits are applied accurately because all values are considered.

When the Company B payroll is *Completed*:

- The values paid, deducted and remitted by the Predecessor Employer remain the responsibility of the Predecessor Employer.
- Your worker will receive a year end tax form from the Predecessor employer and the Successor Employer. The YTD tax data will not merge.
- The predecessor and successor employer will complete year end forms; PIER reporting; and ROE filing as separate legal entities.
- The remittance reports will provide the tax data and remittance information for your Successor employer, and will not include Predecessor amounts.
- The Year End data and reporting will provide tax data for the Successor employer, and will not include Predecessor amounts.

Related Information

#### **Examples**

[2024R1 Feature Release Note: Successor Employer for Payroll for Canada](#)

# Payroll for the UK

## Payroll for the UK

Use these quick links to view Payroll for the UK features:

- [Tax Setup \(UK\)](#)
- [Court Orders \(UK\)](#)
- [Civil Service Pensions \(UK\)](#)
- [P60 Reporting \(UK\)](#)
- [Gender Pay Gap \(UK\)](#)
- [National Insurance \(NI\) Adjustments \(UK\)](#)
- [Processes for Terminated Workers \(UK\)](#)
- [Real Time Information \(RTI\) Reporting \(UK\)](#)
- [Holiday Pay \(UK\)](#)
- [Company Vehicles \(UK\)](#)
- [Statutory Payments \(UK\)](#)
- [Pensions Auto-Enrolment \(UK\)](#)

## Tax Setup (UK)

### Setup Considerations: Year-End Payroll Processing (UK)

You can use this topic to help make decisions when planning your configuration and use of UK year-end payroll processing. 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

UK year-end processing is a series of tasks, reports, and integrations in Workday that helps you complete the current tax year and prepare for the next.

Workday supports the P60 year-end tax form and these processes:

- Earlier Year Update (EYU) for the 2018-2019 and 2019-2020 tax years.
- Real Time Information (RTI) Full Payment Submission (FPS).
- RTI Employer Payment Summary (EPS).
- Tax code uplift at the start of a new tax year.

#### Business Benefits

Workday makes it easier to handle your year-end payroll requirements by:

- Maintaining payroll data in a single location to validate payments to HMRC.

- Enabling you to provide workers with electronic and printed versions of year-end tax forms to your workers. Workers can access electronic forms on desktop and mobile using employee self-service (ESS).

## Use Cases

Year-end payroll processing enables you to:

- Enable workers to opt in or out of a paper copy of their year-end tax forms.
- Enable workers to view and print their electronic year-end tax forms in ESS.
- Generate P60 data for eligible workers.
- Review year-end form updates.

## Questions to Consider

Questions	Considerations
How do you want to produce P60 year-end forms?	You can print P60s or enable online forms for ESS. You need to set up printing options for your company to print hard copy P60s.
Have you changed any pay component groups after completing payroll and later need to adjust a balance?	You can create manual payments if you need to adjust balances. Example: To update the year to date balances for a worker's P60, process an on-demand additional payment.

## Recommendations

To prepare for the year-end process, Workday recommends that you:

- Ensure that your HMRC PAYE account matches your PAYE results in Workday and investigate and correct any differences.
- Create test versions of your PDF and integration year-end forms and, if necessary, amend for the new year.
- Verify that all pay components have correctly configured pay component groups. Pay component groups control how Workday reports some amounts on payslips. Pay component groups can also control taxable wages on P60 forms.

When you complete the final period payroll for a tax year, Workday recommends that you process items in this order:

- View and correct RTI FPS exceptions.
- Send FPS data to HMRC.
- Send EPS data to HMRC.
- If necessary, run an Earlier Year Update.
- Create and distribute workers' P60 forms.

At the start of a new tax year, Workday recommends that you process items in this order:

- Review HMRC changes to year-end processes or forms.
- Process any HMRC notifications.
- Run a tax code uplift and clear down.
- Set up the period schedule for payroll and absence.
- Update holiday calendars.
- Apply any contractual or statutory changes for the new tax year. Example: Budget changes. Workday provides this information on the Payroll Compliance Updates dashboard.

## Requirements

At the beginning of the tax year:

- Set up period schedules and holiday calendars to support the entire year.
- Validate payment dates for the year against weekends and public holidays. Example: Bank holiday rescheduling to celebrate a specific historic occasion.
- Verify that new ledger periods are in *Open* status.
- For workers who have had childcare vouchers since April 2011, manually assess their tax bracket and adjust their records to match.
- Register with HMRC before it introduces benefit-in-kind changes on April 6. Workday recommends that you notify workers of changes to benefit in kind in a timely manner.

Near the end of the tax year:

- Complete all payrolls for the tax year, including off-cycles and manual adjustments.
- Verify that your company name, address, and tax references are correct.
- For P60 forms, ensure that your mapping of data items follows HMRC guidelines. Workday recommends that you generate a test version to check its layout.
- Identify data items used for gender pay gap and pension reporting.

## Limitations

Workday supports EYU for the 2018-2019 and 2019-2020 tax years only.

Workday creates a P60 for all active workers as of 5th April each year, and for workers who left between April 1 and 5. For workers who left before April 1, you must generate a P45 detailing their tax information, along with any student or postgraduate loan details.

Workday doesn't support the:

- Office of National Statistics Annual Survey of Hours and Earnings (ASHE) return.
- P11D form.
- PAYE Settlement Agreement (PSA).

## Tenant Setup

No impact.

## Security

Configure these domains in the UK Payroll functional area.

Domains	Considerations
<i>Process: HMRC Notifications - UK</i> <i>Process: HMRC Notifications (Run) - UK</i>	Enables you to retrieve and apply changes to workers' tax code details from HMRC.
<i>Process: New Hire Tax Details</i>	Enables you to process the P45 and tax details new hires provide during their onboarding process.
<i>Process: P60 - UK</i>	Enables you to set up and manage P60 generation.
<i>Process: P60 (Reports) - UK</i>	Enables you to: <ul style="list-style-type: none"> <li>• Generate and print workers' P60 forms.</li> <li>• Configure the layout of the postal address header sheet that accompanies each P60.</li> </ul>

Domains	Considerations
<i>Process: P60 (Run) - UK</i>	Enables you to identify workers who require a P60.
<i>Process: RTI - UK</i>	Enables you to generate RTI submissions for HMRC.
<i>Process: RTI (Reports) - UK</i>	Enables you to report on RTI submissions.
<i>Process: RTI (Run) - UK</i>	Enables you to process RTI data.
<i>Process: Tax Code Uplift and Clear Down - UK</i>	Enable you to update workers' tax details with information from HMRC.
<i>Process: Tax Code Uplift and Clear Down (Run) - UK</i>	
<i>Set Up: Payroll (Company Vehicle) - UK</i>	Enables you to record company vehicle data.
<i>Set Up: Payroll (RTI) - UK</i>	Enables you to generate your RTI FPS data for HMRC.
<i>Set Up: Payroll UK</i>	Enables you to set up and view payroll-specific data that isn't based on Pay Group or Company. Example: Employer Reference details.
<i>Worker Data: Payroll (Company Specific) - UK</i>	Enables you to maintain noncompany specific data for workers. Example: Individual tax details.
<i>Worker Data: Payroll (Company Vehicle) - UK</i>	Enables you to record company car data for workers.

## Business Processes

Configure the *Tax Code Uplift Event* business process and security policy in the UK Payroll functional area. This business process enables you to update workers' tax details for the new tax year with information from HMRC.

## Reporting

Reports or Dashboards	Considerations
Payroll Compliance Updates dashboard.	Use the dashboard to review Workday-delivered compliance updates.
PCGs for Payroll Calculations report.	Use this report on the Payroll profile group to verify that pay components are in the appropriate pay component groups. Use the Tenant Analyzer to verify that you've optimized information in your tenant.
View Advanced UK RTI FPS Data and View UK RTI FPS Data reports.	Use these reports to display FPS values generated for selected payroll results and preview your submission details.
View Advanced UK RTI FPS Exceptions and View UK RTI FPS Exceptions reports.	Use these reports to display errors or warnings on final pay period payroll results. Note: The View UK RTI FPS Exceptions report displays a maximum of 1000 rows.

Reports or Dashboards	Considerations
View New Starter Checklist Responses	Use this report to view new hires' responses to the New Starter Checklist on the Provide New Hire Tax Details task.
View UK Apprenticeship Levy report.	Use this report, when reconciling your payments, to verify your monthly and annual apprenticeship levy amounts.
View UK FPS Amounts Reported To HMRC report.	Use this report when you reconcile your payments against your PAYE account.
View UK Gender Bonus Gap Reporting report.	Use this report to provide bonus payment data for your annual gender pay gap report to HMRC.
View UK Gender Pay Gap Hourly Rate of Pay report.	Use this report to provide pay data for your annual gender pay gap report to HMRC.
View UK P60 report.	Use this report to review queued P60s for a specific company and groups of workers.
View UK RTI EPS Data report.	Use this report to verify the calculated data in your EPS submission.
View UK RTI FPS Worker Company Car Data report.	When your company has an agreement with HMRC to include company cars as benefits in payroll, use this report to verify a worker's car and its annual costs.
Worker UK Tax Details report.	Use this report to review a worker's new tax code after you run a tax code uplift.

## Integrations

Integrations	Considerations
<i>HMRC Incoming Notifications</i>	Submits Data Provisioning Service (DPS) requests for these notification types: P6, P6B, P9, SL1, SL2, PGL1, and PGL2.
<i>HMRC Real Time Information</i>	Submits FPS files to HMRC RTI.
<i>HMRC Real Time Information Earlier Year Update</i>	Submits RTI Earlier Year Updates.
<i>HMRC Real Time Information Employer Payment Summary</i>	Submits EPS files to HMRC RTI.

## Connections and Touchpoints

Workday uses worker data to produce P60 data and forms. Example: Provide any required information, such as home address, postcode, and National Insurance number in Workday Human Capital Management. Workday determines the work state of the worker from this information.

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

#### Concepts

[Setup Considerations: Adjustments for Prior Periods](#) on page 735

## Tasks

- [Run Tax Code Uplift and Clear Down \(UK\) on page 1529](#)
- [Record Worker RTI Earlier Year Update Details \(UK\) on page 1568](#)
- [Process HMRC Notifications \(UK\) on page 649](#)
- [Create P60 Forms for Workers \(UK\) on page 1545](#)
- [Steps: Set Up Real Time Information Reporting \(UK\) on page 1563](#)

## Reference

- [Workday Community: Workday Payroll for UK Year-End & Year-Start Checklist](#)

## Steps: Set Up Payroll Taxes (UK)

### Context

Workday provides and maintains information on valid tax and National Insurance details, as required by HM Revenue and Customs (HMRC). You enter company and worker-specific tax data.

### Steps

1. [Set Up Company Tax ID \(UK\) on page 1519](#)
2. [Set Up Employer Reference Tax Details \(UK\) on page 1521.](#)
3. [Record Apprenticeship Levy \(UK\) on page 1523.](#)
4. (Optional) [Edit Business Processes](#)  
Add the Provide New Hire Tax Details task as a *To Do* step to the *Hire* or *Onboarding* Business Process in the UK Payroll functional area. This task enables workers to upload P45s and enter their tax details using the Starter Checklist.
5. (Optional) [Import P45 Tax Data Using Machine Learning \(UK\) on page 1523](#)
6. [Set Up Worker Taxes \(UK\) on page 1525.](#)
7. [Assign UK Payroll ID for Worker \(UK\) on page 1527.](#)  
Ensure that all workers have a payroll ID. Workday recommends adding the *Assign UK Payroll ID* business process as a subprocess of the *Hire* business process, after the *Assign Pay Group* step.

### Result

Workday uses these settings to calculate tax and National Insurance during payroll processing.

#### Related Information

## Reference

- [Reference: Payroll Configuration Reports on page 272](#)

- [Workday Community: New Hire Tax Details](#)

## Set Up Company Tax ID (UK)

### Prerequisites

#### Security:

- *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.
- *Set Up: Company General* domain in the Common Financial Management functional area.

### Context

Record tax ID numbers for a company.

## Steps

1. Access the Edit Company Tax Details task.
2. (Optional) On the VAT on Payment tab, for financial transactions, select VAT on Payment to record Value Added Tax (VAT) on payments instead of invoices.  
For financial transactions, if you use VAT on Payment, select the Default Tax Applicability and Default Tax Code.
3. On the Tax IDs tab, in the Tax IDs grid, add information for each country for which the company processes payments.

Field	Description
Country for Tax ID Type	The prompt displays only the countries with Workday-delivered tax ID types.
Tax ID Type	<p>For the United Kingdom, you have these options:</p> <ul style="list-style-type: none"> <li>• <i>COTAX</i>: Corporation Tax number, where applicable.</li> <li>• <i>ECON</i>: The Employer's Contracted-Out Number for pension schemes, where applicable.</li> <li>• <i>Employer Accounts Office Reference Number</i>: The reference number for the employer's accounts office. A valid number is essential for RTI submission.</li> <li>• <i>Employer PAYE Reference</i>: A valid number is essential for RTI submission.</li> <li>• <i>HMRC Office Number</i>: A valid number is essential for RTI submission.</li> <li>• <i>UTR</i>: Your self-assessment unique tax reference (SA UTR), if you're a sole trader or partnership.</li> <li>• <i>VAT Reg No</i>: Number for purchase orders and customer invoices.</li> </ul> <p>Note: If you enter both <i>COTAX</i> and <i>UTR</i>, HMRC rejects your Employer Payment Summary.</p> <p>Workday makes these options view-only if you edit them in the Edit UK Employer Reference Details task:</p> <ul style="list-style-type: none"> <li>• <i>Employer Accounts Office Reference Number</i></li> <li>• <i>Employer PAYE Reference</i></li> <li>• <i>HMRC Office Number</i></li> </ul>
Identification #	Enter the ID number for the selected tax ID type.
Transaction Tax ID	<p>Select this check box to include this identification number on financial transactions, like customer invoices and purchase orders.</p> <p>If you don't select Transaction Tax ID for any of the identification numbers you configure,</p>

Field	Description
	<p>financial transactions report the Primary Tax ID.</p> <p>Example: You configure 2 Tax IDs for your company. You select Transaction Tax ID for 1 of them. Workday includes that tax ID as the Transaction Tax ID on any invoices and purchase orders you generate for that company.</p>
Primary Tax ID	<p>Select to indicate this identification number as the Primary Tax ID for your business entity. If you didn't select Transaction Tax ID for any of the identification numbers you configured, Workday finds and uses the Primary Tax ID.</p> <p>If you configured neither a Transaction Tax ID nor a Primary Tax ID for the business entity, financial transactions don't use tax ID, except for customer invoices where you selected Transaction Tax ID Required. You're unable to complete the customer invoice without configuring a Transaction Tax ID.</p>

## Set Up Employer Reference Tax Details (UK)

### Prerequisites

Security: *Set Up: Payroll UK* domain in the UK Payroll functional area.

### Context

Configure the HM Revenue and Customs (HMRC) and Real Time Information (RTI) settings for your company to enable RTI submission of tax data.

### Steps

1. Access the Create UK Employer Reference task.
2. For the Include Values from Related Companies Start Date, enter the start of the tax year in which you report aggregated payroll details under 1 Employer Reference for related companies.
3. Access the Edit UK Employer Reference Details task.
4. As you complete the task, consider:

Option	Description
Related Companies	To be able to transfer workers under the same UK Employer Reference, select all the related companies.
Enable RTI FPS Special Characters	<p>Select to enable the inclusion of special characters in any integrations that include employee forenames, middle names, surnames, and addresses.</p> <p>You can identify workers with special characters in their names and addresses in</p>

Option	Description
	the View FPS Exceptions Report and the View Advanced FPS Exceptions Report. To manually verify the mappings between accepted and special characters, use the View UK RTI Special Character Mapping report.
Date Scheme Ceased	The date that the company is ceasing operation, paying employees for the last time, and making its final submission.
HMRC Company Car Payroll Benefit Effective Date	When you've an agreement with HMRC to submit company car benefits through payroll, enter the start date.
Exclude Incoming Messages from HMRC	Consider excluding incoming messages only if polling HMRC might fail because of records that don't exist on the HMRC system.
HMRC P6P6B Index HMRC P9 Index HMRC SL1 Index HMRC SL2 Index HMRC PGL1 Index HMRC PGL2 Index HMRC RTI Index	To control which incoming notification messages Workday retrieves when the incoming tax integrations launch, use these index numbers. These controls prevent you from duplicating notifications retrieved and applied within your previous payroll system.
Email Destination Configuration	Select 1 or more email addresses to send pensions auto-enrolment notifications to. When you select more than 1 address, Workday sends an email notification to each address, using this order of precedence: <ul style="list-style-type: none"> <li>• The worker's primary work email.</li> <li>• The worker's primary home email.</li> <li>• The Administration Email Address.</li> </ul>

When you edit these fields in the Edit UK Employer Reference Details task, Workday makes them view-only in the Edit Company Tax Details task:

- HMRC Office Number
- Employer PAYE Reference
- Employer Accounts Office Reference

## Next Steps

Configure your pay calculations to look across all related companies. Workday-delivered pay balances consider pay results for all related companies under the same Employer Reference.

Example: To prevent Workday from grouping pay balances or accumulations by company, remove the Company filter worktag from your calculations. To split the calculations by Employer Reference, apply the Payroll ID filter worktag to the calculations.

**Related Information****Tasks**

[Steps: Set Up HM Revenue & Customs-Incoming Notifications Integration](#)

[Steps: Set Up Real Time Information Reporting \(UK\) on page 1563](#)

[Steps: Set Up Company Vehicles \(UK\) on page 1597](#)

[Steps: Set Up Pensions Auto-Enrolment Notifications \(UK\) on page 1621](#)

**Reference**

[23R2 What's New Post: HMRC RTI Special Characters](#)

## Record Apprenticeship Levy (UK)

**Prerequisites****Security:**

- [Set Up: Payroll UK domain in the UK Payroll functional area.](#)
- [Set Up: Payroll \(Calculations - Generic\) domain in the Core Payroll functional area.](#)

**Context**

You can record any offset amount allowance for your company against the annual levy amount.

**Steps**

1. Access the Edit UK Employer Reference Details task.  
Record the apprenticeship levy Annual Allowance.  
If you share the levy allowance with other connected companies or charities, enter the portion of the allowance directly claimed by your company.
2. Access the Edit Earning task for each earning related to the allowance amount.  
On the Non-Effective Dated tab, identify the type of allowance by selecting the appropriate pay component group from the Groups prompt:
  - [GBR Earnings Liable to Class 1 secondary NICs \[GBR\]](#)
  - [GBR Deductions or Earnings That Reduce Class 1 secondary NICs \[GBR\]](#)

**Next Steps**

You can run the View UK Apprenticeship Levy report to see how much apprenticeship levy is due each month.

**Related Information****Reference**

[FAQ: Real Time Information Reporting \(UK\) on page 1573](#)

## Import P45 Tax Data Using Machine Learning (UK)

**Prerequisites**

- The newly hired worker provides a scan of their P45, as part of the *Hire* or *Onboarding* process.
- Note: You might need to take additional steps to enable this feature based on your organization's subscription service agreement. Your organization is either on the Main Service Agreement (MSA)

or the Universal Main Service Agreement (UMSA). To determine your organization's subscription service agreement:

1. Select your profile avatar on [Workday Community](#).
2. Select Profile.
3. On your profile page, select your organization's name, which is beneath your name and next to your job title.
4. View your Subscription Service Agreement value.

If the value is:

- *UMSA*, the feature is automatically available. You can skip the Enable Innovation Services Features and Machine Learning Data Contributions for MSA Customers step. For more information on Machine Learning data contributions, see [Concept: Workday AI for Universal Main Subscription Agreement Customers](#).
- *MSA*, you must enable this feature through Innovation Services using the Enable Innovation Services Features and Machine Learning Data Contributions for MSA Customers step.

Note: UMSA customers don't have Innovation Services tasks and reports in their tenants as these are for MSA customers only. UMSA customers can ignore all information regarding Innovation Services.

## Context

Use machine learning and optical character recognition (OCR) to analyze and identify new worker's tax details from their P45. This can help improve efficiency and accuracy by reducing the manual processes involved in recording details of a new starter's pay-related information.

Note: This feature is only available to customers' tenants or instances hosted in the European Union, the UK, or the U.S.

Note: You can still use the Apply UK New Hire Tax Details task to record workers' details, even if you don't use machine learning and OCR.

## Steps

1. [Enable Innovation Services Feature and Machine Learning Data Contributions for MSA Customers](#).
  - a) On the Available Services tab, select the Payroll category in the left column, and then the P45 Tax Form Scanning service check box.
  - b) Click Next.
  - c) From Payroll: P45 Tax Form Scanning in the left column, select the P45 Tax Form Scanning category Opt In check box.
  - d) Click Next.
  - e) Click OK.

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.

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

## 2. Access the Apply UK New Hire Tax Details task to verify the P45 data.

Workday prepopulates the P45 section with the new worker's details and provides an estimated Confidence Level of how accurate the details are. Click on the Image for a worker to see their scanned P45.

To amend any details in either the Tax Details or Student Loan Details columns, select the check box in the left column, next to the worker's name.

**Security:** *Process: New Hire Tax Details* in the UK Payroll functional area.

- To apply the P45 data to a worker's record, select the check box in the left column, next to their name.

You can't apply both Starter Checklist and P45 details.

- Select the OK to Proceed check box.
- Click OK.

Workday displays a summary of the changes to be applied.

- Click OK.

Workday updates the worker record with any changes and displays a summary of the actions taken.

## Result

The worker's tax details are updated to match the information from their P45. To check the updates, on the worker's profile, select Pay > Tax Details.

Related Information

### Examples

[P45 Tax Form Scanning Factsheet](#)

## Set Up Worker Taxes (UK)

### Prerequisites

- Obtain a worker's details and coding from:
  - P45.
  - P6 or P6B.
  - P7X.
  - P9 or P9X.
  - Completed HMRC Starter Checklist form.
  - Apply UK New Hire Tax Details task.

**Example:** Importing tax details using optical character recognition. See [Steps: Set Up Payroll Taxes \(UK\)](#) on page 1519.

**Note:** If you already used the Apply UK New Hire Tax Details task, Workday might show the worker's tax details in the Add Worker UK Tax Details task under Current Details.

- If you've created an integration with HMRC, process HMRC notifications to obtain any existing tax code details.
- Security:** *Worker Data: Payroll (Company Specific) - UK domain* in the UK Payroll functional area.

### Context

Enter these tax details for a worker to enable correct coding:

- Pay As You Earn (PAYE).
- National Insurance (NI).
- Student Loan.
- Postgraduate Loan.

## Steps

1. Access the Add Worker UK Tax Details task.
2. For a newly hired director, or when an existing worker becomes a director, enter the Effective Date when their directorship starts.

Note: When a director becomes an employee midyear, they must remain on the Directors' NI category until the end of the tax year. Change their category to Standard NI at the beginning of the next tax year.

3. Enter Tax Code details. As you complete the section, consider:

Option	Description
Notification Details	<p>The available fields depend on the Notification Source you select.</p> <p>To reuse the Previous Employment Pay and Previous Employment Tax from a previous tax code, leave these fields as zero:</p> <ul style="list-style-type: none"> <li>• Previous Employment Pay</li> <li>• Previous Employment Tax</li> <li>• Tax Year End</li> </ul> <p>To enter a previous employment pay and previous employment tax value of zero, complete the Tax Year End field, and leave these fields as zero:</p> <ul style="list-style-type: none"> <li>• Previous Employment Pay</li> <li>• Previous Employment Tax</li> </ul>
Tax Regime	<p>When you receive notification from HMRC that an employee is liable to tax at the:</p> <ul style="list-style-type: none"> <li>• Welsh tax rate, select C.</li> <li>• Scottish tax rate, select S.</li> </ul>
Tax Code	Workday automatically displays the code for some Starter Checklist statements.
W1/M1 Tax Basis	Select this check box when the worker's on an emergency tax code.
P45 Leaver Issue Date	After termination or transfer from this job, enter the date you issue the worker's P45, not the date on the P45 from their previous employer.

4. Enter National Insurance details. As you complete the section, consider:

Option	Description
NI Category Details	Select the NI category letter that applies to the worker.
Calculation Method	<p>Workday supports:</p> <ul style="list-style-type: none"> <li>• Standard NI.</li> <li>• Directors NI standard annual cumulative method.</li> <li>• Directors NI alternative method.</li> </ul> <p>Workday supports FPS reporting and uses proration of the standard NI calculation. Verify the worker's NI in the</p>

Option	Description
	final pay period of the tax year and, if necessary, adjust it using the CA44 rules for directors.

5. Enter Student Loan details. As you complete the section, consider:

Option	Description
Repayment Plan	The Scottish Plan 4 is only valid from 2021-04-06.
Stop Date	The date when Workday stops the student loan repayment.
Stopped without SL2	Select if you stopped the student loan without receiving a notification. Example: The loan stopped due to rehire.

6. Enter Postgraduate Loan details. As you complete the section, consider:

Option	Description
Stop Date	The date when Workday stops the postgraduate loan repayment.
Stopped without PGL2	Select if you stopped the postgraduate loan without receiving a notification. Example: The loan stopped due to rehire.

## Next Steps

To ensure that tax details are correct, view the [UK Pre-Payroll - Workers without Tax and National Insurance Details report](#). Verify that all new workers have tax or NI information. Add any missing details using the [Add Worker UK Tax Details task](#).

### Related Information

#### Tasks

[Process HMRC Notifications \(UK\)](#) on page 649

#### Reference

[National Insurance Rates and Categories](#)

## Assign UK Payroll ID for Worker (UK)

### Prerequisites

Configure the [Assign UK Payroll ID](#) business process and security policy in the UK Payroll functional area.

### Context

Assign a payroll ID to a worker. Workday recommends that you add this task as a step in the [Hire](#) business process definition, to ensure that payroll administrators assign a payroll ID for the worker. A transferred, or terminated and rehired, worker requires a new payroll ID.

In addition, you can assign a payroll ID as a step in these business process definitions. Workday won't create an ID if the worker's already a member of a UK pay group:

- [Change Job](#)
- [Change Organization Assignments](#)

You can use these web services to integrate with other sources of legacy payroll IDs:

- *Put Payroll ID*
- *Get Payroll IDs*

## Steps

1. Access the Assign UK Payroll ID task.
2. Select the Worker.
3. As you complete the task, consider:

Option	Description
Effective Date	<p>Automatically populates from the worker's Hire Date. Use the worker's Hire Date when:</p> <ul style="list-style-type: none"> <li>• You hire a new worker and use Workday Payroll for the UK.</li> <li>• You migrate data from a legacy payroll, and the worker has no changes in the legacy payroll between their hire date and the first processing of their pay in Workday.</li> </ul> <p>Use the worker's Rehire Date when you:</p> <ul style="list-style-type: none"> <li>• Rehire a previous worker and use Workday Payroll for the UK.</li> <li>• Migrate data from a legacy payroll, and the worker has no changes in the legacy payroll between their rehire date and the first processing of their pay in Workday.</li> </ul> <p>Use the worker's Transfer Date when you transfer a worker:</p> <ul style="list-style-type: none"> <li>• Who already has a record in Workday, from a company outside the UK to a UK company.</li> <li>• From a UK Employer Reference to a different UK Employer Reference.</li> </ul> <p>If the worker's transferring in the future, enter their scheduled transfer date.</p>
Reason	<p>Select the reason for the new payroll ID.</p> <ul style="list-style-type: none"> <li>• <i>Employer Reference Transfer</i>: You're transferring a worker between UK Employer References. The Employer PAYE Reference and HMRC Office Number Tax IDs for the companies are different.</li> <li>• <i>International Transfer</i>: You're transferring the worker into a UK Employer Reference from another country.</li> <li>• <i>New Hire</i>: You're recording a worker who is new to your company and Workday Payroll.</li> <li>• <i>Rehire</i>: You've rehired a previous worker.</li> <li>• <i>Payroll ID Change (Implementation)</i>: This reason is only available when loading</li> </ul>

Option	Description
	payroll ID data using the <i>Put Payroll ID</i> web service. When migrating data from a legacy payroll, Workday uses this reason to indicate to HMRC that there's a payroll ID change for the worker.

## Result

Workday generates the payroll ID for the worker. The payroll ID is used throughout Payroll for the UK, reported to HMRC, and functions as a filter worktag in pay balances and pay accumulations.

## Next Steps

To check the existence of payroll IDs, access the View UK Payroll ID History task.

For workers assigned a payroll ID outside of the *Hire* business process, you can update the effective date of their payroll ID to match their hire date if they don't have existing payroll results. Select Worker History > View Worker History from the worker's related actions menu, and select Business Process > Correct from the related actions of the *Assign UK Payroll ID* business process. When you use the *Hire* business process to assign a payroll ID, Workday automatically updates the effective date of the payroll ID if the hire date changes.

## Manage Taxes for Transferred Workers (UK)

### Prerequisites

Security: *Worker Data: Payroll (Company Specific)* - UK domain in the UK Payroll functional area.

### Context

Record tax details for transferred workers to avoid providing inaccurate RTI figures.

### Steps

- For a worker transferred into your employer reference:
  - a) Access the Assign UK Payroll ID task, and assign the worker a Payroll ID with an effective date equal to the transfer date.
  - b) Access the Add Worker UK Tax Details task, and enter the worker's tax, national insurance, and any student or postgraduate loan details.

## Run Tax Code Uplift and Clear Down (UK)

### Prerequisites

Configure the *Tax Code Uplift Event* business process and security policy in the UK Payroll functional area.

### Context

At the start of the tax year (P9X), or when directed (P7X), you can:

- Uplift workers' tax codes.
- Clear down any existing Week 1 or Month 1 entries.

Note: To prevent data entry conflicts, once you start the uplift don't make any other tax code modifications until the uplift completes. Example. Don't run the Apply HMRC Notifications task.

## Steps

1. Access the Run UK Tax Code Uplift and Clear Down task.
2. (Optional) If you run an uplift for P9X, enter a Tax Code Letter and Value provided by HMRC.
3. (Optional) To run a clear down of the W1/M1 indicator only, delete all tax code letter and value rows from the grid. Example. You might do this when HMRC hasn't issued an annual uplift.
4. Check for exceptions on the Tax Code Uplift Data View report and take any required action.

## Result

For every worker affected, Workday adds a new row to the Worker UK Tax Details report. The new row displays the effective date and:

- For an uplift, the new tax code.
- For a clear down, that the W1/M1 indicator is cleared.

## Transfer a Worker Between Related Companies (UK)

### Prerequisites

- The HR administrator has transferred the worker to the new company.
- For the UK Employer Reference:
  - Use the View UK Employer Reference Details report to check if the companies are linked. If they aren't, use the Edit UK Employer Reference Details task to:
    - Add the company in the Related Companies field.
    - Set the Include Values from Related Companies Start Date to the start of the current tax year, if there is no date set.
  - Check that pay balances and pay accumulations, especially their filter worktags, work for transfers between companies.
  - The companies you're transferring between are recorded as related companies.
  - All related companies have the same company pensions auto-enrolment details.

### Context

Transfer a worker between related companies, under the same UK Employer Reference, without having to terminate and rehire them.

To do a mass transfer of workers, use these web services to update worker details in the new company:

- Tax Details
  - *Get Payroll Payee NIs*
  - *Get Payroll Payee Postgraduate Loans*
  - *Get Payroll Payee Student Loans*
  - *Get Payee Tax Codes*
  - *Put Payroll Payee NI*
  - *Put Payroll Payee Postgraduate Loan*
  - *Put Payroll Payee Student Loan*
  - *Put Payee Tax Code*
- RTI
  - *Get Payroll Payee RTIs*
  - *Put Payroll Payee RTI*

- Pension Auto-Enrolment
  - *Get Worker Pensions Auto Enrolment Details*
  - *Get Pensions Auto Enrolment External Assessment History*
  - *Put Worker Pensions Auto Enrolment Details*
  - *Put Pensions Auto Enrolment External Assessment History*

## Steps

1. [Process HMRC Notifications \(UK\)](#) on page 649.
2. [Set Up Worker Taxes \(UK\)](#) on page 1525.  
Ensure that worker's Company is the new one.  
Review the worker's record to check that the Apply HMRC Notifications task applied their latest tax details.
3. [Add Worker RTI Details \(UK\)](#) on page 1567.
4. [Set Up Worker Pensions Auto-Enrolment \(UK\)](#) on page 1616.
5. (Optional) If the worker has any court orders, revise or edit them to refer to the new company.

## Result

Workday includes the worker when you next run payroll for their new company.

### Related Information

#### Tasks

[Create Pay Accumulations](#) on page 320

[Create Pay Balances](#) on page 326

[Revise Court Orders \(UK\)](#) on page 1538

[Set Up Employer Reference Tax Details \(UK\)](#) on page 1521

[Set Up Company Pensions Auto-Enrolment \(UK\)](#) on page 1618

## Record IR35 Workers (UK)

### Prerequisites

Security:

- *Worker Data: Contingent Worker Assignment Details* domain in the Staffing functional area.
- *Worker Data: Payroll (UK IR35) - UK* domain in the UK Payroll functional area.

### Context

Assess and identify deemed workers, who meet the HMRC IR35 criteria, to process them through payroll and report to HMRC.

You can use these web services to do a mass update or retrieval of deemed workers who meet the HMRC IR35 assessment criteria:

- *Get IR35 Details*
- *Put IR35 Detail*

## Steps

1. Record the deemed worker in Workday.

Depending on your situation or business policies, you might:

- Convert a contingent worker to become a deemed worker.
- Create a new hire.

Ensure you allocate a new Payroll ID to the worker.

Use the worker's home address, not their registered company address.

2. Access the Maintain UK Worker IR35 Details task.

3. As you complete the task, consider:

Option	Description
Effective Date	Enter the same date as their current contract start date. This date should be on or after 2021-04-06.
IR35 Status	If the worker is deemed to be within IR35, check this box. Workday automatically updates the Inside / Outside IR35 field.
Reference ID	Enter the date and time that you assessed the worker to consider if they're a deemed worker.
Comments	Enter any associated details. Examples include: <ul style="list-style-type: none"> <li>• Outcome of the worker's assessment.</li> <li>• Date you issued the status determination statement.</li> <li>• Supplier number from the worker's contract.</li> </ul>

## Result

On the View UK RTI FPS Data report, data item 208. *Off-Payroll Worker subject to the rules* identifies deemed workers that Workday includes in your FPS report to HMRC. The report displays either *Yes* or blank.

## Next Steps

Deemed workers can't receive benefits or a compensation package. You can configure pay component eligibility rules to prevent Workday including compensation earnings and deductions in deemed workers' pay. Example: Use the Workday-owned calculation *GBR IR35 Indicator*, which identifies a deemed worker within Workday.

If you reassess the deemed worker's status at any time and they no longer come under IR35, terminate their record and issue a P45.

Related Information

### Tasks

[Convert Contingent Workers to Employees](#)

[Hire Employees](#)

## Concept: IR35 Workers (UK)

The UK introduced IR35, or off-payroll working, for medium and large organizations from 2021-04-06. For the purposes of payroll, if a contingent worker, once assessed, comes under IR35 regulations, employers must report them to HMRC using payroll and subject them to:

- Income tax.
- National Insurance.
- Apprenticeship Levy (where applicable).

Assessed workers who come under IR35 regulations are known as deemed workers and don't qualify for benefits, compensation, or statutory payments.

## Considerations

A contingent worker might have more than 1 contract, therefore you might have different outcomes when you assess each contract. Ensure you take the appropriate action for each contract. If there are changes to a contract, you must assess each time and update your records.

If your assessment shows that an individual is a deemed worker, you must inform them as soon as is practically possible. A deemed worker can dispute the outcome; HMRC provides guidance on the steps you should undertake in this case.

## Recording in Workday

If you have Payroll for the UK but don't pay deemed workers through it, or you only use Workday HCM, you can still record contingent workers' assessments.

When you assess your contingent workers, use the Maintain UK Worker IR35 Details task to record the outcome.

## FAQ: UK Payroll ID (UK)

A payroll ID uniquely identifies a worker for a specific employment, or period of employment, for a specific employer. HMRC requires you to use a payroll ID to comply with Real Time Information (RTI) reporting.

How do I assign a payroll ID?

You assign a worker a payroll ID using the:

- *Put Payroll ID* web service.
- *Assign UK Payroll ID* business process. You can use this business process as an independent task. Alternatively, use the task as a subprocess of the *Hire, Change Organization Assignments for Worker*, or *Change Job* business processes.

When must I assign a payroll ID to a worker?

In Workday Payroll for the UK, you assign a new payroll ID when a worker is:

- Hired or rehired by a UK employer.
- Transferred and starts working for a UK employer.
- Migrated from a legacy payroll.

How is the payroll ID used in Workday?

Workday uses the payroll ID:

- For reporting RTI FPS to HMRC.
- For matching Incoming Notifications from HMRC.
- In payroll calculations for:
  - Both Workday owned and your tenanted pay accumulations.
  - Pay balance web services.

## Related Information

### Tasks

[Assign UK Payroll ID for Worker \(UK\)](#) on page 1527

### Reference

[23R2 What's New Post: HMRC RTI Special Characters](#)

## Court Orders (UK)

### Set Up Pay Component Groups to Identify Attachable Income (UK)

#### Prerequisites

- Create earnings and deductions.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Context

Before processing court orders, you can add the earnings and deductions that you created to the pay component groups (PCGs) that Workday uses to identify attachable income. Workday determines which PCGs to resolve during payroll processing based on the rules for the order type.

Attachable income is called arrestable income in Scotland.

You don't need to define statutory deductions or PCGs for national taxes. Workday provides these definitions and automatically excludes them from attachable income calculations. For an overview of the information that Workday maintains, run the All Payroll Withholding Order Data report.

#### Steps

1. Access the Edit Earning or Edit Deduction task for the earnings or nonstatutory deductions you created to identify attachable income.
2. Add the PCG to the Groups section on the Non-Effective Dated tab.

Workday provides these earnings PCGs:

Pay Component	Pay Component Group
Earnings.	<i>GBR Attachable Earnings DEA [GBR]</i> <i>GBR Attachable Earnings Definition A [GBR]</i> <i>GBR Attachable Earnings Definition B [GBR]</i> <i>GBR Attachable Earnings Definition C [GBR]</i> <i>GBR Arrestable Earnings Definition D [GBR]</i>
Nonstatutory deductions.	<i>GBR Attachable Deductions DEA [GBR]</i> <i>GBR Attachable Deductions Definition A [GBR]</i> <i>GBR Attachable Deductions Definition B [GBR]</i> <i>GBR Attachable Deductions Definition C [GBR]</i> <i>GBR Arrestable Deductions Definition D [GBR]</i>

The Comments on each PCG identify which legislation applies to them.

## Record a Court Order (UK)

### Prerequisites

Security: *Worker Data: Payroll (Court Orders)* - UK domain in the UK Payroll functional area.

### Context

Workday enables you to record and process all types of court orders.

Workday calculates the deduction amount based on attachable or arrestable earnings, using either:

- Weekly or monthly tables for court orders with table-driven deductions.
- A normal deduction rate, taking into account any protected earnings.

### Steps

1. Access the Record UK Court Order for Worker task.

You can enter multiple court orders per worker, but they can't be from more than one issuing authority.

2. As you complete the task, consider:

Option	Description
Reference Number	Reference number from court documents. Once saved, you can't change the number.
Court Order ID	Must be unique across all court orders from all jurisdictions.  If you define a sequence generator using the Create ID Definition / Sequence Generator and Edit Tenant Setup - Payroll tasks, you can leave this field blank. Workday enters the generated ID when you finish entering the court order.
Order Date	Issue date of the order or judgment. If the order includes a serve date, enter that date instead.
Begin Date	Workday deducts the initial deduction amount in the pay period that includes the Begin Date. The Begin Date must be on or after the Order Date.  You can define a later begin date for fees on the Order Fees tab.
End Date	Workday deducts the final deduction amount, including any order fees, in the pay period before the one with the End Date. The only exceptions are Current Maintenance Arrestments and Conjoined Arrestments that include Maintenance.  Maintenance Arrestments, as they're based on a daily deduction rate, are applied until the End Date.  You can define an earlier end date for employer fees on the Order Fees tab.

Option	Description
	<p>Regardless of the end date, Workday stops processing a court order when:</p> <ul style="list-style-type: none"> <li>• It's totally repaid.</li> <li>• The worker's terminated and has received their final pay.</li> </ul>

3. On the Order Fees tab, enter any employer or agency fees for processing the court order.

Option	Description
Fee Type	Automatically populates with <i>Per Pay Period Employer Fee</i> which is the only valid type for the UK.
Fee Amount	The amount shouldn't exceed the limit for the type of order, or £1 per period.
Deduction Recipient	Not applicable for UK court order fees.
Fee Schedule	<p>By default, the Begin Date and End Date fields, in the Order Info section, control the schedule for fees paid each period.</p> <ul style="list-style-type: none"> <li>• To start a fee later than the default Begin Date, select Fee Schedule and enter the Fee Begin Date field.</li> <li>• To end a fee before the default End Date, select Fee Schedule and enter the Fee End Date.</li> <li>• To charge an ongoing fee, leave Fee End Date empty.</li> </ul>

## Next Steps

- Run Pay Calculation and review the results to ensure that the correct deduction and fee amounts are deducted. You can use View Deduction History to view the deduction amount for each pay period.
- View statutory details for calculating court orders using View Payroll Withholding Order Data.
- To stop a court order, select the Inactive Order check box in the Order Info section of the court order.

Note: Although Workday doesn't process inactive orders in a payroll run, it considers them as valid orders. Workday prevents you from adding orders for a worker from a different issuing authority when the worker has an inactive order.

- Create a settle payments for court orders. For more information, see: [Create a Payment for an Income Withholding Order or Court Order](#).

## Create Deduction Recipient (UK)

### Prerequisites

Set up the bank accounts to pay third-party deduction recipients.

Security: *Worker Data: Payroll (Income Withholding Orders)* domain in the Core Payroll functional area.

Security: (Optional) *Set Up: Payroll Third-Party Payments* domain in the Core Payroll functional area.

## Context

Record information for a third-party deduction recipient, including the:

- Recipient
- Contact information
- Method of payment
- Bank account details

Select a deduction recipient when creating a court order or making an ad hoc payment.

Workday delivers 2 web services that you can use when creating a custom integration for garnishment processing to or from a third-party application:

- *Put Deduction Recipients* loads deduction recipient information into Workday.
- *Get Deduction Recipients* retrieves information from Workday.

## Steps

1. Access the Create Deduction Recipient task.
2. Enter the recipient Name.
3. (Optional) Enter an External Entity ID that helps you identify the recipient.  
Enter a payee ID for a withholding order.
4. (Optional) Define IDs for deduction recipients.  
The Deduction Recipient ID field displays when you've configured it on the Edit Tenant Setup - Financials task. Select an ID Definition from the ID Generator for Deduction Recipient field in the Business Entity Sequence ID section. Workday uses the ID during processing and with integrations.
5. Select the Payment Type.
6. Select the Country for the deduction recipient. This field isn't effective dated and is required, so you must update it when editing existing deduction recipients.
7. Add contact information for the recipient.  
Selecting the Visibility > Public check box makes the contact information visible in Workday.
8. Add a Settlement Bank Account and enter information for the receiving account.  
You can only have 1 active settlement bank account at a time.
9. (Optional) Select the Inactive option to deactivate a specific snapshot of a deduction recipient. To deactivate the entire deduction recipient, you must deactivate all snapshots.
- 10.(Optional) Select the Enable Payroll Third-Party Payments option to generate and settle payments for Involuntary Withholding Order or Court Order deductions. For more information, see: [Concept: Payroll Third-Party Payments](#).
- 11.(Optional) The Always Separate Payment option is enabled by default when you select Enable Payroll Third-Party Payments. This option generates a separate payment for each payable item in a settlement run. If the payable item and payment have a 1:1 relationship when you generate an electronic payment for an Income Withholding Order or Court Order deduction recipient, we recommend you keep this option enabled.
- 12.(Optional) Select a Category. These categories are configured through the Maintain Payroll Third-Party Payments Categories task. You can reference these categories in bank routing rules, settlement filtering, and the Maintain Remittance Setup Rule task. Workday generates both a Workday ID and a Reference ID for each payroll third-party payment category. You can customize the Reference ID, but not the Workday ID. You can use Reference IDs when running the Put Payroll Deduction Recipient and Put Bank Routing Rules web services. You can't remove a category while it's assigned to a deduction recipient or referenced in bank routing rules.

## Next Steps

Access the View Deduction Recipient report. To see the Deduction Recipient ID, select Integration IDs > View IDs from the related actions menu of the deduction recipient.

When creating or editing a deduction recipient, you can view future, current, and previous deduction recipient snapshots. The section under the Effective Dated Details header represents the deduction recipient snapshot. Snapshots enable you to:

- Enter an effective date when creating or editing a deduction recipient.
- View the configuration as of a specific effective date of a deduction recipient.
- Make configuration changes as of a specific date without impacting prior configurations.
- Deactivate a deduction recipient.

You can add rows to a deduction recipient snapshot only if they're dated after the current effective snapshot. When you add a new snapshot, Workday copies the configuration of the prior snapshot to the newly added snapshot.

To remove a deduction recipient, access the Delete Deduction Recipient task. You can only delete deduction recipients that have never been in use.

## Revise Court Orders (UK)

### Prerequisites

A court order exists for the worker in Workday.

Security: *Worker Data: Payroll (Court Orders) - UK domain* in the UK Payroll functional area.

### Context

You can revise the deduction amounts and protected earnings for these types of court orders:

- Attachment of Earnings Orders for Maintenance
- Attachment of Earnings Order Non Priority
- Conjoined Arrestment
- Current Maintenance Arrestment
- Deductions from Earnings Orders
- Direct Earnings Attachments

When you revise a court order, Workday retains the original order for tracking purposes, and creates a new record for the amended order.

### Steps

1. On the worker profile, access the Court Orders report of the Pay profile group.
2. Select Court Order > Revise from the related actions menu of the court order.

If the court order type can't be revised, select Court Order > Edit from the related actions menu.

For a worker transfer between companies under the same UK Employer Reference:

- Only edit the original court order after you complete the transfer.
  - If you have to update the court order before you transfer the worker, end the existing court order. After you transfer the worker, create a new court order under the worker's new company, with the appropriate reduced balance.
3. As you complete the task, consider:

Option	Description
Order Date	Enter the issue date of the revised order.

Option	Description
Begin Date	The order becomes effective in the first pay period that includes the court order begin date.  For court orders with daily arrestable earnings calculations, Workday uses the revised court order starting from the Begin Date.

Revise deduction amounts and protected earnings of the original order as required.

## Result

As of the order date, the status of the:

- Revised order is set to *Active*.
- Original order is set to *Inactive*.

Related Information

### Tasks

[Record a Court Order \(UK\)](#) on page 1535

## Reference: Court Orders (UK)

Workday provides rules for setting up and processing court orders for Great Britain and Northern Ireland.

### Court Orders

Issuing Authority	Types of Court Orders
England and Wales	<ul style="list-style-type: none"> <li>Attachment of Earnings Order Council Tax.</li> <li>Attachment of Earnings Order Fines Post 2004.</li> <li>Attachment of Earnings Order Maintenance and Pre-2004 Fines.</li> <li>Attachment of Earnings Order Non-Priority.</li> <li>Deduction from Earnings Order Pre April 2003 and Post March 2003.</li> <li>Direct Earnings Attachment.</li> </ul>
Northern Ireland	<ul style="list-style-type: none"> <li>Attachment of Earnings Order Fines.</li> <li>Attachment of Earnings Order Maintenance</li> </ul>

Issuing Authority	Types of Court Orders
	and Pre-2004 Fines. <ul style="list-style-type: none"> <li>• Attachment of Earnings Order (Non-Priority).</li> <li>• Deduction from Earnings Order Pre April 2003 and Post March 2003.</li> <li>• Direct Earnings Attachment.</li> </ul>
Scotland	Conjoined Arrestment. <ul style="list-style-type: none"> <li>• Current Maintenance Arrestment.</li> <li>• Debt Arrangement Scheme.</li> <li>• Deduction from Earnings Order Pre April 2003 and Post March 2003.</li> <li>• Direct Earnings Attachment.</li> <li>• Earnings Arrestment.</li> </ul>
Wales	Attachment of Earnings Order Council Tax Wales.

## Court Order Web Services

Issuing Authority	Web Services
England and Wales	<ul style="list-style-type: none"> <li>• <i>Get AEO Council Tax Orders</i></li> <li>• <i>Get AEO Fines Post 2004 Orders</i></li> <li>• <i>Get AEO Maintenance and Pre 2004 Fines Orders</i></li> <li>• <i>Get AEO Non Priority Orders</i></li> <li>• <i>Get Deduction from Earnings Orders</i></li> <li>• <i>Get Direct Earnings</i></li> </ul>

Issuing Authority	Web Services
	<ul style="list-style-type: none"> <li data-bbox="1241 213 1372 276"><i>Attachment Orders</i></li> <li data-bbox="1209 283 1437 346"><ul style="list-style-type: none"><li data-bbox="1241 283 1372 346"><i>Put AEO Council Tax Order</i></li></ul></li> <li data-bbox="1209 352 1437 416"><ul style="list-style-type: none"><li data-bbox="1241 352 1372 416"><i>Put AEO Fines Post 2004 Order</i></li></ul></li> <li data-bbox="1209 422 1437 530"><ul style="list-style-type: none"><li data-bbox="1241 422 1372 530"><i>Put AEO Maintenance and Pre 2004 Fines Order</i></li></ul></li> <li data-bbox="1209 536 1437 599"><ul style="list-style-type: none"><li data-bbox="1241 536 1372 599"><i>Put AEO Non Priority Order</i></li></ul></li> <li data-bbox="1209 606 1437 713"><ul style="list-style-type: none"><li data-bbox="1241 606 1372 713"><i>Put Deduction from Earnings Order</i></li></ul></li> <li data-bbox="1209 720 1437 806"><ul style="list-style-type: none"><li data-bbox="1241 720 1372 806"><i>Put Direct Earnings Attachment Order</i></li></ul></li> </ul>
Northern Ireland	<ul style="list-style-type: none"> <li data-bbox="1241 825 1437 933"><i>Get AEO Maintenance and Pre 2004 Fines Orders</i></li> <li data-bbox="1209 939 1437 1003"><ul style="list-style-type: none"><li data-bbox="1241 939 1372 1003"><i>Get AEO Non Priority Orders</i></li></ul></li> <li data-bbox="1209 1009 1437 1117"><ul style="list-style-type: none"><li data-bbox="1241 1009 1372 1117"><i>Get AEO Northern Ireland Fines Orders</i></li></ul></li> <li data-bbox="1209 1123 1437 1231"><ul style="list-style-type: none"><li data-bbox="1241 1123 1372 1231"><i>Get Deduction from Earnings Orders</i></li></ul></li> <li data-bbox="1209 1237 1437 1345"><ul style="list-style-type: none"><li data-bbox="1241 1237 1372 1345"><i>Get Direct Earnings Attachment Orders</i></li></ul></li> <li data-bbox="1209 1351 1437 1459"><ul style="list-style-type: none"><li data-bbox="1241 1351 1372 1459"><i>Put AEO Maintenance and Pre 2004 Fines Order</i></li></ul></li> <li data-bbox="1209 1465 1437 1529"><ul style="list-style-type: none"><li data-bbox="1241 1465 1372 1529"><i>Put AEO Non Priority Order</i></li></ul></li> <li data-bbox="1209 1535 1437 1643"><ul style="list-style-type: none"><li data-bbox="1241 1535 1372 1643"><i>Put AEO Northern Ireland Fines Order</i></li></ul></li> <li data-bbox="1209 1649 1437 1757"><ul style="list-style-type: none"><li data-bbox="1241 1649 1372 1757"><i>Put Deduction from Earnings Order</i></li></ul></li> <li data-bbox="1209 1763 1437 1871"><ul style="list-style-type: none"><li data-bbox="1241 1763 1372 1871"><i>Put Direct Earnings Attachment Order</i></li></ul></li> </ul>

Issuing Authority	Web Services
Scotland	<ul style="list-style-type: none"> <li>• <i>Get Conjoined Arrestment Orders</i></li> <li>• <i>Get Current Maintenance Arrestment Orders</i></li> <li>• <i>Get Debt Arrangement Scheme Orders</i></li> <li>• <i>Get Deduction from Earnings Orders</i></li> <li>• <i>Get Direct Earnings Attachment Orders</i></li> <li>• <i>Get Earnings Arrestment Orders</i></li> <li>• <i>Put Conjoined Arrestment Order</i></li> <li>• <i>Put Current Maintenance Arrestment Order</i></li> <li>• <i>Put Debt Arrangement Scheme Order</i></li> <li>• <i>Put Deduction from Earnings Order</i></li> <li>• <i>Put Direct Earnings Attachment Order</i></li> <li>• <i>Put Earnings Arrestment Order</i></li> </ul>
Wales	<ul style="list-style-type: none"> <li>• <i>Get AEO Council Tax Wales Orders</i></li> <li>• <i>Put AEO Council Tax Wales Order</i></li> </ul>

Collection Prioritization

Workday prioritizes collection of court orders, postgraduate loans, and student loans in this order:

1. High priority court orders:
  - Attachment of Earnings Order Fines.
  - Attachment of Earnings Order Maintenance.
  - Conjoined Arrestment.
  - Current Maintenance Arrestment.
  - Deduction from Earnings Order.
  - Earnings Arrestment.
2. Postgraduate loans.
3. Student loans.
4. Non-priority court orders:
  - Attachment of Earnings Order Non-Priority.
  - Debt Arrangement Scheme.
  - Direct Earnings Attachment.

## FAQ: Court Orders (UK)

How does Workday calculate court orders in subperiods?

When calculating court order deductions for pay periods with multiple gross-to-net calculations, Workday recalculates these results in each subperiod:

- The court order outstanding balance to include any payments from previous subperiods.
- Protected earnings and attachable earnings to include any earnings or deductions paid in the previous subperiod.

When a worker has insufficient arrestable earnings for both Earnings Arrestment and Current Maintenance Arrestment deductions, Workday limits the calculated disbursement amount to the available arrestable earnings within a subperiod. If you want to modify the calculated disbursement amount, access the Add Payroll Input task and override the deduction amount.

What's the processing order for court orders when running a retro termination?

Stop a worker's court orders on their termination date before you process their retro termination.

How can I check how many payments have been made to date for a court order?

1. On the worker's profile, navigate to the Court Orders section of their Pay profile group.
2. Select Court Order > View Deduction History from the related actions of the court order. Workday displays the View Court Order Deduction History report.

How do I ensure deductions aren't made for completed orders?

1. On the worker's profile, navigate to the Court Orders section of their Pay profile group.
2. Select Court Order > Edit from the related actions of the court order. Workday displays the Edit Court Order task.

3. Ensure the End Date is correct.
4. Select the Inactive Order check box.

## Civil Service Pensions (UK)

### Map Civil Service Pension Data (UK)

#### Prerequisites

##### Security:

- *Process: UK Government Civil Service Pension domain in the UK Payroll functional area.*
- *Set Up: Payroll UK domain in the UK Payroll functional area.*

#### Context

To comply with the Cabinet Office and pension scheme administrator requirements, you must provide payroll data in the format required by the UK Civil Service pension scheme interface. To extract the data required to calculate pensions, you must map Workday data to the pension scheme administrator's codes and other requirements.

#### Steps

1. Access the Maintain UK Civil Service Pension Configuration task.

Each tab relates to a separate data file that you send to the pension scheme administrator.

2. As you complete the task, consider:

Option	Description
Employer Code	Enter the codes provided by the pension scheme administrator for the UK Employer Reference.
Payroll Code	

3. If you use the Change Benefits business process, on the Additional Mapping tab, select the reasons that affect a worker's retirement savings.
4. Don't select or enter anything on the Cutover Mode tab. This tab is only used by your implementation team when first setting up Workday.
5. On the Payment History tab, enter the Start Date of when you start using Workday to send data to the pension scheme administrator.

Total amounts on the pay history data file accumulate from this date each time you run payroll. Workday resets the accumulated amount to zero in April each year.

#### Next Steps

Configure the Generate UK Civil Service Pension Files business process and security policy in the UK Payroll functional area. Workday recommends that you don't add approval steps on this business process.

When you run the business process, Workday creates the data files that you download and send to the pension scheme administrator.

#### Related Information

##### Tasks

[Steps: Set Up UK Civil Service Pension Files Integration](#)

[The Next Level: Civil Service Pension for UK Payroll](#)

## P60 Reporting (UK)

### Configure Postal Address Header Sheet (UK)

#### Prerequisites

Security domains in the UK Payroll functional area:

- *Process: P45 (Reports) - UK*
- *Process: P60 (Reports) - UK*

#### Context

You can configure the layout of a worker's postal address header sheet that accompanies a generated P45 or P60 form. You can use the postal address sheet to mail forms to workers.

#### Steps

1. Access the UK Form Address Header Layout task.
2. As you complete the task, consider:

Option	Description
Employee Address Top Employee Address Left	Specify the distance in millimeters that you want the address positioned from the top and left of the sheet.
Header ID	To distinguish the current sheet from other sheets, enter text that displays at the top of the header sheet.  Example: You can use the Header ID to provide details of a print job passed to an automated printing process, such as: <ul style="list-style-type: none"> <li>• The type of print job.</li> <li>• The type of stationary to use.</li> <li>• How many sheets of paper to place into each envelope.</li> </ul>

#### Result

When you create P45 or P60 forms, you can select the Produce with Worker Address Header Page check box. Workday creates the header sheet with the worker's name and address.

## Create P60 Forms for Workers (UK)

#### Prerequisites

- Process the final pay run of the year.
- If printing a worker's name and address separately to accompany their P60 form, complete the UK Form Address Header Layout task.
- Security:
  - *Process: P60 (Reports) - UK* domain in the UK Payroll functional area.
  - *Process: P60 (Run) - UK* domain in the UK Payroll functional area.

## Context

You can create P60s at any time after completing the final pay run of the year. All workers must receive their P60 form, either by paper or electronically, by May 31.

## Steps

1. Access the Create UK P60 task.

If you need to run this task again in the same tax year to adjust P60s, you can select individual workers or groups of workers.

You can run the whole company again using the Rerun Company option.

2. (Optional) Access the View UK P60 report to review the queued P60s for a specific company and groups of workers.

Consider restricting your view to groups of workers, otherwise Workday displays all P60s meeting the selection criteria.

3. (Optional) Access the Publish UK P60 task to define the availability date, if you're publishing P60s to employee self-service or for access on mobile devices.

You can change this date up until the availability date.

4. Access the Create UK P60 Forms task to create PDF versions of P60s.

To generate a postal address header sheet with the P60 form, select the Produce with Worker Address Header Page check box.

## Gender Pay Gap (UK)

### Concept: Gender Pay Gap (UK)

You can use these reports to collect and calculate worker pay and bonuses, enabling you to meet mandatory gender pay gap reporting requirements:

- View UK and IRL Gender Pay Gap Hourly Rate of Pay: Displays the average hourly and weekly pay on the Snapshot Date of the Snapshot Year.
- View UK and IRL Gender Bonus Gap Reporting: Displays the total bonus paid during the 12 months preceding the Snapshot Date of the Snapshot Year. The total includes any retro bonus payments.

To change the Snapshot Date, access the Maintain UK and IRL Company Gender Pay Gap Snapshot Date task.

Security: *Reports: Results for Worker (Pay Calculation) - UK* domain in the UK Payroll functional area.

### Troubleshooting: Gender Pay Gap Earnings Don't Appear in Correct Report (UK)

Cause: Earnings are in the wrong pay component group.

Solution:

## Steps

1. Access the Edit Earning task.

On the Non-Effective Dated tab, in the Groups area, identify which gender pay gap pay component group (PCG) the earning is in.

Ensure that the earning is in the correct PCG:

Earning Type	Pay Component Group
Non bonus-related	<ul style="list-style-type: none"> <li>• GBR Gender Pay Gap Reporting [GBR]</li> </ul>

Earning Type	Pay Component Group
Bonus related	<ul style="list-style-type: none"> <li>• GBR Bonus for Gender Pay Gap Reporting [GBR]</li> <li>• GBR Gender Bonus Gap Reporting [GBR]</li> </ul>

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the Edit Run Category task for all UK run categories that contain gender pay information.

On the General tab, in the Additional Pay Components to Calculate area, ensure these earnings have been added:

- GBR Gender Bonus Gap - Total Amount [GBR]
- GBR Gender Pay Gap - Average Hourly Pay [GBR]

Security: *Set Up: Payroll - Paygroup Specific* domain in the Core Payroll functional area.

3. Rerun the gender pay and bonus reports.

Workday recalculates the figures for any earnings that you amended and displays them in the relevant report:

- View UK and IRL Gender Pay Gap Hourly Rate of Pay
- View UK and IRL Gender Bonus Gap Reporting

Security: *Reports: Results for Worker (Pay Calculation) - UK* domain in the UK Payroll functional area.

## National Insurance (NI) Adjustments (UK)

### Adjust Incorrect NI Deductions Using Payroll Input (UK)

#### Prerequisites

- Worker has completed payroll results.
- Update the worker's National Insurance (NI) category using the Add Worker UK Tax Details task.

#### Context

Workday automatically updates NI categories when a worker reaches an age that requires a different NI category. This automatic process means that you rarely need to make any retrospective adjustments to a worker's NI results.

When you retrospectively change a worker's NI category, also adjust their previously calculated NI deductions and associated balances. Example: Managing changes to directors' NI throughout the year.

The best practice is to use regular on-cycle payroll input to:

- Negate the incorrectly applied values from a previous NI category.
- Positively adjust for the correct NI category.

#### Steps

1. (Optional) Access the Pay Calculation NI Results for Group of Workers report.

Use this report to view NI details before making adjustments.

Security: *Reports: Pay Calculation Results for Pay Group (Results) - UK* domain in the UK Payroll functional area.

2. Access the Add Payroll Input by Worker task and select the worker.

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

3. Select Special Entry and the appropriate Pay Component. Perform this task once for each pay component:
  - *GBR NI - Employee NICs [GBR]*
  - *GBR NI - Employer NICs [GBR]*
4. Select these Processing Defaults:
  - One-time
  - Regular Run Category
5. Under Input, enter the details to adjust *GBR NI - Employee NICs [GBR]*.

Enter 2 rows:

Action	Start Date	Processing Options	Payroll Worktags	Input Details - Type	Input Details - Value
Negate the incorrectly applied values from a previous NI category.	Start date of previous period to adjust.	<i>Adjustment</i>	Previous NI Category	Select the appropriate option.	A negative value equal to the adjustment amount for the previous period or periods.
Positively adjust for the correct NI category.	Start date of previous period to adjust.	<i>Adjustment</i>	Current NI Category	Select the same as in the first row.	<p>A positive value equal to the adjustment amount for the previous period or periods.</p> <p>When <i>GBR NI: Earnings at the LEL (Reporting)</i>, use the sum of:</p> <ul style="list-style-type: none"> <li>• A positive value equal to the adjustment amount for the previous period or periods.</li> <li>• The current period amount.</li> </ul>

6. Under Input, enter the details to adjust *GBR NI - Employer NICs [GBR]*.

Enter 2 rows:

Action	Start Date	Processing Options	Payroll Worktags	Input Details - Type	Input Details - Value
Negate the incorrectly applied values from a previous NI category.	Start date of previous period to adjust.	<i>Adjustment</i>	Previous NI Category	<i>Amount</i>	A negative value equal to the adjustment amount for the previous period or periods.
Positively adjust for the correct NI category.	Start date of previous period to adjust.	<i>Override</i>	Current NI Category	<i>Amount</i>	The sum of: <ul style="list-style-type: none"> <li>• A positive value equal to the adjustment amount for the previous period or periods.</li> <li>• The current period amount.</li> </ul>

Related Information

**Tasks**

[Set Up Worker Taxes \(UK\)](#) on page 1525

## Concept: NI Adjustments (UK)

When you retrospectively change a worker's National Insurance (NI) category, you must adjust previously calculated NI deductions and associated balances. The best practice is to use regular on-cycle payroll input to make the adjustment.

You can also consider:

- Entering NI for additional payments after an NI adjustment.
- Entering an NI adjustment that results in a negative value.
- Entering an NI adjustment after the end of the tax year.

[Entering NI for Additional Payments After an NI Adjustment](#)

Workday can't correctly calculate NI for an on-demand additional payment following an NI adjustment in the regular on-cycle period. This restriction is because the pay components all contain values greater than the period threshold.

To make an additional payment following an NI adjustment in the regular on-cycle period, you can select either to:

- Calculate and enter regular payroll input for NI.
- Wait, and process either regular payroll input or an on-demand additional payment in the next pay period.

#### Adjustments That Result in a Negative Value

Workday recommends that you avoid on-demand additional or manual payments when the net result of NI adjustment for an employee would be a negative value. However, if you do make an on-demand additional payment:

- When the net result of NI adjustment for Employer's NI is either negative or zero, consider:
  - Adjustments to the period's costing.
  - Waiting and adjusting in the next on-cycle payroll calculation.
- When the net result of NI adjustment for the worker's net pay is zero:
  - What's the benefit to you in using an on-demand additional payment?
  - Don't submit FPS for a zero payment.

#### Adjustments After the End of the Tax Year (2018-2019 or 2019-2020 Tax Years Only)

When identified before April 19, does the adjustment result in negative pay?

- *No*: Use an on-demand payment and submit to HMRC by FPS.
- *Yes*: Consider a reversal and an on-demand additional payment. Submit the result to HMRC by FPS.

When identified after April 19, use an on-demand payment and send an Earlier Year Update (EYU) to HMRC.

When the adjustment has no net effect on the employee, use an on-demand payment. If you don't use an on-demand payment, the FPS and EPS won't reconcile. Contact HMRC to notify them of the adjustment to Employer's NI.

#### Adjustments After the End of the Tax Year (2020-2021 Tax Years Onwards)

When identified after submitting the final FPS, but before submitting the final EPS, does the adjustment result in negative pay?

- *No*: Use an on-demand payment and submit a corrected FPS to HMRC. Workday includes the correction in the final EPS.
- *Yes*: Consider a reversal and an on-demand additional payment. Submit the result to HMRC by FPS. Workday includes the correction in the final EPS.

When identified after April 19, as a prior year correction, does the adjustment result in negative pay?

- *No:*
  - Use an on-demand Prior Period payment to correct the NI categories and their associated values.
  - Use the worker's last submitted pay period for the last tax year as the Payment Date.
  - In the Add Worker UK RTI Details task, select the Late PAYE Reporting Reason: *H. Correction to earlier submission.*
  - Submit the corrected results to HMRC by FPS and EPS.
- *Yes:*
  - Use an on-demand Prior Period payment to correct the NI categories and their associated values. Include a pay component to correct the negative net pay.
  - Use the worker's last submitted pay period for the last tax year as the Payment Date.
  - In the Add Worker UK RTI Details task, select the Late PAYE Reporting Reason: *H. Correction to earlier submission.*
  - Submit the corrected results to HMRC by FPS and EPS.

**Related Information  
Reference**

[National Insurance Rates and Categories](#)

[Workday Community: Workday Payroll for UK Year-End & Year-Start Checklist](#)

## Processes for Terminated Workers (UK)

### Configure Postal Address Header Sheet (UK)

#### Prerequisites

Security domains in the UK Payroll functional area:

- *Process: P45 (Reports) - UK*
- *Process: P60 (Reports) - UK*

#### Context

You can configure the layout of a worker's postal address header sheet that accompanies a generated P45 or P60 form. You can use the postal address sheet to mail forms to workers.

#### Steps

1. Access the UK Form Address Header Layout task.

2. As you complete the task, consider:

Option	Description
Employee Address Top Employee Address Left	Specify the distance in millimeters that you want the address positioned from the top and left of the sheet.
Header ID	To distinguish the current sheet from other sheets, enter text that displays at the top of the header sheet.  Example: You can use the Header ID to provide details of a print job passed to an automated printing process, such as: <ul style="list-style-type: none"> <li>• The type of print job.</li> <li>• The type of stationary to use.</li> <li>• How many sheets of paper to place into each envelope.</li> </ul>

### Result

When you create P45 or P60 forms, you can select the Produce with Worker Address Header Page check box. Workday creates the header sheet with the worker's name and address.

## Steps: Create P45s for Terminated Workers (UK)

### Prerequisites

- Complete payroll for the period.
- If printing a worker's name and address separately to accompany their P45 form, complete the UK Form Address Header Layout task.
- Security domains in the UK Payroll functional area:
  - *Process: P45 (Run) - UK*
  - *Process: P45 (Reports) - UK*
  - *(Optional) Self-Service: Payroll (My Tax Documents) - UK*

### Context

You can create P45s to provide terminated workers with their tax codes and taxable earnings.

Note: Before generating P45s for terminated, or retro-terminated, workers, run any retro events and:

- Complete any retro results in an on-cycle or off-cycle payroll calculation.
- Complete the payroll run.

### Steps

1. Access the Create P45 task.

Create P45 data for terminated workers.

To include any retro terminated workers, enter the prior period that includes the earliest retro termination as the Leavers On and After date.

To display details of a worker's final payment, on the Create P45 Criteria tab, click the link in the Payroll Result column.

2. Access the View P45 report.

Verify that the report displays all terminated workers and their P45 data.

3. (Optional) Access the Cancel P45 task.

You can cancel P45 production for 1 or more workers.

4. Access the Create P45 Forms task.

Generate PDF P45 forms for selected workers.

If you select one or more Workers, and select the Exclude Workers check box, Workday creates a P45 form for all workers in the Pay Group except those you selected.

To schedule when the P45 will be available for workers to see from their My Tax Documents task, when they use self-service, set an Availability Date.

To enable workers to have access to their P45 form after their termination, grant them access to the *Self-Service: Payroll (My Tax Documents) - UK* domain using either their active *Employee As Self*, or an appropriate *Terminée As Self*, security profile.

To generate a postal address header sheet with the P45 form, select the Produce with Worker Address Header Page check box.

## Result

- After you run the Create P45 Forms task, the worker's Tax Documents tab displays a P45 Leaver Issue Date. In addition, the View P45 report displays a terminated, or retro-terminated, worker's P45 details.
- Workday displays a link to the completed PDF for you to print and send to the terminated worker.
- Workday displays when a P45 is available to view or print as a PDF on the Tax Documents tab of a worker's Pay profile group. The P45 is available to the Pay Administrator as soon as the Create P45 Forms task completes. The P45 is only available to the worker from the Availability Date; if no Availability Date exists the worker can't see or print their P45.
- Workday indicates on the P45 if a terminated worker has ongoing student loan deductions.
- Workday sorts the PDF copies of multiple P45 forms in alphabetical order by surname.

## Related Information

### Concepts

[Concept: Retro Events and Terminated Workers](#) on page 936

[Concept: Retro Terminated Worker P45 Creation \(UK\)](#) on page 1556

## Steps: Terminate and Rehire Workers in the Same Pay Period (UK)

### Context

When you terminate and rehire an employee in the same pay period, it impacts both RTI and statutory calculations.

### Steps

1. [Terminate Employees.](#)

2. Process payroll for the terminated worker using an on-demand replacement payment.

See [Create On-Demand Replacement Payments](#) on page 687.

3. Issue the worker's P45.

See [Steps: Create P45s for Terminated Workers \(UK\)](#) on page 1552.

4. Rehire the worker.

See [Hire Employees](#).

5. Assign the rehired worker to a pay group.

See [Assign Workers to Pay Groups](#) on page 179.

6. Access the Assign UK Payroll ID task to assign a new ID to the rehired worker.

7. Process payroll for the rehired worker as part of the regular on-cycle payroll run.  
See [Steps: Process Payroll](#) on page 644.
8. [View Payroll Results](#) on page 785.

### Result

The payroll results reflect the rehiring.

## Assess Payments After Leaving for NI Calculations (UK)

### Context

After a worker leaves, use HMRC Guidance CWG2 to assess whether their earnings are regular or irregular payments. The payment type affects treatment of National Insurance (NI) calculations.

Note: Workday only supports a single payment after leaving in the period of termination. You can make further payments after leaving in following pay periods.

### Steps

1. Ensure that all earnings subject to NI contribute to the pay component group *GBR NIable Pay*.  
See [Add Earnings or Deductions to Pay Component Groups](#) on page 241.
2. When making a payment after leaving, ensure that earnings that are considered irregular are part of the *GBR Irregular NIable Pay [GBR]* pay component group.
3. Run Pay Complete for the period.

### Result

When calculating NI, Workday uses the pay frequency to determine the NI threshold:

Payments	NI Threshold
Regular earnings only.	The worker's pay frequency.
Irregular earnings only.	A weekly pay frequency, irrespective of the worker's pay frequency.
Both regular and irregular earnings.	The worker's pay frequency.

## Search for Non-Terminated Potential Leavers (UK)

### Prerequisites

Security: *Reports: Pre-Payroll Reporting for Pay Group – UK* security domain in the UK Payroll functional area.

### Context

You can identify when a worker's employment has potentially ended, but the termination details haven't yet reached Payroll. Use the report to reduce the potential for overpayments and having to contact the terminated worker to return any overpayment.

### Steps

1. Access the View UK Termination Warning Report task.

2. As you complete the task, consider:

Option	Description
Time Tracking Start Date	If you use Workday Time Tracking to record workers' hours, enter a date to ensure greater accuracy in the Time Entry Created Within a Given Period report field.

## FAQ: Payroll and RTI for Deceased Workers (UK)

How can I ensure that payroll calculates correctly for deceased workers?

Ensure that the worker has:

- A value of *Death* in the Primary Termination Reason prompt for the *Termination* event.
- An accurate Date of Death on the Personal Information report in the Personal profile group of the worker profile.

When you enter a Date of Death for a worker, Workday:

- Reports the date of death as the Date Employment Contract Ended within the Real Time Information (RTI) Full Payment Submission (FPS).
- Correctly processes National Insurance on the final wages for the deceased worker.
- Doesn't produce a P45.

After you've processed the final payroll and FPS, access the Add Worker UK RTI Details task. Select the FPS Submitted to Deceased Worker check box so that Workday calculates tax correctly if you make subsequent payments after termination. After you notify HMRC of the date of death, Workday deducts PAYE using code *0T* (on a week 1/month 1 basis).

How can I ensure that all deceased workers have a recorded date of death?

To ensure that deceased workers have a Date of Death on the Edit Personal Information task, Workday recommends that you either:

- Modify the *Termination* business process. Include a conditional *To Do* step on the Edit Personal Information task, when the termination reason is *Death* in either of these fields:
  - Primary Termination Reason
  - Primary Termination Category
- Create a custom report that identifies terminated workers with a Termination Reason of *Death* but without a Date Of Death. Use the report as an audit before processing payroll.

Workday only makes the Date of Death field available on the Edit Personal Information task

How can I report additional payments to deceased workers?

when the *Terminated* business process is complete for the worker.

To report additional payments to deceased workers, correct your FPS submission after sending an FPS with their date of leaving.

1. Access the Add Worker UK RTI Details task.
2. For the Late PAYE Reporting Reason, select *H - Correction to earlier submission*.
3. Access the View UK RTI FPS Data report and verify the year-to-date figures. For payments made:
  - In the same tax year as the date of death, ensure that the revised year-to-date figures include the additional payment.
  - In a later tax year, ensure that the year-to-date figures only reflect the additional payment.
4. Run the *HMRC RTI Tax Filing System* integration.

#### Related Information

##### Tasks

[Terminate Employees](#)

[Add Worker RTI Details \(UK\)](#) on page 1567

##### Reference

[FAQ: Contact and Personal Information](#)

## Concept: Retro Terminated Worker P45 Creation (UK)

When you terminate a worker retrospectively and run the Run Retro Pay Calculation task, before creating their P45 check if their retro result contains a:

- Nonzero retro difference.
- Zero retro difference.

The actions you must take before generating a worker's P45 depends on the type of retro difference affecting them.

### Zero Retro Difference

Terminated workers with a zero retro difference have no change to their last completed period payroll calculation. Having no change means that the values for their *Workers Taxable Pay Year To Date* and *Tax Paid Year To Date* values are accurate and you can create their P45.

### Nonzero Retro Difference

Terminated workers with a nonzero retro difference have a change to their last completed period payroll calculation. This difference often means that there's a change to their *Workers Taxable Pay Year To Date* and *Tax Paid Year To Date* values that would result in an inaccurate P45.

You must process and complete a payroll calculation to correct the values Workday uses when creating a P45. You can process 2 types of nonzero retro differences:

- Negative Retro Difference.

For workers with negative retro differences, resolve their negative net pay and complete the result.  
Example: Offset the difference using an appropriate earning or deduction.

- Positive Retro Difference.

For workers with positive retro differences, process and complete both retro and regular payroll before creating P45s.

### **Example**

Albert, Billie, and Jade were all terminated retrospectively, the previous pay period is complete, and you must process their terminations through retro. They all left on different dates and have different circumstances to pick up in retro.

Employee	Last Period Gross	Termination Date	Retro Difference
Albert	5000	July 30	0
Billie	4500	July 15	(2250)
Jade	6400	July 29	377.43

Albert terminated on the last day of the month. They don't owe any salary to the business and aren't owed any holiday pay.

Billie terminated on July 15. They owe 15 days salary to the business. They aren't owed any holiday pay:

- $4500 \text{ gross} / 30 \text{ days} * 15 \text{ days} = 2250$
- $2250 * -1 = (2250)$

Jade terminated on July 29. They owe 1 day of salary to the business, but are owed 2 days holiday pay:

- $6400 \text{ gross} / 30 \text{ days} = 213.33 \text{ per day}$
- $213.33 * -1 = (213.33)$
- $76800 \text{ annual gross} / 260 \text{ working days} = 295.38 \text{ per day}$
- $295.38 * 2 \text{ holiday pay days} = 590.76$
- $(213.33) + 590.76 = 377.43$

Employee	Retro Calculation Complete	Pay Adjustment	On-Cycle / Off-Cycle Calculation Complete
Albert	Yes	N/A	N/A
Billie	Yes	Yes	Yes
Jade	Yes	N/A	Yes

## **Real Time Information (RTI) Reporting (UK)**

### **Setup Considerations: Real Time Information (UK)**

You can use this topic to help make decisions when planning your configuration and use of Real Time Information (RTI). 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

You can enable Workday Payroll for the UK to submit or retrieve information directly through the HMRC RTI online service. Workday supports these processes:

- Earlier Year Update (EYU).
- RTI Full Payment Submission (FPS).
- RTI Employer Payment Summary (EPS).
- HMRC Notifications.

## Business Benefits

Workday helps you to:

- Meet requirements for reporting worker pay and statutory contributions.
- Maintain payroll data in a single location to validate payments to HMRC and increase efficiency.
- Verify your data by using validations and reports.
- Quickly process payroll cycles and streamline submissions using a configurable business process.

## Use Cases

Each time you pay workers, send their details in an RTI FPS to HMRC.

Using Workday for EPS and EYU submissions can remove the need to use the HMRC Basic PAYE Tools.

## Questions to Consider

Questions	Considerations
Which earnings or deductions do you need to report to HMRC?	To ensure accurate reporting, identify the earnings and deductions to map to specific RTI data items.
How do you identify changes to a worker's employment status in your reports to HMRC?	A payroll ID uniquely identifies an employee for a specific employment, or period of employment, for a specific employer. HMRC requires you to use a payroll ID when reporting RTI information.  You can assign a new payroll ID when a worker is: <ul style="list-style-type: none"> <li>• Hired or rehired by a UK employer.</li> <li>• Transferred and starts working for a UK employer.</li> <li>• Migrated from a legacy payroll system.</li> </ul>
Do you include company cars as benefits in payroll?	If you have an agreement with HMRC, you can send workers' car information as part of your FPS.
What non-standard reporting needs do you have for individual workers?	For individual workers, Workday enables you to report: <ul style="list-style-type: none"> <li>• Irregular payment patterns. Example: Workers who aren't paid every pay period.</li> <li>• Reasons for late PAYE reporting.</li> <li>• Corrections to their contract end date.</li> </ul>

## Recommendations

When you complete the final period payroll for a tax year, process items in this order to avoid data conflicts:

- View and correct RTI FPS exceptions.
- Send FPS data to HMRC.
- Send EPS data to HMRC.
- If you need to correct workers previous tax year RTI data:
  - Run an EYU (2018-2019 and 2019-2020 tax years only).
  - Submit using EPS and FPS (2020-2021 tax year onwards).

## Requirements

- Configure statutory tax and National Insurance calculations in Workday.
- Assign a payroll ID to each worker. The ID identifies a worker for a specific employment, or period of employment, with a specific employer.
- Use Workday to calculate payroll results.

## Limitations

Workday supports EYU for the 2018-2019 and 2019-2020 tax years only.

These reports display a maximum of 1000 rows:

- View UK RTI EPS Data
- View UK RTI FPS Data
- View UK RTI FPS Exceptions

Workday recommends using the newer View Advanced UK RTI FPS Data and View Advanced UK RTI FPS Exceptions reports instead of the View UK RTI FPS Data and View UK RTI FPS Exceptions reports.

If you use the View UK RTI FPS Exceptions report, and have more than 1,000 records, enter a Page Number to select the workers to include. Workday allocates 1,000 workers to a page in ascending Payroll ID order.

## Tenant Setup

No impact.

## Security

Configure these domains.

Domains	Considerations
<i>Integration Build</i> and <i>Integration Configure</i> in the Integration functional area.	Enables you to set up integrations to send EPS and FPS files from Workday to HMRC using the RTI online service.
<i>Process: HMRC Notifications - UK</i> and <i>Process: HMRC Notifications (Run) - UK</i> in the UK Payroll functional area.	Enables you to retrieve and apply changes to workers' tax code details from HMRC.
<i>Process: RTI - UK</i> in the UK Payroll functional area.	Enables you to generate RTI submissions for HMRC.
<i>Process: RTI (Reports) - UK</i> in the UK Payroll functional area.	Enables you to report on RTI submissions. Example: View errors or warnings on the payroll results for an FPS.

Domains	Considerations
<i>Process: RTI (Run) - UK</i> in the UK Payroll functional area.	Enables you to process RTI data.
<i>Set Up: Payroll (RTI) - UK</i> in the UK Payroll functional area.	Enables you to generate your RTI FPS data for HMRC.
<i>Set Up: Payroll UK</i> in the UK Payroll functional area.	Enables you to set up and view payroll-specific data that isn't based on Pay Group or Company. Example: Add Employer Reference details.
<i>Worker Data: Payroll (Company Specific) - UK</i> in the UK Payroll functional area.	Enables you to maintain company specific data for correct processing of workers' RTI details. Example: Submit the last FPS for a deceased worker.
<i>Worker Data: Payroll (Company Vehicle) - UK</i> in the UK Payroll functional area.	Enables users to record company car data for workers.

## Business Processes

Configure the *RTI FPS Submission Event* business process and security policy in the UK Payroll functional area. This business process enables you to submit your FPS data to HMRC.

Configure the *Change Contact Information* business process to tell workers that Workday notifies HMRC whenever they change address.

## Reporting

Reports	Considerations
<i>View Advanced UK RTI FPS Data</i> and <i>View UK RTI FPS Data</i>	Use these reports to display FPS values generated for selected payroll results and preview your submission details.  Example: To verify additional payments to deceased workers.
<i>View Advanced UK RTI FPS Exceptions</i> and <i>View UK RTI FPS Exceptions</i>	Use these reports to display errors or warnings on final pay period payroll results.  Note: The <i>View UK RTI FPS Exceptions</i> report displays a maximum of 1000 rows.
<i>View RTI Data Item Configuration</i>	Use this report to map these calculation types against RTI report data items: <ul style="list-style-type: none"> <li>• Earnings.</li> <li>• Deductions.</li> <li>• Pay accumulations.</li> <li>• Pay balances.</li> <li>• Pay component groups.</li> <li>• Pay component related calculations.</li> </ul>
<i>View UK Apprenticeship Levy</i>	Use this report, when reconciling your payments to HMRC, to verify your monthly and annual apprenticeship levy amounts.
<i>View UK FPS Amounts Reported To HMRC</i>	Use this report to help reconcile your payments against your PAYE account.

Reports	Considerations
View UK RTI EPS Data	Use this report to verify the calculated data in your EPS submission.
View UK RTI FPS Data with Contract End Date	Use this report to display workers with a contract end date that Workday reports in your next RTI FPS. Workday displays the date when a worker was: <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Transferred between UK Employer References.</li> <li>• Transferred internationally.</li> </ul>
View UK RTI FPS Worker Company Car Data	When you have an agreement with HMRC to include company cars as benefits in payroll, use this report to verify workers car and cost details.
View UK RTI Generic Notifications	Use this report to view generic notifications from HMRC, such as details about late payment or non-filing of payments.
View UK RTI Submission Responses	Use this report to verify: <ul style="list-style-type: none"> <li>• HMRC responses to submission details.</li> <li>• Success and error receipts generated by HMRC.</li> <li>• The number of any errors or rejections.</li> </ul>
View Worker UK RTI EYU Details	Use this report to review a worker's previous tax year RTI data.
Worker UK Tax Details	Use this report to review a worker's new tax code after you run a tax code uplift and incorporate tax code changes from HMRC.

## Integrations

Integration	Considerations
<i>HMRC Incoming Notifications</i>	Use this web service to retrieve: <ul style="list-style-type: none"> <li>• Postgraduate loan notices.</li> <li>• Student loan notices.</li> <li>• Tax code notices for workers.</li> </ul>
<i>HMRC Real Time Information</i>	Use this web service to send an FPS file to the HMRC RTI site.
<i>HMRC Real Time Information- Employer Payment Summary</i>	Use this web service to send an EPS file to the HMRC RTI site.
<i>HMRC Real Time Information Earlier Year Update</i>	Use this web service to send EYU submissions to the HMRC RTI site. (2018-2019 and 2019-2020 tax years only.)

## Connections and Touchpoints

Features	Considerations
Companies	<p>Workday uses data from your company tax details in RTI reports. Examples:</p> <ul style="list-style-type: none"> <li>Employer Accounts Office Reference Number.</li> <li>Employer PAYE Reference.</li> <li>HMRC Office Number.</li> </ul>
Pay components	<p>Workday declares data from pay components, both deductions and earnings, in RTI reports.</p>
Payroll ID	<p>When moving to Workday from a legacy payroll, identify and load the worker's legacy payroll ID when you record the worker's details. After Workday generates their new Workday payroll ID, you can't go back and load the legacy ID. Without the legacy ID, HMRC might not be able to match the worker's details under the legacy ID with their new Workday payroll ID.</p> <p>Workday uses the payroll ID as a unique identifier to track worker compensation from hire to termination. To ensure continuity in RTI reporting, ensure that a worker's payroll ID doesn't change regardless of job changes or transfers within a UK employer reference.</p>
Terminations	<p>To ensure accurate RTI reporting for terminated workers, follow Workday recommendations for entering a worker's:</p> <ul style="list-style-type: none"> <li>Last day of work.</li> <li>Pay through date.</li> <li>Termination date.</li> </ul>
Workers	<p>Workday declares personal worker data in RTI reports. Examples:</p> <ul style="list-style-type: none"> <li>Address.</li> <li>Current gender.</li> <li>Date of birth.</li> <li>Forename and surname.</li> <li>National insurance number.</li> <li>Title.</li> </ul>

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 Company Vehicles \(UK\)](#) on page 1598

[Steps: Set Up HM Revenue & Customs RTI Integration](#)

#### Reference

[FAQ: Payroll and RTI for Deceased Workers \(UK\)](#) on page 1555

## Steps: Set Up Real Time Information Reporting (UK)

### Prerequisites

- Review setup considerations for Real Time Information (RTI) reporting.
- Set up the company tax ID.
- Ensure you use a decimal point when submitting your figures. HMRC rejects any other decimal separator, such as a comma.

If you normally use commas as a decimal separator, you can temporarily change your locale in Workday before submitting to HMRC. To change your locale, click on your profile picture at the top right, select My Account > Change Preferences, and select *English (United Kingdom) - en\_GB* as your Preferred Locale.

### Context

To help you meet requirements for reporting payroll data and National Insurance contributions, you can enable Workday Payroll for the UK to prepare and submit these items to HMRC:

- RTI Employer Payment Summary (EPS).
- RTI Full Payment Submission (FPS).

Workday can submit RTI data directly through the HMRC RTI online service.

Note: Payroll for the UK doesn't support RTI submissions for international assignments and pensioners payroll.

### Steps

1. Configure the HMRC integration for FPS files.

[See Steps: Set Up HM Revenue & Customs RTI Integration.](#)

2. Configure the HMRC integration for EPS files.

[See Steps: Set Up HM Revenue & Customs RTI Employer Payment Summary Integration.](#)

3. [Set Up Employer Reference Tax Details \(UK\)](#) on page 1521.

4. Access the View RTI Data Item Configuration report.

Click Maintain RTI Data Item to map calculations to RTI data items. Workday only displays the Maintain RTI Data Item button for data items that you must map to customer-specific calculations.

From the Calculation prompt, select the calculations you want to report under the data item.

Available calculations include:

- Deductions.
- Earnings.
- Pay accumulations.
- Pay balances.
- Pay component groups.
- Pay component related calculations.

Security: *Set Up: Payroll (RTI) - UK* domain in the UK Payroll functional area.

5. (Optional) Access Maintain HR Mapping for UK Payroll.

If you have workers within a designated Freeport, enter each of the Workplace Locations.

Workday reports the workplace postcode of any Freeport workers with an NI category of: D, E, F, I, K, L, N, or S as part of your FPS.

Security: *Set Up: Payroll (RTI) - UK* and *Set Up: Payroll UK* domains in the UK Payroll functional area.

6. (Optional) [Add Worker RTI Details \(UK\)](#) on page 1567.

## Related Information

### Tasks

[Set Up Company Tax ID \(UK\)](#) on page 1519

## Steps: Process Real Time Information Full Payment Submissions (UK)

### Prerequisites

- Verify that all workers have a UK Payroll ID on the View UK Payroll ID History report.
- Run a payroll calculation for the payments that you need to report.
- Configure the *RTI FPS Submission Event* business process and security policy in the UK Payroll functional area. Workday recommends that you don't add approval steps on this business process.
- For deceased workers, ensure that their date of death displays on their worker profile.

### Context

After each payroll calculation, you can use Workday to prepare and submit Real Time Information (RTI) Full Payment Submissions (FPS) to HMRC.

Example: After processing and completing payroll for June, Global Modern Services has:

- 3,000 workers with results for a full pay period.
- 25 workers with results for 2 subperiods.
- 1 worker with results for 3 subperiods.

Ella, the payroll administrator, needs to launch 3 RTI FPS for June:

Submission Number	Submission Scope
1	Entire pay period or first subperiod for all 3,026 workers.
2	Second pay period for 26 workers.
3	Third subperiod for 1 worker.

### Steps

- Access the Generate UK RTI FPS Data task.

If you select one or more Workers, and select the Exclude Workers check box, Workday includes data for all workers except those you selected.

If you're rerunning a submission, select the Enable Smart RTI check box. This prevents Workday from creating duplicate information for unchanged results, and speeds up the collation of any changed results.

Security: *Set Up: Payroll (RTI) – UK* domain in the UK Payroll functional area.

- Access the View Advanced UK RTI FPS Exceptions report.

View any errors or warnings on the payroll results for the FPS and correct any critical exceptions.

Security: *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

- Access the Run Pay Calculation task.

Rerun the payroll calculation for the reported period.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

- (Optional) Access the View Advanced UK RTI FPS Data report.

To ensure you've removed their critical exceptions, preview and spot-check selected workers' submission data.

Security: *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

5. After you've checked that the payroll calculation results for the FPS submission are correct, access the Run Pay Complete task.

**Security:** *Process: Run Batch Calculations (Pay Complete)* domain in the Core Payroll functional area.

6. Access the Generate UK RTI FPS Data task again.

**Security:** *Set Up: Payroll (RTI) – UK* domain in the UK Payroll functional area.

7. Access the View Advanced UK RTI FPS Exceptions report again.

View any BACS hashcode errors for workers who have missing bank details during payroll completion.

Workday recommends that you exclude workers with BACS hashcode errors from the on-cycle RTI FPS integration. Resolve BACS hashcode errors in a separate integration.

**Note:** From the 2024/2025 tax year onwards, HMRC no longer requires notification of the BACS hashcode.

**Security:** *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

8. Access the Run UK RTI FPS task.

Complete the launch parameters for your company HMRC RTI integration.

To submit files to the HMRC Live Gateway, without updating any records, select Test in Live.

To exclude workers with BACS hashcode errors, select the:

- Workers from the Workers prompt.
- Exclude Workers check box.

When a worker is on leave and has multiple subperiods for a pay period, Workday generates 1 RTI FPS submission for each subperiod. Launch an integration for each submission, in ascending order. Wait for HMRC to confirm acceptance of each submission before sending the next one.

**Security:** *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

9. Access the View UK RTI Submission Responses report.

**View:**

- HMRC responses to submission details.
- Success and error messages generated by HMRC.
- The number of errors or rejections. You can drill down to display individual validation or warning messages.

**Security:** *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

- 10.(Optional) Access the View UK FPS Amounts Reported To HMRC report.

Use the report to review amounts reported to HMRC when you reconcile your payments.

**Security:** *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

## Next Steps

If HMRC rejects the FPS, correct the problem and access the Run UK RTI FPS task to relaunch the integration for the submission number. To view RTI endpoint error messages, access the Diagnostic Audit file in the Reports and Other Output Files section of the integration event for the integration task.

Add worker RTI details for any deceased workers in your submission.

[Related Information](#)

[Concepts](#)

[Concept: HM Revenue & Customs Real Time Information \(RTI\) Integration](#)

[Tasks](#)

[Launch an Integration](#)

[Steps: Process Payroll on page 644](#)

[Complete Payroll](#) on page 659

[Assign UK Payroll ID for Worker \(UK\)](#) on page 1527

#### Reference

[2023R1 What's New Post: RTI Reporting](#)

[2023R2 What's New Post: HMRC RTI Reporting](#)

#### Examples

[Example: Resolve BACS Hashcode Errors \(UK\)](#) on page 1570

## Steps: Process Real Time Information Employer Payment Summary (UK)

### Prerequisites

Run and complete a payroll calculation for the reported period.

### Context

After each monthly payroll calculation, you can use Workday to prepare and submit Real Time Information (RTI) Employer Payment Summary (EPS) submissions to HMRC.

### Steps

1. Access the View UK RTI EPS Data report.

Check that the calculated data in the EPS submission is correct.

Workday updates the data in this report after the 19th of each month.

Security: *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

2. Access the View Recovery and NIC Compensation Percentages on Statutory Payments report.

Check that the recovery and National Insurance Contributions percentages used to calculate data in the EPS report are correct.

Security: *Set Up: Payroll UK* domain in the UK Payroll functional area.

3. After you've checked that the payroll calculation results for the EPS submission are correct, access the Run Pay Complete task.

Security: *Process: Run Batch Calculations (Pay Complete)* domain in the Core Payroll functional area.

4. Access the Launch/Schedule Integration task.

Complete the launch parameters for your company's HMRC RTI EPS integration.

To submit files to the HMRC Live Gateway, without updating any records, select Test in Live.

Security: *Integration Event* domain in the Integration functional area.

5. Access the View UK RTI Submission Responses report.

Check any:

- HMRC responses to submission details.
- Success and error messages generated by HMRC.

Security: *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

### Next Steps

If HMRC rejects the RTI EPS, correct the problem and relaunch the integration for the submission number. To view error messages from the RTI endpoint, access the Diagnostic Audit file in the Reports and Other Output Files section of the integration event for the integration task.

#### Related Information

#### Concepts

[Concept: HM Revenue & Customs RTI Employer Payment Summary Integration](#)

## Tasks

[Complete Payroll on page 659](#)

[Steps: Process Payroll on page 644](#)

[Launch an Integration](#)

## Add Worker RTI Details (UK)

### Prerequisites

Security: *Worker Data: Payroll (Company Specific)* - *UK* domain in the *UK Payroll* functional area.

### Context

To improve RTI processing, you can provide additional worker RTI details in certain cases, such as:

- Amending contract dates for terminated and transferred workers.
- Reporting a worker's PAYE late.
- After submitting the last FPS for a deceased worker.

### Steps

1. Access the Add Worker UK RTI Details task.
2. As you complete the task, consider:

Option	Description
Irregular Payment Pattern	Select this check box for a worker who isn't paid every pay period, or is on leave or absence.
Override Contract End Date	<p>Select this check box to submit corrections regarding worker termination or transfer without creating a duplicate HMRC record. Workday overrides the previously reported contract end date (Data Item 41) in an FPS.</p> <p>To override the contract end date:</p> <ol style="list-style-type: none"> <li>a. Enter the termination or transfer date as the Effective Date.</li> <li>b. Select the Override Contract End Date check box.</li> <li>c. Enter the termination or transfer date as the Contract End Date.</li> </ol> <p>To remove the previously reported end date, leave the Contract End Date blank.</p> <p>Example: Override the contract end date when you incorrectly reported a worker's contract end date, because of termination or transfer, and HMRC instructed you:</p> <ul style="list-style-type: none"> <li>• Not to report the amendment.</li> <li>• To remove the contract end date.</li> </ul> <p>To identify workers with a contract end date that Workday will include in your next RTI FPS, run the View UK RTI FPS Data with Contract</p>

Option	Description
	<p>End Date report. Workday displays the date when a worker was:</p> <ul style="list-style-type: none"> <li>• Terminated.</li> <li>• Transferred between UK Employer References.</li> <li>• Transferred internationally.</li> </ul> <p>In addition, when you override the original date, Workday displays the latest date.</p>
Late PAYE Reporting Reason	<p>Use only if entering a reason for a single worker.</p> <p>To specify the reason for a group of workers or an entire submission, use the Late PAYE Reporting Reason parameter in the FPS integration launch parameters.</p>
FPS Submitted for Deceased Worker	<p>Workday only displays this check box when you terminate the worker's employment with a reason of <i>Death</i>. Select the check box for the first RTI that you run after processing payroll and submitting the FPS for a deceased worker.</p> <p>Selecting the check box helps ensure the correct calculation of tax and National Insurance for any future payments after the date of death. After you notify HMRC of the date of death, Workday deducts PAYE using code <i>OT</i> (on a week 1/month 1 basis).</p>

#### Related Information

##### Concepts

[Concept: HM Revenue & Customs Real Time Information \(RTI\) Integration](#)

##### Tasks

[Terminate Employees](#)

[Steps: Automate Initiation of Termination](#)

## Record Worker RTI Earlier Year Update Details (UK)

### Prerequisites

[Security: Process: RTI \(Reports\) - UK domain in the UK Payroll functional area.](#)

### Context

To adjust worker data and amounts sent to HMRC for the 2018-2019 or 2019-2020 tax years, you can submit an Earlier Year Update (EYU).

From the 2020-2021 tax year onward, use the FPS and EPS processes to submit adjustments.

### Steps

1. (Optional) Access the View Worker UK RTI EYU Details report.

In the Tax Details section, verify the worker's previous tax year RTI data. Workday bases the report on the last completed pay result for the worker, for the selected tax year.

2. Access the Add Worker UK RTI EYU Details task.

Enter the difference between the updated and previously reported amounts in the Tax Details section.

### **Result**

Workday sends the updated information to HMRC when you next run your company RTI integration.

### **Next Steps**

Run the View UK RTI Submission Responses report to verify that HMRC accepts the EYU details.

#### Related Information

#### Reference

[Workday Community: Workday Payroll for UK Year-End & Year-Start Checklist](#)

## **Steps: Record Disguised Remuneration (UK)**

### **Context**

HMRC treats disguised remuneration as taxable pay. Workers must inform you of any income they receive that HMRC categorizes as disguised remuneration. You can report the income as an item in your FPS.

### **Steps**

1. Access the Create Earning task.

Set up an earning that identifies all income that HMRC considers as disguised remuneration.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the View RTI Data Item Configuration report.

For the FPS RTI Submission Type, map the new earning to data item 197. Amount of Part 7A Disguised Remuneration.

Security: *Set Up: Payroll (RTI) – UK* domain in the UK Payroll functional area.

3. Access the Add Payroll Input by Worker task.

In the Worker Defaults section, select the new earning as the Pay Component.

In the Input grid, enter the remuneration in the Input Details - Value column.

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

4. Access the Run Pay Calculation task.

Calculate payroll for the period.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

5. Access the View UK RTI FPS Data report.

Preview your FPS and verify that the 197. Amount of Part 7A Disguised Remuneration column displays the worker's remuneration.

Security: *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

### **Next Steps**

Where applicable, include disguised remuneration in these data items when you submit your EPS and FPS returns:

- 41A - Total taxable pay, year to date.
- 58 - Taxable pay in this pay period.
- 59 - Net pay after statutory deductions for tax, National Insurance, and all types of Student Loans.
- 79A - Gross earnings for NI contributions, year to date.

- 79B - Gross earnings for NI contributions in this pay period.

## Example: Resolve BACS Hashcode Errors (UK)

This example illustrates how to resolve a BACS hashcode error in Real Time Information (RTI) reporting, for a worker with missing bank details, after you already completed payroll.

Note: From the 2024/2025 tax year onwards, HMRC no longer requires notification of the BACS hashcode.

### Context

When Ella, the Global Modern Services pay administrator, calculated June payroll, Alisha, an employee, had missing bank details. Ella was unable to add the missing details in Workday before completing payroll and sending the BACS file. The missing details resulted in a BACS hashcode error on the View Advanced UK RTI FPS Exceptions report. To submit RTI Full Payment Submissions (FPS) for workers in June, Ella needs to:

- Exclude Alisha from the on-cycle FPS submission.
- Resolve the BACS hashcode error.
- Submit a separate RTI FPS for Alisha.

### Prerequisites

Configure the *RTI FPS Submission Event* business process and security policy in the UK Payroll functional area.

### Steps

1. Access the Run UK RTI FPS task.
2. Enter these settings to exclude Alisha from the on-cycle RTI FPS submission:

Option	Value
Pay Period	<i>June</i>
UK Employer Reference	<i>Global Modern Services</i>
Pay Calculation Status	<i>Complete</i>
Workers	<i>Alisha</i>
Exclude Workers	Select the check box.

Security: *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

3. Click Submit.
4. To reverse Alisha's pay calculation result for June, select Pay Calculation > Reversal from the related actions menu of the pay calculation.

Security: *Process: Off Cycle (Reversal)* domain in the Core Payroll functional area.

5. Access the Maintain Payment Elections report for Alisha and add the missing bank account details.
6. Click OK.
7. Access the Run On Demand Payment for Worker task and create an on-demand additional payment for Alisha's June salary.
8. Click OK.

Security: *Process: Off Cycle (On Demand)* domain in the Core Payroll functional area.

9. Select Pay Calculation > Complete from the related actions menu.

Security: *Pay Calculation: Ad-Hoc Actions (Complete)* domain in the Core Payroll functional area.

10. Access the Run UK RTI FPS task.

11. Enter these settings to report the on-demand payment:

Option	Value
Pay Period	<i>June</i>
UK Employer Reference	<i>Global Modern Services</i>
Pay Calculation Status	<i>Complete</i>
Workers	<i>Alisha</i>
Exclude Workers	Leave blank.
Submission for Off Cycle	Select the check box.
After RTI Integration Event	Select the previous on-cycle RTI integration.

Security: *Process: RTI (Reports) - UK* domain in the UK Payroll functional area.

12. Click Submit.

## Result

Workday processes the RTI FPS for Alisha's June salary.

Related Information

### Concepts

[Concept: HM Revenue & Customs Real Time Information \(RTI\) Integration](#)

### Tasks

[Reverse a Completed Payroll Calculation](#) on page 667

[Maintain Payment Elections](#)

[Launch an Integration](#)

[Create On-Demand Additional Payments](#) on page 693

## FAQ: Payroll and RTI for Deceased Workers (UK)

How can I ensure that payroll calculates correctly for deceased workers?

Ensure that the worker has:

- A value of *Death* in the Primary Termination Reason prompt for the *Termination* event.
- An accurate Date of Death on the Personal Information report in the Personal profile group of the worker profile.

When you enter a Date of Death for a worker, Workday:

- Reports the date of death as the Date Employment Contract Ended within the Real Time Information (RTI) Full Payment Submission (FPS).
- Correctly processes National Insurance on the final wages for the deceased worker.
- Doesn't produce a P45.

How can I ensure that all deceased workers have a recorded date of death?

After you've processed the final payroll and FPS, access the Add Worker UK RTI Details task. Select the FPS Submitted to Deceased Worker check box so that Workday calculates tax correctly if you make subsequent payments after termination. After you notify HMRC of the date of death, Workday deducts PAYE using code *OT* (on a week 1/month 1 basis).

How can I report additional payments to deceased workers?

To ensure that deceased workers have a Date of Death on the Edit Personal Information task, Workday recommends that you either:

- Modify the *Termination* business process. Include a conditional *To Do* step on the Edit Personal Information task, when the termination reason is *Death* in either of these fields:
  - Primary Termination Reason
  - Primary Termination Category
- Create a custom report that identifies terminated workers with a Termination Reason of *Death* but without a Date Of Death. Use the report as an audit before processing payroll.

Workday only makes the Date of Death field available on the Edit Personal Information task when the *Terminated* business process is complete for the worker.

To report additional payments to deceased workers, correct your FPS submission after sending an FPS with their date of leaving.

1. Access the Add Worker UK RTI Details task.
2. For the Late PAYE Reporting Reason, select *H - Correction to earlier submission*.
3. Access the View UK RTI FPS Data report and verify the year-to-date figures. For payments made:
  - In the same tax year as the date of death, ensure that the revised year-to-date figures include the additional payment.
  - In a later tax year, ensure that the year-to-date figures only reflect the additional payment.
4. Run the *HMRC RTI Tax Filing System* integration.

## Related Information Tasks

[Terminate Employees](#)

[Add Worker RTI Details \(UK\)](#) on page 1567

**Reference****FAQ: Contact and Personal Information****FAQ: Real Time Information Reporting (UK)**

- [How can I indicate a final RTI submission? on page 1573](#)
- [How can I view the amount of apprenticeship levy that's due? on page 1573](#)
- [How can I report that a company car was allocated to the wrong worker? on page 1573](#)
- [How do I report the correct date on my FPS return when a worker's contractual date falls on a bank holiday or weekend? on page 1574](#)
- [How do I keep employer's NI for Termination Awards and Sporting Testimonials \(TAST\) separate from regular NI? on page 1574](#)
- [How do I correct a mistake on a previously submitted FPS return? on page 1574](#)
- [How does Workday process special characters in names and addresses? on page 1574](#)
- [Why do I get a warning when I try to report some pension or lump sum items in my FPS return? on page 1574](#)

**How can I indicate a final RTI submission?**

Before launching the RTI integration, access the Edit UK Employer Reference Details task. In the Details grid, enter a value in the Date Scheme Ceased field.

**How can I view the amount of apprenticeship levy that's due?**

- Run the View UK RTI EPS Data report. Workday displays apprentice levy due for the year to date in row 187.
- For greater detail, run the View UK Apprenticeship Levy report.

The View UK RTI EPS Data and View UK Apprenticeship Levy reports calculate the total levy depending on your total pay bill, rate, and the allowance you record for the UK Employer Reference in the Edit UK Employer Reference Details task.

**How can I report that a company car was allocated to the wrong worker?**

When you allocated a car in a previous tax year, contact HMRC to correct the issue.

To report an incorrect allocation for the current tax year:

1. Access the Edit Company Vehicle Assignment task.
2. Select the same From, To, and Free Fuel Provided dates. Example: The date you reported the incorrect allocation to HMRC.
3. Select the Car Incorrectly Submitted to HMRC check box.

Workday recommends that you run the View UK RTI FPS Worker Company Car Data report next. Verify that Workday displays a value of zero in these fields:

- 182. Cash equivalent of car.
- 185. Cash equivalent of fuel.

How do I report the correct date on my FPS return when a worker's contractual date falls on a bank holiday or weekend?

1. Access the Maintain UK Payroll Contractual Payment Date task.
2. For affected periods in the period schedule, enter the contractual payment date when it differs from the actual payment date.

How do I keep employer's NI for Termination Awards and Sporting Testimonials (TAST) separate from regular NI?

When you create separate deductions for termination awards or sporting testimonial payments, use the:

- *GBR NI Class 1A – Employer NICs* deduction to calculate the NI contributions payable.
- *GBR Class 1A NIC ERS* pay component group to identify the pay components used by the deduction.

When you create separate earnings for termination awards or sporting testimonial payments, use these pay component groups:

- *GBR Adds to Gross*
- *GBR Class 1A NIC ERS*
- *GBR Taxable Pay*

How do I correct a mistake on a previously submitted FPS return?

Correct the amounts for the affected workers on a new FPS and send it to HMRC. You must use the same submission number as the original one.

HMRC compares the new submission data to the previous submission and only updates records that display any differences.

How does Workday process special characters in names and addresses?

When you select the Enable RTI FPS Special Characters check box on the Edit UK Employer Reference Details task, Workday automatically converts any special characters to HMRC acceptable characters when you send your FPS.

To manually verify the mappings between accepted and special characters, use the View UK RTI Special Character Mapping report.

Why do I get a warning when I try to report some pension or lump sum items in my FPS return?

Workday might display a warning on the View Advanced UK RTI FPS Exceptions or View UK RTI FPS Exceptions reports when you attempt to report on these data items:

- 168. Flexibly accessing pension rights
- 171. Pension Death Benefit
- 172. Serious ill health lump sum indicator
- 219. Pension commencement excess lump sum indicator
- 220. Stand alone lump sum indicator

To prevent Workday display the warnings, ensure you have a value in one of these data items:

- 173. Flexible drawdown taxable payment

- 174. Flexible drawdown non-taxable payment

## Holiday Pay (UK)

### Statutory Holiday Pay (UK)

#### Setup Considerations: Statutory Holiday Pay (UK)

You can use this topic to help make decisions when planning your configuration and use of statutory holiday pay for UK-based workers. 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

Workday enables you to calculate holiday time taken and rates of pay based on UK statutory requirements. Workday uses:

- Absence to calculate the amount of holiday time off to pay and the associated occurrences.
- Workday Payroll for the UK to calculate the rates of pay for holiday time off.

#### Business Benefits

The statutory holiday pay feature helps you calculate UK workers' statutory holiday pay, based on the requirements described in the UK government's Taylor report and the Department for Business, Energy, and Industrial Strategy (BEIS) guidance.

The statutory holiday pay feature ensures efficient and flexible management of holiday pay by delivering regular updates to maintain regulatory compliance and enabling you to:

- Easily manage worker eligibility.
- Calculate and view weekly earnings data to determine how earnings impact holiday pay.
- Identify relevant earnings for holiday pay calculations.
- Determine periods and earnings to include and exclude from holiday pay assessments.
- Calculate retroactive payments based on earning date rather than payment date.

#### Use Cases

- Pay a worker's statutory holiday pay based on UK regulations, guidance, and best practice.
- Include or exclude specific earnings from the holiday pay calculation. Example: Overtime.
- Identify relevant weeks for holiday payments. Example: Workers with irregular working patterns.
- Determine the rate of pay for unused holidays when workers leave your employment.

#### Questions to Consider

Questions	Considerations
Which holidays do you want to include in the statutory holiday pay calculation?	Workday takes account of holidays that you include in the absence occurrences that you create for statutory holiday pay usage. You

Questions	Considerations
	indicate which absence occurrences are for holiday pay use when you configure holiday pay.
How does pay frequency impact on statutory holiday pay calculations?	<p>Workday processes statutory holiday pay weekly, regardless of your pay frequency.</p> <p>Workday enables you to calculate weekly earnings. You can:</p> <ul style="list-style-type: none"> <li>• Split earnings based on a predefined holiday pay work period calendar.</li> <li>• Create shadow earnings, which you can split based on the predefined holiday pay work period calendar. Creating shadow earnings prevents you from splitting the original earnings.</li> </ul> <p>On the Create Earning or Edit Earning task, select the Split by UK Statutory Holiday Pay Work Period Calendar check box to factor in all earnings that qualify for holiday pay assessment or calculation.</p>
Do you want to include or exclude certain types of pay or certain weeks from your holiday pay assessment?	<p>You can determine which earnings and periods to include or exclude by creating pay component groups (PCGs) and linking them to a holiday pay configuration. You can create these PCGs that you link to specific fields on the Create UK Statutory Holiday Pay Configuration task:</p> <ul style="list-style-type: none"> <li>• A PCG for all earnings to include in holiday pay calculations. You can then link this PCG to the Earnings Pay Component Group field.</li> <li>• A PCG to exclude any week or earnings from the holiday pay assessment period. You can then link this PCG to the Work Period Exclusion Pay Component Group field.</li> </ul> <p>Example: You can exclude a week with unpaid or partial time off from a holiday pay assessment period by adding an absence component-related calculation to an earning. You can then add the PCG for the excluded period or earnings to the pay component-related calculation.</p>
How many different configurations of holiday pay apply to your workers?	<p>Workday enables you to create as many different holiday pay configurations as you need.</p> <p>Example: You can create separate configurations for pensionable and nonpensionable earnings.</p> <p>If you have workers in both Northern Ireland and the rest of the UK, you might need to set up separate configurations for both of groups of workers.</p> <p>Each separate configuration determines:</p> <ul style="list-style-type: none"> <li>• The payout earning.</li> </ul>

Questions	Considerations
	<ul style="list-style-type: none"> <li>• Which earnings to include or exclude.</li> </ul> <p>Load historical pay details separately for each configuration.</p>
<p>If you use Workday's legacy UK Holiday Pay, and are moving to use UK Statutory Holiday Pay, will you have retro calculations that impact the legacy time frame?</p>	<p>Statutory Holiday Pay doesn't look at legacy pay period history. Load new, weekly, history records for any retro calculations that refer to the legacy time frame.</p>
<p>Do you want to convert your data into the Statutory Holiday Pay format?</p>	<p>You can use the UK Statutory Holiday Pay Data Migration task to:</p> <ul style="list-style-type: none"> <li>• Convert your existing data for a UK statutory holiday pay configuration, date range, and pay group.</li> <li>• Use the converted data to create workers' statutory holiday pay history.</li> </ul> <p>The UK Statutory Holiday Pay Data Migration task doesn't allocate specific weekly amounts when you create new data but rather provides average amounts spread across the period.</p> <p>When you encounter significant data errors while importing large volumes of historical pay data, contact Support to delete the history.</p>

## Recommendations

Work with Workday Professional Services or your consultant to set up statutory holiday pay processing.

Adhere to BEIS holiday pay guidance to identify workers and earnings to include in statutory holiday pay processing.

Consider how much of your payroll history to gather and how to reflect it in a weekly format in order to meet BEIS recommendations.

## Requirements

Provide worker earnings for calculating statutory holiday pay in weekly amounts.

You must have both Workday Payroll for the UK and Absence to use the statutory holiday pay functionality.

Use Workday Payroll for the UK to set up:

- Calendars, rules, and events.
- Earnings, calculations, and eligibility.
- Pay component groups.
- Holiday pay configuration.
- Holiday pay history.
- Termination payout of holiday pay.

Use Absence to configure:

- Absence occurrences.
- Holiday time offs.
- Termination payout plans.

## Limitations

Amending worker history doesn't trigger any retro processing. After you change a worker's holiday pay history, run a pay calculation to include the changes. To ensure that Workday includes history changes, leave the Smart Calculation options clear.

UK statutory holiday pay uses effective dates, and Workday retro processing picks up changes. However, the existing Workday legacy UK holiday pay doesn't use effective dates, so ensure you deactivate any legacy configurations before activating UK statutory holiday pay.

## Tenant Setup

If your shadow earnings don't display in workers' pay results, review your configuration in Tenant Setup > Payroll > Administrator Results > Disable Payroll Result Profile.

## Security

Domains	Considerations
<i>Set Up: Time Off (General)</i> domain in the Time Off functional area.	Enables you to configure absence occurrences and view absence occurrence types.
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	Enables you to configure: <ul style="list-style-type: none"> <li>PCGs to gather related earnings and calculations for ease of processing.</li> <li>Source and shadow earnings.</li> </ul>
<i>Set Up: Payroll (Holiday Pay) - UK</i> in the UK Payroll functional area.	Enables you to set up specific statutory holiday pay items. Examples: <ul style="list-style-type: none"> <li>Holiday pay configuration.</li> <li>Links between source earnings and related shadows.</li> <li>Work period calendars and rules.</li> </ul>
<i>Worker Data: Payroll (Non-Company Specific) - UK</i> in the UK Payroll functional area.	Enables you to: <ul style="list-style-type: none"> <li>Adjust a worker's historical pay data.</li> <li>Mass load and retrieve historical pay data.</li> <li>Run reports.</li> </ul>

## Business Processes

To include unused holiday time off at termination in holiday pay assessments, add a step with the *Adjust Time Off Balances* service to the *Termination* business process.

## Reporting

Reports	Considerations
<i>View Payroll Results</i>	Use the UK Statutory Holiday Pay tab on this report to identify statutory holiday pay weekly earnings that occur in the relevant period.
<i>View UK Statutory Holiday Pay Configuration</i>	Use to verify the payroll data Workday uses to calculate statutory holiday pay. You can check the: <ul style="list-style-type: none"> <li>Absence occurrence types.</li> </ul>

Reports	Considerations
	<ul style="list-style-type: none"> <li>Payout earnings used to disburse holiday pay to workers.</li> <li>PCGs for earnings and hours.</li> <li>PCGs for work period assessment inclusion and exclusion.</li> </ul>
View UK Statutory Holiday Pay Details for Worker	<p>Use to troubleshoot statutory holiday pay calculations for individual workers.</p> <p>You can review calculation details and inputs. Example:</p> <ul style="list-style-type: none"> <li>Amounts excluded from and included in the pay assessment.</li> <li>Up to 104 weeks and the associated holiday work period calendar weeks.</li> <li>Worker statutory holiday pay history data.</li> </ul>
View UK Statutory Holiday Pay Shadow Earnings	Use to identify which source earning a shadow earning is linked to.
View UK Statutory Holiday Pay Work Period Calendar	Use to view the breakdown of weeks in the covered work period and identify the associated calendar rule.
View UK Statutory Holiday Pay Work Period Calendar Rules	Use to view the calendar associated with the rules and conditions that Workday uses to assign the calendar to workers.

## Integrations

Use these web services to mass load and retrieve workers' historic holiday pay data:

- Get UK Statutory Holiday Pay History*
- Import UK Statutory Holiday Pay History*

## Connections and Touchpoints

Features	Consideration
Absence	<p>Holiday pay uses Absence to provide details of:</p> <ul style="list-style-type: none"> <li>Absence occurrences.</li> <li>Holiday time offs.</li> <li>Termination payout plans.</li> </ul>
Human Capital Management	<p>Holiday pay uses Human Capital Management data to provide details of:</p> <ul style="list-style-type: none"> <li>Staffing</li> <li>Compensation</li> </ul>

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

#### Concepts

[Concept: Absence Occurrences](#)

## Reference

- [The Next Level: UK Statutory Holiday Pay Next Level Series](#)
- [2021R2 What's New Post: UK Statutory Holiday Pay](#)
- [2022R2 What's New Post: UK Statutory Holiday Pay](#)

## Steps: Set Up Statutory Holiday Pay (UK)

### Context

You can set up Workday to calculate payments for workers with absences that qualify for holiday pay, as part of the standard payroll process.

Note: Workday recommends that you complete the Next Level series on UK Statutory Holiday Pay on Workday Community. This series contains detailed information on configuring statutory holiday pay.

We also recommend that you work with Workday Professional Services, or your consultant, to set up your holiday pay processing.

### Steps

1. Work with your absence administrator to create a custom absence occurrence for all time offs that impact statutory holiday pay.

See [Steps: Set Up Absence Occurrences](#).

We recommend that you create a custom occurrence for UK Statutory Holiday Pay to keep it separate from other occurrences and any edits by other users.

2. Access the Create UK Statutory Holiday Pay Work Period Calendar Rule task.

Create holiday pay calendar rules to assign holiday pay work period calendars to workers.

Note: Workday can select a worker using 2 or more eligibility rules. To avoid inconsistent holiday pay results, ensure that workers aren't eligible for more than 1 calendar.

Security: *Set Up: Payroll (Holiday Pay) - UK* domain in the UK Payroll functional area.

3. Access the Create UK Statutory Holiday Pay Work Period Calendar task.

From the related actions menu of the calendar, select UK Statutory Holiday Pay Work Period Calendar > Build UK Statutory Holiday Pay Work Period Calendar Events to determine when weekly periods start and end.

Unless you already have weekly schedules that start on another day, Workday recommends that you consider the BEIS guidance for the start date for your week. Example: Consider starting weeks on Sunday.

To include historic pay data, select a historic Start Date. Ensure that the day matches your normal weekly start day. Example: If your current weeks start on a Monday, select a historic Monday as the start date.

Workday recommends you create enough periods to cover both your historic records and a reasonable amount for future, ongoing work. Example: If your Start Date is 2 years in the past, enter 208 in the Number of Work Periods to create 2 years of both past and future weekly periods.

Workday uses the calendar periods to prorate earnings into weekly results for statutory holiday pay calculations.

Security: *Set Up: Payroll (Holiday Pay) - UK* domain in the UK Payroll functional area.

4. (Optional) Create weekly shadow earnings for worker pay.

See [Create Statutory Holiday Pay Shadow Earnings \(UK\)](#) on page 1582.

5. Split holiday pay related earnings into weeks. These earnings can be either the original source earning or newly created, related shadow earnings.

If you edit an existing source earning, select Add New Effective Date and enter the current or future date from which you'll start using statutory holiday pay.

On the Effective Dated tab of the earning, in the Holiday Pay section, select Split by UK Statutory Holiday Pay Work Period Calendar.

Workday recommends that, where possible, you create shadow earnings instead of splitting existing monthly or salary earnings to result in weekly amounts.

6. Create a payout earning to disburse holiday pay to workers.

[See Example: Create a Payout Calculation for Statutory Holiday Pay \(UK\)](#) on page 1585 and [Example: Create a Payout Earning for Statutory Holiday Pay \(UK\)](#) on page 1587.

7. Create pay component groups (PCG) for all earnings and hours that represent payments to include in statutory holiday pay calculations.

Ensure that you split all earnings in these PCGs by weeks.

[See Create Pay Component Groups](#) on page 238.

8. (Optional) Create a PCG for the periods that you want to assess for holiday pay calculations.

Ensure that you split all earnings in this PCG by holiday work period weeks.

9. (Optional) Create a PCG for any earnings or periods that you want to exclude from holiday pay calculations. Example: To exclude weeks that include partial sick pay.

Ensure that you split all earnings in this PCG by weeks.

[See Example: Create a Calculation for Periods to Exclude from Statutory Holiday Pay \(UK\)](#) on page 1589 and [Example: Create an Earning for Periods to Exclude from Statutory Holiday Pay \(UK\)](#) on page 1590.

10. Access the Create UK Statutory Holiday Pay Configuration task.

Select the earnings PCGs, hours worked PCGs, and absence occurrences for holiday pay.

You can create multiple configurations to cover your different holiday pay needs. Example: Pensionable and nonpensionable earnings for holiday pay.

If you have workers in Northern Ireland, you can select the Northern Ireland Reference Period check box. This uses the 12 week reference period to calculate average pay. When you have workers in both Northern Ireland and the rest of the UK, you might need to set up separate configurations for both groups of workers. Contact Workday Professional Services, or your consultant, before setting up either configuration.

**Security:** *Set Up: Payroll (Holiday Pay) - UK* domain in the UK Payroll functional area.

## Next Steps

Enter workers' historic statutory holiday pay.

[Related Information](#)

[Concepts](#)

[Concept: Absence Occurrences](#)

[Concept: Inactivate Earning and Deduction Definitions](#) on page 300

[Setup Considerations: Statutory Holiday Pay \(UK\)](#) on page 1575

[Tasks](#)

[Create Rules for Assigning Calendars](#)

[Reference](#)

[The Next Level: UK Statutory Holiday Pay Next Level Series](#)

## Create Statutory Holiday Pay Shadow Earnings (UK)

### Prerequisites

- Configure your workers' standard earnings.
- Security:
  - *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
  - *Set Up: Payroll (Holiday Pay) - UK* domain in the UK Payroll functional area.

### Context

Workday requires that you provide worker earnings for statutory holiday pay in weekly amounts. To avoid impacting your original source earnings, Workday recommends that you create shadow earnings and link the source and shadow earnings.

**Note:** Evaluate which earnings you want to split directly and which earnings you want to create a shadow for. Example: You must directly split holiday pay payout or exclusion earnings without creating shadow earnings for them.

When you link 2 earnings using a shadow relationship, Workday:

- Automatically applies amendments, such as compensation changes and pay input adjustments, from the source to the shadow.
- Divides the values from the source earning into weekly amounts.

### Steps

1. Create a shadow earning to split holiday pay into weeks.

When creating shadow earnings, consider which amounts and related calculations can be split into weekly amounts.

[See Example: Create Shadow Earnings for Statutory Holiday Pay \(UK\) on page 1584.](#)

2. Access the Create UK Statutory Holiday Pay Shadow Earnings task.

Link your shadow earnings for holiday pay to their associated source earnings.

3. Access the Edit Run Category task.

In the Gross / Net section, add either the shadow earning, or a new pay component group (PCG) associated with the shadow earnings. This addition ensures that Workday processes the shadow earning during payroll calculation.

### Result

When you run payroll, Workday displays all earnings, that are part of a PCG linked to a holiday pay configuration, on the UK Statutory Holiday Pay tab of the View Payroll Results report.

Related Information

### Tasks

[Identify What to Pay in On-Cycle and On-Demand Replacement Pay on page 105](#)

## Maintain a Worker's Historic Statutory Holiday Pay (UK)

### Prerequisites

- Create a UK statutory holiday pay work period calendar, rule, and events.
- Create a UK statutory holiday pay configuration.
- Security: *Worker Data: Payroll (Non-Company Specific) - UK* domain in the UK Payroll functional area.

### Context

Workday enables you to add or adjust a worker's past weekly holiday pay.

To mass load or retrieve history data for multiple workers, use these web services:

- [Get UK Statutory Holiday Pay History](#).
- [Import UK Statutory Holiday Pay History](#).

## Steps

1. Access the Maintain UK Worker Statutory Holiday Pay History Data task.

2. Select the UK Holiday Pay Configuration to which the history applies.

If you've multiple statutory holiday pay configurations, load the weekly pay history separately for each configuration, even if all configurations use the same earnings pay component group.

3. As you complete the task, consider:

Option	Description
UK Holiday Pay Work Period	Select the week to which the history applies.
Earnings Adjustment	Add the amount to add to, or subtract from, the existing earnings for the week.
Hours Adjustment	Add the amount to add to, or subtract from, the existing hours for the week.
Include Work Period in Pay Calculation	Select this check box to add the values of any adjustments to the worker's holiday pay calculation for the week.  Note: If you select this check box, it overrides the Work Period Exclusion Pay Component Group entry on the statutory holiday pay configuration. Workday includes the week in the holiday pay calculation.
Exclude Work Period from Pay Calculation	Select this check box to record history without including the results in the worker's holiday pay calculation. Example: You want to exclude earnings for a week due to sickness.  Note: If you select this check box, it overrides the Work Period Assessment Pay Component Group entry on the statutory holiday pay configuration. Workday excludes the week from the holiday pay calculation.

## Next Steps

Amending worker history doesn't trigger any retro processing. After you change a worker's holiday pay history, run a pay calculation to include the changes. To ensure that Workday includes history changes in a pay calculation, leave the Smart Calculation options clear on the Run Pay Calculation task.

Verify your results in the View UK Statutory Holiday Pay for Worker report.

### Concept: Bulk Load Historic Statutory Holiday Pay (UK)

To load historical pay data for multiple workers for statutory holiday pay, you can create an Enterprise Interface Builder (EIB) based on the [Import UK Statutory Holiday Pay History](#) web service.

When you bulk load historical pay data for workers, ensure that you use these settings for these columns.

Column	Selection
Worker	<i>Employee_ID</i>

Column	Selection
FLSA Workweek Calendar	<i>UK_Holiday_Pay_Work_Period_Calendar_ID</i>

If you've multiple statutory holiday pay configurations, load weekly pay history for each configuration, even when they use the same earnings pay component group.

#### Examples: Statutory Holiday Pay (UK)

#### Example: Create Shadow Earnings for Statutory Holiday Pay (UK)

This example illustrates one way to create shadow earnings for statutory holiday pay.

#### Context

You want to ensure that workers' earnings that you use to calculate holiday pay are in weekly amounts.

When creating the shadow earnings, you want to:

- Start paying holiday pay from April 6th, 2022.
- Split the earnings using the UK statutory holiday pay work period calendar.

To identify shadow earnings, you start their names with z\_.

#### Prerequisites

- An existing earning for workers' salaries, called *GBR Basic Salary (GBR)*.
- Create a UK statutory holiday pay work period calendar.
- Create a *GBR Shadow Earnings* pay component group (PCG) to hold the shadow earnings.
- Security:
  - Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
  - Set Up: Payroll (Holiday Pay) - UK* domain in the UK Payroll functional area.

#### Steps

- Access the View Earning report and select the *GBR Basic Salary (GBR)* earning.
- From the related actions menu, select Calculation > Copy
- Enter these values:

Option	Description
Name	<i>z_GBR Basic Salary</i>
Code	<i>z_GBR Basic Salary</i>
Country	<i>United Kingdom</i>

- On the Effective Dated tab, enter these values:

Option	Description
Effective Date	<i>April 6, 2022</i>
Calculation	Workday automatically copies the calculation from the source earning.
Do Not Recalculate During Retro	Workday automatically copies the value from the source earning.
Split by UK Statutory Holiday Pay Work Period Calendar	Select.

- From the Worker Eligibility prompt, select Create > Create Value Comparison Calculation.

6. Enter these values:

Option	Description
Name	GBR Basic Salary <> 0
Category	Payroll

7. Add this row to the Calculation grid:

1st Operand	Operator	2nd Operand
GBR Basic Salary (GBR)	not equal to	0

8. Click OK to return to the Copy Pay Component task.

9. On the Non-Effective Dated tab, in the Groups section, add the *GBR Shadow Earnings* PCG.

## Result

Workday splits the earning into weekly periods, based on workers' holiday pay work period calendars.

## Next Steps

Edit your run category to add the PCGs for statutory holiday pay.

### Example: Create a Payout Calculation for Statutory Holiday Pay (UK)

This example illustrates one way to create a payout calculation for UK statutory holiday pay.

## Context

You want to calculate the amount to pay for UK statutory holiday pay based on the:

- Number of assessment weeks delivered by Workday, when the result isn't equal to zero.
- Number of days worked in a week.
- Workday-delivered pay balance for holiday pay.

Your workers work 5 days a week.

## Prerequisites

Security:

- Set Up: Payroll (Calculations - Generic)* domains in the Core Payroll functional area.
- Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

## Steps

1. Access the Create Arithmetic Calculation task.

Enter these values:

Option	Description
Name	Holiday Pay Balance divided by Number of Assessment Weeks

Option	Description
Category	Payroll

Add this row to the Calculation section:

1st Operand	Operator	2nd Operand
<i>GBR Statutory Holiday Pay: Assessment Period Pay Balance</i>	<i>Divide</i>	<i>GBR Statutory Holiday Pay: Assessment Period Weeks</i>

- Access the Create Arithmetic Calculation task.

Enter these values:

Option	Description
Name	Holiday Pay Balance/(Number of Assessment weeks * Days worked in a week)
Category	Payroll

Add this row to the Calculation section:

1st Operand	Operator	2nd Operand
<i>Holiday Pay Balance divided by Number of Assessment Weeks</i>	<i>Divide</i>	<i>5</i>

- Access the Create Value Comparison Calculation task.

Enter these values:

Option	Description
Name	Holiday Pay Assessment Weeks (divisor) <> 0
Category	Payroll

Add this row to the Calculation section:

1st Operand	Operator	2nd Operand
<i>GBR Statutory Holiday Pay: Assessment Period Weeks</i>	<i>not equal to</i>	<i>0</i>

- Access the Create Conditional Calculation task.

Enter these values:

Option	Description
Name	Holiday Pay Daily Amount
Category	Payroll

Add this row to the Calculation section:

Condition	Result
<i>Holiday Pay Assessment Weeks (divisor) &lt;&gt; 0</i>	<i>Holiday Pay Balance/(Number of Assessment weeks * Days worked in a week)</i>

## Next Steps

Add the calculation to a payout earning for UK statutory holiday pay.

### Example: Create a Payout Earning for Statutory Holiday Pay (UK)

This example illustrates one way to create a payout earning for UK statutory holiday pay.

## Context

You want to create a payout earning for statutory holiday pay based on the statutory holiday pay framework.

When creating the earning, you want to:

- Calculate the earning only when workers receive paid time off that is eligible for statutory holiday pay.
- Directly split the holiday pay payout by the UK statutory holiday pay work period calendar.
- Start paying holiday pay on April 1st, 2022.

## Prerequisites

Create an arithmetic calculation named *Holiday Pay Amount Paid* that calculates the amount of holiday pay to for a weekly period.

Create a conditional calculation named *Holiday Pay Daily Amount*, that calculates the daily holiday pay amount based on the pay balance for holiday pay.

Create a time off named *GBR Statutory Holiday Pay (Days)*.

Create these related calculations:

- Holiday Pay Amount Per Day*
- Number of Assessment Weeks*
- Number of Days (of Holiday to be paid)*
- UK Statutory Holiday Pay - Pay Balance*

Security:

- Set Up: Payroll (Calculations - Payroll Specific)* and *Set Up: Payroll (Calculations - Generic)* domains in the Core Payroll functional area.
- Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

## Steps

1. Access the Create Earning task.

2. Enter these values:

Option	Description
Name	<i>Holiday Pay Payout Days</i>
Code	<i>HP Payout Days</i>
Category	<i>Payroll</i>
Country	<i>United Kingdom</i>

3. On the Effective Dated tab, enter these values:

Option	Description
Effective Date	<i>April 1, 2022</i>
Calculation	<i>Holiday Pay Amount Paid</i>

Option	Description
Do Not Recalculate During Retro	Leave clear.
Split by UK Statutory Holiday Pay Work Period Calendar	Select

4. From the Worker Eligibility prompt, select Create > Value Comparison Calculation.

5. Enter these values:

Option	Description
Name	UK Statutory Time Off $\leftrightarrow$ 0
Category	Payroll

6. Add this row to the Calculation grid:

1st Operand	Operator	2nd Operand
<i>GBR Statutory Holiday Pay (Days)</i>	<i>not equal to</i>	<i>0</i>

7. Click OK to return to the Create Earning task.

8. Add these rows to the Related Calculations grid:

Related Calculation	Override Calculation
<i>UK Statutory Holiday Pay - Pay Balance</i>	<i>GBR Statutory Holiday Pay: Assessment Period Pay Balance</i>
<i>Number of Assessment Weeks</i>	<i>GBR Statutory Holiday Pay: Assessment Period Weeks</i>
<i>Holiday Pay Amount Per Day</i>	<i>Holiday Pay Daily Amount</i>
<i>Number of Days (of Holiday to be paid)</i>	<i>GBR Statutory Holiday Pay (Days)</i>

9. On the Non-Effective Dated tab, select these groups from the Groups prompt:

- *GBR Adds to Gross [GBR]*
- *GBR Arrestable Earnings Definition D [GBR]*
- *GBR Attachable Earnings DEA [GBR]*
- *GBR Attachable Earnings Definition A [GBR]*
- *GBR Attachable Earnings Definition B [GBR]*
- *GBR Attachable Earnings Definition C [GBR]*
- *GBR Earnings Liable to Class 1 secondary NICs [GBR]*
- *GBR Gender Pay Gap Reporting [GBR]*
- *GBR Maternity Schedule [GBR]*
- *GBR Nitable Pay [GBR]*
- *GBR Pen AE Qualifying Earnings [GBR]*
- *GBR Taxable Pay [GBR]*

10. Click Ok.

## Result

During a payroll calculation, Workday uses the configuration on the Edit UK Statutory Holiday Pay Configuration to calculate the amount of holiday pay for the weekly period.

## Next Steps

Add the payout earning to the Edit UK Statutory Holiday Pay Configuration task.

## Related Information

### Tasks

[Steps: Set Up Statutory Holiday Pay \(UK\) on page 1580](#)

### Examples

[Example: Create a Payout Calculation for Statutory Holiday Pay \(UK\) on page 1585](#)

### Example: Create a Calculation for Periods to Exclude from Statutory Holiday Pay (UK)

This example illustrates how to create a calculation to identify periods to exclude.

### Context

You want to identify weeks where an employee has either partially paid or unpaid sickness to exclude those weeks from the statutory holiday pay assessment. You want to create a nested calculation to:

- Determine whether the sum is greater than zero, and return a value of 1 if it is.
- Sum the total time off of absence component related calculations for partially paid and unpaid time off.

### Prerequisites

Create 2 time offs for unpaid time off and partially unpaid time off, named *GBR Sickness 0% Time Off*, and *GBR Sickness 50% Time Off*.

### Security:

- Set Up: Payroll (Calculations - Generic)* domains in the Core Payroll functional area.
- Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

### Steps

- Access the Create Aggregate Calculation task.
- Enter these values:

Option	Description
Name	SUM of GBR Sickness Time Off 50% & 0% ACRCs
Category	Payroll

Add this row to the Calculation section:

Function	Operand
Sum	<i>GBR Sickness 0% Time Off - Time Off Total</i> <i>GBR Sickness 50% Time Off - Time Off Total</i>

- Click OK.
- Access the Create Value Comparison Calculation task.
- Enter these values:

Option	Description
Name	Sum Sickness 50% + 0% > 0

Option	Description
Category	Payroll

Add this row to the Calculation section:

1st Operand	Operator	2nd Operand
<i>SUM of GBR Sickness Time Off 50% &amp; 0% ACRCs</i>	<i>greater than</i>	<i>0</i>

6. Click OK.
7. Access the Create Conditional Calculation task.
8. Enter these values:

Option	Description
Name	Holiday Pay Sickness Exclude Flag
Category	Payroll

Add this row to the Calculation section:

Condition	Result
<i>Sum Sickness 50% + 0% &gt; 0</i>	<i>I</i>

9. Click OK.

## Next Steps

Add the calculation to an exclusion earning for holiday pay.

### Example: Create an Earning for Periods to Exclude from Statutory Holiday Pay (UK)

This example illustrates one way to create an exclusion earning for statutory holiday pay.

## Context

You want to exclude weeks where an employee has either partially paid or unpaid sickness the statutory holiday pay assessment.

## Prerequisites

Create a conditional calculation that identifies when workers have partially paid or unpaid time off for sickness called *Holiday Pay Sickness Exclude Flag*.

Create a value comparison calculation named *Sickness 50% + 0% > 0* that determines when a worker has either unpaid or partially unpaid sick pay.

Create a pay component group named *UK Statutory Holiday Pay Work Period Assessment Exclusion [GBR]*.

## Security:

- *Set Up: Payroll (Calculations - Payroll Specific)* and *Set Up: Payroll (Calculations - Generic)* domains in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

## Steps

1. Access the Create Earning task.

2. Enter these values:

Option	Description
Name	Holiday Pay Sickness Exclude
Code	Holiday Pay Sickness Exclude
Category	<i>Payroll</i>
Country	<i>United Kingdom</i>

3. On the Effective Dated tab, enter these values:

Option	Description
Effective Date	January 1, 2022
Worker Eligibility	<i>Sickness 50% + 0% &lt;&gt; 0</i>
Calculation	<i>Holiday Pay Sickness Exclude Flag</i>
Do Not Recalculate During Retro	Leave clear.
Split by UK Statutory Holiday Pay Work Period Calendar	Select.

4. On the Non-Effective Dated tab, select these groups from the Groups prompt:

- *GBR Memo Entries [GBR]*
- *UK Statutory Holiday Pay Work Period Assessment Exclusion [GBR]*

5. Click OK.

## Result

During a payroll calculation, Workday excludes any period with these time offs from the statutory holiday pay work period assessment:

- GBR Sickness 0% Time Off
- GBR Sickness 50% Time Off

## Next Steps

Add the *UK Statutory Holiday Pay Work Period Assessment Exclusion [GBR]* pay component group to the Edit UK Statutory Holiday Pay Configuration task.

Related Information

### Tasks

Steps: Set Up Statutory Holiday Pay (UK) on page 1580

Create Pay Component Groups on page 238

## Legacy Holiday Pay (UK)

### Steps: Set Up Legacy Holiday Pay (UK)

#### Prerequisites

Create time off types.

#### Context

You can set up Workday to calculate payments for workers with absences that qualify for supplemental holiday pay.

Note: For an enhanced user experience and additional capabilities, Workday recommends that you use the UK Statutory Holiday Pay solution to manage UK workers' holiday pay.

We recommend that you work with Workday Professional Services, or your consultant, to set up your holiday pay processing.

## Steps

1. Access the Maintain Payroll Country Time Off Payment Types task.

On the Holiday tab, add a row for each Time Off Type associated with holiday pay.

**Security:** *Set Up: Payroll (Holiday Pay) - UK* domain in the UK Payroll functional area.

2. Set up earnings for holiday pay.

See [Steps: Create Earnings](#) on page 229.

3. Create an earnings pay component group and add the earnings.

See [Create Pay Component Groups](#) on page 238.

4. Access the Maintain UK Holiday Pay Settings task.

Add the Earnings Pay Component Group.

**Security:** *Set Up: Payroll (Holiday Pay) - UK* domain in the UK Payroll functional area.

5. (Optional) To use hours worked in your calculations, add an Hours Pay Component Group.

6. (Optional) If you assess holiday pay based on pay periods, you can:

- Consider any supported retro payments in the pay periods when they were earned, not the periods when they were paid.
- Select the Exclusion Earning that identifies any pay periods to ignore in the calculations. Because Workday treats the earning as a flag, to exclude a pay period from holiday pay calculations ensure that this earning resolves to 1.
- Select earnings that indicate which historic recurring payments to include in holiday pay calculations.

Workday recommends that you only use Recurring Payment Earnings when the worker no longer receives a recurring payment but you still want to include it.

(Optional) If you select to Calculate Eligible Time Off On Termination, work with your business process administrator to amend the *Termination* business process to add the *Adjust Time Off Balances* service.

Note: To assess based on pay periods, select *First Day of Pay Period (minus one day)* as the Day to Look Back From.

## Result

If the worker took eligible time off in the processed pay period, Workday calculates and pays holiday pay when you run payroll.

### Related Information

#### Tasks

[Steps: Enable Termination Adjustments for Time Off Plans](#)

### FAQ: Legacy Holiday Pay (UK)

Note: For an enhanced user experience and additional capabilities, Workday recommends that you use the UK Statutory Holiday Pay solution to manage UK workers' holiday pay.

How can I add a worker's holiday pay to Workday from our legacy payroll system?

Note: If you base your holiday pay assessment on pay periods, you must create the historic pay period schedules before loading the worker's history.

- For an individual worker, access the Maintain UK Worker Payroll Absence History Data task. Add a row for each separate pay period or applicable payment.

**Security:** *Worker Data: Payroll (Non-Company Specific) - UK domain in the UK Payroll functional area.*

- For a mass update of workers' previous holiday pay details, use these web services:
  - Import Payroll Holiday Pay History*
  - Get Payroll Holiday Pay History*

When you add workers' payroll history, if you select the:

- Earnings Pay Component Group or Hours Pay Component Group, ensure that they match the same fields on the Maintain UK Holiday Pay Settings task.
- Use In Pay Calculations check box, Workday adjusts the values in the pay component groups on the Maintain UK Holiday Pay Settings task.
- Exclude from Pay Calculations check box, Workday overrides any alternative selection in the Exclusion Earning on the Maintain UK Holiday Pay Settings task.

How do I configure the start date for calculating holiday pay?

Access the Maintain UK Holiday Pay Settings task and select the Day to Look Back From. Example: For a holiday from Monday, June 5 to Friday, June 9, with the pay period starting on Monday 5:

Option	Description
First Day of Holiday (inclusive) First Day of Pay Period (inclusive)	Workday includes Monday 5 in the assessment period calculation.
First Day of Holiday (minus one day) First Day of Pay Period (minus one day)	Workday excludes Monday 5 and calculates from Sunday 4.
Specific Day of the Week (inclusive)	If Friday is the specific day, Workday calculates from Friday 2.

How do I join holiday periods together for workers?

Access the Maintain UK Holiday Pay Settings task and select the Link Holidays Across Non-Working Days check box. Workday then considers any

holidays that aren't separated by a working day as a continuous holiday period.

Example: You have a worker who only works Monday, Wednesday, and Friday each week. If they take 2 weeks holiday, Workday ignores Tuesday, Thursday, Saturday, and Sunday and counts the 2 weeks as 1 holiday pay period of 6 days.

## Related Information

### Tasks

[Set Up Payroll and Time Tracking Period Schedules](#) on page 153

### Example: Legacy Holiday Pay Assessment Based on Pay Periods (UK)

This example illustrates how to use pay periods to calculate holiday pay, and how to identify periods to ignore.

Note: For an enhanced user experience and additional capabilities, Workday recommends that you use the UK Statutory Holiday Pay solution to manage UK workers' holiday pay.

### Context

As the payroll administrator, you want to update your holiday pay calculations to use pay periods.

You want to find 3 pay periods that represent a workers' typical monthly pay. You're willing to look back up to a year to find those periods.

### Prerequisites

- Set up basic holiday pay settings, including the day to look back from and the earnings pay component group.
- Load period schedules that cover the historic period that your calculations might include.
- Load workers' holiday pay history.

### Steps

1. Access the Create Earning task and create an earning called *Holiday Pay Exclusion*.

In the Worker Eligibility section, add a row for each of the reasons why you won't include a period in holiday pay calculations. Example: Insufficient hours worked, or absent due to illness.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area

2. Access the Maintain UK Holiday Pay Settings task.

- a) In the Assessment Period section, enter a Look Back a Total Of 52 Weeks.
- b) In the Use Assessment Based On Pay Periods section, enter a Maximum Number to Include of 3 pay periods.
- c) In the Exclusion Earning field, select *Holiday Pay Exclusion*.

Security: *Set Up: Payroll (Holiday Pay) - UK* domain in the UK Payroll functional area.

### Result

When you run payroll, Workday identifies any workers on approved holiday during the payroll period and calculates their holiday pay.

# Company Vehicles (UK)

## Setup Considerations: Company Vehicles (UK)

You can use this topic to help make decisions when planning your configuration and use of UK company vehicles. 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

Workday enables you to record details of any vehicles you own or lease in the UK and which of your workers use them.

### Business Benefits

Recording company vehicle details helps you to:

- Maintain data in a single location, increasing operational efficiency.
- Meet compliance requirements.

### Use Cases

Payroll for the UK users can include:

- Company cars as a taxable benefit within Workday.
- Workers' car details in online submissions to HMRC.

### Questions to Consider

Questions	Considerations
How do you want to report company cars as benefits in payroll?	If you have an agreement with HMRC, you can send workers' car information as part of your RTI FPS.  If you don't have an agreement, you can record car and worker allocations for use in your P46 (Car) forms.
How do you want to calculate UK workers' tax due on company cars?	Workday includes 2 template calculations that enable you to create pay components to calculate the cash equivalent of a car and any fuel provided. You can use these pay components within your payroll run to establish the tax owed.

### Recommendations

Workday uses the start of the UK tax year as the effective date for company cars as a payroll benefit. To ensure that completeness of annual records Workday recommends that you reach an agreement with HMRC before the start of the tax year.

Due to the potential volume and different types of vehicles, we recommend that you record all vehicle makes and models first.

## Requirements

Before you can include company cars as benefits in payroll, you must obtain agreement from HMRC. Agreements relate to an Employer Reference, so you might need more than 1 agreement.

## Limitations

Workday supports including company cars as benefits in only Payroll for the UK.

Payroll for the UK users can record details of any type of vehicle within Workday, but HMRC only accepts RTI FPS reports on company cars.

You can't retrieve vehicle data directly into Workday from an external source, such as the UK Driver and Vehicle Licensing Agency (DVLA). However, you can mass upload and retrieve vehicle data using web services.

## Tenant Setup

No impact.

## Security

Configure these domains in the UK Payroll functional area.

Domains	Considerations
<i>Process: RTI - UK</i>	Enables users to generate RTI submissions for HMRC.
<i>Process: RTI (Reports) - UK</i>	Enables users to generate reports on RTI submissions. Example: to view any errors or warnings on the payroll results for an FPS.
<i>Process: RTI (Run) - UK</i>	Enables users to process RTI data.
<i>Set Up: Payroll (Company Vehicle) - UK</i>	Enables users to record vehicle makes and models.
<i>Set Up: Payroll (RTI) - UK</i>	Enables users to generate RTI FPS data for HMRC.
<i>Set Up: Payroll UK</i>	Enables users to set up and view payroll-specific data that isn't based on Pay Group or Company. Example: Employer Reference details.
<i>Worker Data: Payroll (Company Vehicle) - UK</i>	Enables users to record company car data for workers.

## Business Processes

No impact.

## Reporting

Reports	Considerations
<i>View RTI Data Item Configuration</i>	Use this report to map earnings and deductions against RTI report data items.

Reports	Considerations
View UK RTI FPS Data	Use this report to display FPS values generated for selected payroll results and preview your submission details.
View UK RTI FPS Worker Company Car Data	When your company has an agreement with HMRC to include company cars as benefits in payroll, use this report to verify the details of a worker's car and its costs.  The report only includes workers with company cars assigned to them in the current tax year.
View UK RTI FPS Company Car Data	Use this report to display company car data for a worker or a paygroup.

## Integrations

Integration	Considerations
<i>Get Company Vehicle Assignments</i> <i>Put Company Vehicle Assignment</i>	Use these web services to mass load and retrieve details of workers' vehicle assignments.
<i>Get Company Vehicles</i> <i>Put Company Vehicle</i>	Use these web services to mass load and retrieve details of your company vehicles.
<i>Get Vehicle Makes</i> <i>Get Vehicle Models</i> <i>Put Vehicle Make</i> <i>Put Vehicle Model</i>	Use these web services to mass load and retrieve basic details of vehicle manufacturers and models. Example: All vehicle types available from your leasing company.
<i>HMRC Real Time Information</i>	You can use this web service to send an FPS file to the HMRC RTI site.

## Connections and Touchpoints

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](#)

[Reference](#)

[The Next Level: Company Car - UK Payroll](#)

## Steps: Set Up Company Vehicles (UK)

### Prerequisites

Review setup considerations for company vehicles.

### Context

You can record details about vehicles that your company provides for UK workers.

When your company has an agreement with HMRC to include company cars as benefits in payroll, you can send workers' car information with your regular Real Time Information Full Payment Submission (RTI FPS).

## Steps

1. Access the Maintain Vehicle Makes task.

Security: *Set Up: Payroll (Company Vehicle)* - UK domain in the UK Payroll functional area.

2. Access the Maintain Vehicle Models task.

Security: *Set Up: Payroll (Company Vehicle)* - UK domain in the UK Payroll functional area.

3. [Create Company Vehicles \(UK\)](#) on page 1598.

4. Access the Create Company Vehicle Assignment task.

Vehicle Unavailability can affect a worker's deductions. Example: When a company car is unavailable for a consecutive 30 days or more, HMRC disregards it as a benefit.

When you add a new row on these grids, enter the cumulative total for each row in GBP:

- Capital Contributions
- Payments Made Toward Private Use

Security: *Worker Data: Payroll (Company Vehicle)* - UK domain in the UK Payroll functional area.

5. (Optional) When your company has an agreement with HMRC, access the Edit UK Employer Reference Details task.

Enter the start of the tax year as the HMRC Company Car Payroll Benefit Effective Date.

Security: *Set Up: Payroll* UK domain in the UK Payroll functional area.

## Result

Workday displays details of cars and their associated costs on the View UK RTI FPS Worker Company Car Data report.

### Related Information

#### Tasks

[Set Up Employer Reference Tax Details \(UK\)](#) on page 1521

## Create Company Vehicles (UK)

### Prerequisites

- Configure vehicle makes and models.
- Security: *Set Up: Payroll (Company Vehicle)* - UK domain in the UK Payroll functional area.

### Context

To be able to calculate the cash equivalent of a car, or a car and fuel, in a Real Time Information Full Payment Submission (RTI FPS), you must provide specific details such as the overall value and emissions data.

Workday enables you to record details for cars, motorcycles, and vans. However, RTI only includes cars you assign to workers when you agree with HMRC to report company cars as a benefit through payroll.

## Steps

1. Access the Create Company Vehicle task.

2. As you complete the task, consider:

Option	Description
Country of Registration	Workday only processes UK company car data.
Vehicle ID	To ensure a continuous record for audit purposes, enter a unique ID that you can't

Option	Description
	change or transfer, such as the Vehicle Identification Number (VIN) or chassis number.
Date Vehicle Terminated	Date that you remove the vehicle from your fleet, such as at the end of the lease.
Vehicle Type	The RTI FPS submission only reports on <i>Car</i> .
Zero Emissions Mileage	Enter the number of miles the vehicle can travel in electric mode without recharging the battery.
No Approved CO2 Emissions	Select this check box when HMRC doesn't hold CO2 data for the vehicle, such as when the vehicle is: <ul style="list-style-type: none"> <li>Imported from outside the European Union.</li> <li>Rare or a one-off model.</li> <li>Registered in the UK before 1998.</li> </ul>
Engine Capacity	Use cubic centimeters. Example: For a 3-liter engine, enter <i>3000</i> .  When you select No Approved CO2 Emissions, Workday uses the engine capacity when calculating the cash equivalent of the car.
Accessories Price (including VAT)	Only record accessories with a list price of 100 GBP or more (including VAT) that your company added to the vehicle after making it available to a worker.

#### Related Information

##### Reference

[FAQ: Real Time Information Reporting \(UK\)](#) on page 1573

## Statutory Payments (UK)

### Statutory Sick Pay (UK)

#### Steps: Set Up Statutory Sick Pay (UK)

##### Context

You can determine Periods of Incapacity for Work (PIW) and calculate payments for eligible workers with absences that qualify for Statutory Sick Pay (SSP).

Unlike other types of statutory pay in Workday, you can associate both leaves and time offs with SSP.

Workday creates 1 PIW for:

- Consecutive leaves or time offs with no days in between, except for nonworking days.
- Overlapping periods of sickness.

To qualify for SSP, workers must meet the main regulatory criteria. You can view the eligibility requirements on the View Earning report for the *GBR SSP [GBR]* earning.

## Steps

1. [Set Up Time Offs for Statutory Sick Pay \(UK\)](#) on page 1600.

Workday uses the start and end dates of SSP qualifying time offs and leaves to determine the PIWs. Ensure that the absence for sickness has the correct dates, and that it covers each working and nonworking day the worker is off sick from work.

2. (Optional) [Offset Statutory Sick Pay for a Worker \(UK\)](#) on page 1601.

You can offset a worker's Statutory Sick Pay (SSP) against any company, contractual, or occupational sick pay that you provide.

3. (Optional) [Create Statutory Leave Types for UK Payroll \(UK\)](#) on page 1607.

If you use leaves of absence for long-term sickness, in addition to time offs for short-term sickness, create a statutory leave type for Statutory Sick Pay.

4. (Optional) [Create an SSP Work Schedule Calendar \(UK\)](#) on page 1602.

When you don't create an SSP work schedule calendar, Workday uses a 7-day work week to calculate the PIW.

For workers on cross-day shifts, Workday recommends using work schedule calendars to ensure that SSP calculates correctly.

5. (Optional) [Assign SSP Work Schedule Calendars to Workers \(UK\)](#) on page 1603.

You can use different SSP calendars to cover different working patterns.

6. [Enter SSP History \(UK\)](#) on page 1604.

## Result

You can place a worker on leave or enter the time off that corresponds to SSP.

## Next Steps

To view the details of:

- A PIW for a worker, access the View UK SSP Absences for Worker report. Security: *Reports: Payroll (SSP) – UK* domain in the UK Payroll functional area.
- Workers who have reached 21 weeks SSP, access the View UK Payroll SSP History for Group of Workers report. Security: *Reports: Payroll SSP History (View Data) – UK* domain in the UK Payroll functional area.
- An individual worker's SSP information, access the View UK Payroll SSP History report. Security: *Reports: Payroll SSP History (View Data) – UK* domain in the UK Payroll functional area.

## [Set Up Time Offs for Statutory Sick Pay \(UK\)](#)

### Prerequisites

- [Create time off types](#).
- Security: *Set Up : Payroll UK* domain in the UK Payroll functional area.

### Context

Define which time offs are associated with Statutory Sick Pay (SSP).

## Steps

1. Access the Maintain Payroll Country Time Off Payment Types task.

2. On the Sickness tab, add a row for each Time Off Type associated with SSP.

## Result

For eligible workers, when you place them on this type of time off, Workday creates a PIW and pays minimum sick pay according to UK regulations.

## Offset Statutory Sick Pay for a Worker (UK)

### Prerequisites

- Configure time off types for sick leave under the Sickness tab in the Maintain Payroll Country Time off Payment Types task.
- Create a separate time off for each of the sickness allowances.
- Enable re-evaluation on absence tables or tiers.
- Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.

### Context

Use the Create UK Absence Component Related Calculations for SSP task to offset a worker's Statutory Sick Pay (SSP) against any company, contractual, or occupational sick pay that you provide. This task can reduce the need to calculate the amount to offset manually, such as when a worker crosses different time off plans or event types.

Example: For a company that offers occupational sick pay, such as Full Sick Pay, Half Sick Pay, and No Sick Pay, then based on the company policy for sickness, you only offset SSP when the employee receives Full Sick Pay. In such cases, create a Payroll Absence Component Related Calculation (ACRC) only for the time off that relates to Full Sick Pay.

### Steps

- Access the Create UK Absence Component Related Calculations for SSP task.

Select the time off for which you want to create the absence related calculations.

To view all the payroll related calculations, run the View UK Absence Component Related Calculations for SSP report.

- Create a new earning or deduction.

Add the Workers Eligible for SSP Offset eligibility rule to the Worker Eligibility field in the Criteria section of the Effective Dated tab.

- Add your payroll related calculations for SSP offset.

Workday creates 2 ACRCs. One ACRC returns the number of qualifying absence units that you have to offset and the other ACRC returns the payment value that you can offset.

- (Optional) Add a calculation worktag of position if you plan to support multiple positions or jobs for a worker.

To use time off entries for multiple positions, specify all the time off entries using the same method, either in hours or in days.

### Related Information

#### Tasks

[Steps: Create Earnings](#) on page 229

[Steps: Create Deductions](#) on page 234

[Set Up Pay Component Eligibility](#) on page 243

[Enter Earning or Deduction Calculations](#) on page 246

#### Reference

[2022R2 What's New Post: Statutory Sick Pay Offsetting](#)

## Create an SSP Work Schedule Calendar (UK)

### Prerequisites

- Create work schedule calendars for workers.
- Security: *Set Up: Payroll (SSP) - UK domain* in the UK Payroll functional area.

Create work schedule calendars for workers.

### Context

You can set up a work schedule calendar to determine the working pattern of a worker on Statutory Sick Pay (SSP). When a worker has no SSP calendar defined, Workday uses a calendar with 7 working days in a week.

Example: Use a work schedule calendar to record shift patterns that span over 2 days. Using a calendar for cross-day shifts means that Workday only allocates 1 day of SSP to a worker for a shift.

### Steps

1. Access the Create UK SSP Work Schedule Calendar Rule task.  
Define the eligibility conditions for the SSP work schedule calendar.
2. Access the Create UK SSP Work Schedule Calendar task.

As you complete the task, consider:

Option	Description
Holiday Calendar	Define the calendar to use for public holidays. Workday considers all bank holidays defined on the holiday calendar as nonworking days.
Include Non Working Days for SSP	Select how to treat nonworking days during and after an SSP absence in the Period of Incapacity for Work (PIW). <ul style="list-style-type: none"> <li>• <i>Between Sickneses</i>: When there are no working days between 2 SSP absences, Workday includes the nonworking days in the PIW. Example: A worker with a Monday-to-Friday work schedule is absent on Friday and Monday, Workday determines the PIW as Friday to Monday.</li> <li>• <i>Between Sickneses and up to Next Working Day</i>: Workday includes in the PIW all consecutive nonworking days between the SSP absence and the next working day. Example: When a worker with a Monday-to-Wednesday work schedule is absent on Wednesday, Workday determines the PIW as Wednesday to Sunday.</li> </ul>
Use Work Schedule for Calendar Event	(Optional) Select the check box to create an SSP calendar using the days specified as qualifying days on the worker's general work schedule calendar.

Option	Description
	Workday no longer uses any existing calendar event settings for the worker.

3. (Optional) Not required if you select the Use Work Schedule for Calendar Event check box. From the related actions of the SSP work schedule calendar, select Calendar > Add Calendar Event.

Enter these settings to define the worker's working days:

Option	Setting
Start Date	The first day of the first work period.
Recurs Every x Weeks	1
Days(s) of the Week	Select the worker's actual working days.

### Example

To define an SSP work schedule calendar, using a calendar event, for the *London* pay group, create an SSP work schedule calendar rule with these settings:

Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
<i>Pay Group</i>	<i>in the selection list</i>	<i>Value specified in this filter</i>	<i>London</i>

After creating the calendar, you can define a Monday-Friday work schedule starting in 2021 for all workers in the pay group. To define the schedule, add an SSP work schedule calendar event with these settings:

Option	Setting
Start Date	<i>January 1, 2021</i>
Recurs Every x Weeks	1
Days(s) of the Week	<i>Monday</i> <i>Tuesday</i> <i>Wednesday</i> <i>Thursday</i> <i>Friday</i>

Related Information

#### Tasks

[Create Work Schedule Calendars](#)

### Assign SSP Work Schedule Calendars to Workers (UK)

#### Prerequisites

- Create Statutory Sick Pay (SSP) work schedule calendars.
- Security: *Worker Data: Payroll (Company Specific)* - UK domain in the UK Payroll functional area.

## Context

When a worker's working pattern changes, you can assign 1 or more calendars to the worker, based on effective dates, to calculate SSP for the different periods. Example: A worker moves from a 5-day to a 3-day week.

## Steps

1. Access the Assign UK Worker SSP Work Schedule Calendar task.
2. As you complete the task, consider:

Option	Description
SSP Rate Viewing Date	To use the latest SSP rates, enter the current date.  To view historic SSP rates for the worker, enter a past date. Workday displays historic rates but doesn't run retro calculations for any historic date you select.

3. In the grid, add a row and effective date for each calendar that applies for the worker.  
If the worker's SSP calendar is based on their work schedule calendar, Workday selects the Use Work Schedule for Calendar Event check box.
4. (Optional) If the worker is eligible for the standard SSP calendar for your company, add a row and select the Apply Global SSP Work Schedule Calendar check box. Example: A worker moves back to their full-time schedule after being on reduced days after surgery.

## Next Steps

Access the View UK SSP Absences for Worker report to check the SSP amounts for the period you select.

## Enter SSP History (UK)

### Prerequisites

Security: *Process: Payroll SSP History (Create Data)* - UK domain in the UK Payroll functional area.

## Context

To continue workers' Statutory Sick Pay (SSP) records in Workday Payroll for the UK, you can enter their payroll SSP history from external payroll systems.

## Steps

1. Access the Create UK Payroll SSP History task.  
You can search for a worker by name, pay group, or employee ID in the payroll SSP history tasks and reports.
2. Enter the previous Average Weekly Earnings.  
Note: Required, even if the worker has zero earnings.

3. (Optional) Select SSP Absence History to enter historical SSP data.

If you record a worker's sickness history in Workday, as either time off or leave of absence, you might not complete the history fields.

To record a full sickness history, enter the Last PIW Start Date, Last PIW End Date, Waiting Days, and First Day of SSP.

Option	Description
Last PIW End Date	Enter the end date of the Period of Incapacity for Work (PIW) entered in the Last PIW Start Date.
Total Number of Waiting Days	Enter the number of waiting days (WD) used in the current PIW. If the current PIW is linked to a previous PIW in which you didn't use all WD, enter the number of remaining WD.

4. (Optional) Enter the number of SSP weeks and days taken. Enter either:

- Total Number of Payment Days for SSP, if you have an SSP work schedule calendar. Workday uses the calendar effective at the time of the Last PIW Start Date and Last PIW End Date to calculate SSP weeks and days taken.
- Number of SSP Weeks and Days Taken (Decimal Weeks), if you don't have an SSP work schedule calendar.

## Result

You create SSP history for the worker, continuing their SSP into Workday. If you entered absence history, Workday SSP calculations won't use any sickness history previously recorded in Workday as either time off or leave of absence.

## Steps: Process SSP1 Form Information (UK)

### Prerequisites

Identify the memo or notional pay component groups (PCG) and run categories containing your SSP data.

### Context

You complete an SSP1 form when an employee can't get Statutory Sick Pay (SSP), or when their SSP has come, or is coming to an end. You can report on the relevant SSP data held in Workday to help you fill out forms and keep track of when you issue or update them.

Note: Workday can't provide data that's affected by external factors. Example: If an employee has been incarcerated.

### Steps

1. Access the Edit Pay Component Group task.

On the Adds to Group tab, add the *GBR SSP1 Reporting* earning.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the Edit Run Category task.

In the Gross/Net section, add the PCG to the Additional Pay Component Groups to Calculate list.

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

3. (Optional) Access the Maintain UK SSP1 Forms Issued task.  
Workday uses the Issued Date and Effective Date in the View UK SSP1 Alert report.  
To bulk load details of SSP1 forms issued to workers, use the *Put UK SSP1 Form Issued* web service.  
Security: *Worker Data: Payroll (Company Specific)* - *UK* domain in the UK Payroll functional area.
4. To generate data for the alert report, calculate your payroll.  
See [Steps: Process Payroll](#).
5. Access the View UK SSP1 Alert report.

As you complete the report, consider:

Option	Description
Alert Type	SSP Expiry Warning Report - Looks at a worker's current SSP and assists in identifying when their SSP entitlement is going to expire. SSP Eligibility Exception Report - Displays any workers who have a Period of Incapacity for Work (PIW) for SSP and who don't qualify for SSP payment.
6 Weeks or Less of SSP Entitlement	To restrict your search to workers with 6 weeks or less of SSP entitlement, and reduce the number of entries on the report, select this check box.

Each row in the report includes the worker's Primary Address, which enables you to use the address for external purposes such as mail merging.

Security: *Reports: Payroll (SSP)* - *UK* domain in the UK Payroll functional area.

#### Related Information

##### Reference

[2023R2 What's New Post: SSP1 Forms for UK Statutory Sick Pay](#)

## Steps: Set Up Statutory Leave Payments (UK)

### Context

Workday Payroll for the UK provides calculations and leave payment types that enable you to manage these statutory leave payments:

- Statutory Adoption Pay
- Statutory Maternity Pay
- Statutory Neonatal Care Pay
- Statutory Parental Bereavement Pay
- Statutory Paternity Pay
- Statutory Shared Parental Pay

Note: Unlike these statutory payments, you can manage Statutory Sick Pay (SSP) through leaves or time offs. Workday treats SSP separately from other types of statutory leave.

### Steps

1. [Create Statutory Leave Types for UK Payroll \(UK\)](#) on page 1607.

Note: Workday Payroll for the UK doesn't support cascading leave types that are linked to statutory payments.

2. [Initiate Statutory Leave Payments \(UK\)](#) on page 1609.

3. For Statutory Shared Parental Pay, add payroll input to record the total agreed number of weeks that the worker's entitled to receive shared parental pay.
  - a) Access the Add Payroll Input by Worker task.  
Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.
  - b) Enter these settings:

Option	Setting
Start Date	Select a Start Date in the period in which leave starts.
End Date	Select either the: <ul style="list-style-type: none"> <li>• Leave event end date, if the worker takes leave in a single block.</li> <li>• End date of the last leave, if the worker takes leave in several blocks.</li> </ul>
Pay Component	Select <i>GBR ShPP [GBR]</i> .
Input Details	Add a row for the <i>Entitlement Weeks Total Leave Entitlement</i> type. In the Value field, enter the agreed total number of weeks leave that the worker individually receives.

4. (Optional) Access the Maintain Payroll Country Leave Of Absence Types Calculated In Days task.

Security: *Set Up: Payroll UK* domain in the UK Payroll functional area.

By default, Workday calculates statutory parental payments in completed weeks, processed in the period when a worker starts their leave. You can change the payment calculation to calendar days for these leave of absence types:

- Adoption Leave
- Bereavement Leave
- Maternity Leave
- Ordinary Paternity Leave
- Shared Parental Leave

Example: Paying in calendar days, instead of part weeks, when the completed week crosses 2 pay periods.

When you calculate in calendar days, the worker must still take a complete week of leave to be eligible for payment. If a worker returns to work part way through a complete week, they relinquish the right to payment for that week.

Related Information

**Tasks**

[Create Leave Types](#)

## Create Statutory Leave Types for UK Payroll (UK)

### Prerequisites

Security: *Set Up: Leave of Absence* domain in the Time Off and Leave functional area.

### Context

The United Kingdom requires these types of payments for workers on statutory leave:

- Statutory Adoption Pay

- Statutory Maternity Pay
- Statutory Neonatal Care Pay
- Statutory Parental Bereavement Pay
- Statutory Paternity Pay
- Statutory Shared Parental Pay
- Statutory Sick Pay

Create leave types that correspond to each statutory leave payment. Workday uses the leave types to pay eligible workers at the appropriate rate while they're on leave. Also configure each leave type to capture the information required by each statutory leave, such as an expected due date or adoption notification date.

Note: Workday Payroll for the UK doesn't support cascading leave types that are linked to statutory payments.

## Steps

1. Access the Create Leave Type task.
2. Select the Leave Payment Type to which the leave type links.

Statutory Leave Payment	Leave Payment Type
Statutory Adoption Pay	<i>United Kingdom - GBRSPAP - Statutory Adoption Pay</i>
Statutory Maternity Pay	<i>United Kingdom - GBRSPMP - Maternity</i>
Statutory Neonatal Pay	<i>United Kingdom – GBRNLP – Neonatal Leave Pay</i>
Statutory Parental Bereavement Pay	<i>United Kingdom - GBRSPBP - Statutory Parental Bereavement Pay</i>
Statutory Paternity Pay	<i>United Kingdom - GBROSPP - Ordinary Statutory Paternity Pay</i>
Statutory Shared Parental Pay	<i>United Kingdom - GBRShPP - Shared Parental Leave</i>
Statutory Sick Pay	<i>United Kingdom - GBRSSP - Statutory Sick Pay</i> You typically configure Statutory Sick Pay as a time off. Workday recommends that you only create a leave type for SSP if you use the leave type for long-term sickness, in addition to a corresponding time off for short-term sickness.

3. In the Leave Impacts section, select Payroll Effect to suspend the worker's normal pay rate so that payroll can pay them at the statutory payment rate.
4. For Statutory Parental Bereavement Pay, on the Balance / Leave Taken tab, select Entitlement per Event to enable linking of multiple requests for this leave type. Example: A parent takes two separate, noncontiguous weeks leave, or suffers the death of more than 1 child at the same time.
5. On the Additional Fields tab, for each additional field required by the statutory leave payment, add a row in the Additional Fields grid and select the required fields.

Statutory Leave Payment Type	Additional Fields
Statutory Adoption Pay	<i>Adoption Notification Date</i> <i>Date Child Entered Country</i>

Statutory Leave Payment Type	Additional Fields
Statutory Maternity Pay	<i>Expected Due Date</i> <i>Expected Week of Confinement</i> <i>Child's Birth Date</i>
Statutory Neonatal Care Pay	<i>Neonatal Care Discharge Date</i> <i>Neonatal Care Start Date</i>
Statutory Parental Bereavement Pay	<i>Child's Date of Death</i>
Statutory Paternity Pay	<i>Expected Due Date</i> <i>Expected Week of Confinement</i> <i>Child's Birth Date</i> <i>Adoption Notification Date</i> <i>Date Child Entered Country</i>
Statutory Shared Parental Pay	<i>Expected Due Date</i> <i>Expected Week of Confinement</i> <i>Child's Birth Date</i> <i>Adoption Notification Date</i> <i>Date Child Entered Country</i> <i>Dependent Detail</i>

Related Information

### Tasks

[Create Leave Types](#)

## Initiate Statutory Leave Payments (UK)

### Prerequisites

- Configure the *Request Leave of Absence* business process and security policy in the Time Off and Leave functional area.
- Create statutory leave types for UK Payroll.

### Context

When placing a worker on leave, you can provide the inputs needed to ensure that the worker receives payment according to UK regulations.

### Steps

- Access the Place Worker on Leave task.
- Select the appropriate regulatory leave.  
Example: Regulatory > GBR Maternity Leave.
- Enter the specific requirements for the selected leave type:

Statutory Leave Payment Type	Required Fields
Statutory Adoption Pay	<ul style="list-style-type: none"> <li>Last Day of Work</li> <li>First Day of Leave</li> </ul>

Statutory Leave Payment Type	Required Fields
	<ul style="list-style-type: none"> <li>• Estimated Last Day of Leave</li> <li>• Leave Type defined as <i>GBR Adoption Leave</i></li> <li>• Adoption Notification Date</li> <li>• Date Child Entered Country, if child was adopted from outside the UK.</li> <li>• Payroll Effect must be checked.</li> </ul>
Statutory Maternity Pay	<ul style="list-style-type: none"> <li>• Last Day of Work</li> <li>• First Day of Leave</li> <li>• Estimated Last Day of Leave</li> <li>• Leave Type defined as <i>GBR Maternity Leave</i></li> <li>• Either: <ul style="list-style-type: none"> <li>• Week of Confinement, or</li> <li>• Expected Due Date</li> </ul> </li> <li>• Payroll Effect must be checked.</li> </ul> <p>Note: For full record-keeping, enter the Child's Birth Date when known. It's particularly important in the event of an early birth to ensure correct SMP payments.</p>
Statutory Parental Bereavement Pay	<ul style="list-style-type: none"> <li>• Last Day of Work</li> <li>• First Day of Leave</li> <li>• Estimated Last Day of Leave</li> <li>• Leave Type defined as <i>GBR - Statutory Parental Bereavement Pay</i></li> <li>• Child's Date of Death.</li> <li>• Payroll Effect must be checked.</li> </ul> <p>If applicable, select a previous event of this leave type in Links back to Prior Event. Example: Link together two or more noncontiguous weeks of bereavement leave.</p> <p>Note: A worker living in Northern Ireland, with a contract of employment under the Employment Rights (Northern Ireland) Order 1996 act, doesn't qualify for Statutory Parental Bereavement Pay.</p>
Statutory Paternity Pay Statutory Shared Parental Pay	<ul style="list-style-type: none"> <li>• Last Day of Work</li> <li>• First Day of Leave</li> <li>• Estimated Last Day of Leave</li> <li>• Leave Type defined as the appropriate regulatory leave type.</li> <li>• Either: <ul style="list-style-type: none"> <li>• Week of Confinement, or</li> <li>• Expected Due Date, or</li> <li>• Adoption Notification Date, and Date Child Entered Country if</li> </ul> </li> </ul>

Statutory Leave Payment Type	Required Fields
	<p>child was adopted from outside the UK.</p> <ul style="list-style-type: none"> <li>For Statutory Shared Parental Pay, complete Dependent Detail.</li> <li>Payroll Effect must be checked.</li> </ul>

## Result

When you run payroll, Workday processes statutory payments for the leave types you've selected.

## Related Information

### Tasks

Steps: Set Up Statutory Sick Pay (UK) on page 1599

## FAQ: Maternity Pay (UK)

How do I estimate maternity pay for a worker?

To create a report showing estimated gross income for a worker who will be taking maternity leave:

1. For each earning that applies to the pay shown in the Maternity Schedule report, access the Edit Earning task.
2. In the Groups field on the Non-Effective Dated tab, select the GBR Maternity Schedule [GBR] pay component group.
3. Run the View UK Maternity Schedule Data for Worker report.

The worker must have at least 8 weeks pay history.

4. Create a report for the worker using the *Workday Example Maternity Schedule Report Template.xlsx* file, which is available on [Workday Community](#).

Why do weekly earnings differ between the Weekly Pay for OMP and Average Weekly Earnings fields?

Payroll for the UK uses earnings that are subject to National Insurance to calculate statutory maternity pay (SMP). When you set up occupational maternity pay (OMP), you can select any earnings used in the calculation of weekly earnings.

Although SMP and OMP use the same calculation for a worker's weekly earnings, they use different pay component groups (PCGs):

- GBR Nitable Pay [GBR]
- GBR Maternity Schedule [GBR]

If the Adds to Group earnings differ between the 2 PCGs, you'll see a difference between a worker's Weekly Pay for OMP and their Average Weekly Earnings (SMP).

## Pensions Auto-Enrolment (UK)

### Setup Considerations: Pensions Auto-Enrolment (UK)

You can use this topic to help make decisions when planning your configuration and use of Pensions Auto-Enrolment. 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

Workday enables you to combine workers' pension eligibility assessments from Workday Payroll with a pension scheme in Workday Benefits. You can configure Workday to assess workers' eligibility and automatically enrol them into a company pension scheme.

#### Business Benefits

Workday automates the process of assessing and identifying eligible workers and enrolling them into your pension scheme. This automation reduces manual effort and makes it easier to comply with UK laws on workers' pensions.

Assessing workers' eligibility in Payroll ensures that you use their latest earnings instead of historical data.

#### Use Cases

Workday enables you to manage a wide variety of pension enrolment scenarios, including:

- Opt ins.
- Opt outs.
- Re-enrolments.

#### Questions to Consider

Questions	Considerations
Do you want to postpone enrolment?	<p>You can configure Workday to postpone enrolment as part of your company configurations.</p> <p>Example: You could postpone aligning a worker's enrolment with their pay periods. The enrolment must be within 3 months of their assessment.</p>
Do you manage pensions in an external source?	If you manage your pensions outside of Workday, you can use web services to mass load data from your pension provider.

#### Recommendations

To prevent possible calculation mismatches, Workday recommends that you use the same selection criteria when you create rules that:

- Enrol workers into a retirement savings plan in Benefits.

- Calculate pension contributions in Payroll.

To ensure that you use workers' latest pay details, create a scheduled passive event to enrol eligible workers, that automatically runs after your Run Pay Complete task finishes. Workday recommends that you set up 3 passive events, each with its own benefit eligibility rules, to identify:

- New hires.
- Rehired workers.
- Workers who must, or want to, re-enrol in the pension.

Workday recommends that you use Workday Benefits to integrate with Workday Payroll. Payroll for the UK customers who aren't licensed to use Benefits can use limited benefits features to support the set up of UK pension auto-enrolment.

## Requirements

Workday Payroll on its own isn't a pensions solution. Record your pension benefits details using either:

- Benefits in Human Capital Management.
- Externally provided data. Example: From your pension provider.

Load existing benefit elections and assessment history for all workers, including workers who have opted out of pensions auto-enrolment.

## Limitations

- You can only send auto-enrolment details to workers as a Workday notification or an email. You can't send notifications as a letter or added to a worker's documents.  
For workers without email, you can send their notification to an administrative email address, manually copy the content to a letter, and attach the letter to their documents.
- Payroll for the UK doesn't support pension auto-enrolment in prior pay periods. If you run payroll in arrears, you can either turn off the pension auto-enrolment feature or ensure you monitor the process and make the necessary adjustments.

## Tenant Setup

You can select tenant-wide configuration on the Edit Tenant Setup - Notifications task to determine how auto-enrolment notifications are sent to workers.

## Security

Domains	Considerations
<i>Process: Pensions Auto Enrolment Notifications - UK</i> in the UK Payroll functional area.	Enables you to create and send notifications to workers.
<i>Set Up: Benefits</i> domain in the Benefits functional area.	Enables you to: <ul style="list-style-type: none"> <li>• Set up a benefits plan for workers who Workday assesses as eligible for auto-enrolment.</li> <li>• Set up a passive event to enrol workers into a benefits plan.</li> </ul>
<i>Set Up: Payroll (Pensions) - UK</i> in the UK Payroll functional area.	Enables you to create and manage pension schemes and re-enrolment dates to use with auto-enrolment.

Domains	Considerations
<i>Set Up: Payroll UK</i> in the <b>UK Payroll functional area</b> .	Enables you to set up and modify employer reference details, including email configuration for auto-enrolment notifications.
<i>Set Up: System</i> domain in the <b>System functional area</b> .	Enables you to configure the different email templates to use for enrolment notifications.
<i>Set Up: Tenant Setup - BP and Notifications</i> domain in the <b>System functional area</b> .	Enables you to configure Workday for UK enrolment notifications.
<i>Worker Data: Payroll (Company Specific) - UK</i> domain in the <b>UK Payroll functional area</b> .	Enables you to record enrolment and re-enrolment data for a single worker. Example: Opting in or out.

## Business Processes

Workday recommends that you add a To Do reminder to the *Pay Cycle Event* business process, after the *Run Pay Complete* task, to identify and enrol eligible workers into your workplace pension scheme.

## Reporting

Reports	Considerations
<i>View Company UK Pensions Auto Enrolment Details</i>	Use this report to review a company's: <ul style="list-style-type: none"> <li>Key auto-enrolment dates.</li> <li>Qualifying pension schemes.</li> </ul>
<i>View UK Pensions Re-Enrolment Details</i>	Enables you to review which workers were re-enrolled into a qualifying pension scheme.
<i>View Worker UK Pensions Auto Enrolment Details</i>	Enables you to review the assessment history for a single worker.

In addition to the provided reports, consider creating custom reports to provide further analysis, such as:

- Assessment history within a pay group.
- A worker's notification history.
- The workers scheduled to be re-enrolled at the mandatory 3 year re-enrolment.

## Integrations

Web Service	Considerations
<i>Get Pensions Auto Enrolment Legacy Assessment History Only</i>	Loads and retrieves any external assessment history from your legacy system.
<i>Put Pensions Auto Enrolment Legacy Assessment History Only</i>	
<i>Get Worker Pensions Auto Enrolment Details</i>	Loads and retrieves workers' auto-enrolment details.
<i>Put Worker Pensions Auto Enrolment Details</i>	
<i>Get Change Benefits</i>	Loads workers' benefit elections and retirement savings plans.

## Connections and Touchpoints

Features	Considerations
Benefits	Use Benefits to record details for use with pension calculations in Payroll: <ul style="list-style-type: none"> <li>Passive events to enrol workers.</li> <li>Retirement savings benefit plans.</li> </ul>
Run categories	Configure your run category to calculate the pensions auto-enrolment assessment pay component, in both on-cycle and off-cycle runs, for both: <ul style="list-style-type: none"> <li>Active workers.</li> <li>Workers on leave.</li> </ul>
Retro	Workday considers workers' pensions auto-enrolment assessments in retro processing when changes occur in Benefits. Workday provides calculations that you use with pension contributions data to ensure accurate retro processing results.

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](#)

[Reference](#)

[Workday Community - UK Pension Auto Enrolment](#)

## Steps: Set Up Pensions Auto-Enrolment (UK)

### Prerequisites

- Review setup considerations for pensions auto-enrolment.
- When a company has passed its staging date or duties start date:
  - Use the *Put Pensions Auto Enrolment Legacy Assessment History Only* web service to load any external assessment history.
  - Load current benefit elections for workers from legacy systems. Workday recommends that you load benefit elections for all workers, including those workers who have opted out of pensions auto-enrolment.

### Context

You can enable Workday to:

- Assess workers at each pay run for pensions auto-enrolment.
- Enrol eligible workers in a pensions auto-enrolment scheme.

### Steps

- Configure your run category to calculate the *GBR Pensions Auto Enrolment Assessment [GBR]* pay component in both on-cycle and off-cycle runs for active workers, and workers on leave.

See Example: [Set Up Pay Run Category for Workers on Leave \(UK\)](#) on page 150 and [Example: Set Up Pay Run Category for Active and Terminated Workers \(UK\)](#) on page 142.

2. (Optional) [Set Up Worker Pensions Auto-Enrolment \(UK\)](#) on page 1616.  
Indicate specific worker cases, such as opting in or out. Ensure that you load any information from legacy systems.
3. Create retirement savings benefit plans for auto-enrolment schemes.  
See [Example: Set Up Retirement Savings Plans for Auto-Enrolment Schemes \(UK\)](#) on page 1623.
4. Access the Maintain UK Pensions Auto Enrolment Qualifying Schemes task, and select the retirement savings plan.  
Security: *Set Up: Payroll (Pensions) - UK* domain in the UK Payroll functional area.
5. [Set Up Company Pensions Auto-Enrolment \(UK\)](#) on page 1618.  
Indicate auto-enrolment details for the company, such as postponement details, retirement savings plans, and important pension dates.
6. [Steps: Set Up Pensions Re-Enrolment \(UK\)](#) on page 1619  
Indicate re-enrolment details for the company and associated pay groups, such as the current and future dates, and re-enrolment criteria.
7. Set up passive events to enrol newly eligible workers in an auto-enrolment scheme.  
See [Example: Set Up a Passive Event for Pension Auto-Enrolment \(UK\)](#) on page 1625.

## Next Steps

To perform a pensions assessment, run a pay calculation. After the calculation, you can use the View Worker UK Pensions Auto Enrolment Details report to review the assessment history for workers.

Note: If you need to recalculate payroll, and have modified re-enrolment details such as manually including or excluding a worker, don't use Smart Calculation when recalculating payroll.

Related Information

### Concepts

[Setup Considerations: Pensions Auto-Enrolment \(UK\)](#) on page 1612

## Set Up Worker Pensions Auto-Enrolment (UK)

### Prerequisites

- Set up company pension auto-enrolment details.
- Security: *Worker Data: Payroll (Company Specific) - UK* domain in the UK Payroll functional area.

### Context

You can indicate specific pensions auto-enrolment details for a worker, such as:

- Exceptions from employer duties.
- External or legacy assessment history.
- Opting in.
- Opting out, along with the reason.
- Resuming employer duties.

Note: You only need to enter auto-enrolment details for workers with specific cases; Workday assesses all workers unless they have an exception.

You can use these web services to do a mass update or retrieval of pensions auto-enrolment details:

- *Get Worker Pensions Auto Enrolment Details*
- *Put Worker Pensions Auto Enrolment Details*

## Steps

1. Access the Add Worker UK Pensions Auto Enrolment Details task.
2. As you complete the task, on the Pensions Auto Enrolment Details tab, consider:

Option	Description
Don't Assess Until	The worker won't be assessed until this date.
Eligible for Tax Relief	The pension provider uses this information to claim tax relief from HMRC on behalf of a worker.
Opt In	A worker can opt in any time during the pension scheme auto-enrolment period.
Opt Out	<p>Use to indicate that the worker has opted out, or ceased active membership, of a qualifying pension scheme.</p> <p>When you select this check box, Workday enables you to select the Reason for Opt Out. If the reason isn't listed, use the Comments field.</p> <p>Note: For a worker to be included when you run re-enrolment, this box must be selected.</p>
Exception from Employer Duties	<p>When selected, Workday doesn't assess the worker for pensions auto-enrolment. Enter the Reason for Exception.</p> <p>To remove the exception, add a row to the grid and select Resume Employer Duties.</p>

3. (Optional) When the worker has a staging date that's been processed outside of Workday, enter any external or legacy assessments on the Legacy Assessment History Only tab.

When an eligible jobholder's assessment is postponed either:

- in the external or legacy system, or
- from when they're hired

enter a Deferral Date after Assessment/Hire date to ensure that they're assessed on that date. If you select Not Assessed (Postponed from Hire) in the Worker Type column, Workday doesn't automatically calculate the Deferral Date after Assessment/Hire.

Other than the Deferral Date after Assessment/Hire, dates on this tab don't impact general assessment and are for information only.

Note: For workers who opted out in a legacy payroll system, enter these details to ensure Workday includes those workers in your subsequent re-enrolment assessment:

- Assessment/Hire Date
- Worker Type

4. (Optional) If you use a payroll input to override the *GBR Pensions Auto Enrolment Assessment [GBR]* pay component for a worker, Workday displays Yes in the Override column on the Assessment History tab.

The Assessment History tab holds all pay results and information relating to a worker's enrolment assessment.

## Next Steps

You can check the date that a worker or group of workers reaches state pension age by accessing the View UK Date State Pensions Age Reached report.

# Set Up Company Pensions Auto-Enrolment (UK)

## Prerequisites

- Define retirement savings plans for pensions auto-enrolment schemes.
- Security: *Set Up: Payroll (Pensions) - UK* domain in the UK Payroll functional area.

## Context

You can define specific auto-enrolment details for a company to help you comply with pensions auto-enrolment requirements.

## Steps

1. Access the Add Company UK Pensions Auto Enrolment Details task.
2. As you complete the task, consider:

Option	Description
Effective Date	<p>When you set up a company for the first time, the Effective Date defaults to the Staging Date / Duties Start Date. For an existing company, the Effective Date defaults to today's date.</p> <p>If you have any configuration changes to your auto-enrolment details, you can add a new row with the Effective Date of those changes. This enables you to record upcoming configuration changes without having to wait until the end of the standard 3 year re-enrolment period. If adding a row to do this, Workday recommends you choose an Effective Date for a future payroll period or period for which payroll hasn't been run.</p> <p>If you add a new row that includes the Postponement From hire date option, and any existing noneligible jobholders or entitled workers become eligible jobholders after the row's Effective Date, Workday doesn't postpone them from assessment.</p>
Deferral Date	Do not use this field.
Postponement Periods	<p>The number of days you postpone pension enrolment for workers. You can't postpone enrolment for more than 3 months (13 weeks, or 92 days).</p> <p>You can enter separate rows for each Frequency, for example for Monthly or Weekly paid workers. Alternatively, select Default to apply to all frequencies.</p>

Option	Description
	<p>Consider the number that you want to enter. Too high a value might push a worker into the period after the one in which you should enrol them.</p> <p>Example: You can align enrolment with pay periods or avoid enrolling short-term workers.</p>
Postponement From	If you select Hire Date, to postpone assessment of a worker, workers aren't assessed for enrolment until the Deferral Date after Assessment/Hire shown on their record in the View Worker UK Pensions Auto Enrolment Details report.
Pensions Auto Enrolment Qualifying Schemes	<p>Define the company's retirement savings plan for pensions auto-enrolment.</p> <p>You can only select a retirement savings plan that is part of a pension auto-enrolment scheme.</p> <p>When assessing workers for pensions auto-enrolment, Workday verifies that a worker isn't already enrolled in a retirement savings plan that's designated as a company's pensions auto-enrolment scheme.</p> <p>If you don't add a scheme, Workday can't establish a worker's current state of enrolment.</p>

## Steps: Set Up Pensions Re-Enrolment (UK)

### Prerequisites

Set up company pension auto-enrolment details.

### Context

Every three years you must put certain staff who have left your pension scheme back into it. You can configure Workday to re-enrol workers automatically.

### Steps

- Access the Maintain Company UK Pensions Re-Enrolment Details task.  
Enter the future dates on which you must re-enrol eligible workers.  
Security: *Set Up: Payroll (Pensions) - UK* domain in the UK Payroll functional area.
- Select Workers for Pension Re-Enrolment.
- (Optional) To manually re-enrol a worker, access the Add Worker UK Pensions Auto Enrolment Details task and select the worker.  
On the Pensions Auto Enrolment Details tab:
  - Change the Effective Date to today's date.
  - Select the Re-Enrolment Date. Workday sets the Re-Enrolment Selection Type to *Included (Manually)*.

Security: *Worker Data: Payroll (Company Specific) - UK* domain in the UK Payroll functional area.

## Result

When you run the Run Pay Calculation task for your re-enrolment period, Workday updates all eligible workers' records to show them to be Eligible Jobholders and sets the Enrol Worker flag to yes.

## Next Steps

Complete your usual process of Benefits enrolment and creating and sending notifications.

After completing payroll for the re-enrolment period, run the View UK Pensions Re-Enrolment Details report to display a list of re-enrolled workers.

**Security:** *Worker Data: Payroll (Company Specific) - UK* domain in the UK Payroll functional area.

**Related Information**

**Reference**

[Reference: Payroll Cards](#)

## Select Workers for Pension Re-Enrolment (UK)

### Prerequisites

- Set up company pension re-enrolment details.
- To include workers when you run re-enrolment, select the Opt Out check box on their record in the Add Worker UK Pensions Auto Enrolment Details task.
- Security: *Worker Data: Payroll (Company Specific) - UK* domain in the UK Payroll functional area.

### Context

You can define re-enrolment details for a company to help you comply with pensions auto-enrolment requirements.

### Steps

1. Access the Add UK Pensions Re-Enrolment Details task.
2. As you complete the task, consider:

Option	Description
Re-Enrolment Date	Workday automatically enters the next date recorded in the Maintain Company UK Pensions Re-Enrolment Details task.
Re-Enrolment Criteria	<p>For the selected Pay Group, choose whether or not to re-enrol workers who opted out or left a qualifying pension scheme within the past year.</p> <p>Note: If you choose to include workers who opted out or left, and you run the re-enrolment task in advance of the actual re-enrolment date, you might have to make manual corrections.</p> <p>Example: Your re-enrolment date is in September and you run the Add UK Pensions Re-Enrolment Details task in early August to identify which workers will be re-enrolled. If a worker subsequently opts out in mid-August</p>

Option	Description
	they won't be automatically re-enrolled in the September pay run.

3. Click OK. Workday displays a list of Workers Selected for Re-Enrolment.

To exclude a worker, clear the Select Worker for Re-Enrolment check box. Example: When you know a worker has recently submitted their resignation.

Note: If you exclude a worker and subsequently re-run the Add UK Pensions Re-Enrolment Details task, you must manually remove the worker again.

4. Click OK. Workday displays a summary of the re-enrolment details and updates the Select Worker for Re-Enrolment field to display Yes against each selected worker.
5. Click Done. Workday updates the selected workers' records to show they'll be re-enrolled into the pension scheme.

Note: If you need to recalculate payroll, and have modified re-enrolment details such as manually including or excluding a worker, don't use Smart Calculation when recalculating payroll.

## Next Steps

Access the View Worker UK Pensions Auto Enrolment Details report to check that a worker will be automatically re-enrolled. When you select a worker, their record displays the:

- Re-Enrolment Date - as recorded in the Maintain Company UK Pensions Re-Enrolment Details task.
- Re-Enrolment Selection Type of *Included (Automatically)*.

Security: *Worker Data: Payroll (Company Specific)* - UK domain in the UK Payroll functional area.

Note: Workday recommends you only have 1 row containing a worker's re-enrolment information. To remove any row other than the latest details, on the View Worker UK Pensions Auto Enrolment Details report, select the Pensions Auto Enrolment Details tab. On the related actions menu of the magnifying glass, select Worker Pensions Auto Enrolment Details > Delete.

## Steps: Set Up Pensions Auto-Enrolment Notifications (UK)

### Prerequisites

Set up company pension auto-enrolment details.

### Context

When you run pensions auto-enrolment, you must notify workers of certain information at key events during the enrolment lifecycle. You can configure Workday to send these notifications automatically.

### Steps

1. Access the Edit Tenant Setup - Notifications task.

In the Notification Delivery Settings section:

- a. Select the Payroll tab.
- b. On the UK Pensions Auto Enrolment row, from the Rule prompt, select a routing rule that enables *Email* as a channel and *Immediately* as the email channel frequency.

Security: *Set Up: Tenant Setup - BP and Notifications* domain in the System functional area.

## 2. Create Email Templates.

Create a template using each of these email template behaviors:

- UK Pensions Auto Enrolment – Automatic Enrolment
- UK Pensions Auto Enrolment – Automatic Re-enrolment
- UK Pensions Auto Enrolment – Postponement
- UK Pensions Auto Enrolment – Right to Opt In or Join

## 3. Access the Edit UK Employer Reference Details task.

From the Email Destination Configuration prompt, select 1 or more email addresses to send notifications to.

When you select more than 1 address, Workday sends an email notification to each address, using this order of precedence:

- The worker's primary work email.
- The worker's primary home email.
- The Administration Email Address.

**Security:** *Set Up: Payroll UK domain in the UK Payroll functional area.*

## Result

You can use the Create UK Pensions Auto Enrolment Notifications task to generate notifications. **Security:** *Process: Pensions Auto Enrolment Notifications - UK domain in the UK Payroll functional area.*

## Next Steps

Access the Send UK Pensions Auto Enrolment Notifications task to distribute notifications to workers.

If you select one or more Workers, and select the Exclude Workers check box, Workday creates a notification for all workers in the Pay Group except those you selected.

**Security:** *Process: Pensions Auto Enrolment Notifications - UK domain in the UK Payroll functional area.*

### Related Information

#### Reference

[Reference: Edit Tenant Setup - Notifications](#)

## Concept: Pensions Auto-Enrolment (UK)

You, as an employer, must enrol eligible workers into a workplace pension scheme automatically, without any action from the worker.

You can create passive events to identify and enrol eligible workers.

### Types of Passive Events to Create

Workday recommends that you set up 3 passive events, each with its own benefit eligibility rules, to identify:

- New hires.
- Rehired workers.
- Workers who must, or want to, re-enrol in the pension.

### Frequency of Running Passive Events

When you first create a passive event, run it manually to test it. Then, you can add a To Do reminder to the *Pay Cycle Event* business process after the Run Pay Complete task.

Run all of your passive events after you complete payroll and before you carry out any other payroll processing.

## Related Information

### Tasks

Create Benefit Eligibility Rules

Steps: Set Up Passive Events

## Example: Set Up Retirement Savings Plans for Auto-Enrolment Schemes (UK)

This example illustrates how to set up retirement savings plans for auto-enrolment pension schemes.

### Context

Global Modern Services (GMS) regularly assesses and enrols workers in pension schemes according to the UK pensions auto-enrolment legislation.

As the payroll administrator, you need to work with the GMS benefits administrator to create retirement savings plans in accordance with the legislation.

### Prerequisites

- Create:
  - A benefit provider named *Standard Pension*.
  - A benefit group named *Active Employees in U.K.*.
  - 2 deductions or negative earnings named *Pension Contribution - Employee* and *Pension Contribution - Employer*, which are:
    - Based on the values in the *GBR Pen AE: Earnings Thresholds [GBR]* lookup table.
    - Eligible for employees enrolled in a pensions auto-enrolment benefit plan.
- Security: *Set Up: Benefits* domain in the Benefits functional area.

### Steps

1. Create a benefit plan eligibility rule that limits benefit plans to workers who Workday assesses as eligible for pensions auto-enrolment in completed payroll results.
  - a) Access the Create Benefit Eligibility Rule task.
  - b) Select the *Benefit Plan Eligibility Rule* option.
  - c) In the Description field, enter Auto Enrolment Eligibility.
  - d) In the Rule Conditions grid, add a row with these settings:

And/Or	Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
<i>And</i>	<i>GBR Pen AE: Assessment Result - Enrol Worker</i>	<i>equal to</i>	<i>Value specified in this filter</i>	1

The benefit plan eligibility must match the eligibility of the related pension contributions (earnings or deductions), to select the same group of workers.

2. Create a retirement savings plan for the pension auto-enrolment scheme.

- a) Access the Create Benefit Plan task.
- b) Complete these settings:

Option	Setting
Effective Date	Enter today's date.
Benefit Provider	Select <i>Standard Pension</i> .
Benefit Plan Type	Select <i>Retirement Savings Plan</i> .

- c) Click OK.
- d) Complete these settings:

Option	Setting
Retirement Savings Coverage Type	Select <i>Pension</i> .
Benefit Plan Name	Enter Auto Enrolment.
Participating Benefit Groups	Select <i>Active Employees in U.K.</i>
Worker Plan Eligibility	Select <i>Auto Enrolment Eligibility</i> .
Frequency	Select <i>Monthly</i> .
Earnings and Deductions	Select: <ul style="list-style-type: none"> <li>• <i>Pension Contribution - Employee</i></li> <li>• <i>Pension Contribution - Employer</i></li> </ul>

Note: Leave the Auto Enroll field empty.

- e) Define the contribution percentages or amounts in the Employee and Employer Contribution sections.
- 3. Edit the benefit plan eligibility rule to enable workers who Workday automatically enrolls in the benefit plan to opt out.

- a) Access the Edit Benefit Eligibility Rule task and select *Auto Enrolment Eligibility*.
- b) In the Rule Conditions grid, add a row with these settings:

And/Or	Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
Or	<i>Benefit Plans - Currently Enrolled</i>	<i>any in the selected list</i>	<i>Value specified in this filter</i>	<i>Pension - Standard Pension Auto Enrolment</i>

4. Add the benefit plan to the benefit plan year definition for the current year.

- a) Access the Edit Benefit Plan Year Definition task for the definition that covers the current year.
- b) On the Retirement Savings Plans tab, select *Pension - Standard Pension Auto Enrolment*.

## Result

The benefits administrator can now enrol any workers eligible for pensions auto-enrolment in an appropriate retirement savings plan.

## Next Steps

- Map the *Pension Contribution - Employee* and *Pension Contribution - Employer Type* deductions to the *Pension - Standard Pension Auto Enrolment* benefit plan.
- Set up a passive event to automatically enrol workers who are eligible for pensions auto-enrolment.

## Related Information

### Tasks

[Create Retirement Savings Plans](#)

[Create Benefit Providers](#)

[Create Benefit Groups](#)

[Steps: Create Deductions on page 234](#)

[Create Benefit Plan Year Definitions](#)

[Map Pay Components to Benefit Plans on page 261](#)

## Example: Set Up a Passive Event for Pension Auto-Enrolment (UK)

This example illustrates how to configure Workday, using a passive event, to automatically enrol workers in a retirement savings plan when they reach eligibility.

### Context

Global Modern Services must regularly assess and enrol workers in a pension scheme, according to UK pensions auto-enrolment legislation.

You, as the payroll administrator, work with the benefits administrator to set up a process that enrols eligible workers in the retirement savings plan. You create a passive event process so that Workday automatically enrols the workers.

### Prerequisites

Set up a retirement savings plan for auto-enrolment, including:

- A benefit group named *Active Employees in U.K.*
- A benefit eligibility rule named *Benefit Plan Eligibility Rule*.

### Steps

1. Set up a benefit event type that identifies when a worker is eligible for pension auto-enrolment.

- a) Access the Create Benefit Event Type task.
- b) Configure these settings:

Option	Description
Name	<i>Auto Enrolment Event</i>
Enrollment Offering Type	<i>Pension</i>
Route Enrollment to Benefits Partner	Select the check box.
Days to Enroll Calculation	<i>Event Date</i>
Days to Enroll	2

2. Create a passive event rule for auto-enrolment eligibility.

- a) Access the Create Passive Event Rule task.
- b) Configure these settings:

Option	Description
Name	<i>Auto Enrolment</i>

Option	Description
Benefit Event Type	<i>Auto Enrolment Event</i>
Benefit Eligibility Rule	<i>Auto Enrolment Eligibility</i>
Benefit Group	<i>Active Employees in U.K.</i>

3. Schedule the passive event.
  - a) Access the Schedule Passive Events task.
  - b) Configure these settings:

Option	Description
Run Frequency	Select Run Now.
Request Name	<i>Auto Enrolment</i>
Passive Event Rules	<i>Auto Enrolment</i>
Generate Passive Events	Select the check box.

## Result

After you calculate and complete payroll, Workday identifies workers eligible for pensions auto-enrolment and automatically enrolls them in the retirement savings plan.

Related Information

### Tasks

[Steps: Set Up Passive Events](#)

## Troubleshooting: Worker Not Assessed During Pension Auto-Enrolment (UK)

Cause: Personal information is missing from a worker's record.

Solution:

### Steps

1. Access the Edit Personal Information task.

Enter the worker's Gender and Date of Birth. Workday uses these fields to determine the worker's date of retirement.

If you don't have permission to access this task, work with your HR administrator to amend the worker's record.

Security: *Personal Information Change* business process.

2. Access the Run Pay Calculation task.

In the Employees to Calculate area, select the Workers to assess for auto-enrolment.

Security: *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area

3. Run the View Worker UK Pensions Auto Enrolment Details report to verify the worker's been assessed.

Security: *Worker Data: Payroll (Company Specific) - UK* domain in the UK Payroll functional area

Related Information

### Tasks

[Steps: Set Up Personal Information Fields](#)

# Payroll for France

## Payroll for France

You can find more information about all features throughout the Payroll Administrator Guide. Use these links to view both general Payroll sections, and the specific Payroll for France topics and features that relate to them:

General Payroll Area	Payroll for France Topics
Set Up Payroll Processing	<a href="#">Map Staffing Information to Payroll Calculations (FRA)</a> <a href="#">Pay Advances (FRA)</a> <a href="#">Security Domains (FRA)</a> <a href="#">Loans (FRA)</a> <a href="#">Termination Allowances (FRA)</a> <a href="#">Calculations for Contract Types (FRA)</a> <a href="#">Examples: Time Off Earnings and Deductions (FRA)</a> <a href="#">Worker Tax Elections (FRA)</a> <a href="#">Withholding Orders (FRA)</a> <a href="#">Pay Commuting Allowances (FRA)</a> <a href="#">Contributions and Tax Setup (FRA)</a> <a href="#">Set Up Payroll Journal Reports (FRA)</a> <a href="#">DSN Reporting (FRA)</a> <a href="#">Statutory Leave and Absence (FRA)</a>
Earnings, Deductions, and Other Calculations	
Payroll Input	
Payroll and Accounting Results	

## Map Staffing Information to Payroll Calculations (FRA)

### Map Staffing Information to Payroll Calculations (FRA)

#### Prerequisites

Set up:

- Collective agreement factor options.
- Disability types.
- Employee types.
- Employee contract types.
- Employee contract reasons.
- Local termination reasons.

Security: *Setup Payroll - FRA* domain in the FRA Payroll functional area.

#### Context

Workday Payroll for France provides payroll calculations and DSN reporting configurations that enable you to calculate and report statutory contributions according to French regulations.

To enable Workday to identify the appropriate calculations and reporting for each worker, you can map staffing information such as contract or employee types to DSN rubric values.

Example: When you map the employee type for trainees to the DSN rubric value *Trainee/Internship*, Workday:

- Calculates worker contributions based on the Workday-owned earnings for trainees.
- Includes information about the trainee's pay in the appropriate rubrics in a DSN report.

## Steps

1. Access the Maintain HCM Mapping for Payroll France task.
2. Select a rubric in the left pane.
3. As you complete the task, consider:

Option	Description
Values from HCM	<p>Select the staff information value that corresponds to the DSN rubric value.</p> <p>For rubric categories:</p> <ul style="list-style-type: none"> <li>• <i>S21.G00.40.002 - Employee Status (Collective Agreement)</i>: Select a professional category collective agreement factor option.</li> <li>• <i>S21.G00.40.007 - Contract type</i>: Select an employee type.</li> <li>• <i>S21.G00.40.008 - Public Policy</i>: Select an employee contract type.</li> <li>• <i>S21.G00.40.021 - Pôle Emploi Fixed Term Contract Usage</i>: Select an employee contract reason.</li> <li>• <i>S21.G00.40.72 - BOETH Status</i>: Select a disability type.</li> <li>• <i>S21.G00.62.002 - Termination Reason</i>: Select a local termination reason.</li> </ul> <p>You can select multiple HCM values for 1 rubric value, but you can only map each HCM value once.</p> <p>Example: You can select HCM values <i>Permanent (CDI)</i> and <i>Regular</i> for DSN Rubric value <i>01 - Unlimited Contract</i>. You can't map <i>Permanent (CDI)</i> to both <i>01 - Unlimited Contract</i> and <i>09 - Public Law - Unlimited Contract</i>.</p>

## Result

When processing payroll, Workday uses the defined mapping to:

- Run specific payroll calculations for a worker.
- Fill these rubrics in a DSN report:
  - S21.G00.40.002
  - S21.G00.40.007
  - S21.G00.40.008
  - S21.G00.40.021
  - S21.G00.40.72
  - S21.G00.62.002

## Related Information

### Tasks

[Steps: Set Up Employee Contracts](#)

## Terminate Employees

Steps: Set Up DSN Reporting (FRA) on page 1731

Steps: Manage Collective Agreements

Steps: Set Up Disability Tracking

## Concept: HCM Mapping for Payroll (FRA)

To determine which preconfigured payroll calculations apply to which workers, you must map customer-owned staffing information to Workday-owned DSN rubric values. Workday then maps the rubric values to preconfigured payroll elements.

### Example of Mapping Impacts

When you map the employee contract type of *Permanent (CDI)* to the DSN rubric *01 - Unlimited Contract*, it's linked to the *Severance Legal Indemnity (FRA)* earning. Eligibility criteria for the earning is based on the *FRA Contract Type Equal to Unlimited Contract* instance set comparison calculation.

When you terminate a worker, Workday calculates a legal severance indemnity only if the worker has a contract type of *Permanent (CDI)*.

### Delivered Report Fields

Workday delivers a report field for each type of data that you need to map (Example: contract type).

You can use the report field when creating:

- Reports to retrieve results of payroll mapping.
- Instance set comparison calculations for pay component eligibility.

Staffing Data	Report Field
Employee type	FRA Worker: Contract Type as of Sub-Period End Date
Employee contract type	FRA Worker: Public Policy as of Sub-Period End Date
Employee contract reason	FRA Worker: Pôle Emploi Fixed Term Contract Usage Reason as of Sub-Period End Date
Local termination reason	FRA Worker: Termination Reasons as of Sub-Period End Date
Collective agreement professional category	Collective Agreement Professional Category as of Sub Period End Date

## Pay Advances (FRA)

### Example: Set Up Pay Advances (FRA)

This example illustrates how to enable workers to request and receive pay advances through Workday.

#### Context

Global Modern Services allows employees to request payroll advances, which are all paid on the 15th of every month. Global Modern Services then deducts the repayment amount from workers' salaries in the regular pay run at the end of the month. Julie, the payroll administrator wants to set up Workday to:

- Manage the request and approval of payroll advances.

- Process the payment and repayment of the advances.

To manage advances outside of the regular payroll run Julie will use:

- A separate payroll period schedule with the payment dates of the advances.
- A run category to only process workers with approved advance requests.

## Prerequisites

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

## Steps

1. Configure the *Payroll Advance* business process and security policy in the FRA Payroll functional area.
2. Create a payroll period schedule for the payment of the advances.
  - a) Access the Create Period Schedule.
  - b) Enter these settings:

Option	Value
Name	Advance Period
Frequency	<i>Monthly</i>
Usage	<i>Payroll</i>

- c) In the Period grid, add a row for each month with these settings:

Option	Value
Period Start Date	<i>January 16</i> , or the 16th of the month preceding the pay advance.
Period End Date	<i>February 15</i> , or the 15th of the month of the pay advance.
Payroll Payment Date	<i>February 15</i> , or the 15th of the month of the pay advance.

3. Create a run category to pay approved advance requests.

- a) Access the Create Run Category task.
- b) Enter these settings:

Option	Value
Name	Advance
Regular Run Category	Clear the check box.

- c) To only process workers with an approved pay advance, add a row to the Workers to Process grid, with these settings:

Option	Value
Status	<i>Active</i>

Option	Value
Selection Criteria	<i>Advance Payment &gt; 0</i>

d) Enter these settings in the Gross/Net section:

Option	Value
Gross Pay Accumulation	<i>FRA Advance Gross Accumulation [FRA]</i>
Net Pay Accumulation	<i>FRA Advance Net Accumulation [FRA]</i>

4. Add the run category and period schedule to the pay group used for the regular pay run.
  - a) Access the View Pay Group report and select Organization > Edit Organization from the related actions menu of the pay group used for the regular payroll run.
  - b) Add a row with these settings to the Pay Group Details grid:

Option	Value
Run Category	<i>Advance</i>
Period Schedule	<i>Advance Period</i>

## Result

Workers can access the Request Advance task to request a salary advance. Julie can also directly record approved requests for a worker.

When a worker requests multiple advances for the same period, Workday pays 1 payment that is the sum of the different payment amounts.

## Next Steps

To process:

- The payment of advances, run a pay calculation for the advance pay run category.
- The repayment of advance requests, runs a pay calculation with the regular run category.

Related Information

### Concepts

[Setup Considerations: Flexible Payment and Deduction Options](#) on page 352

### Tasks

[Set Up Payroll and Time Tracking Period Schedules](#) on page 153

[Steps: Set Up Pay Run Categories](#) on page 101

## Approve Pay Advances (FRA)

### Prerequisites

Configure the *Payroll Advance* business process and security policy in the FRA Payroll functional area.

### Context

If you have set up pay advances, Workers can use the Request Advance task to make a request. When a worker makes a request, you can approve and complete the request. You can also record a preapproved advance request.

## Steps

1. Enter an approval for a pay advance:
  - To review and approve a request made by a worker in Workday, use the advance request in My Tasks.
  - To record a preapproved request made by a worker outside of Workday, select Payroll > Record Advance from the worker's related actions menu.
2. As you complete the task, consider:

Option	Description
Amount	Enter the amount of the advance.
Payment Period	(Optional) To pay the advance as part of payroll, select a period from your advance period schedule.
Repayment Period	Select a period from your regular period schedule. Workday deducts the advance repayment from the worker's pay in the selected period.

## Result

After you calculate, complete, and settle payroll, Workday pays or deducts the approved advance payments for the period. If the worker has multiple subperiods in a payroll period, Workday pays or deducts the entire payment in the first subperiod.

As part of the settlement process, Workday provides the option to print a payment advice.

## Security Domains (FRA)

### Create Security Domains (FRA)

#### Prerequisites

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

#### Context

A security policy secures the items in a domain. Before you can configure security, enable the security policies for the secured items you want to provide access to, like BPIJ.

## Steps

1. Access the Create Security Policy for Domain task.

As you complete the task, consider:

Option	Description
For Domain	Select a domain.
Confirm	Select the check box.

2. In the Report/Task Permissions grid, add users and check View and Modify to give those users the rights to View and Modify tasks and reports in the domain.
3. In the Integration Permissions grid, add users and check Get and Put.

Workday recommends you allocate Integration Permissions to a limited number of users.

4. Access the Activate Pending Security Policy Changes task.  
Confirm the security domain changes.

### Example

This example illustrates the security domains you need to enable for BPIJ.

By enabling security domains for:

- *Process: BPIJ (Integration)*, you can specify the employees who have access to BPIJ machine to machine integration. Users with this type of access sometimes need Integrations Permissions.
- *Process: BPIJ (Run)*, you can specify the employees who can run BPIJ-related reports to confirm IJ information. Users with this type of access require Report/Task Permissions.

Related Information

#### Tasks

[Steps: Set Up BPIJ \(Machine to Machine\) Integration \(FRA\) on page 1809](#)

## Loans (FRA)

### Steps: Set Up Loans (FRA)

#### Context

You can enable a worker to receive and repay a loan through the payroll department.

Note: For an enhanced user experience and additional capabilities, Workday recommends that you use the Flexible Payment and Deduction Options solution to manage workers' loan requests and repayments. See [Steps: Set Up Flexible Payment and Deduction Options](#).

#### Steps

1. Access the Create Deduction task.

Create a deduction for loan repayment with these settings:

Option	Description
Country	<i>France</i>
Worker Eligibility	<i>Loan Repayment &gt; 0</i>
Calculation	<p>Select:</p> <ul style="list-style-type: none"> <li>• <i>Loan Repayment</i> to deduct an amount based on the worker's loan repayment schedule.</li> <li>• A custom calculation to deduct a different amount. Example: You can create a conditional calculation to deduct the loan repayment amount for active</li> </ul>

Option	Description
	workers, and the total loan outstanding balance for terminated workers.

Optionally add a row to the Related Calculations grid to display additional loan details in the payroll results. Example: From the Override Calculation prompt, select *FRA Loan Outstanding Balance* to display the value of the outstanding balance before repayment.

On the Non-Effective Dated tab, select the pay component group to which the loan repayment belongs. Example: *FRA Subtracts from Net [FRA]*.

Security: *Set Up Payroll (Calculations - Payroll Specific)* security policy in the Core Payroll functional area.

## 2. (Optional) Access the Create Earning task.

Create an earning for loan payment with these settings:

Option	Description
Country	<i>France</i>
Worker Eligibility	<i>Loan Payment &gt; 0</i>
Calculation	<i>Loan Payment</i>
Groups	Select the pay component group to which the loan repayment belongs. Example: <i>FRA Adds to Net [FRA]</i> .

Security: *Set Up: Payroll (Calculations - Payroll Specific)* security policy in the Core Payroll functional area.

## 3. Access the Maintain Loan Configuration task.

As you complete the task, consider:

Option	Description
Interest Rate	Select to indicate that a payroll partner must define an interest rate and interest amount when approving loan requests.
Allow Only One Active Request	Select to indicate that a worker can't request a new loan if they have a request or in progress loan of the same type.

Security: *Set Up: Payroll - FRA* domain in the FRA Payroll functional area.

## 4. Set up security for how you want to manage loan requests:

- Configure the *Request Loan* business process and security policy in the FRA Payroll functional area for worker self-service loan requests.
- Configure the *Worker Data: Payroll (Company Specific) - FRA* domain in the FRA Payroll functional area for loans requested outside of Workday.

## Result

If you set up the *Request Loan* business process, workers can request a loan by accessing the Request Loan task.

## Next Steps

Approve a loan request and define the loan repayment schedule.

## Related Information

### Concepts

[Setup Considerations: Flexible Payment and Deduction Options](#) on page 352

### Tasks

[Steps: Create Deductions](#) on page 234

[Steps: Create Earnings](#) on page 229

### Examples

[Example: Deduct Loan Outstanding Balance for Terminated Workers \(FRA\)](#) on page 1637

## Record or Complete Approved Loan Requests (FRA)

### Prerequisites

- Security: *Worker Data: Payroll (Company Specific)* - FRA domain in the FRA Payroll functional area for loans requested outside of Workday.
- Configure the *Request Loan* business process and security policy in the FRA Payroll functional area for worker self-service loan requests.

### Context

You can approve a loan request made by a worker through self-service or record an approved loan request made outside of Workday.

When approving a loan, you can define the characteristics of the granted loan such as the repayment schedule, the interest rate, and the amount.

### Steps

1. Enter an approval for a loan request:

- To record an approved loan request made by a worker outside of Workday, select Payroll > Record Loan from the worker's related actions menu.
- To review and approve a request made by a worker in Workday, access the loan request in My Tasks.

The worker must belong to a pay group with a country that has a defined loan configuration.

2. As you complete the Record Payroll Loan for Worker task, consider:

Option	Description
Default Currency	The currency of the worker's pay group.
Period to Pay Loan	Select the period in which the worker receives the loan.
Amount	Enter the loan amount.
Interest Rate Amount	Enter the interest rate, if applicable.
Total Interest Amount Due	Enter the interest amount for a loan that accrues interest.. Workday includes this amount in the displayed loan balance.
Period to Repay Loan	Select the pay period in which the worker repays the loan.
Periodic Amount	Enter the amount deducted from the worker's salary at each period. To create a repayment schedule with varying repayment amounts,

Option	Description
	complete the loan request and then update the loan repayment schedule.

### Next Steps

View all loans for a worker by selecting Payroll > View Loans from the worker's related actions menu.

## Update Loan Balances or Repayment Schedules (FRA)

### Prerequisites

Security: *Worker Data: Payroll (Company Specific)* - FRA domain in the FRA Payroll functional area.

### Context

You can update the balance of an existing loan for a worker to:

- Increase it if the worker has borrowed additional funds.
- Decrease it if the worker has made loan repayments outside of payroll.

You can also set up an amortizing schedule that varies for each month.

### Steps

1. From the related actions menu of a worker's loan, select Payroll > Edit.
2. As you complete the task, consider:

Scenario	Description
Increase the loan balance when a worker borrows more funds.	<p>In the Payment grid, enter the additional amount borrowed in the Amount field, and indicate a Repayment Start Date.</p> <p>Example: If a worker's current loan balance is 500 EUR, enter an Amount of 200 EUR to change the loan balance to 700 EUR.</p> <p>When you edit a loan, Workday immediately updates the payroll loan balance, but doesn't deduct payments for the additional amount until the Repayment Start Date. Example: A worker repays the previous loan balance before the start of the additional payment Repayment Start Date. Workday stops the period repayment amounts until the repayment start date of the additional payment.</p>
Change the loan balance after a repayment.	<p>In the Payment grid, enter a negative Amount, and leave the other fields blank.</p> <p>Workday immediately updates the loan balance and uses it in the current pay period.</p>
Modify the loan repayment schedule.	<p>In the Repayment grid, complete these fields:</p> <ul style="list-style-type: none"> <li>• Select the period when the new period repayment amount applies from the Period to Repay Loan prompt.</li> </ul>

Scenario	Description
	<ul style="list-style-type: none"> <li>Enter the amount to be deducted from the worker pay in the Periodic Amount field.</li> </ul> <p>Workday continues to apply the periodic amount for all subsequent periods until you define a new amount the worker repays the loan.</p>

### Example

Carol has a loan of 1200 EUR. In the Repayment section of the loan record, define a repayment schedule of 400 EUR per month. The repayment starts in June, and switches to 200 EUR per month in August:

Period to Repay Loan	Periodic Amount
June	400
August	200

In June, Carol pays 200 EUR by personal check. When you receive the personal check, you enter an amount in the Payment section of the loan record.

Period to Pay Loan	Amount	Repayment Start Date
May	1200	June
	-200	

In July, Global Modern Services grants Carol an additional payment of 150 EUR with a Repayment Start Date of September. The new payment doesn't modify the defined repayment period amounts.

During payroll calculations, Workday calculates these loan repayments for Carol:

Payroll Period	Active Loan Balance Before Payroll (EUR)	Repayment Amount (EUR)	Nonactive Balance (EUR)
June	1000	400	
July	600	400	150 (starting from September)
August	200	200	150 (starting from September)
September	150	150	0

### Next Steps

To view the payment and deduction history for a worker's loan, select Payroll Loan > View History from the related actions menu of the loan.

## Example: Deduct Loan Outstanding Balance for Terminated Workers (FRA)

This example illustrates how to create a deduction for a worker's remaining loan balance in the period they're terminated.

## Context

You've created an existing deduction for loan repayments for workers with loans based on the worker's loan repayment schedule. For terminated workers, instead of deducting the loan repayment amount, you want to automatically deduct the total remaining balance in the period of termination.

## Prerequisites

Security:

- *Set Up: Payroll (Calculations - Payroll Specific)* in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

## Steps

1. Access the Create Conditional Calculation task.
2. Enter these values:

Field	Value
Name	Loan Repayment (Balance Repayment for Terminated Workers)
Category	Payroll

3. In the Conditional Calculations grid, enter these values:

Calculation	Result
<i>Worker is Terminated as of Sub Period End Date</i>	<i>FRA Loan Outstanding Balance</i>

4. From the Default Response prompt, select *Loan Repayment*.
5. Access the Edit Deduction task for the deduction you use for loan repayments.
6. In the Calculation prompt, replace your existing calculation with *Loan Repayment (Balance Repayment for Terminated Workers)*.

## Termination Allowances (FRA)

### Steps: Set Up Termination Allowance Taxation (FRA)

#### Prerequisites

Security: *Set Up Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Context

You can use Workday to calculate income tax and social contributions for these types of termination allowances:

- Mutual agreements.
- Legal/conventional allowances.
- Retirement at the employer's instigation.
- Supra-legal allowances.

## Steps

1. Create earnings for each type of termination allowance.

See Example: Set Up Severance Allowances Based on the Legal Requirement (FRA) on page 1640.

Workday delivers the *IND Fixed Term Contract Allowance [FRA]* earning for legal termination allowances for fixed-term contracts.

2. Access the Edit Earning task for each earning that represents a termination allowance.

On the Non-Effective Dated tab, select the appropriate pay component group from the Groups prompt to identify the type of termination allowance.

Pay Component Group	Description
<i>FRA Adds to Total Severance Allowance Paid [FRA]</i>	<p>Applies to all termination allowances that are partially liable to taxes and contributions.</p> <p>For each earning associated with this pay component group, Workday:</p> <ul style="list-style-type: none"> <li>• Calculates the taxable portion of the termination allowance.</li> <li>• Includes the taxable portion in the applicable taxable base.</li> </ul>
<i>FRA Adds to Legal or Conventional Severance Allowance [FRA]</i>	<p>Workday uses the amounts associated with this pay component group to calculate exemption limits for termination allowances.</p>
<i>FRA Adds to Retirement Allowance at the Employer's Instigation [FRA]</i>	<p>Identifies termination allowances for retirement at the employer's instigation. Workday applies specific URSSAF contributions to these types of termination allowances.</p> <p>This is required for on-demand payments in a prior period related to a payroll period before 2023-09-01.</p> <p>Workday applies the appropriate taxation rules through the <i>Memo – Severance Allowances Taxation</i> earning.</p>
<i>FRA Adds to Total Severance Allowance paid for Social Lump Sum 20% [FRA]</i>	<p>Applies to payments for terminations by mutual consent.</p>
<i>FRA Adds to Severance Allowance for Specific Employer Contribution at 30% Calculation [FRA]</i>	<p>Applies to termination allowances that represent the full value of a mutually agreed termination. This amount isn't configured in the <i>FRA Adds to Specific Employer Contribution 30%</i> pay component group.</p> <p>Workday applies the appropriate taxation rules through the <i>Memo – Severance Allowances Taxation</i> earning.</p>
<i>FRA Adds to Specific Employer Contribution 30% [FRA]</i>	<p>Represents only the indemnity portion submitted when the specific employer contribution is 30%. This amount isn't configured in the <i>FRA Adds to Severance Allowance for Specific Employer Contribution at 30% Calculation</i> pay component group.</p>

Pay Component Group	Description
	You need to precalculate the portion submitted to contributions for this pay component group.
<i>FRA End of Contract by Mutual Agreement when Eligible for Retirement [FRA]</i>	Identifies workers who are eligible for retirement and accept a mutually agreed end of contract. Add only payments directly related to severance to this pay component group. Workday applies the appropriate taxation rules through the <i>Memo – Severance Allowances Taxation</i> earning.

Note: Workday recommends creating a new earning pay component to replace earnings before 2023-08-31 for the pay component groups associated with mutually agreed termination.

For termination allowances that are split into successive payments, Workday:

- Includes previous payments when calculating income tax or social contribution exemptions.
- Uses only the monthly payment amount when calculating the amount subject to contributions or taxation.

## Next Steps

Run a payroll calculation, and then access the Gross to Net tab of a worker's payroll results. Review the Related Values for the *Memo - Severance Allowances Taxation [FRA]* earning to verify:

- Amounts subject to taxes and contributions.
- Exemption amounts.
- Legal and conventional amounts.

## Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

### Reference

[FAQ: Fixed-Term Contracts \(FRA\)](#) on page 1646

## Example: Set Up Severance Allowances Based on the Legal Requirement (FRA)

This example illustrates how to create the minimum legal severance indemnity for a worker with an unlimited contract.

### Context

You need to pay the legal severance amount to terminated workers with unlimited contracts.

### Prerequisites

- Map local termination reasons and employee types to payroll calculations.
- Define the worker's seniority start date, if different from the hire date.
- If applicable, define the notice period for the worker's termination.
- Define which absences freeze seniority accrual.

## Steps

- Access the Edit Earning task to exclude earnings from the full-time equivalent (FTE) reference taxable wages used in the severance allowance calculation.

On the Non-Effective Dated tab, from the Groups prompt, select the appropriate pay component group to exclude or include the earnings in the FTE reference taxable wages.

See Concept: Reference Wages for Severance Allowances (FRA) on page 1642.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

- Access the Create Value Comparison Calculation task.

Enter these values:

Option	Value
Name	Severance Amount Not 0
Category	Payroll
1st Operand	<i>Severance Legal Indemnity [FRA] - Considered Amount</i>
Operator	<i>not equal to</i>
2nd Operand	0

Security:

- Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
- Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

- Access the Create Earning task.

Create an earning with these settings:

Option	Value
Name	Severance allowance
Worker Eligibility	<i>Severance Amount Not 0</i>
Calculation	<i>Severance Legal Indemnity [FRA] - Considered Amount</i>
Groups	On the Non-Effective Dated tab, select <i>FRA Adds to Net [FRA]</i> .

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Result

You have configured severance allowances based on the legal amount. When you calculate pay results, Workday includes severance allowances for eligible workers in the payroll period of their termination.

### Related Information

#### Tasks

[Map Staffing Information to Payroll Calculations \(FRA\)](#) on page 1627

#### Examples

[Example: Exclude Full Day Absences from Seniority Calculations \(FRA\)](#) on page 1645

## Concept: Reference Wages for Severance Allowances (FRA)

To calculate a severance allowance, Workday calculates an average of the worker's full-time equivalent (FTE) taxable wages during the:

- Past 3 months before the notification date.
- Past 8 to 12 months before the notification date, depending on the available wages.

### Pay Component Groups

Before setting up severance allowances, you can define which earnings to include in the referenced taxable wages. In addition to the worker's gross wages, Workday uses these pay component groups to determine the FTE taxable wages.

Pay Component Group	Impacts 12-month FTE taxable wages	Impacts 3-month FTE taxable wages
<i>FRA Adds to FTE 3 Months Taxable Wages Average [FRA]</i>		X
<i>FRA Bonuses with a Semi Yearly Frequency to be Subtracted from Taxable Wages for 3 Months Severance Reference Taxable Wages</i>		X
<i>FRA Bonuses with a Yearly Frequency to be Subtracted from Taxable Wages for 3 Months Severance Reference Taxable Wages [FRA]</i>		X
<i>FRA Bonuses with Other Frequency to be Subtracted from Taxable Wages for 3 Months Severance Reference Taxable Wages [FRA]</i>		X
<i>FRA FTE Unprorated Payroll Variables to be Subtracted from Severance Reference Taxable Wages [FRA]</i>	X	X
<i>FRA Subtracts from Both Reference Taxable Wages [FRA]</i>	X	X

### Unprorated Earnings

For earnings not paid on a monthly basis, you need to calculate a prorated amount to include the reference taxable wages.

Annual and Semiannual Bonuses

Workday prorates annual and semiannual bonuses for the 3-month FTE reference wages. To identify which earnings to prorate, add them to one of these pay component groups:

- *FRA Bonuses with a Semi Yearly Frequency to be Subtracted from Taxable Wages for 3 Months Severance Reference Taxable Wages [FRA]*

- *FRA Bonuses with a Yearly Frequency to be Subtracted from Taxable Wages for 3 Months Severance Reference Taxable Wages [FRA]*

#### Bonuses with Other Frequencies

You can manually prorate the earning amount for bonuses with frequencies other than annual or semiannual.

Workday recommends that you create 2 earnings:

- An earning for the full bonus amount, paid at the actual frequency.
- An earning with a prorated monthly amount, paid at a monthly frequency.

To define which earning Workday includes in the reference wages, add each earning to the appropriate pay component group.

Scenario	Earning	Pay Component Group
Exclude the full amount from the reference wage calculation.	Earning for the full bonus amount.	<i>FRA Bonuses with Other Frequency to be Subtracted from Taxable Wages for 3 Months Severance Reference Taxable Wages [FRA]</i>
Include a prorated amount for the 3-month FTE reference wage.	Earning with the prorated monthly amount.	<i>FRA Adds to FTE 3 Months Taxable Wages Average [FRA]</i>

To calculate the prorated earning without including it in the worker's monthly salary:

- Don't add the *FRA Adds to Gross [FRA]* pay component group to the prorated earning.
- Select the prorated earning from the Additional Pay Components to Calculate prompt on the run category.

#### Payroll Variables Not Requiring Proration

For some payroll variables not associated with a frequency, the severance reference taxable wages need to include the full amount of the earning. To define the amount included in the reference wages, add the earning to the appropriate pay component group.

Scenario	Earning	Pay Component Group
Include the full earning amount in the reference wages without proration.	Earning for a payroll variable not associated with a frequency.	<i>FRA FTE Unprorated Payroll Variables to be Subtracted from Severance Reference Taxable Wages [FRA]</i>

## Related Information

### Tasks

[Steps: Create Earnings](#) on page 229

## Steps: Set Up an Adjusted Seniority Calculation (FRA)

### Prerequisites

- Create deductions for paid time off, using an absence component related calculation to retrieve time off in days.
- Create leave types.

### Context

You can configure Workday Payroll for France to calculate an adjusted seniority that excludes time offs or leaves of absences where the worker doesn't accrue seniority.

Note: The adjusted seniority calculation is specific to payroll calculations. It's different from the seniority calculation and length of service dates shown on Human Capital Management reports.

Workday considers workers to continue to accrue seniority while on time off or a leave of absence unless you exclude the absence from the seniority calculation.

### Steps

1. (Optional) Access the Edit Service Dates task for a worker, and complete the Seniority Date field. Workday calculates the adjusted seniority based on the worker's seniority date if it's available, or hire date if it isn't.  
Security: Configure the *Service Dates Change* business process and security policy in the Staffing functional area.
2. Access the Edit Leave Type task for all types of leaves that are excluded from the seniority calculation.  
To freeze seniority accrual while a worker is on leave, select the Continuous Service Accrual Effect check box.  
Security: *Set Up: Leave of Absence* domain in the Time Off and Leave functional area.

3. To only partially exclude a leave of absence from the adjusted seniority calculation, access the Maintain Absence Mapping for Payroll for France task.

Map the leave type to one of these DSN Rubric Values:

- 632 - Parental Leave
- 607 - Parental Presence

Workday deducts half of the number of days on leave, rounded down to the nearest day, from the adjusted seniority calculation.

Note: Workday doesn't manage partial parental leaves that need to be taken into account on a full-time basis for seniority calculations.

Security: *Set Up: Payroll - FRA* domain in the FRA Payroll functional area.

4. Access the Edit Deduction task for deductions based on time offs excluded from the seniority calculation.

On the Effective Dated tab, in the Related Calculations grid, access the related calculation that retrieves the amount of time off in days.

To freeze seniority accrual while a worker is absent, select *FRA Time Offs Freezing Seniority [FRA]* from the Groups prompt.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Result

To view reference values, access the Gross to Net tab in a worker's pay results and view these Related Values for the *Memo - Reference Values for Seniority* deduction:

- *Seniority Months Adjusted* for workers with a seniority greater than 1 month.
- *Seniority Days Adjusted* for workers with a seniority less than 1 month.

## Related Information

### Examples

[Example: Create a Deduction for Multiple Time Offs \(FRA\) on page 1647](#)

## Example: Exclude Full Day Absences from Seniority Calculations (FRA)

The example illustrates how to exclude absences from the adjusted seniority calculation.

### Context

In Global Modern Services, workers do not continue to accrue seniority during unpaid time off. Julie, the payroll administrator for Global Modern Services, wants to exclude absences for unpaid leave from the adjusted seniority calculation, however she only wants to exclude full days off.

Note: The adjusted seniority calculation is specific to payroll calculations, and is different from the seniority calculation and length of service dates shown on Human Capital Management reports.

### Prerequisites

- Create an *Unpaid Time Off* time off.
- Create a deduction named *Deduction for Unpaid Time Off* for unpaid time off.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Steps

1. Access the Edit Deduction task for *Deduction for Unpaid Time Off*.

- On the Effective Dated tab, add these rows to the Related Calculations grid.

Related Calculation	Override Calculation	Groups
<i>FRA Days</i>	<i>Unpaid Time Off -Time Off Total</i>	
<i>FRA Time Off Full Days</i>		<i>FRA Time Offs Freezing Seniority [FRA]</i>

When determining full days of absences, Workday only considers absences linked to the *FRA Days* related calculation.

### Result

When Fabienne, a worker at Global Modern Services, requests 2 separate half days and 1 full day of *Unpaid Time Off* during her first month at Global Modern Services, Workday excludes 1 day from the adjusted seniority calculation.

### Next Steps

On the Gross to Net tab of Fabienne's results, verify the Related Values for the *Memo - Reference Values for Seniority [FRA]* deduction.

Related Information

#### Tasks

Steps: Create a Time Off

#### Examples

Example: Create a Deduction for Multiple Time Offs (FRA) on page 1647

## Calculations for Contract Types (FRA)

### FAQ: Fixed-Term Contracts (FRA)

How can I modify worker eligibility for termination allowances for fixed-term contracts?

Workday delivers the *IND Fixed Term Contract Allowance [FRA]* earning for legal termination allowances for fixed-term contracts. The *IND Fixed Term Contract Allowance [FRA]* earning has eligibility criteria that identify workers who are typically eligible for termination allowances for fixed-term contract. You can prevent this earning from resolving for a worker who meets the delivered eligibility criteria. Add a calculation with a nonzero result to the *FRA Prevents the End of Fixed Term Contract Allowance Payment* pay component group.

How can I modify the gross wages used to calculate termination allowances for fixed-term contracts?

Workday uses the *FRA Gross* pay accumulation to calculate the *IND Fixed Term Contract Allowance [FRA]* earning. To add or exclude pay components from the gross wages for the termination allowance, add the pay component to one of these pay component groups:

- *FRA Adds to FRA Fixed-Term Allowance Base.*
- *FRA Subtracts from FRA Fixed-Term Allowance Base.*

Can I exclude workers from the training tax deduction for fixed-term contracts?

Yes. Workday delivers the *URS Professional Training on Fixed Term Contracts - ER [FRA]* deduction for workers with fixed-term contracts. This deduction has eligibility criteria that identify workers who are typically eligible for the training tax calculation. You can exclude workers who met the eligibility criteria from the training tax calculation. Add a calculation with a nonzero result for the worker to the *FRA Prevents the Training Contribution on Fixed Term Contracts Calculation [FRA]* pay component group.

## Examples: Time Off Earnings and Deductions (FRA)

### Example: Create a Deduction for Multiple Time Offs (FRA)

This example illustrates how to group multiple types of time off in 1 deduction in payroll reports and payslips.

#### Context

Global Modern Services has 3 types of annual vacation time off that have the same payroll calculations. To display the sum of all annual vacation as 1 line on the payroll results and payslip, you need to create 1 deduction for all annual vacation.

#### Prerequisites

Set up these types of time off for Global Modern Services:

- Annual Vacation
- Annual Vacation – Splitting days
- Annual Vacation – Seniority

Security: *Set Up: Payroll (Calculations - Payroll Specific)* and *Set Up: Payroll (Calculations - Generic)* domains in the Core Payroll functional area.

#### Steps

1. Create the aggregate calculation.
  - a) Access the Create Aggregate Calculation task.
  - b) Name the aggregate calculation All Annual Vacation.
  - c) Complete these fields:

Field	Value
Category	Payroll
Function	Sum
Operand	Select these absence-component-related calculations that pull in paid time off: <ul style="list-style-type: none"> <li>• Annual Vacation - Time Off Total</li> <li>• Annual Vacation - Splitting days - Time Off Total</li> <li>• Annual Vacation- Seniority - Time Off Total</li> </ul>

2. Create the deduction:

- a) Access the Create Deduction task and enter these settings:

Field	Setting
Name	Annual Leave - Time Off
Code	Annual Leave TO
Effective Date	Enter today's date.

- b) In the Criteria section of the Effective Dated tab, create an eligibility rule to prevent the deduction from resolving when the employee has no paid time off.

From the Worker Eligibility prompt, select Create > Create Value Comparison Calculation, and select *Payroll* as the Category. Add a row with these values:

1st Operand	Operator	2nd Operand
Select All Annual Vacation	<i>not equal to</i>	Select By Category > Common, and then select 0.

3. Define the deduction calculation in the Calculation Details section of the Effective Dated tab:

- a) Select *FRA Days \* Rate rounded to the Nearest 0.01* in the Calculation field.  
 b) Insert these rows in the Related Calculations section:

Related Calculation	Override Value
<i>FRA Days</i>	<i>All Annual Vacation</i>
<i>Rate</i>	100

4. On the Non-Effective Dated tab, select *FRA Subtracts from Gross [FRA]* from the Groups prompt to subtract the deduction from the gross pay.

## Result

Arnaud earns 100 EUR a day. In November, Arnaud takes:

- Annual Vacation: 2 days.
- Annual Vacation – Splitting: 1 day.
- Annual Vacation - Seniority: 1 day.

You can view the deduction Annual Leave - Time Off deduction on his payroll results:

Description	Time Off Entries	Rate	Amount (EUR)
Annual Leave - Time Off	4	100	(400)

Related Information

### Concepts

[Concept: Time Off Earnings](#) on page 307

### Examples

[Example: Calculate Hours Not Worked](#) on page 393

[Example: Reduce Salary for Time Off and Holidays](#) on page 395

## Example: Create Earnings for Paid Vacation (FRA)

This example illustrates how to create earnings and deductions based on the same related calculations, in order to:

- Ensure that the deduction and earnings are using the same inputs for *FRA Days* and *Rate*.
- Display the time off dates only once on payroll results and payslips.

## Context

Global Modern Services wants to display on payroll results:

- Deductions for time off due to paid vacation.
- Earnings for paid vacation.

You've already created a deduction, *Annual Leave - Time Off*, to deduct time off for vacation.

## Prerequisites

Create a deduction named *Annual Leave -Time Off*, based on a daily rate of 100 EUR and *Annual Vacation* time offs.

Security: Set Up: Payroll (*Calculations - Payroll Specific*) domain in the Core Payroll functional area.

## Steps

1. Access the Create Earning task and enter these settings:

Field	Settings
Name	Annual Leave - Compensation
Code	Annual Leave Comp
Effective Date	Enter today's date.

2. On the Effective Dated tab, in the Worker Eligibility section, select the same eligibility used for the deduction.
3. In the Calculation field, select *FRA Days \* Rate rounded to the Nearest 0.01*.
4. Add these rows in the Related Calculations section, and select the pay-component-related calculations from the *Annual Leave - Time Off* deduction as override calculations.

Related Calculation	Override Calculation
<i>FRA Days</i>	<i>Annual Leave - Time Off [FRA] - FRA Days</i>
<i>Rate</i>	<i>Annual Leave - Time Off [FRA] - Rate</i>

5. On the Non-Effective Dated tab, select *FRA Adds to Gross [FRA]* from the Groups prompt to add the earning to the gross pay.

## Result

George earns 100 EUR a day. When George takes 2 days of paid vacation in February, you can see these lines in his payroll results:

Description	Time Off Entries	Unit	Rate	Amount (EUR)
Annual Leave - Compensation		2	100	200
Annual Leave - Time Off	2	2	100	(200)

## Related Information

### Concepts

Concept: Time Off Earnings on page 307

## Example: Create Time Off Deductions Based on Worker Schedules (FRA)

This example illustrates how to:

- Set up time off deduction calculations based on worker schedules.
- Perform time off calculations, in hours, for time off entered in days.

### Context

Global Modern Services pays workers monthly salaries, and has its workers enter time off in days. You want to calculate deductions for time off based on a daily rate for the month. You want to calculate the daily rate based on:

- The monthly salary.
- The number of hours in a worker's schedule for a given month.

### Prerequisites

Set up for Global Modern Services:

- A *Family Leave* time off.
- Earnings for a worker's base salary.
- Worker schedule calendars with the work hours and schedule for all employees.

Security:*Set Up: Payroll (Calculations- Payroll Specific)* and *Set Up: Payroll (Calculations - Generic)* domains in the Core Payroll functional area.

### Steps

1. Access the Edit Earning task, and for each base salary earning:
  - a) Select None of the above in the Calculation Proration section on the Effective Dated tab.
  - b) Select *FRA Base Salary Elements (for absence valuation)* from the Groups prompt on the Non-Effective Dated tab.
2. Access the Create Deduction task and enter these settings:

Field	Setting
Name	Family Leave Time Off
Code	Family Leave TO
Effective Date	Select today's date.

3. In the Criteria section of the Effective Dated tab, create an eligibility rule to prevent the deduction from resolving when the employee has no *Family Leave* time off.
  - a) Add a row in the Worker Eligibility grid. From the Worker Eligibility prompt, select Create > Create Value Comparison Calculation.
  - b) Name the value comparison Family Leave > 0.
  - c) Select *Payroll* as the Category.
  - d) Enter these settings:

Field	Setting
1st Operand	<i>Family Leave - Time Off Total</i>
Operator	<i>greater than</i>

Field	Setting
2nd Operand	Select By Category > Common, and then select 0.

4. Define the deduction calculation in the Calculation Details section of the Effective Dated tab.

- a) Select *FRA Days \* Rate rounded to the Nearest 0.01* from the Calculation prompt.
- b) To retrieve the daily salary rate for the deduction, add a row in the Related Calculations grid, and complete the fields with these settings:

Field	Setting
Related Calculation	<i>Rate</i>
Override Calculation	<i>FRA Base Salary Elements Daily Rate for Full Period Non Rounded.</i>

- c) To retrieve the total time off in days, add a second row:

Field	Setting
Related Calculation	<i>FRA Days</i>
Override Calculation	<i>Family Leave - Time Off Total</i>

- d) To convert time off entered in days to hours, based on the worker's calendar schedule, add a third row.

Field	Setting
Related Calculation	<i>FRA Unpaid Hours</i>
Override Calculation	<i>Time Off Hours for Time Off in Days</i>

5. On the Non-Effective Dated tab, from the Groups prompt, select *FRA Subtracts from Gross [FRA]* to subtract the deduction from the gross pay.

## Result

Gloria is an employee who:

- Has a monthly salary of 4000 EUR.
- Works 7.5 hours per day and 5 days per week, based on her calendar schedule.

When Gloria takes 3 days of family leave in January, Workday calculates a daily rate of 181.81 EUR based on:

- 22 workable days in the January.
- 7.5 standard hours per day.
- 165 workable hours in January, based on the worker's calendar schedule definition.
- A monthly salary of 4000 EUR.

On Gloria's pay results, Workday subtracts this deduction from her gross pay:

Description	Time Off Entries	Rate	Amount (EUR)
<i>Family Leave Time Off</i>	3	181.81	(545.45)

## Next Steps

To pay Gloria compensation for her family leave time off, create a *Family Leave Compensation* earning based on these related calculations:

- *Family Leave Time Off - Rate*
- *Family Leave Time Off - FRA Days*

#### Related Information

##### Tasks

[Create Related Calculations](#) on page 247

[Map Earnings to Compensation Elements](#) on page 260

## Example: Create Deductions for New Hires and Terminated Employees (FRA)

This example illustrates how to create a deduction to reduce a worker's earnings based on:

- The worker's calendar schedule.
- The time not worked in a full period, due to termination or hire.

#### Context

Global Modern Services:

- Pays workers monthly salaries.
- Uses worker schedules to manage the number of days and hours a worker normally works in a month.

For workers hired or terminated in the middle of a payroll period, you want to reduce the worker's monthly salary for the time not worked. To calculate the reduction amount, you want to:

- Use the worker's calendar schedule to prorate the monthly salary based on the unworked hours.
- Convert the prorated amount to a daily rate based on unworked calendar days.

#### Prerequisites

- Set up a *Base salary* earning for monthly salaries.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Steps

1. Access the Edit Earning task, for the *Base salary* earning and select None of the above in the Calculation Proration section.
2. Access the Create Deduction task and enter these settings:

Field	Setting
Name	Reduction for Days Not Worked
Code	Days Not Worked
Effective Date	Select today's date.

3. On the Effective Dated tab, add a row in the Worker Eligibility grid.

Select *Worker has Non Worked Hours (based on Work Schedule)* from the Worker Eligibility prompt. This calculation ensures that the deduction resolves only for workers who entered or left the company in the middle of a pay period.

4. From the Calculation prompt, select *FRA Days \* Rate Rounded to the Nearest 0.01*.
5. In the Calculation Proration section, select None of the above.

6. Add these rows in the Related Calculations section:

Related Calculation	Override Calculation
<i>Rate</i>	<i>FRA Base Salary Elements Daily Rate for Full Period Non Rounded</i>
<i>FRA Days</i>	<i>Non Worked Days in Full Period [FRA]</i>
<i>FRA Unpaid Hours</i>	<i>Non Worked Hours in Full Period [FRA]</i>

7. On the Non-Effective Dated tab, from the Groups prompt, select *FRA Subtracts from Gross [FRA]* to subtract the deduction from the gross pay.

## Result

Global Modern Services terminated Eric on January 16th, 2018. Before his termination he:

- Had a monthly salary of 4000 EUR.
- Worked Monday to Friday, 7.5 hours per day, based on his calendar schedule.

Workday calculates a daily rate of 127.536 EUR for the remaining days in the full period that weren't included in the worked subperiod, based on:

- Eric's work calendar schedule: 82.5 unworked hours out of 172.5 work hours for January.
- 15 unworked calendar days.

Workday displays these earning and deduction lines on Eric's payroll results:

Description	Rate	Unit	Amount (EUR)
Base salary			4000
Reduction for Days Not Worked	127.536	15	(1913.04)

## Related Information

### Concepts

[Concept: Time Off Earnings](#) on page 307

### Examples

[Example: Calculate Hours Not Worked](#) on page 393

[Example: Reduce Salary for Time Off and Holidays](#) on page 395

## Example: Create Earnings for Varying Sickness Entitlements (FRA)

This example illustrates how to create earnings for time offs with varying rates.

### Context

Global Modern Services provides sick leave entitlements with different rates over the course of a worker's sick leave. Workers receive:

- 100% of their salary for the first 10 days.
- 50% of their salary for the next 10 days.
- Unpaid time off for any additional days after 20 days.

You want to set up earnings to ensure that workers receive the correct payment for each portion of their time off.

## Prerequisites

- Create 3 time off plans:
  - Plan Sickness 100% with time off balance limits between zero and 10.
  - Plan Sickness 50% with time off balance limits between zero and 10.
  - Plan Sickness 0% with no time off balance limit.
- Create accruals for each time off plan.
- Create 3 time offs based on 3 new time off types:
  - TO Sickness 100
  - TO Sickness 50
  - TO Sickness 0
- Create an absence table that contains tiers for each of the time off plans and time offs.
- Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.

## Steps

1. Create an arithmetic calculation to calculate a percentage of a worker's daily rate.

See Example: Calculate a Percentage of a Worker's Daily Rate (FRA) on page 1655.

2. Access the Create Earning task.

- a) Enter these settings:

Option	Description
Name	Sickness - 100 Payment
Code	Sickness 100
Effective Date	Enter today's date.

- b) In the Calculation field, select *FRA Days \* Rate rounded to the Nearest 0.01*.

- c) Add these rows in the Related Calculations section:

Related Calculation	Override Calculation
<i>FRA Days</i>	<i>TO Sickness 100 - Time Off Paid</i>
<i>Rate</i>	<i>Base Salary Divided by 30 Multiplied by Percent</i>
<i>Percent</i>	<i>100</i>

- d) On the Non-Effective Dated tab, select *FRA Adds to Gross [FRA]* from the Groups prompt to add the earning to gross pay.

3. Access the Create Earning task.

- a) Enter these settings:

Option	Description
Name	Sickness - 50 Payment
Code	Sickness 50

Option	Description
Effective Date	Enter today's date.

- b) In the Calculation field, select *FRA Days \* Rate rounded to the Nearest 0.01*.
- c) Add these rows in the Related Calculations section:

Related Calculation	Override Calculation
<i>FRA Days</i>	<i>TO Sickness 50 - Time Off Paid</i>
<i>Rate</i>	<i>Base Salary Divided by 30 Multiplied by Percent</i>
<i>Percent</i>	<i>50</i>

- d) On the Non-Effective Dated tab, select *FRA Adds to Gross [FRA]* from the Groups prompt to add the earning to gross pay.

## Result

Workday uses the absence table to determine which rate to pay the worker based on the number of absence days. Workday displays the absence dates for each earning on the worker's payslip.

## Next Steps

Add any other appropriate pay component groups to the new time off earnings to configure impacted payroll calculations and DSN reporting. Examples: General Contribution Reductions, social security ceiling, DSN working time declaration.

Create a deduction for the time off based on an aggregate calculation of:

- *TO Sickness 100 - Time Off Total*
- *TO Sickness 50 - Time Off Total*
- *TO Sickness 0 - Time Off Total*

### Related Information

#### Concepts

[Concept: Social Security Ceiling Proration \(FRA\)](#) on page 1701

#### Tasks

[Declare Working Time and Absences in a DSN \(FRA\)](#) on page 1753

[Identify Amounts to Declare for DSN Reporting \(FRA\)](#) on page 1751

#### Examples

[Example: Create a Deduction for Multiple Time Offs \(FRA\)](#) on page 1647

[Example: Set Up General Contribution Reductions \(FRA\)](#) on page 1703

## Example: Calculate a Percentage of a Worker's Daily Rate (FRA)

This example illustrates how to calculate a percentage of a worker's daily rate for absence calculations.

### Context

You want to calculate a percentage of a worker's daily rate when calculated with the 30-day rule (en jours trentièmes).

### Prerequisites

- Add all earnings that contribute to base pay to the *FRA Base Salary Elements (for absence valuation) [FRA]* pay component group.
- Security: *Set Up: Payroll (Calculations - Generic)* domain in the Core Payroll functional area.

## Steps

1. Access the Create Arithmetic Calculation task.

- a) Enter these values:

Option	Description
Name	Base Salary Divided by 30
Category	Payroll

- b) Add this row to the Calculation grid:

1st Operand	Operator	2nd Operand
FRA Base Salary Elements (for absence valuation) [FRA]	Divide	30

2. Access the Create Arithmetic Calculation task.

- a) Enter these values:

Option	Description
Name	Base Salary Divided by 30 Multiplied by Percent
Category	Payroll

- b) Add this row to the Calculation grid:

1st Operand	Operator	2nd Operand
Base Salary Divided by 30	Multiply	Percent

## Next Steps

Add the *Percent* related calculation to a pay component definition, and provide an override calculation that defines the percent.

## Worker Tax Elections (FRA)

### Add Worker Tax Elections (FRA)

#### Prerequisites

- Define a SIREN company tax id on the Edit Company Tax Details task.
- Security: *Worker Data: Payroll (Company Specific)* - FRA domain in the FRA Payroll functional area.

#### Context

Enter worker details needed for tax and contribution calculations, such as:

- AGIRC-ARRCO category.
- Individual standard deduction rates.
- ISD industries.
- Mobility individual tax rates.
- Retirement contributions for part-time workers.
- International assignments.
- Salary tax exemptions and sectors.

- Tax residency.
- URSSAF type of personnel.

Workday uses tax elections to determine which contributions apply to a worker. To ensure accurate DSN reporting, also verify on the View HCM Mapping for Payroll France report that you correctly mapped the worker's:

- Contract type.
- Reason for a fixed term contract.
- Employee type.

Except for apprentices, Workday uses the postal code of the job location to determine if contributions specific to the Alsace-Moselle region apply. Workday also uses the worker's home address postal code to determine the type of neutral rate to calculate the withholding income tax.

You can use these web services to create an inbound EIB to perform mass updates on worker tax elections:

- *Put Payee Salary Tax*
- *Put Payee ARRCO-AGIRC*
- *Put Payee International Assignment*
- *Put Payee Part Time Pension Option*
- *Put Payee URSSAF*

See [Steps: Set Up EIBs Using Templates from Web Service Operations](#).

## Steps

1. Access the Add Worker FRA Tax Elections task and select the worker.

The Company prompt displays the employee's company on the Effective Date. When the employee has a future hire date or has changed companies, select the company for which the tax election applies.

2. Add a row in the URSSAF section. As you complete the section, consider:

Option	Description
Type of Personnel	When you don't define a tax election for an employee, Workday considers the employee to be in <i>100 - General Plan</i> .
Individual Standard Deduction/Rate	Only available for workers with a Type of Personnel set to <i>100 - General Plan</i> . If applicable, enter the percentage for the worker's individual standard deduction (déduction forfaitaire spécifique).
Individual Standard Deduction/Industry	Only available for workers with a Type of Personnel set to <i>100 - General Plan</i> . Select 1 of these industries if your company is eligible: <ul style="list-style-type: none"> <li>• Construction</li> <li>• Cleaning</li> <li>• Civil Aviation</li> <li>• Road Haulage</li> <li>• Journalism</li> <li>• Casino and Gaming Circle</li> </ul>

Option	Description
	Workday maintains these industry rates in a dedicated lookup table.
Individual Tax	Select to define individual mobility payment contribution rates and INSEE codes for an employee that vary from the establishment rates and INSEE codes.
Degree Level in Progress	For apprentices and professionalization contracts only. Select the type of degree that the worker is pursuing. Workday reports the selected degree level in progress in DSN rubric S21.G00.30.025.

3. Add a row in the ARRCO-AGIRC section, and select the classification of the employee from the Category prompt.

When you don't define a tax election for an employee, Workday considers the employee to be a *Non Manager*.

4. For part-time workers, add a row to the Retirement Contributions Option for Part Time Workers grid. As you complete the section, consider:

Option	Description
Contribution Option	<p>For full-time pension agreements, Workday applies additional contributions based on the difference between fictitious gross wages and the current gross pay.</p> <p>Workday uses the legal AGIRC-ARRCO and URSSAF rates for regular and additional contributions, unless you define company-specific AGIRC-ARRCO rates in the Edit Company FRA Tax Configuration task.</p> <p>You can view the calculated fictitious gross wages in these memo deductions:</p> <ul style="list-style-type: none"> <li>• <i>Memo - Reference Values for AGIRC-ARRCO [FRA]</i></li> <li>• <i>Memo - Reference Values for URSSAF</i></li> </ul>

5. For expatriates, cross-border workers, or workers on an international assignment, add a row to the International Assignment Status and Tax Residency grid. As you complete the section, consider:

Option	Description
International Assignment Status	<p>When you don't define an international assignment status, Workday considers the worker's status to be 99 - <i>Not Applicable</i>. Workday reports the international assignment status in block S21.G00.40.024 of a DSN.</p> <p>For workers with an international assignment status of 02 - <i>Expatriate</i>, Workday:</p> <ul style="list-style-type: none"> <li>• Blocks standard URSSAF and Pôle Emploi contributions.</li> <li>• Applies specific Pôle Emploi contributions.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>Reports the worker's social security coverage in DSN reporting in rubrics <i>S21.G00.40.18</i>, <i>S21.G00.40.20</i>, and <i>S21.G00.40.39</i>.</li> </ul>
Non-Resident	<p>Select the Non-Resident check box for workers that have a nonresident tax status.</p> <p>For workers with a nonresident status and who are a posted worker, expatriate or cross border worker, Workday:</p> <ul style="list-style-type: none"> <li>Applies some contribution exemptions and additional URSSAF contributions.</li> <li>Reports the worker's international tax status in block <i>S21.G00.30.022</i> of a DSN.</li> </ul> <p>For nonresident workers who aren't an expatriate, posted worker, or cross-border worker, Workday:</p> <ul style="list-style-type: none"> <li>Calculates income tax withholding of zero.</li> <li>Calculates employee nonresident contributions for URS illness, maternity, invalidity, and death.</li> <li>Excludes the worker from CSG/CRDS and social lump sum calculations.</li> <li>Doesn't report an international tax status in DSN rubric <i>S21.G00.30.022</i>.</li> </ul>

6. As you complete the Salary Tax grid, consider:

Option	Description
Exempted	Select to exempt a worker from salary tax calculations.
Activity	For companies with multiple tax sectors. Select the activity that applies to the worker, when it's different from the default activity defined on the Edit Company FRA Tax Configuration task.

7. As you review the Withholding Tax Rate grid, consider:

Option	Description
Rate	<p>View the worker's rate from the Direction Générale des Finances Publiques (DGFIP).</p> <p>When the rate is zero, Workday displays zero for income tax withholding on the payroll results and payslip.</p>
Neutral Rate	<p>When selected Workday calculates income tax withholding for a worker without a rate from DGFIP. Workday calculates a neutral rate based on:</p> <ul style="list-style-type: none"> <li>The worker's monthly taxable net.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>The applicable neutral rate scale based on the postal code of the worker's primary home address.</li> </ul>
Identifier	Required for DSN reporting when you use a rate from the DGFIP to calculate income tax withholding.
Validity End Date	Workday uses the rate for all payments with a payment date before the Validity End Date.

When you launch the *DSN Polling (Machine to Machine)* integration, it uploads any rates for income tax withholding available from the DGFIP. You can alternatively use the *Import Withholding Tax Rates* web service to mass upload worker withholding tax rates.

Workday recommends that you avoid modifying worker income tax rates directly in a worker's tax elections, to ensure you use the same income tax rates as the DGFIP.

## Next Steps

- To correct a worker's tax elections, access the Worker FRA Tax Elections report. Select Worker Tax Election > Edit from the related actions menu of the tax election.
- When a worker changes companies, enter the worker's tax elections for the new company.

### Related Information

#### Concepts

[Concept: Fictitious Gross Wages for Part-Time Workers \(FRA\)](#) on page 1700

#### Tasks

[Set Up Company Tax ID \(FRA\)](#) on page 1670

[Map Staffing Information to Payroll Calculations \(FRA\)](#) on page 1627

[Set Up Individual Standard Deductions \(FRA\)](#) on page 1677

[Steps: Set Up Income Tax Withholding \(FRA\)](#) on page 1692

[Define Work Accident and Mobility Payment Contribution Rates \(FRA\)](#) on page 1675

[Set Up DSN Polling \(Machine to Machine\) Integration](#)

## Withholding Orders (FRA)

### Steps: Set Up and Process Withholding Orders (FRA)

#### Prerequisites

Add gross and net salary elements to pay component groups contributing to the *FRA Taxable Net [FRA]* pay accumulation.

#### Context

Workday provides rules for processing these types of income withholding orders:

- Administrative Seizure
- Alimony Pension
- Debt

Based on regulations for France, Workday:

- Determines the amount to withhold from the employee's disposable earnings.

- Applies withholding limits and sets priorities for what to withhold.
- Determines what to withhold for a worker with multiple orders when the total withholding amount exceeds the limit.

You can use the *Put Payroll France Withholding Order* web service to mass load income withholding orders.

## Steps

1. Access the Edit Deduction or Edit Earning task for a pay component that contributes to disposable earnings for withholding orders.

Workday uses the *FRA Taxable Net [FRA]* pay accumulation to determine disposable earnings for withholding orders. Only select earnings or deductions that need to be added or removed from the value of the *FRA Taxable Net [FRA]* pay accumulation.

On the Non-Effective Dated tab, select the appropriate pay component group from the Groups prompt:

- *FRA Adds to Disposable Earnings [FRA]*
- *FRA Subtracts from Disposable Earnings [FRA]*

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. [Create Deduction Recipient](#) on page 239.
3. [Record a Withholding Order \(FRA\)](#) on page 1661.
4. Calculate payroll and review the withheld deduction amounts.

See [Steps: Process Payroll](#) on page 644.

Workday Payroll for France doesn't support pay inputs for withholding orders.

## Next Steps

You can delete withholding orders that don't have completed results. Select *Withholding Order > Delete* from the related actions menu of a withholding order.

You can create and settle payments for income withholding orders. For more information, see: [Create a Payment for an Income Withholding Order or Court Order](#).

[Related Information](#)

### Concepts

[Concept: Payroll Third-Party Payments](#) on page 772

### Tasks

[Define Bank Accounts](#)

[Create a Payment for an Income Withholding Order or Court Order](#) on page 780

### Reference

[Reference: Edit Tenant Setup - Financials](#)

## Record a Withholding Order (FRA)

### Prerequisites

- Create a deduction recipient.
- Security: *Worker Data: Payroll (Withholding Orders) - FRA* domain in the FRA Payroll functional area.

### Context

You can record withholding order details such as:

- Order type.
- Total balance amount or monthly due amount.

- Number of dependents.

Workday calculates the amount to withhold for a pay period, taking into account:

- Workers' disposable earnings.
- Legal brackets and minimum welfare allowance (RSA).
- Order balance.
- Number of dependents.

## Steps

1. Access the Record FRA Withholding Order for Worker task.
2. As you complete the task, consider:

Option	Description
Order Date	Workday uses this date to determine the order in which Workday processes orders with the same priority.
Begin Date	Workday makes the initial withholding deduction in the pay period that includes the Begin Date. The Begin Date must be on or after the Order Date.  Workday doesn't prorate withholding amounts based on the order begin date or end date.
End Date	Workday deducts the final withholding amount in the pay period before the one with the End Date.  Workday stops processing a withholding order as soon as the balance is zero, regardless of the End Date.

## Result

For employees with multiple orders, Workday assigns a processing priority to each order based on legal regulations.

You can view a worker's withholding orders (active and historical) using the Withholding Orders for Worker report.

You can use the View Available Withholding Orders for a Group of Workers report to view:

- All active withholding orders for a group of workers.
- All inactive orders that are completed during the current pay period in progress.

## Next Steps

After completing payroll:

- View updated order balances in the Order Updates section of debt, and administrative seizure orders.
- Access the Withholding Order Payments report to view all withholding orders calculated during the pay period for a company. Use the withheld amount and the deduction recipient's banking information on the report to prepare external payments.

## Related Information

### Concepts

Concept: Payroll Third-Party Payments on page 772

**Tasks**

[Create ID Definitions and Sequence Generators](#)  
[Override Withholding Order Priority](#) on page 258

**Reference**

Reference: [Edit Tenant Setup - Payroll](#)

## Change the Balance or Limits of Withholding Orders (FRA)

**Prerequisites**

- A withholding order exists for the worker.
- Security: *Worker Data: Payroll (Withholding Orders)* - FRA domain in the FRA Payroll functional area.

**Context**

You can update an existing withholding order to reflect changes such as:

- Additional order repayments that reduce the current balance.
- Court orders that lower the legal withholding limits.
- Court orders that modify the monthly due amount for alimony pensions.
- New debt that increases the balance of an aggregated order.

**Steps**

1. Access the Withholding Orders for Worker report.
2. Select Withholding Order > Edit from the related actions menu of the withholding order.
3. To change the outstanding balance or alimony pension amount, add a row in either the:
  - Balances section on the Order Updates tab.
  - Alimony Pension Amounts section on the Alimony Pension Amounts tab.

Option	Description
Effective Date	For effective dates in the middle of a payroll period, Workday applies the new balance or alimony amount at the end date of the current payroll period. Example: The end date of the last completed pay calculation is February 28. When you create a new balance amount with an effective date of February 20, Workday applies the new balance in March pay calculations.

4. To override the standard legal limits for debts, and administrative seizures, add a row in the Limits section on the Order Updates tab:

Option	Description
Limit	Workday applies this limit to the aggregated withholding amount in a monthly payment period.  Workday uses the amount calculated by the legal bracket when it is below this amount.

**Example**

Anne has a debt withholding order. A court order has set a lower limit of 700 EUR per month.

Enter a withholding order limit of 700 EUR with an effective date of January 1.

Based on her salary, the legal maximum withholding amount for Anne is 900 EUR, but in January, Workday withholds 700 EUR based on the lowered limit.

In February, Anne changes establishments, which creates 2 subperiods in the payroll period.

For the February payroll, Workday:

- Calculates a legal maximum withholding amount for each subperiod, prorated according to the number of days in the subperiod.
- Applies the limit based on the sum of all payments in the month.

Subperiod	Legal Maximum Withholding Amount	Withholding Order Amount	Comment
February 1 - 15	500 EUR	500 EUR	Workday applies the prorated legal maximum withholding amount, because it's less than the limit you set.
February 15 - 28	400 EUR	200 EUR	Workday limits the withholding order amount in the second subperiod to enforce the limit of 700 EUR per month.

### Next Steps

To stop a temporary limit, select the Inactive check box on the limit in the Limits section of the Order Updates tab.

To end a withholding order, add a row with an Amount of 0 to either the:

- Balances section of the Order Updates tab.
- Alimony Pensions Amounts section of the Alimony Pension Amounts tab.

### Concept: Withholding Order Priorities (FRA)

Workday automatically applies these processing priorities, which you can override, to withholding orders:

- 100 - Alimony pension.
- 300 - Administrative seizure.
- 400 - Debt.

### Withholding Orders with the Same Priority and Different Order Dates

During payroll processing, Workday uses the order priority to determine which orders to process first. When 2 withholding orders have the same processing priority, Workday uses the order date to determine processing priorities.

Anne has 3 withholding orders that all have a begin date of February 15, 2020:

Withholding Order	Amount or Balance (EUR)	Order Date
Alimony pension	100 per month	February 1, 2020
Administrative seizure 1	1000	January 1, 2020

Withholding Order	Amount or Balance (EUR)	Order Date
Administrative seizure 2	500	February 1, 2020

You haven't modified the default withholding order priorities.

In February, Anne has 1000 EUR disposable earnings for withholding orders. Workday calculates these withholding order payments:

Withholding Order	Withholding Order Amount (EUR)
Alimony pension	100
Administrative seizure 1	900
Administrative seizure 2	0

### Withholding Orders with the Same Priority and Order Dates

When 2 orders of the same type have the same order date, Workday distributes the disposable earnings based on the remaining order balances.

When 1 order has a limit below its allocated disposable amount, Workday distributes the exceeding disposable amount among the other orders, based on the order balances.

Mark has 4 withholding orders that all have a begin date of February 15, 2020. They also all have the same order date:

Withholding Order	Amount or Balance (EUR)	Order Date
Alimony pension	100 per month	February 1, 2020
Administrative seizure 1	1000	February 1, 2020
Administrative seizure 2	500	February 1, 2020
Administrative seizure 3	500	February 1, 2020

You haven't modified the default withholding order priorities.

In February, Mark has 1100 EUR disposable earnings for withholding orders. Workday calculates these withholding order payments:

Withholding Order	Withholding Order Amount (EUR)
Alimony pension	100
Administrative seizure 1	500
Administrative seizure 2	250
Administrative seizure 3	250

If you add a limit of 400 EUR to Administrative seizure 1, Workday distributes the remaining 100 EUR among Administrative seizure 2 and Administrative seizure 3:

Withholding Order	Withholding Order Amount (EUR)
Alimony pension	100
Administrative seizure 1	400
Administrative seizure 2	300

Withholding Order	Withholding Order Amount (EUR)
Administrative seizure 3	300

## FAQ: Withholding Orders (FRA)

What happens if an employee doesn't have enough wages to cover a withholding payment?

Workday follows statutory rules to determine what to withhold for each order. You can override the priority defaults for most order types.

Can I purge withholding order data?

You can purge all withholding order attachments for any type of worker with the Purge Person Data task.

How can I view the minimum welfare (RSA) values and legal brackets that Workday uses to calculate the withholding order amount? (FRA)

Access the All Lookup and Advanced Lookup Tables report, and filter on Country.

- *FRA IWO Calc: RSA and Dependent Amounts* contains the minimum welfare amounts.
- *FRA IWO Calc: Limit by Slices* contains the legal brackets.

## Pay Commuting Allowances (FRA)

### Set Up Mileage-Based Commuting Allowances (FRA)

#### Prerequisites

- Set up your run category to process pay component groups containing Workday statutory calculations. See [Steps: Set Up Pay Run Categories](#) on page 101.
- Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

#### Context

You can use Workday-delivered earnings to calculate mileage allowances based on limits defined by French authorities. Workday calculates monthly mileage allowances based on estimated mileage. Workday creates an adjustment based on actual mileage at year-end or at the worker's termination.

When a worker changes vehicle during the year, you have to create a new pay input for Workday to calculate a year-end adjustment.

#### Steps

1. Access the Add Payroll Input by Worker task.
2. As you complete the Worker Defaults section, consider:

Option	Description
Start Date	Enter the date when workers become eligible for reimbursement.
End Date	When a worker changes vehicle during the year, enter a date for the ongoing mileage allowance pay input. You can then create a new pay input for the new vehicle.
Pay Component	Select <i>Mileage Allowance [FRA]</i> .

3. In the Processing Defaults section, select:

- Ongoing
- Override
- Regular Run Category

Then click OK.

4. On the Input grid, add rows and enter values for these Input Details types:

Type	Value
<i>Mileage Allowance Monthly Limit</i>	Enter the mileage allowance calculation cap for workers who drive business vehicles for personal use.
<i>Mileage Allowance Tax Rating</i>	Enter the chevaux fiscaux (CV) for the vehicle.
<i>Mileage Allowance Type of Vehicle</i>	Enter: <ul style="list-style-type: none"> <li>• 1 for a car.</li> <li>• 2 for a two-wheeler.</li> <li>• 3 for a motorcycle.</li> </ul>
<i>Mileage Allowance Vehicle Usage</i>	Enter 2 when the worker drives the business vehicle for personal use. When you don't enter a value, Workday classes the vehicle as for professional use.
<i>Yearly Actual Mileage</i>	Enter the actual mileage traveled in kilometers at year-end or the worker's termination.
<i>Yearly Estimated Mileage</i>	Enter a value in kilometers.

5. (Optional) Create a separate pay input for workers who change vehicle during the year.

## Next Steps

Run a payroll calculation to calculate the mileage allowance for each worker.

Related Information

### Examples

Example: Set Up Pay Run Category for Active and Terminated Workers (FRA) on page 140

## Set Up Public Transportation Commuting Allowances (FRA)

### Prerequisites

Set up your run category to process pay component groups containing Workday statutory calculations.

### Context

You can use Workday-delivered earnings to reimburse workers for 50% of their transportation costs, based on current public transportation subscription rates.

Workday provides earnings that you can use to reimburse workers for these public transportation cards:

- Public transportation cards in the Paris region.
- Transportation cards outside the Paris region.
- Student and schooling cards.

Note: When determining the reimbursement percentage for transportation card refunds, Workday always uses the calculated full-time equivalent (FTE).

## Steps

1. Access the Edit Deduction task for deductions with related calculations for absences.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

In the Related Calculations grid, select *FRA Absence Days Impacting Public Transportation Refund [FRA]* from the Groups prompt for any related calculations that represent absence days.

When determining worker eligibility for a transportation card refund, Workday considers the worker's schedule minus any:

- Holidays from the worker's holiday calendar.
- Absences included in the *FRA Absence Days Impacting Public Transportation Refund [FRA]* pay component group.

When a worker is absent for an entire month, Workday excludes the worker from refunds for:

- Public transportation card refunds for the Paris area.
- Other public transportation card refunds.

2. Access the Add Payroll Input by Worker task.

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

3. In the Worker Defaults section, consider:

Option	Description
Start Date	Enter the first date at which the workers are eligible for reimbursement.
Pay Component	Select one of these earnings: <ul style="list-style-type: none"> <li>• <i>Public Transportation Card Refund for Paris Area [FRA]</i> for transportation cards in the Paris region or for schooling and student cards.</li> <li>• <i>Other Public Transportation Card Refund</i>.</li> </ul>

4. In the Processing Defaults section, select:

- Ongoing
- Override
- Regular Run Category

5. In the Input grid, add a row and enter values for these Input Details types:

Type	Description
<i>Public Transportation Card Frequency</i>	Define the frequency of the purchase. For Paris area or other regions, enter: <ul style="list-style-type: none"> <li>• 1 for yearly.</li> <li>• 2 for monthly.</li> <li>• 3 for weekly.</li> <li>• 4 for annual student and schooling cards.</li> </ul>
<i>Paris Public Transportation Card Zone Details</i>	For public transportation cards in the Paris region only. Enter: <ul style="list-style-type: none"> <li>• 1 for zones 2-3.</li> <li>• 2 for zones 3-4.</li> <li>• 3 for zones 4-5.</li> <li>• 4 for all zones.</li> </ul>

Type	Description
	Workday automatically calculates the cost of all-zone student and schooling cards.
<i>Public Transportation Card Subscription Fees</i>	Only applies to public transportation cards for outside the Paris region.  Enter total fees. Example: Enter monthly fees for a monthly subscription, weekly fees for a weekly subscription.
<i>Other/Paris Public Transportation Card Number of Weekly Tickets</i>	Used to calculate the cost for an entire pay period for cardholders who purchase weekly tickets. If you don't enter a value, Workday calculates the cost for 1 ticket. Enter the number of weekly tickets purchased in the pay period.

## Next Steps

Run a pay calculation to calculate reimbursement amounts for workers.

### Related Information

#### Examples

[Example: Set Up Pay Run Category for Active and Terminated Workers \(FRA\)](#) on page 140

## Contributions and Tax Setup (FRA)

### Steps: Set Up Payroll Statutory Contributions (FRA)

#### Context

Workday provides deductions and regulatory contribution rate data that enable you to calculate social contributions according to French regulations. You must enter the company and worker-specific contribution data, and create company-specific statutory deductions, such as health insurance or contingency contributions.

#### Steps

1. [Set Up Company Tax ID \(FRA\)](#) on page 1670.  
If you enter a SIREN number, it automatically populates on the Maintain Establishment task.
2. [Set Up Company Tax Configuration \(FRA\)](#) on page 1671.
3. Access the Maintain Establishment task.  
Define the SIRET for each establishment. Workday automatically updates the SIRET field based on your updates to the NIC field or the SIREN field on the Edit Company Tax Details task.  
Security: *Set Up Establishment* domain in the Regulatory Reporting (HCM) functional area.
4. [Define Work Accident and Mobility Payment Contribution Rates \(FRA\)](#) on page 1675.
5. [Map Staffing Information to Payroll Calculations \(FRA\)](#) on page 1627.  
Map your organization's contract and employee types to statutory calculation classifications.

6. To base contribution calculations on the appropriate gross and net amounts, assign pay components for salary elements to pay component groups used in statutory calculations.
  - a) Access the Edit Earning or Edit Deduction task for one of your company's earnings or deductions.  
Security: *Set Up: Payroll (Calculations - Payroll Specific)* in the Core Payroll functional area.
  - b) From the Groups prompt on the Non-Effective Dated tab, select one of these pay component groups:
    - *FRA Adds to Gross [FRA]*
    - *FRA Subtracts from Gross [FRA]*
    - *FRA Adds to Net [FRA]*
    - *FRA Subtracts from Net [FRA]*
7. Create company-specific statutory contributions, such as health insurance or contingency contributions.  
See [Concept: Company-Specific Contributions \(FRA\)](#) on page 1678.
8. Configure your run category to process the pay component groups containing statutory calculations.  
See [Example: Set Up Pay Run Category for Active and Terminated Workers \(FRA\)](#) on page 140.
9. [Add Worker Tax Elections \(FRA\)](#) on page 1656.

## Set Up Company Tax ID (FRA)

### Prerequisites

Security:

- *Set Up: Payroll - Company Specific (Accounting)* domain in the Core Payroll functional area.
- *Set Up: Company General* domain in the Common Financial Management functional area.

### Context

Record tax ID numbers for a company.

### Steps

1. Access the Edit Company Tax Details task.
2. (Optional) On the VAT on Payment tab, for financial transactions, select VAT on Payment to record Value Added Tax (VAT) on payments instead of invoices.  
For financial transactions, if you use VAT on Payment, select the Default Tax Applicability and Default Tax Code.
3. On the Tax IDs tab, in the Tax IDs grid, add information for each country for which the company processes payments.

Field	Description
Country for Tax ID Type	The prompt displays only the countries with Workday-delivered tax ID types.
Tax ID Type	For France, select <i>SIREN</i> .
Identification #	Enter the ID number for the selected tax ID type.
Transaction Tax ID	Select this check box to include this identification number on financial transactions, like customer invoices and purchase orders.

Field	Description
	<p>If you don't select Transaction Tax ID for any of the identification numbers you configure, financial transactions report the Primary Tax ID.</p> <p>Example: You configure 2 Tax IDs for your company. You select Transaction Tax ID for 1 of them. Workday includes that tax ID as the Transaction Tax ID on any invoices and purchase orders you generate for that company.</p>
Primary Tax ID	<p>Select to indicate this identification number as the Primary Tax ID for your business entity. If you didn't select Transaction Tax ID for any of the identification numbers you configured, Workday finds and uses the Primary Tax ID.</p> <p>If you configured neither a Transaction Tax ID nor a Primary Tax ID for the business entity, financial transactions don't use tax ID, except for customer invoices where you selected Transaction Tax ID Required. You're unable to complete the customer invoice without configuring a Transaction Tax ID.</p>

## Set Up Company Tax Configuration (FRA)

### Prerequisites

Define a SIREN company tax ID on the Edit Company Tax Details task. See [Set Up Company Tax ID \(FRA\)](#) on page 1670.

- Security: *Set Up: Payroll Company Specific (Taxes) - FRA* domain in the FRA Payroll functional area.

### Context

You can enter company-specific details for more accurate contribution and tax calculations:

- Company headcount. Workday uses this value to identify which social contributions apply to your company.
- Custom annual working time information.
- Custom contribution rate. Workday uses this value instead of the legal rate in retirement contribution calculations.
- Tax liabilities.

### Steps

1. Access the Edit Company FRA Tax Configuration task.
2. In the Company Headcount grid, enter the Headcount based on the company headcount for December 31 of the previous year.  
Workday uses different contribution deductions based on the company headcount. If you don't enter a headcount, Workday assumes that the company has 50 workers during payroll calculations.
3. (Optional) In the Company Collective Agreement grid, click Add to enter the collective agreement that is most frequently applied to the company.

4. (Optional) In the Organization Membership grid, click Add to select AGIRC-ARRCO or URSSAF from a list of regime types and enter the Deduction Recipient.
5. On the Benefits tab, click Add to select a benefit plan. Configure the Risk Holder, Options, and Populations for each Benefit Plan. See [Indicate Health Care Plans for DSN Reporting \(FRA\)](#) on page 1735.
6. (Optional) On the AGIRC-ARRCO Specific Rates tab, click Add to define custom retirement contribution rates for AGIRC-ARRCO retirement contribution calculations.

Select Define company specific rates.

As you complete the grid, consider:

Option	Description
Retirement Deduction	Workday uses default AGIRC-ARRCO rates for any retirement deductions not listed in the grid.
AGIRC-ARRCO Category	Select the worker category that is dynamically generated from the Retirement Deduction option.
Company Rates	<p>Enter the Worker and Employer rates as percentages.</p> <p>Workday applies the contribution rates that are effective on the subperiod end date of the payroll calculation, even in the case of multiple subperiods or retroactive calculations.</p>

Note: You can override retirement contribution rates for Band 1 or Band 2 for specific workers. See [Example: Override Retirement Rates for Specific Workers \(FRA\)](#) on page 1680.

7. (Optional) Define contribution and tax exemptions after a headcount increase on the Headcount Threshold Change Exemption tab.

Workday applies any exemptions specified in the Headcount Threshold Change Exemption tab, regardless of the company headcount. When the company headcount changes, update the applicable rates in the Headcount Threshold Change Exemption tab.

Workday recommends that you verify the Headcount Threshold Change Exemption settings when:

- The company headcount reaches a new legal threshold.
  - The exemption eligibility of your company changes. Example: When your company has benefited from the reduction level for the allowed amount of time.
8. Define company liability for taxes on the Taxes tab.

As you complete this tab, consider:

If you don't select Liability or define a rate, Workday doesn't calculate the associated taxes or contributions.

Grid	Description
Salary Tax	<p>Select the Annual Ceiling check box to start calculating the annual salary tax ceiling as of the worker's first regular payroll calculation of the year.</p> <p>When clear, Workday only calculates the annual ceiling in December or when a worker is:</p> <ul style="list-style-type: none"> <li>• On leave.</li> </ul>

Grid	Description
	<ul style="list-style-type: none"> <li>Terminated.</li> <li>Transferred</li> </ul> <p>In addition to defining a company's liability for salary tax, you can also set up salary tax reductions for companies with multiple activities. See <a href="#">Set Up Salary Tax Reductions for Multiple Activity Sectors (FRA)</a> on page 1674.</p>
Apprenticeship Tax Liability	<p>In the Option field, select whether the company is liable to apprenticeship tax. You can specify a different option for establishments when configuring the establishment tax configuration.</p> <p>Workday uses the Option field to determine whether to:</p> <ul style="list-style-type: none"> <li>Calculate deductions for apprenticeship tax.</li> <li>Report apprenticeship tax details in DSN reporting.</li> </ul> <p>For companies liable to apprenticeship tax, Workday reports the OPCO (Opérateur de compétences) Membership information in DSN rubric S21.G00.11.</p>
Supplementary Contribution for Apprenticeship	Workday uses the location of the primary job to determine whether the Applicable Rate or the Applicable Rate Alsace Moselle applies.

9. (Optional) Define custom yearly values for collective agreements on the Annual Working Time tab.

As you complete the Annual Working Time grid, consider:

Option	Description
Classification Factor Value	<p>Enter values to identify the workers to whom the working time details apply.</p> <p>If you don't enter any factor values, the company-specific values apply to all workers assigned to the collective agreement.</p>
Unit	Select days or hours for DSN reporting.

10.(Optional) Define details related to your company's Obligation d'emploi des travailleurs handicapés (OETH) agreement on the OETH Certified Agreement tab.

11.(Optional) Define the Pôle Emploi bonus/penalty rate on the Pôle Emploi tab.

#### Related Information

##### Tasks

Steps: [Set Up Payroll Statutory Contributions \(FRA\)](#) on page 1669

## Set Up Salary Tax Reductions for Multiple Activity Sectors (FRA)

### Context

When a company has activities in multiple sectors, you can define different salary tax reductions for each sector. You can also then configure which activities to apply to:

- A company.
- Each worker.

### Steps

1. Access the Maintain Company FRA Salary Tax Sectors task.

Define your company's activities and the associated Reduction Rate. Example: Casino.

When you change the reduction rate for an activity sector, Workday applies the new value as of January. When you retroactively change the rate, Workday calculates a progressive regularization in the current payroll calculation.

**Security:** *Set Up: Payroll Company Specific (Taxes) - FRA domain* in the FRA Payroll functional area.

2. Access the Edit Company FRA Tax Configuration task.

As you complete the Salary Tax grid on the Taxes tab, consider:

Option	Description
Liability	Select to indicate that the company is liable to salary tax. When you don't select this field, Workday considers the company to be exempt.
Annual Ceiling	Select to start calculating the annual salary tax ceiling as of the worker's first regular payroll calculation of the year. Workday recommends that you select this option for companies with multiple activity sectors.  When clear, Workday only calculates the annual ceiling in December or when a worker is: <ul style="list-style-type: none"> <li>• On leave.</li> <li>• Terminated.</li> <li>• Transferred.</li> </ul>
Multi Sectors	Select to indicate that the company is liable to salary tax in multiple activity sectors.
General Sector 1 Sector 2 Sector 3	For each tax declaration category, select the corresponding company activity.  Workday calculates salary tax and the corresponding reductions for activities listed here.
Workday Default Tax Election	Select the default activity that applies to workers who don't have a defined activity in their tax election.  Select <i>Exempted</i> if, by default, workers are exempt from salary tax.

**Security:** *Set Up: Payroll Company Specific (Taxes) - FRA domain* in the FRA Payroll functional area.

### 3. Access the Add Worker FRA Tax Elections task.

In the Salary Tax grid, select the Activity that applies to the worker. Applies when the worker has an activity that's different from the default activity defined at the company level. When a worker changes from a nondefault activity to the default activity, you must select the default activity as the worker's tax election.

Security: *Worker Data: Payroll (Company Specific) - FRA* domain in the FRA Payroll functional area.

### Result

During a payroll calculation, Workday calculates 1 or more of these deductions for eligible workers:

- *TAX Salary Tax Reduction - Activity Sector 1 - ER [FRA]*
- *TAX Salary Tax Reduction - Activity Sector 2 - ER [FRA]*
- *TAX Salary Tax Reduction - Activity Sector 3 - ER [FRA]*
- *TAX Salary Tax Reduction - Activity Sector General - ER [FRA]*

### Next Steps

After calculating payroll, you can access the Salary Tax Summary for Multi-Sector Companies report to help you prepare your salary tax declaration for multisector companies.

## Define Work Accident and Mobility Payment Contribution Rates (FRA)

### Prerequisites

- Define a SIREN company tax ID on the Edit Company Tax Details task.
- Security: *Set Up: Payroll - Company Specific (Taxes) - FRA* domain in the FRA Payroll functional area.

### Context

You can define mobility payment contribution and work accident rates, which enable Workday to calculate URSSAF mobility payment, additional mobility payment, or work accident contributions.

### Steps

1. Access the Edit Establishment FRA Tax Configuration task.
2. To correctly report mobility payment and additional mobility payment contributions in a DSN, enter the INSEE City Code of the establishment.
3. In the Work Accident Rates grid, consider:

Option	Description
Rate	Enter the work accident rate as a percentage, for the given risk code and establishment.  Workday uses this rate to calculate the <i>URS Work Accident - ER</i> deduction.
Risk Code	If an office code is also applicable, enter the office code directly after the risk code. Example: For goods road transport, enter 602MD. For goods road transport with an office code of B, enter 602MDB.

4. In the Mobility Payment Contribution Rates section, consider:

Option	Description
Rate	Enter the mobility payment contribution rate for the establishment, as a percentage.

Option	Description
	Workday uses this rate to calculate the <i>URS Mobility Payment Contribution - ER</i> deduction.
Additional Rate	Enter the additional mobility payment contribution rate for the establishment, as a percentage. Workday uses this rate to calculate the <i>URS Additional Mobility Payment Contribution - ER</i> deduction.
Regional Rate	Enter the regional mobility contribution rate for the establishment, as a percentage. Workday uses this rate to calculate the <i>URS Regional Mobility Payment Contribution - ER [FRA]</i> deduction.

Note: Workday calculates mobility payment contributions when rates are available for an establishment, regardless of the company headcount defined in Workday. Only define mobility payment contribution rates when your establishment is subject to the URSSAF mobility payment contributions.

5. (Optional) For workers with individual mobility payment contribution rates, access the Add Worker FRA Tax Elections task. As you complete the URSSAF grid, consider:

Option	Description
Individual Tax	Select to define individual mobility payment contribution rates and INSEE codes that are different from the establishment tax rates and INSEE codes. When selected, Workday uses the worker's individual rates in mobility payment contribution calculations. Workday also reports: <ul style="list-style-type: none"> <li>The worker's rate and INSEE code in DSN block S21.G00.23.</li> <li>The worker's taxable wages and INSEE code in DSN block S21.G00.81.</li> </ul>
Rate Additional Rate	Enter the worker's mobility payment contribution rates. When you select the Individual Tax check box, but leave Rate and Additional Rate empty, Workday blocks the mobility payment contribution calculations for the worker.

## Result

When calculating work accident contributions, Workday uses the work accident rate defined for the worker's establishment and job location. Workday also reports the work accident rate and the risk code when generating a DSN.

When calculating mobility payment contributions, Workday uses the rate or additional rate defined for the worker's establishment.

**Example**

Add a row in the Work Accident Rates grid, to set up a 2016 work accident social contribution for:

- Goods road transport workers in Paris.
- A work accident rate of 3 percent.

Start Date	Location	Rate	Risk Code
2016-01-01	Paris	3	602MD

Related Information

**Tasks**

Steps: Set Up Payroll Statutory Contributions (FRA) on page 1669

Set Up Company Tax ID (FRA) on page 1670

Steps: Set Up Establishments

## Set Up Individual Standard Deductions (FRA)

**Prerequisites**

Security:

- *Worker Data: Payroll (Company Specific)* - FRA domain in the FRA Payroll functional area.
- *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
- *Worker Position: View* domain in the Staffing functional area.

**Context**

When adding workers' tax elections, you can indicate that a worker has an individual standard deduction (déduction forfaitaire spécifique). When you configure individual standard deductions, Workday reduces:

- Workers' taxable wages by a percentage for all contributions, except CSG/CRDS and salary taxes.
- Taxable wages for journalists by a percentage for URSSAF and related taxes.

**Steps**

1. Access the Add Worker FRA Tax Elections task.

In the URSSAF grid, add these values:

Option	Value
Effective Date	2024-01-01 or later for industry-specific rates.
Type of Personnel	100 - General Plan
Individual Standard Deduction/Rate	Worker's individual standard deduction percentage
Individual Standard Deduction/Industry	Select 1 of these industries if your company is eligible: <ul style="list-style-type: none"> <li>• Construction</li> <li>• Cleaning</li> <li>• Civil Aviation</li> <li>• Road Haulage</li> <li>• Journalism</li> <li>• Casino and Gaming Circle</li> </ul>

Option	Value
	Workday maintains these industry rates in a dedicated lookup table.

2. (Optional) For journalists, also access the Job Details report on the Job profile group of the worker profile.

In the Position section, verify these classification codes:

- *P352*, for journalists with a press card.
- *NP352*, for journalists without a press card.

3. Identify which hours to include in the SMIC calculation for individual standard deductions.

Workday uses the SMIC to determine the minimum taxable wages workers must have to be eligible for an individual standard deduction.

- a) Access the Edit Deduction or Edit Earning task for pay components that have related calculations for hours.
- b) On the Related Calculations grid on the Effective Dated tab, in the row with the related calculation for hours, select 1 of these pay component groups from the Groups prompt:
  - *FRA Partially Paid Absence in Hours [FRA]*
  - *FRA Unpaid Absence in Hours [FRA]*

4. (Optional) Define an alternative minimum wage amount for individual standard deductions.

- a) Access the Edit Earning task for the earning representing the minimum wage.
- b) On the Non-Effective Dated tab, select *FRA Minimum Wages for Individual Standard Deduction* from the Groups prompt.

5. (Optional) Change the reference salary Workday submits to an individual standard deduction.

- a) Access the Edit Earning or Edit Deduction task for a pay component that you want to add to or subtract from the submitted amount.
- b) On the Non-Effective Dated tab, select 1 of these pay component groups from the Groups prompt:
  - *FRA Adds to Contribution Base Before Taxable Wages Reduction*
  - *FRA Subtracts from Contribution Base Before Taxable Wages Reduction*

6. (Optional) Prevent Workday from applying the individual standard deduction rate to a pay component for a given pay period.

- a) Create a related calculation.
- b) Access the Edit Deduction or Edit Earning task for the pay component for which you want to be able to prevent the individual standard deduction.
- c) On the Related Calculations grid on the Effective Dated tab, in the row with the related calculation for preventing the individual standard deduction, select *FRA Prevent the Individual Standard Deduction Calculation [FRA]* from the Groups prompt.
- d) To prevent Workday from applying the individual standard deduction, add a value other than null to the related calculation when you process payroll.

#### Related Information

##### Tasks

[Add Earnings or Deductions to Pay Component Groups](#) on page 241

[Add Worker Tax Elections \(FRA\)](#) on page 1656

[Create Job Profiles](#)

## Concept: Company-Specific Contributions (FRA)

You can create deductions for contributions with calculations that are specific to your company. To ensure that Workday includes your company's contributions in statutory calculations and DSN reporting, consider these recommendations.

## Deduction Codes

Workday uses the code ending to determine where to display employer and employee deductions on the payslip and payroll results. Workday displays:

- Deductions ending in `_EE` in the Employee column.
- Deductions ending in `_ER` in the Employer column.

To display employer and employee deductions on the same line in the payslip, use the same code for both deductions, except for the `_ER` and `_EE` ending.

## Contingency Contributions

When creating contingency contributions, use these pay component groups to ensure that Workday correctly calculates and reports contributions for:

- Contingency funds.
- Health care funds.
- Supplementary retirement funds.

Type of Contribution	Pay Component Groups
Health care fund - EE	<i>FRA Contributions to Health Care Funds EE - [FRA]</i>
Health care fund - ER	<i>FRA Contributions to Health Care Funds ER - [FRA]</i>
Contingency fund - EE	<i>FRA Contributions to Contingency Funds EE - [FRA]</i>
Contingency fund - ER	<i>FRA Contributions to Contingency Funds ER - [FRA]</i>
Supplementary retirement - EE	<i>FRA Contributions to Supplementary Retirement Funds EE - [FRA]</i>
Supplementary retirement - ER	<i>FRA Contributions to Supplementary Retirement Funds ER - [FRA]</i>

For some replacement incomes, you can use these pay component groups to configure the taxable wages used in the contribution in excess calculations for supplementary retirement contributions:

- *FRA Adds to Reference Taxable Wages – Supplementary Retirement Contributions (FRA)*
- *FRA Subtracts from Reference Taxable Wages – Supplementary Retirement Contributions (FRA)*

## Other Contributions

For all contributions that aren't in a contingency contribution pay component group, add them to the *FRA Employee Statutory Contribution* pay component group.

## Tax and Contribution Bases

When creating company-specific contributions, use Workday-delivered pay component groups to ensure that Workday includes them in the appropriate taxable bases:

Examples:

- *FRA Adds to CSG/CRDS Base without Exemption [FRA]*
- *FRA Adds to Salary Tax Taxable Base [FRA]*
- *FRA Adds to Social Lump Sum Taxable Base at 8%*
- *FRA Adds to Social Lump Sum Taxable Base at 20%*
- *FRA Payslip - Health Insurance [FRA]*
- *FRA Statutory Taxes ER [FRA]*

Add any statutory taxes that are deductible from tax to the *FRA Statutory Taxes EE - Deductible from Tax - Excluded from Gross Up* pay component group. Workday excludes these taxes from gross-up calculations. Workday recommends that you subtract the *FRA Statutory Taxes EE - Deductible from Tax - Excluded from Gross Up* pay component group from all net pay accumulations. This ensures that the payroll calculation resolves all applicable employee statutory taxes that are deductible from tax.

## Statutory Taxes

Ensure that you include any company-specific contributions in the pay component groups configured for your run category. Example: *FRA Statutory Taxes ER [FRA]*.

Related Information

### Tasks

[Steps: Set Up Payroll Statutory Contributions \(FRA\)](#) on page 1669

[Steps: Create Deductions](#) on page 234

### Examples

[Example: Set Up Pay Run Category for Active and Terminated Workers \(FRA\)](#) on page 140

## Example: Override Retirement Rates for Specific Workers (FRA)

This example illustrates how to configure retirement rate overrides for specific types of workers.

### Context

You want to define these specific override retirement rates for workers with unlimited contracts:

- Manager: 4.72 (Employee rate), 3.15 (Employer rate).
- Nonmanager: 1 (Employee and Employer rate).

For all other types of contracts, you want to apply a rate of 2.

You can use these pay component groups to indicate that rates for the specific workers override the company-level rates:

- EE Retirement Contribution on Band 1 Rate Override
- ER Retirement Contribution on Band 1 Rate Override

### Prerequisites

Security:

- Set Up: Payroll (Calculations - Generic)* domain in the Core Payroll functional area.
- Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.
- Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

### Steps

- Access the Create Conditional Calculation task, and enter these values:

Option	Description
Name	EE Rate Retirement on band 1
Category	Payroll
Default Response	2

2. Add these rows and click OK:

Order	Condition	Result
a	<i>AGIRC/ARRCO Tax Election code equal to Manager category</i>	4.72
b	<i>AGIRC/ARRCO Tax Election code equal to Non Manager</i>	1

3. Access the Create Conditional Calculation task, and enter these values:

Option	Description
Name	ER Rate Retirement on band 1
Category	<i>Payroll</i>
Default Response	2

4. Add these rows and click OK:

Order	Condition	Result
a	<i>AGIRC/ARRCO Tax Election code equal to Manager category</i>	3.15
b	<i>AGIRC/ARRCO Tax Election code equal to Non Manager</i>	1

5. Access the Create Related Calculation task, and enter these values:

Option	Description
Name	EE Rate Band 1
Code	RC - EERateB1
Category	<i>Payroll</i>
Default Value	<i>EE Rate Retirement on band 1</i>

6. Access the Create Related Calculation task again, and enter these values:

Option	Description
Name	ER Rate Band 1
Code	RC - ERRateB1
Category	<i>Payroll</i>
Default Value	<i>ER Rate Retirement on band 1</i>

7. Access the Create Deduction task, and enter these values:

Option	Description
Name	Rate Override on Retirement Band 1
Code	RORB
Effective Date	Enter today's date.
Category	<i>Payroll</i>
Country	<i>France</i>
Worker Eligibility	<i>FRA Contract Type Equal to Unlimited Contract</i>

Option	Description
Calculation	0
Groups (Non-Effective Dated tab)	<i>FRA Statutory Taxes ER [FRA]</i>

In the Related Calculations grid, add these rows:

Related Calculation	Groups	Default Calculation
<i>EE Rate Band 1</i>	<i>EE Retirement Contribution on Band 1 Rate Override [FRA]</i>	<i>EE Rate Retirement on band 1</i>
<i>ER Rate Band 1</i>	<i>ER Retirement Contribution on Band 1 Rate Override [FRA]</i>	<i>ER Rate Retirement on band 1</i>

## Result

When you run a payroll process, Workday uses the override rates to calculate AGCO retirement contributions on Band 1 for workers with unlimited contracts.

## Reference: Compare Working Time Payroll Impacts (FRA)

Workday uses information regarding an employee's working time and schedule for several payroll calculations and DSN reporting. This table compares the impact of each type of working time on payroll calculations.

Working Time	Description	Payroll Impact
The Location Weekly Hours, visible on the worker's position.	The working time reference of the company. Often defined by collective bargaining agreements.  Example: 35 hours per week.	Determines: <ul style="list-style-type: none"> <li>The worker's calculated FTE.</li> <li>Contribution calculations for part-time workers who are eligible for professionalization contract exemptions.</li> </ul>
The Scheduled Weekly Hours, visible on the worker's position.	The worker's contractual working time. For workers with monthly working time. Often defined in the worker contract.  Example: 30 hours per week.	Determines: <ul style="list-style-type: none"> <li>The worker's calculated FTE.</li> <li>The worker's working time reported in a DSN (S21.G00.40).</li> <li>Adjustments for part-time workers with a General Contribution Reduction or professionalization contract exemptions.</li> </ul>
The worker's Working Time Frequency, Unit, and Value, visible on the worker's position.	The worker's contractual working time. For workers with a yearly working time. Often defined in the worker contract.  Example: 210 days per year, or 1500 hours per year.	Determines: <ul style="list-style-type: none"> <li>The proration to apply to payroll calculations for part-time workers with an annual working time frequency less than the legal value. Workday</li> </ul>

Working Time	Description	Payroll Impact
		<p>uses a comparison between the defined working time and legal references instead of the FTE.</p> <ul style="list-style-type: none"> <li>The worker's working time reported in a DSN (S21.G00.40).</li> <li>Adjustments for part-time workers with a General Contribution Reduction or professionalization contract exemptions.</li> </ul>
The worker's Work Schedule Calendar, visible by selecting Calendar > View Worker Calendars from the related actions menu of the worker.	<p>The worker's normal working hours.</p> <p>Example: 7 hours a day on Monday, Wednesday, and Friday.</p>	<p>Determines:</p> <ul style="list-style-type: none"> <li>The worker activity reported in a DSN (S21.G00.53).</li> <li>Pro rata calculations when a worker is hired or terminated in the middle of a pay period.</li> </ul>
The worker's Collective Agreement, visible on the worker's profile.	The collective agreement that the worker's assigned to.	Determines the worker's working time reported in DSN rubrics S21.G00.40.012 and S21.G00.41.022.

#### Related Information

##### Tasks

[Hire Employees](#)

[Create Work Schedule Calendars](#)

##### Examples

[Example: Set Up General Contribution Reductions \(FRA\) on page 1703](#)

[Example: Create Time Off Deductions Based on Worker Schedules \(FRA\) on page 1650](#)

## FAQ: Contribution and Tax Exemptions (FRA)

Do apprentices benefit from exemptions for overtime work?

Workday calculates the *Overtime Work Amount Contribution Exemption [FRA]* deduction for apprentices when they meet the legal eligibility criteria. Workday uses a different taxable base for apprentices that takes into account the number of overtime hours versus the total paid hours.

To enable Workday to identify hours to include, add pay component related calculations for hours to these pay component groups:

- FRA Overtime Hours Eligible for Apprentice Exemption [FRA]*
- FRA Partially Paid Absence in Hours [FRA]*
- FRA Unpaid Absence in Hours [FRA]*

How can I prevent Workday from calculating apprenticeship tax?

In the *FRA Overtime Hours Eligible for Apprentice Exemption [FRA]* pay component group, include overtime hours increased by their corresponding increased rate.

Workday calculates apprenticeship tax for all establishments marked as liable for apprenticeship tax on either the Edit Company FRA Tax Configuration or Edit Establishment FRA Tax Configuration tasks.

How can I identify exempted contractual overtime hours to prorate for absences?

You can prevent Workday from calculating the Workday-delivered apprenticeship tax deductions by creating a pay component with a nonzero result and adding it to the *FRA Prevent Apprenticeship Taxes Calculation* pay component group.

When calculating overtime contribution and tax exemptions, Workday prorates overtime hours based on the worker's built-up salary versus the worker's actual salary.

To calculate contribution and tax exemptions for overtime hours, you must add pay component related calculations for overtime hours and earnings to these pay component groups:

- *FRA Contractual Overtime Work Amount Eligible for Exemption*
- *FRA Contractual Overtime Hours Eligible for Employer Exemption*

How can I adjust exemptions for overtime work?

Workday calculates tax and contribution exemptions based on:

- The legal tax limit.
- The overtime work amounts that are part of the *FRA Overtime Work Amount Eligible for Exemption [FRA]* pay component group.

To add or subtract from the legal tax limit, add an override payroll input for the *Memo – Overtime Work Amount Tax Exemption [FRA] - Tax Exemption Ceiling Adjustments* pay component related calculation.

To add to or subtract from the calculated eligible amount for overtime exemptions, add an override payroll input for 1 of these pay component related calculations:

- *Memo – Overtime Work Amount Contribution Exemption [FRA] - Eligible Amount Adjustment*
- *Memo – Overtime Work Amount Tax Exemption [FRA] – Eligible Amount Adjustment*

Note: When you add a payroll input for only 1 of the Eligible Amount Adjustment pay component related calculations, Workday uses its value by default for the tax exemption calculation.

How does Workday calculate statutory contributions and taxes for on-demand additional payments?

When you process an on-demand additional payment, Workday calculates the contributions and taxes configured on the Off Cycle (On Demand Additional, Manual) tab of the run category.

Workday calculates:

- Social contributions based on a rate from the payment subperiod end date.
- Taxes with a rate based on the payment date.

As opposed to regular payments, Workday only calculates SMIC reference values and social security ceilings for payments that are associated with 1 of these pay component groups:

- *FRA Absence Deduction to Subtract from Social Security Ceiling [FRA]*
- *FRA Absence Indemnity to Add to Social Security Ceiling [FRA]*
- *FRA Adds to Built up Reprocessed Taxable Wages [FRA]*
- *FRA Full Time and Part Time Workers Overtime Hours [FRA]*
- *FRA Part Time Medical Jobs Proration Ceiling Number of Days [FRA]*
- *FRA Partially Paid Absence in Hours [FRA]*
- *FRA Subtracts from Built up Taxable Wages [FRA]*
- *FRA Unpaid Absence in Hours [FRA]*

When an on-cycle or on-demand replacement payment follows an on-demand additional payment, Workday calculates a monthly regularization to respect the limits for:

- Absences and complementary hours for social security ceilings.
- Monthly overtime and contribution amounts for the employee overtime exemption calculation.
- Monthly overtime units, and contribution amounts for the employer overtime exemption calculation, applying to companies with a headcount below 20 employees.

How does Workday calculate and report RTT payout-related exemptions for companies with fewer than 20 workers?

When workers request payment for their RTT days, Workday calculates income tax and social security exemptions. Workday uses dedicated pay component groups and deductions to manage the impact on URSSAF contributions and DSN reporting.

Use these pay component groups to calculate RTT payout exemptions:

- *FRA RTT Payout Number of Days* for pay components related to the number of RTT payout days for the employer exemption.
- *FRA RTT Payout Amount* for pay components related to the RTT payout amount for the employee exemption.

You also need to add RTT payout-related earnings to the *FRA Days Off Payoff Eligible for Employer Exemption* [FRA] and the *FRA Overtime Work Amount Eligible for Exemption* [FRA] pay component groups.

Workday calculates the reduction of URSSAF contributions based on RTT payout with 2 deductions:

- *FRA RTT Payout Employer Exemption*
- *FRA RTT Payout Employee Exemption*

Workday reports these values in DSN rubric S21.G00.23.002:

- *096 pour la réduction de cotisations salariales*
- *097 pour la déduction forfaitaire de cotisations patronales pour les employeurs de moins de 20 salariés*

In addition, the *FRA RTT Payout Employer Exemption* deduction is reported in DSN block 81 for rubric value *021 – Déduction patronale au titre des heures supplémentaires*. The *FRA RTT Payout Employee Exemption* is reported for rubric value *114 - Montant de réduction des heures supplémentaires/complémentaires*.

How does Workday calculate overtime exemptions for companies with more than 20 workers?

The Employer Contribution Lump Sum Deduction calculates the exemption based on either daily or hourly rates and the corresponding contribution limit. Add your workers to these pay component groups, depending if they are paid in hourly or daily increments:

- *FRA Employer of more than 20 Workers Exemption – Overtime Hours*
- *FRA Employer of more than 20 Workers Exemption – Days Off Paid*

In the Edit Company FRA Tax Configuration task, complete the Company Headcount grid.

## Troubleshooting: Contributions and Tax Setup (FRA)

**Cause:** Individual standard deduction calculation is incorrect when it starts in the middle of an existing contract.

**Solution:**

### Steps

**Security:** *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

1. Access the Add Payroll Input by Worker task.

2. Enter these values:

Option	Description
Worker	Select the impacted worker.
Start Date	Enter the start date of the impacted pay period.
End Date	Enter the end date of the impacted pay period.
Pay Component	<i>Memo – Reference Values for all Contributions – No Retro [FRA]</i>
Special Entry	Select
One-Time	Select
Override	Select
Regular Run Category	Select

3. Click OK.

4. Enter these values in the Input grid:

Type	Value
<i>General Contribution Reduction Taxable Wages without Impact of Professional Expenses</i>	Enter the value to use for the worker when calculating the individual standard deduction.

5. Click OK.

#### Related Information

##### Tasks

[Add Payroll Input for Workers](#) on page 617

## Income Tax Withholding (FRA)

### Setup Considerations: Income Tax Withholding (FRA)

You can use this topic to help make decisions when planning your configuration and use of income tax withholding. 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

Income tax withholding (prélèvement à la source) in Workday provides web services, tax elections, and calculations that enable you to:

- Withhold a worker's income tax from their pay based on rates provided by the Direction Générale des Finances Publiques (DGFIP).
- Report income tax withholding in Déclaration Sociale Nominative (DSN) reports.

### Business Benefits

- Effective-dated income tax rates on worker profiles provide an audit trail and historical record of past rates.

- Workday-delivered calculations make it easier for you to stay up to date with income tax withholding requirements.
- Streamlined processes, worker audits, and reporting make it easier to verify income tax calculations for each worker.
- Integrations with DGFIP help you automatically retrieve income tax rates as soon as they're available.

## Use Cases

In addition to calculating income tax withholding for workers, you can:

- Upload income tax withholding rates from DGFIP.
- Display income tax withholding on payslips.
- Create an audit to identify workers who potentially need an income tax regularization due to a negative taxable base for income tax withholding.
- Record income tax regularizations and report them in a DSN or directly to DGFIP. Example: To regularize an incorrect tax rate.
- Calculate income tax withholding on on-demand payments.

## Questions to Consider

Questions	Considerations
How does your organization retrieve income tax withholding rates?	You can use an: <ul style="list-style-type: none"> <li>• EIB to upload rates received in a compte-rendu métier (CRM) that you manually download from net-entreprises.fr.</li> <li>• Integration to retrieve rates directly through DSN responses from net-entreprises.fr.</li> </ul>
Do you have workers who opted to use a neutral rate?	When you upload a worker's tax elections from DGFIP or CRM, Workday records whether a worker has opted to use a neutral rate for income tax calculations. Workday uses the tax election information as of the payment date. Workday calculates the neutral rate based on the: <ul style="list-style-type: none"> <li>• Applicable neutral rate scale based on the postal code of the worker's primary home address.</li> <li>• Worker's monthly taxable net.</li> </ul> When a worker has no tax election information, Workday automatically uses a neutral rate in the income tax calculation.
What income does your organization need to subject to income tax?	By default, Workday bases the income tax withholding calculation on the taxable net for: <ul style="list-style-type: none"> <li>• Taxable net for workers.</li> <li>• Taxable net with exemption for trainees, apprentices, and short-term contracts.</li> </ul> You can further configure withholding tax calculations by identifying: <ul style="list-style-type: none"> <li>• Which benefits in kind to include.</li> </ul>

Questions	Considerations
	<ul style="list-style-type: none"> <li>Overtime hours leading to exempted overtime amounts, which Workday excludes from income tax withholding.</li> </ul> <p>You can add any other income, such as paid profit-sharing and employer contributions to health care plans, to the <i>FRA Adds to Taxable Gross [FRA]</i> pay component group.</p>
Do you need to exempt any workers from income tax withholding?	<p>Workday calculates the standard income tax withholding for all workers based on your run category configuration for the <i>TAX Withholding Tax [FRA]</i> deduction.</p> <p>Workday doesn't deduct income tax withholding when the taxation results in a negative net pay. Example: When you use benefits in kind. You can create an audit to identify workers who potentially need an income tax regularization due to a negative income tax withholding taxable base.</p>
Does your organization include nonresident workers?	<p>You can configure your own deduction to calculate the specific nonresident income tax (<i>Retenue à la Source spécifique aux non-résidents</i>). When you configure your company's deductions for specific nonresident income tax, Workday:</p> <ul style="list-style-type: none"> <li>Declares the nonresident withholding tax in DSN rubric S21.G00.81.004.</li> </ul>
Do you need to regularize income tax withholding amounts?	<p>You can add payroll input to adjust a worker's current pay to account for an incorrect withholding tax calculation from a previous period. You can process regularizations based on an incorrect:</p> <ul style="list-style-type: none"> <li>Rate.</li> <li>Taxable base, either resulting or not in a withholding correction.</li> </ul> <p>When you accidentally overpay a worker, you generally don't need to process a regularization when the worker's net pay is positive. You must enter regularizations for workers when a correction isn't possible due to a negative net taxable pay.</p> <p>When entering a regularization, you can specify whether it's for IJSS payments or not.</p>
Do you manage income tax withholding for IJSS payments?	<p>When adding pay input for sickness IJSS payments, you can specify for each payment whether it's taxable or not. Example: You can separately enter:</p> <ul style="list-style-type: none"> <li>Nontaxable sickness IJSS amounts if the sickness absence continues after 2 months.</li> <li>Taxable IJSS amounts for the first 2 months of an employee's sickness absence.</li> </ul>

Questions	Considerations
	<p>You can also identify IJSS net earnings and deductions included in the total IJSS net amount but not in a gross-up. Workday includes these pay component amounts in the IJSS amount used for income tax withholding calculations, but not in a gross-up calculation.</p> <p>Example: When an IJSS payment is greater than the usual net of the worker, you can enter the:</p> <ul style="list-style-type: none"> <li>• IJSS amount up to the regular net amount.</li> <li>• Remaining portion in a specific tenanted pay component that you exclude from a gross-up calculation.</li> </ul>
Do you manage workers with DSNs from other payroll systems?	<p>When uploading income tax withholding rates through an integration or EIB, Workday identifies workers based on their Social Security number (SSN) or Temporary Technical Number (NTT). This enables you to retrieve a worker's rate whether they keep the same employee ID.</p>

## Recommendations

Create an audit based on the *Withholding Tax Taxable Base < 0* related calculation on the *Memo - Reference Values for Withholding Tax [FRA]* deduction. You can use this to identify workers with a negative withholding tax taxable base and who potentially need withholding tax regularizations.

To make it easier to display income tax information on your company's payslip, use a copy of the Payslip to Print - FRA report in your payslip configuration.

To help you ensure that you use the same income tax rates data as DGFIP, don't modify workers' income tax rates directly in their tax elections.

## Requirements

Ensure that you configure the:

- *DSN Polling (Machine to Machine)* integration to retrieve income tax withholding rates.
- Run category to process the appropriate workers and the *TAX Withholding Tax [FRA]* deduction.

## Limitations

Workday doesn't provide calculations for the specific nonresident withholding tax. To calculate this tax, you must manually configure your own calculations.

## Tenant Setup

No impact.

## Security

Domain	Considerations
<i>Integration Build</i> in the Integration functional area.	Enables you to create an EIB to upload income tax withholding rates.
<i>Integrations: EIBs</i> in the Integration functional area.	Enables you to:

Domain	Considerations
	<ul style="list-style-type: none"> <li>• Create a transformation to transform income tax rates into the format required by Workday.</li> <li>• Launch an EIB to upload income tax data.</li> </ul>
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area.	Enables you to add pay component groups to an earning or deduction. You can use this to identify benefits to include in the income tax calculation.
<i>Set Up: Payroll - Pay Group Specific</i> in the Core Payroll functional area.	Enables you to add the <i>TAX Withholding Tax [FRA]</i> deduction to your run category.
<i>Set Up: Payroll (Reporting)</i> in the Core Payroll functional area.	Enables you to create an audit to identify workers who potentially need an income tax regularization due to a negative income tax withholding taxable base.
<i>Worker Data: Payroll (Company Specific) - FRA</i> in the FRA Payroll functional area.	Enables you to add worker tax elections for income tax withholding.
<i>Worker Data: Payroll (Payroll Input)</i> in the Core Payroll functional area.	<p>Enables you to add payroll input to:</p> <ul style="list-style-type: none"> <li>• Identify taxable IJSS amounts.</li> <li>• Record income tax regularizations.</li> </ul>

## Business Processes

No impact.

## Reporting

Reports	Considerations
DSN Payments to Tax and Social Organizations by Company	View the aggregated values of income tax payments. You can also compare current payments with payments from the previous month.
FRA Pay Calculation Results - Payslip View	Verify income tax withholding results for a group of workers.
FRA Tax Elections for Group of Workers	Verify income tax withholding rates for a group of workers.

## Integrations

Integration or Web Service	Considerations
<i>DSN Polling (Machine to Machine)</i>	Configure this integration to retrieve and upload any worker income tax rates that are included in the response from net-entreprises.fr.
<i>Import Withholding Tax Rates.</i>	<p>Create an EIB based on this web service to import tax rates received in a CRM that you manually download from net-entreprises.fr.</p> <p>Workday provides an XSLT attachment transformation on Community that you can use to</p>

Integration or Web Service	Considerations
	transform the CRM data to the format required to upload the data to Workday.

## Connections and Touchpoints

Features	Considerations
Bank routing rules	When reporting income tax withholding in a DSN, Workday uses the default bank account from the bank routing rule to declare the company bank in DSN block S21.G00.20.
DSN reporting	Workday reports income tax withholding in DSN blocks: <ul style="list-style-type: none"><li>• S21.G00.20</li><li>• S21.G00.50</li></ul> Workday reports income tax regularizations in DSN block S21.G00.56.
Payroll input	You can add payroll input to: <ul style="list-style-type: none"><li>• Identify taxable IJSS amounts.</li><li>• Record income tax regularizations.</li></ul>
Payslips	Workday includes income tax withholding and income tax regularizations on the French clarified payslip template provided on Community.
Smart calculations	You can use the smart payroll calculation functionality to identify changes in withholding tax rates before the period payment date. This enables you to relaunch a payroll calculation for workers with the identified changes.

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

#### Concepts

[Setup Considerations: DSN Reporting \(FRA\)](#) on page 1712

#### Tasks

[Gross Up IJSS Payments \(FRA\)](#) on page 1803

#### Reference

[Workday Community: Payroll Payslip Printing and Bulk Check Printing \(FRA\)](#)

### Steps: Set Up Income Tax Withholding (FRA)

#### Prerequisites

- Review setup considerations for income tax withholding.
- Set up *DSN Polling (Machine to Machine)* integration.

#### Context

You can configure Workday to directly withhold a worker's income tax from their pay using either:

- A rate from the Direction Générale des Finances Publiques (DGFiP).
- A neutral rate calculated based on the worker's monthly taxable net and applicable neutral rate scale.

Note: Workday doesn't automatically calculate the specific nonresident withholding tax (Retenue à la Source spécifique).

## Steps

1. Load income tax withholding rates. Choose from:

- Launching the *DSN Polling (Machine to Machine)* integration to retrieve and upload any worker income tax rates that are included in the response from [net-entreprises.fr](#).
- Setting up an EIB to upload income tax withholding rates for rates received in a *compte-rendu métier* (CRM) that you manually download from [net-entreprises.fr](#).

When uploading income tax withholding rates through an integration or EIB, Workday identifies workers based on their Social Security Number or Temporary Technical Number (NTT). You can verify income tax withholding rates for a group of workers by accessing the FRA Tax Elections for Group of Workers report.

2. Access the Edit Deduction task for your company's deductions for benefits in kind. Examples: Company cars, employer health insurance contributions.

On the Non-Effective Dated tab, select *FRA Benefits in Kind Deductions for Withholding Tax [FRA]*.

Workday doesn't deduct income tax withholding for benefits in kind if the taxation results in negative net pay. When determining if taxation would result in negative net pay, Workday considers exempted overtime and Indemnités Journalières de Sécurité Sociale (IJSS) payments.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

3. Access the Edit Run Category task.

On the Nonactive (On Cycle, On Demand Replacement) tab, select *TAX Withholding Tax [FRA]* from the Pay Components to Calculate prompt on rows for:

- Terminated workers.
- Workers on leave.

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

4. Create Payroll Audit Rules on page 819.

Create an audit based on the *Memo - Reference Values for Withholding Tax [FRA] - Withholding Tax Taxable Base < 0* payroll calculation.

Workday recommends that you use the audit to identify workers who potentially need an income tax regularization due to a negative income tax withholding taxable base.

## Result

After calculating payroll, you can view the income tax amount on the payroll results for the *TAX Withholding Tax [FRA]* deduction.

You can also view the deducted income tax amounts on payslips that are based on both:

- The Payslip to Print - FRA report.
- The *payslip\_fra* report design layout, available on [Workday Community: Payroll Payslip Printing and Bulk Check Printing \(FRA\)](#).

## Set Up an EIB to Upload Income Tax Withholding Rates (FRA)

### Context

You can set up an EIB to mass upload rates received in a compte-rendu métier (CRM) file that you manually download from net-entreprises.fr

### Steps

1. [Create Integration Transformation.](#)

Create an XSLT attachment transformation based on the latest version of the *withholding\_tax\_rate\_transformation.xslt* in [Workday Community](#).

2. [Set Up Inbound EIB.](#)

As you configure the EIB, consider:

Option	Value
Retrieval Method	Select <i>Attach File at Launch</i> to upload the Compte Rendu Métier (CRM) as the attachment file.
Transformation Type	Select <i>Custom Transformation</i> to use your custom XSLT attachment transformation.
Transformation	Select your custom XSLT attachment transformation based on the Workday-delivered XSLT.
Delivery Method	Select <i>Workday Web Service Operation</i> to use the Workday-delivered web service for importing withholding tax rates.
Workday Endpoint	Select <i>Import Withholding Tax Rates (WS Background Process)</i> .

3. [Launch the EIB to upload withholding tax rates.](#)

Upload the CRM as the attachment file when launching the EIB.

### Result

You can view a worker's income tax withholding rate in the Worker FRA Tax Elections report.

During payroll calculations, Workday uses a worker's income tax withholding rates to calculate their income tax withholding.

#### Related Information

#### Tasks

[Set Up DSN Polling \(Machine to Machine\) Integration](#)
[Launch an Integration](#)

## Process Income Tax Regularizations (FRA)

### Prerequisites

- Have existing payroll results in Workday for the period that you want to adjust.
- Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

## Context

You can process a regularization to adjust a worker's current payroll to account for an incorrect withholding tax calculation from a previous period.

You can process regularizations for calculations based on an incorrect:

- Rate.
- Taxable base, resulting in a withholding correction.
- Taxable base, not resulting in a withholding correction.

When you accidentally overpay a worker, you generally don't need to process a regularization to correct the corresponding income tax withholding. You can, however, enter regularizations for workers when a correction isn't possible due to a negative net taxable pay.

Workday reports DSN block S21.G00.56 for all workers with a payroll regularization.

## Steps

1. Access the Add Payroll Input by Worker task.
2. In the Worker Defaults section, consider:

Option	Description
Start Date End Date	Enter the dates for the original tax withholding period. Workday reports this period in DSN rubric S21.G00.56.001.  Workday only processes regularizations for prior periods.
Pay Component	Select 1 of these deductions: <ul style="list-style-type: none"> <li>• <i>TAX Withholding Regularization on IJSS [FRA]</i> for regularizations related to Indemnités Journalières de Sécurité Sociale.</li> <li>• <i>TAX Withholding Regularization [FRA]</i> for all other regularizations.</li> </ul>

3. In the Process Defaults section, select:

- One-time
- Override
- Regular Run Category

4. In the Input Grid, add a row and enter values for these Input Details types:

Type	Description
Type of Regularization	Enter 1 of these values: <ul style="list-style-type: none"> <li>• 1: For regularizations related to the taxable net pay.</li> <li>• 2: For regularizations related to the rate.</li> <li>• 3: For regularizations linked to overpayments to workers who currently have a negative taxable net.</li> <li>• 4: For regularizations related to a previous declared taxable net pay, but not the calculated withholding.</li> </ul>

Type	Description
	Workday reports the type of regularization in DSN rubric S21.G00.56.002.
Net Taxable Income	<p>Doesn't apply to regularizations on IJSS.</p> <p>Workday reports this amount in these DSN rubrics:</p> <ul style="list-style-type: none"> <li>• S21.G00.56.003: Régularisation de la rémunération nette fiscale</li> <li>• S21.G00.56.004: Rémunération nette fiscale déclarée le mois de l'erreur</li> </ul> <p>For:</p> <ul style="list-style-type: none"> <li>• Rate regularizations: Enter the original net taxable income declared.</li> <li>• Other regularizations: Enter the difference between the original taxable income and the corrected taxable income.</li> </ul>
Nontaxable Income	<p>Doesn't apply to regularizations on IJSS.</p> <p>Applies to regularizations related to:</p> <ul style="list-style-type: none"> <li>• Taxable net.</li> <li>• Undue payments.</li> </ul> <p>Enter the amount of the regularization that isn't subject to income tax. Workday reports this amount in DSN rubric S21.G00.56.008: Régularisation du montant de la part non imposable du revenu.</p>
Rate	<p>Enter the rate used to calculate the tax regularization. For:</p> <ul style="list-style-type: none"> <li>• Rate regularizations: Enter the difference between the original rate and the corrected rate. Example: -1.5.</li> <li>• Other regularizations: Enter the original rate used to calculate the income tax withholding.</li> </ul> <p>Workday reports this amount in these DSN rubrics:</p> <ul style="list-style-type: none"> <li>• S21.G00.56.005 Régularisation du taux de prélèvement à la source.</li> <li>• S21.G00.56.006 Taux déclaré le mois de l'erreur.</li> </ul>
Withholding Tax Basis	<p>Enter the taxable base for the regularization that is subject to income tax withholding. For:</p> <ul style="list-style-type: none"> <li>• Taxable net regularizations (type 1 and 4): Enter the difference between the original and corrected amount subject to tax. Example: -200.</li> </ul>

Type	Description
	<ul style="list-style-type: none"> <li>Rate regularizations: Enter the original amount subject to tax.</li> <li>Undue payment regularizations: Enter the negative taxable net, or the IJSS amount.</li> </ul>

### Example

In February, you accidentally used an income tax rate of 6.5% instead of 5% when calculating Jean's income tax withholding. In February, Jean had a:

- Taxable net of 1400 EUR.
- Taxable IJSS payments of 500 EUR.

In March, you add these payroll inputs for the February pay period:

Pay Component	Type	Value
<i>TAX Withholding Regularization [FRA]</i>	<i>Withholding Tax Basis</i>	1400
	<i>Net Taxable Income</i>	1400
	<i>Nontaxable Income</i>	0
	<i>Rate</i>	-1.5
	<i>Type of Regularization</i>	2
<i>TAX Withholding Regularization on IJSS [FRA]</i>	<i>Withholding Tax Basis</i>	500
	<i>Rate</i>	-1.5
	<i>Type of Regularization</i>	2

### Next Steps

Run a retro pay calculation to calculate the amount of the regularization for income tax withholding.

After running a retro calculation, run a pay calculation to process the regularizations in the worker's current payroll.

Related Information

#### Tasks

[Calculate Retro Payroll](#) on page 876

[Calculate On-Cycle Payroll](#) on page 651

[Add Payroll Input for Workers](#) on page 617

#### Examples

[Example: Add Income Tax Regularizations \(FRA\)](#) on page 1698

### FAQ: Does Workday Calculate Income Tax Withholding for Non-Residents? (FRA)

Workday excludes workers from tax withholding calculations depending on the worker's residency and international assignment status.

Status	Income Tax Withholding	Other Contributions
Expatriate	Only calculated if the worker is a resident.	Workday doesn't calculate URSSAF contributions.
Other than expatriate. Examples: Posted workers, cross-border workers.	Only calculated if the worker is a resident.	Workday: <ul style="list-style-type: none"><li>• Calculates employee nonresident contributions for URS illness, maternity, invalidity, and death when a worker is a nonresident.</li><li>• Only calculates CSG/CRDS if the worker is a resident.</li></ul>

You can configure your own deduction to calculate the specific nonresident income tax (Retenue à la Source spécifique aux non-résidents). When you add your company's deductions for specific nonresident income taxes to the *FRA DSN Withholding Tax for Non-Resident [FRA]* pay component group, Workday declares the nonresident withholding tax in DSN rubric S21.G00.81.004.

### Example: Add Income Tax Regularizations (FRA)

This example illustrates how to create an income tax withholding regularization for a worker with a negative taxable net pay.

#### Context

Andre is terminated at the end of February 2020 and receives a bonus amount of 1500 EUR. You calculate income tax withholding with a 5% rate from DGFIP.

In March 2020, you:

- Receive a 200 EUR IJSS payment (206.22 EUR taxable base) for Andre.
- Recognize that you need to change the February bonus from 1500 EUR to 1000 EUR.

You need to provide complementary pay to:

- Retroactively correct the bonus amount.
- Pay the IJSS net amount.

You calculate that Andre's taxable net for the complementary pay is -612.07 EUR. Since Andre's pay is negative, you need to manually regularize the withholding tax amount.

#### Prerequisites

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

#### Steps

1. Access the Add Payroll Input by Worker task.
2. In the Worker Defaults section, enter these values:

Option	Description
Worker	Andre
Start Date	February 1, 2020
End Date	February 29, 2020

3. In the Processing Defaults section, select:

- One-time
- Override
- Regular Run Category

4. Click OK.

5. In the Input grid, add these rows:

Pay Component	Input Details -Type	Input Details -Value
<i>TAX Withholding Tax Regularization</i>	<i>Withholding Tax Basis</i>	-612.07
	<i>Net Taxable Income</i>	-612.07
	<i>Rate</i>	5
	<i>Type of Regularization</i>	3
<i>TAX Withholding Tax Regularization on IJSS</i>	<i>Withholding Tax Basis</i>	206.22
	<i>Rate</i>	5
	<i>Type of Regularization</i>	3

## Result

When you run a retro pay calculation, and then run March payroll calculations, Workday calculates these withholding tax regularizations:

Pay Component	Taxable Base	Rate	Amount
Withholding Tax Regularization	-612.07	5	30.60
Withholding Tax Regularization on IJSS	206.22	5	-10.31

In the monthly DSN for March 2020, Workday reports in block S21.G00.56:

- The taxable base from the regularization for the bonus.
- Aggregated bonus and IJSS regularization amounts (-30.60 EUR + 10.31 EUR).

Rubric	Description	Value
S21.G00.56.001	Error month	022020
S21.G00.56.002	Type of error	03
S21.G00.56.003	Taxable base regularization	-612.07
S21.G00.56.006	Rate in the error month	5
S21.G00.56.007	Amount	-20.29
S21.G00.56.010	Withholding tax basis	-405.85

## Related Information

### Tasks

[Process Income Tax Regularizations \(FRA\) on page 1694](#)

[Add Payroll Input for Workers on page 617](#)

## Concepts: Statutory Calculation Frameworks (FRA)

### Concept: Fictitious Gross Wages for Part-Time Workers (FRA)

Workday calculates fictitious gross wages in order to manage part-time workers who contribute to retirement on a full-time basis.

#### Pay Component Groups

Before setting up full-time retirement contributions for part-time workers, you can define which pay components impact the fictitious gross wages. Workday uses these pay component groups to determine the fictitious gross wages:

- *FRA Complementary Hours in Fictitious Gross [FRA]*.
- *FRA Deductions Impacted by FTE in Fictitious Gross [FRA]*. Example: For hire and termination deductions.
- *FRA Deductions Not Impacted by FTE in Fictitious Gross [FRA]*.
- *FRA Earnings Impacted by FTE in Fictitious Gross [FRA]*. Example: For the base salary or seniority bonuses.
- *FRA Earnings Not Impacted by FTE in Fictitious Gross [FRA]*. Example: For exceptional bonuses.

In the case of a 10th absence calculation where the paid vacation earning is greater than the time off deduction:

- Add the paid vacation earning to the *FRA Earnings Not Impacted by FTE in Fictitious Gross [FRA]* pay component group.
- Add the time off deductions to the *FRA Deductions Not Impacted by FTE in Fictitious Gross [FRA]* pay component group.

#### Working Time Inputs

As part of the fictitious gross wages calculation, Workday calculates fictitious full-time monthly hours for a worker based on these inputs.

Worker's Working Time Definition	Fictitious Monthly Hours Based On
Monthly frequency defined in hours	Worker's weekly scheduled hours
Annual frequency defined in hours	Worker's annual working time in hours
Annual frequency defined in days	Worker's annual working time in days

For subperiods, Workday prorates the monthly working time based on the number of calendar days in the subperiod.

#### FRA Fictitious Gross Wages

To override the fictitious gross wage calculation, you can add pay input for these pay component related calculations:

- *Memo - Reference Values for AGIRC-ARRCO [FRA] - FRA Fictitious Gross Wages*.
- *Memo - Reference Values for URSSAF [FRA] - FRA Fictitious Gross Wages*.

#### Related Information

##### Tasks

[Add Worker Tax Elections \(FRA\)](#) on page 1656

[Add Earnings or Deductions to Pay Component Groups](#) on page 241

## Concept: Social Security Ceiling Proration (FRA)

Workday uses the social security ceiling to calculate statutory contributions, such as retirement, Pôle Emploi, and URSSAF.

### Social Security Ceiling

When calculating the social security ceiling for hourly workers, Workday takes into account:

- The number of calendar days in the period.
- Unpaid absences.
- Complementary hours.

To identify the hours and absences that impact the social security calculation, add these pay component groups to the appropriate pay component related calculations:

- *FRA Absence Deduction to Subtract from Social Security Ceiling [FRA]*
- *FRA Absence Indemnity to Add to Social Security Ceiling [FRA]*
- *FRA Complementary Hours [FRA]*

Example: On an earning for complementary payments to part-time workers, add the *FRA Complementary Hours [FRA]* pay group to the pay component related calculation for complementary hours.

### Including Nonworked Days

You can configure Workday to include nonworked days in the proration calculation for social security, such as weekends or public holidays. This configuration applies when managing time off configured in business days.

To include nonworked days in the proration calculation, add the *FRA Full Time Off Calendar Days* related calculation to both:

- Pay components that impact the social security calculation.
- Pay component groups impacting the social security ceiling proration.

### Workers with Multiple Employment

You can manage social security calculations for workers with multiple employment by overriding the numerator and denominator of the social security calculation.

To override the social security calculation, add pay input for these related calculations on the *Memo – Reference Values for Multiple Employment Overrides [FRA]* deduction:

- *Social Security Ceiling Override Denominator*
- *Social Security Ceiling Override Numerator*

When you want to define a social security ceiling of zero, Workday recommends that you directly override URSSAF and AGIRC-ARRCO ceiling amounts.

### Medical Jobs with Multiple Employers

For medical workers with multiple employers, you can prorate the ceiling for AGIRC-ARRCO and Pôle Emploi based on the number of daily shifts. To identify the number of daily shifts for a medical worker, add the *FRA Part Time Medical Jobs Proration Ceiling Number of Days [FRA]* pay component group to the appropriate pay component related calculations.

#### Related Information

##### Tasks

[Add Earnings or Deductions to Pay Component Groups](#) on page 241

## Concept: Pôle Emploi Bonus/Penalty (FRA)

Workday applies the Pôle Emploi Bonus/Penalty contribution required for companies that participate in certain activities, as defined by government regulations.

### Rate

Access the Edit Company FRA Tax Configuration task. On the Pôle Emploi tab, add a row and enter the Rate.

When this rate is other than zero or the national average, Workday calculates an additional deduction to reflect the bonus or penalty effect.

### Pay Component Group

Workday provides the *FRA Paid Vacation Fund Bonus/Penalty Rate on Unemployment Insurance* pay component group to override the company rate for workers affiliated to a paid vacation fund. To calculate the bonus or penalty contribution, configure the rate specific to an employee affiliated with a paid vacation fund, regardless of the company configuration.

### DSN

Workday reports the Bonus/Penalty central rate in these DSN blocks:

- S21.G00.20
- S21.G00.22
- S21.G00.23

DSN blocks 81 and 78 include taxable wages, the rate, and the amount related to the Pôle Emploi Bonus/Penalty central rate.

## Examples: Set Up Exemptions (FRA)

### Example: Set Up Exemptions for Trainees (FRA)

This example illustrates how to set up and pay trainees.

#### Context

You want to calculate statutory contributions for George, a trainee.

#### Prerequisites

Define George's employee type as *Trainee*.

#### Security:

- *Worker Data: Payroll (Payroll Input)* and *Set Up: Payroll (Calculations - Payroll Specific)* domains in the Core Payroll functional area.
- *Set Up: Payroll - FRA* domain in the FRA Payroll functional area.

#### Steps

1. Access the S21.G00.40.007 tab on the Maintain HCM Mapping for Payroll France task.

DSN Rubric Name	DSN Rubric Value	Values from HR
Contract Type	29 - Trainee/Internship	Trainee

2. Access the Edit Deduction or Edit Earning task for pay components with related calculations for absences to include the trainee compensation calculation.

3. On the Effective Dated tab, in the Related Calculations grid, access a row for the related calculation that retrieves the amount of unpaid or partially paid hours.
  4. Select the appropriate pay component group from the Groups prompt:
    - *FRA Non Paid Hours [FRA]*
    - *FRA Paid Hours for Trainees [FRA]*
  5. Add payroll input for the *Trainee Compensation [FRA]* pay component to record George's hours and compensation for the month.
- Add rows with values for:
- *Training Hours*
  - *Amount*

Workday bases the exemption calculation on compensation returned by the *Trainee Compensation [FRA]* pay component.

## Result

When you run a payroll calculation, Workday:

- Exempts the portion of George's compensation that is below the legal limit for statutory contributions.
- Calculates statutory contributions on any portion that exceeds the legal exemption limit.

## Next Steps

To view George's exemption amount, access the Gross to Net tab in his pay results. View the Related Values for the *Memo - Reference Values for all Contributions [FRA]* pay component.

Related Information

### Tasks

[Map Staffing Information to Payroll Calculations \(FRA\)](#) on page 1627

[Add Worker Tax Elections \(FRA\)](#) on page 1656

[Correct Staffing Events](#)

[Add Payroll Input for Workers](#) on page 617

## Example: Set Up General Contribution Reductions (FRA)

This example illustrates how to set up General Contribution Reductions (Réduction générale) for employer contributions on a worker's pay.

## Context

You want to configure payroll for Aurelie and Beth, 2 workers who are eligible for the General Contribution Reduction. Beth contributes to a transportation paid vacation fund (caisse de congés payés transport), and needs a specific calculation for the General Contribution Reduction coefficient.

## Prerequisites

- Define a working time and a work schedule calendar for Aurelie and Beth.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

## Steps

1. Confirm that Aurelie and Beth meet the eligibility criteria for a General Contribution Reduction.
  - a) Access the View Deduction report for *General Contribution Reduction Extended for URSSAF [FRA]*.
  - b) Review the Criteria section on the Effective Dated tab and evaluate whether Aurelie is eligible.

2. Define which absences and pay elements to include in the General Contribution Reduction calculations.
  - a) Access the Edit Deduction or Edit Earning task.
  - b) On the Non-Effective Dated tab, select these pay component groups from the Groups prompt:
    - *FRA Adds to Built up Reprocessed Taxable Wages [FRA]*
    - *FRA Subtracts from Built up Taxable Wages [FRA]*
    - *FRA Subtracts from Reprocessed Taxable Wages [FRA]*
    - *FRA Subtracts from Taxable Wages for General Contribution Reduction [FRA]*
3. Identify overtime hours for the General Contribution Reduction calculation.
  - a) Access the Edit Earning task for pay components with related calculations for overtime hours.
  - b) Navigate to the Related Calculations grid on the Effective Dated tab. In the row with the related calculation for overtime hours, select *FRA Full Time and Part Time Workers Overtime Hours [FRA]* from the Groups prompt.
  - c) On the Non-Effective Dated tab, select *FRA Subtracts from Reprocessed Taxable Wages [FRA]* from the Groups prompt.
4. (Optional) Select the proration method for the SMIC used in the General Contribution Reduction calculations.  
By default, Workday prorates the SMIC for the General Contribution Reduction by calendar days when subperiods occur. To prorate the SMIC with a reprocessed built-up salary:
  - a) Access the Edit Deduction or Edit Earning task for a pay component that has a nonzero result for the subperiod.
  - b) From the Groups prompt on the Non-Effective Dated tab, select *FRA SMIC Calculation Prorata Based on Built-Up Salary [FRA]*.
5. Identify that Beth is a worker who contributes to a transportation paid vacation fund.
  - a) Access the Edit Deduction or Edit Earning task for a pay component for workers eligible for a transportation paid vacation fund.
  - b) Ensure that the pay component has a nonzero result for the subperiod for Beth.
  - c) From the Groups prompt on the Non-Effective Dated tab, select *FRA Worker Affiliated to a Transportation Paid Vacation Fund Eligibility Criteria [FRA]*.

## Next Steps

Run a payroll calculation and access the Summary tab of Aurelie and Beth's payroll results. Verify the deduction amounts for the *General Contribution Reduction Extended for URSSAF [FRA]*.

To view the reference values for the calculations, access the Gross to Net tab in the pay results and view the Related Values for these pay components:

- *Memo - Reference Values for all Contributions [FRA]*
- *Memo - Reference Values for all Contributions - No Retro [FRA]*

## Related Information

### Concepts

[Concept: Time Off Earnings](#) on page 307

### Tasks

[Add Earnings or Deductions to Pay Component Groups](#) on page 241

### Reference

[Reference: Compare Working Time Payroll Impacts \(FRA\)](#) on page 1682

### Example: Set Up Exemptions for Pôle Emploi Lump Sum Contributions (FRA)

This example illustrates how to exempt workers for the Pôle Emploi lump sum contribution.

## Context

You want Workday to apply the Pôle Emploi lump sum contribution for workers with sector fixed-term contracts (CDD d'usage). You want to exempt 1 worker, Pierre, based on his collective agreement.

## Prerequisites

Security: *Setup Payroll - FRA* domain in the FRA Payroll functional area.

## Steps

1. Access the Maintain HCM Mapping for Payroll France task.

In the S21.G00.40.007 tab, map these DSN Rubric Values to your company's contract types and employee contract reasons:

- 02- *Fixed-Term Contract*
- 05 - *Sector Fixed-Term Contract*

2. Create a tenanted pay component related calculation based on collective agreements that returns a nonzero result for Pierre.

From the Groups prompt on the Related Calculations grid, select *FRA Prevents the Lump Sum Contribution for Sector Fixed-term Contracts Calculation [FRA]* pay component group.

See [Set Up Pay Component Related Calculations](#) on page 249.

## Result

Workday calculates the *POL Lump Sum Contribution for Sector Fixed-term Contracts [FRA]* deduction for nonexempt workers.

Workday reports the lump sum contribution amount in these DSN rubrics:

- S21.G00.23.001 for rubric value 771.
- S21.G00.81.001 for rubric value 908.

## Next Steps

You can add payroll input for the *POL Lump Sum Contribution for Sector Fixed-term Contracts [FRA]* deduction to adjust the deduction calculation. Example: To apply the deduction retroactively after correcting the HCM mapping.

[Related Information](#)

### Tasks

[Add Payroll Input for Workers](#) on page 617

[Map Staffing Information to Payroll Calculations \(FRA\)](#) on page 1627

## Partial Activity (FRA)

### Steps: Set Up Calculations for Partial Activity (FRA)

## Context

You can configure Workday to manage contribution calculations for partial activity, including:

- Reductions on CSG and CRDS for replacement income.
- The legal exemption limit above which employer indemnities to include in contribution calculations.
- The impact of long-term partial activity on taxable wages.

## Steps

1. [Set Up Workday Reductions for Indemnities for Partial Activity \(FRA\)](#) on page 1706.

2. Set Up Custom Reductions for Indemnities for Partial Activity (FRA) on page 1707.
3. Access the Edit Earning task for pay components related to partial activity.

Select the appropriate pay component groups from either:

- The Groups prompt on the Non-Effective Dated tab.
- The Groups prompt in the Related Calculations grid on the earning.

See Reference: [Pay Component Groups for Partial Activity \(FRA\)](#) on page 1707.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

#### Related Information

##### Tasks

[Add Earnings or Deductions to Pay Component Groups](#) on page 241

## Set Up Workday Reductions for Indemnities for Partial Activity (FRA)

#### Context

Workday provides several calculations that you can use to calculate reductions for replacement income for partial activity. By default, Workday doesn't calculate these deductions.

#### Steps

1. Access the Edit Run Category task.

Select *FRA CSG and CRDS Reduction Calculation Activation [FRA]* pay component group from the Additional Pay Component Groups to Calculate prompt.

Security: *Set Up: Payroll - Pay Group Specific* domain in Core Payroll functional area.

2. Create a pay component with a nonzero result.

Select *FRA CSG and CRDS Reduction Calculation Activation [FRA]* from the Groups prompt on the Non-Effective Dated tab.

You can also create a pay component related calculation with a nonzero result, and add it to the *FRA CSG and CRDS Reduction Calculation Activation [FRA]* pay component group.

See [Steps: Create Deductions](#) on page 234.

3. Access the Edit Earning or Edit Deduction task for pay components that are replacement income and contribute to URSSAF reduction calculations.

Select these pay component groups from the Groups prompt on the Non-Effective Dated tab:

- *FRA Adds to CSG/CRDS on Replacement Income Taxable Base and Subtracts from Common Law Contributions Taxable Bases [FRA]*
- *FRA Adds to URSSAF - Partial Activity [FRA]*

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in Core Payroll functional area.

4. (Optional) [Add Payroll Input for Workers](#) on page 617.

To override the default calculation, add payroll input for the *Memo - Reference Values for all Contributions [FRA]* pay component and add input for these related calculations:

- *Gross SMIC Limit*
- *Net Salary Prior to Reduction on CSG CRDS*

#### Result

Workday calculates these deductions:

- *URS Reduction on CRDS [FRA]*
- *URS Reduction on CSG Deductible from Tax [FRA]*
- *URS Reduction on CSG Submitted to Tax [FRA]*

Workday also reports reduction amounts in these DSN blocks:

- S21.G00.20
- S21.G00.22
- S21.G00.23

## **Set Up Custom Reductions for Indemnities for Partial Activity (FRA)**

### **Context**

When you create custom CSG/CRDS reductions for indemnities for partial activity, you can configure Workday to report in DSN reporting.

### **Steps**

1. Access the Edit Run Category task.

Select *URS CSG and CRDS Reduction for Replacement Income [FRA]* deduction from the Additional Pay Components to Calculate prompt.

Security: *Set Up: Payroll - Pay Group Specific* domain in Core Payroll functional area.

2. Create deductions to calculate CSG and CRDS reductions for replacement income, based on your company's business need.

Select *FRA DSN – CSG and CRDS Reduction for Replacement Income Amount [FRA]* from the Groups prompt on the Non-Effective Dated tab.

See [Steps: Create Deductions](#) on page 234.

### **Result**

Workday reports reduction amounts in DSN block S21.G00.23.

## **Reference: Pay Component Groups for Partial Activity (FRA)**

### **Partial Activity Calculations**

Workday uses pay components in these pay component groups to determine:

- Which calculations to use for specific cases.
- Which pay components to consider as replacement income.

Pay Component for	Groups
Activation of the Workday calculation for the reduction on CSG.	<i>FRA CSG and CRDS Reduction Calculation Activation [FRA]</i>
Replacement income.	<i>FRA Adds to CSG/CRDS on Replacement Income Taxable Base and Subtracts from Common Law Contributions Taxable Bases [FRA]</i>

### **Common Law Partial Activity**

Workday uses pay components in these pay component groups to calculate the impact of common law partial activity on taxable wages for contributions.

Pay Component for	Groups
Activation of a different exemption limit for protected sectors.	<i>FRA Activation for Partial Activity Exemption Increase [FRA]</i>
Hours that benefit from indemnities.	<i>Partial Activity Hours [FRA]</i>

Pay Component for	Groups
Payments for partial activity granted in addition to the legal one.	<i>Additional Partial Activity Indemnity [FRA]</i> <i>FRA Adds to URSSAF - Replacement Income [FRA]</i>
Taxable wages for illness reduction for workers in Alsace-Moselle and nonresidents.	<i>FRA Adds to URSSAF - Replacement Income [FRA]</i> , for nonresident workers, or workers located in Alsace Moselle.

### Long-Term Partial Activity

Workday uses pay components in these pay component groups to calculate the impact of long-term partial activity on taxable wages for contributions.

Pay Component for	Groups
Hours worked for long-term partial activity.	<i>Long-Term Partial Activity Hours [FRA]</i>
Payments for long-term partial activity granted by the employer in addition to the legal one.	<i>Additional Long-Term Partial Activity Indemnity [FRA]</i> <i>FRA Adds to URSSAF - Long- Term Partial Activity [FRA]</i>
Payments for long-term partial activity for nonresident workers and workers in Alsace Moselle.	<i>FRA Adds to URSSAF - Long- Term Partial Activity</i>

## Set Up Payroll Journal Reports for France (FRA)

### Set Up Payroll Journal Reports for France (FRA)

#### Prerequisites

- Define the payslip configuration on the Maintain Payroll Payslip Configuration task.
- Define the earning and deduction payslip display order on the Maintain Earnings and Deductions Reporting Order task.
- Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

#### Context

To help you verify cumulated payroll results before completing payroll, you can configure these Workday reports to generate a typical French payroll journal (Journal de Paie):

- FRA Payroll Journal by Company
- FRA Payroll Journal by Establishment

Workday uses the French payslip configuration as a basis for the payroll journal reports, but also aggregates data based on:

- Workday-configured groups.
- A configurable group for taxes.

#### Steps

- Access the Edit Deduction task for your company's specific taxes.

- On the Non-Effective Dated tab, select *FRA Payroll Journal - Miscellaneous Taxes [FRA]* from the Groups prompt.

## Result

Workday displays all taxes associated with the *FRA Payroll Journal -Miscellaneous Taxes [FRA]* pay component group under a Miscellaneous Taxes display group.

## Next Steps

Customize the French payroll journal reports to display employee type details on report drill-downs or launch parameters.

## Example: Add Launch Prompts to Payroll Journal Reports (FRA)

Illustrates how to add launch prompts to the standard French payroll journal reports.

### Context

You want to add prompts that enable you to run a payroll journal report for:

- Specific employee types.
- Workers with a nonresident tax election.

### Prerequisites

Copy 1 of these reports:

- FRA Payroll Journal by Company*
- FRA Payroll Journal by Establishment*

Security: These domains in the System functional area:

- Custom Field Management*
- Custom Report Management*
- Manage: All Custom Reports*

### Steps

- Access the Create Calculated Field task to create a calculated field for the employee type.

Enter these values:

Option	Description
Field Name	<i>Employee Type</i>
Business Object	<i>Pay Component (Combined) DI</i>
Function	<i>Lookup Related Value</i>

- Click OK and enter these values on the Calculation tab:

Option	Description
Lookup Field	<i>Payroll Result</i>
Return Value	<i>Employee Type</i> Ensure you select the Employee Type field on the Payroll Result business object for the Payroll France module.

- Click OK and Create Another Calculation to create a calculated field for nonresidency.

4. Enter these values:

Option	Description
Field Name	Nonresidency
Business Object	<i>Pay Component (Combined) DI</i>
Function	<i>Lookup Related Value</i>

5. Click OK and enter these values on the Calculation tab:

Option	Description
Lookup Field	<i>Payroll Result</i>
Return Value	<i>FRA Worker: Is Non-Resident as of Sub-Period End Date</i>

6. Click OK and Done.

7. Access the Edit Custom Report task for your custom report.

In the Filter tab, add these rows to the Filter on Instances grid:

Field	Operator	Comparison type with	Comparison value
<i>Employee Type</i>	<i>In the selection list</i>	<i>Prompt the user for the value and ignore the filter condition if the value is blank</i>	<i>Default Prompt</i>
<i>Nonresidency</i>	<i>Equal to</i>	<i>Prompt the user for the value and ignore the filter condition if the value is unchecked</i>	<i>Default Prompt</i>

8. To order the filters, access the Prompts tab, and in the Runtime Date Prompts section, order the rows in the Prompt Defaults grid.

By default, the new prompt displays at the top of the launch parameters list on your custom report.

9. Click OK and Done.

## Result

You can now run the payroll journal report for:

- A specific type of worker.
- Nonresident workers only.

When running the report, all parameters are inclusive.

Related Information

### Tasks

[Copy Reports](#)

## Example: Add Headcount Split to Payroll Journal Reports (FRA)

Illustrates how to add a headcount split by gender on the standard French payroll journal reports.

### Context

You want to include a headcount split by gender on your French payroll journal reports.

## Prerequisites

Create a custom report based on 1 of these reports:

- FRA Payroll Journal by Company
- FRA Payroll Journal by Establishment

Security: These domains in the System functional area:

- *Custom Field Management*
- *Custom Report Management*
- *Manage: All Custom Reports*

## Steps

1. Access the Create Calculated Field task to create a calculated field for worker gender.

Enter these values:

Option	Description
Field Name	Gender is Male
Business Object	Worker
Function	<i>Evaluate Expression</i>

2. Click OK and enter these values on the Calculation tab.

Option	Description
Field Type	<i>Single Instance</i>
Business Object	Worker
Default Value	<i>Empty Instance</i>

3. Add this row to the grid in the Calculation tab:

Option	Description
Condition	<i>Male Gender</i>
Return Value If Condition is True	Worker

4. Click OK and Create Another Calculation to create a calculated field for the male workforce.

5. Enter these values:

Option	Description
Field Name	Male Workforce
Business Object	<i>Pay Component (Combined) DI</i>
Function	<i>Lookup Related Value</i>

6. Click OK and enter these values on the Calculation tab:

Option	Description
Lookup Field	Worker
Return Value	<i>Gender is Male</i>

7. Click OK and Done.

8. Access the Edit Custom Report task for your custom report.  
Add this row to the Define the Field(s) to Summarize section.

Summarization Type	Summarization Field
<i>Count Distinct</i>	<i>Male Workforce</i>

Related Information

**Tasks**

[Copy Reports](#)

## Example: Add Drill-Downs to Payroll Journal Reports (FRA)

Illustrates how to add drill-downs to the standard French payroll journal reports.

### Context

You want to be able to drill down by employee type and nonresidency on the standard French payroll journal reports.

### Prerequisites

Create a custom report based on 1 of these reports:

- FRA Payroll Journal by Company
- FRA Payroll Journal by Establishment

Create 2 calculated fields, named Nonresidency and Employee Type.

Security: These domains in the System functional area:

- *Custom Report Management*
- *Manage: All Custom Reports*

### Steps

1. Access the Edit Custom Report task for your custom report.
2. Add a row for each of these fields to the Detail Data section on the Drill Down tab.
  - *Employee Type*
  - *Nonresidency*

### Result

You can now drill down by employee type and nonresidency in your customized report.

Related Information

**Examples**

[Example: Add Launch Prompts to Payroll Journal Reports \(FRA\)](#) on page 1709

## DSN Reporting (FRA)

### Setup Considerations: DSN Reporting (FRA)

You can use this topic to help make decisions when planning your configuration and use of Déclaration Sociale Nominative (DSN) reporting. 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

You can use Workday to prepare DSN reports for:

- Monthly payroll results, including on-demand additional results
- Absences
- Workers who return after an absence
- Terminations

You can also use Workday to generate DSN submissions, and automatically deposit them on the net-enterprises.fr portal.

## Business Benefits

Workday DSN reporting enables you to meet the legal requirements for reporting worker pay and statutory contributions.

It increases efficiency by streamlining the process for managing and submitting DSN reports. This enables you to use a single system to manage:

- Payroll calculations
- DSN reports
- DSN submissions
- DSN deposits

Workday provides validations and reports to help you verify data and ensure accurate DSN reporting.

Workday makes it easy to trace your compliance with DSN reporting requirements by enabling you to receive an electronic record of each automatic DSN file deposit.

## Use Cases

Report payroll and contributions for several types of workers and situations, including:

- Changes in a worker's status. Example: Changing from an apprenticeship to an unlimited contract.
- International transfers.
- Exposure to workplace risk hazards.
- Terminations and rehires.
- Transfers between companies.

In addition to generating DSN submissions, you can:

- Create nil declarations when you have no employees to report.
- Override the version of the DSN technical reporting specifications associated with the DSN.
- Manually override declared data.
- Replace and cancel an existing DSN.

## Questions to Consider

Questions	Considerations
Which establishments do you want to include in a DSN?	<p>Define:</p> <ul style="list-style-type: none"> <li>• Which establishments are responsible for preparing the DSN submission file for specific DSN natures.</li> </ul>

Questions	Considerations
	<ul style="list-style-type: none"> <li>• Which establishments to report in each DSN.</li> </ul>
How do you pay contributions to social organizations?	<p>Enable social organizations to debit contributions directly based on the amounts reported in the DSN.</p> <p>For URSSAF payments, select either:</p> <ul style="list-style-type: none"> <li>• Have all establishments pay contributions to a single URSSAF location.</li> <li>• Define different URSSAF deduction recipients for 1 or more establishments.</li> </ul>
Do you use subrogation for Indemnités Journalières de Sécurité Sociale (IJSS)?	<p>You can configure Workday to report specific IJSS information when an establishment applies subrogation.</p> <p>Configure rules to determine how to apply subrogation for DSN reporting based on absence types and worker details. Example: Create rules for different reporting for:</p> <ul style="list-style-type: none"> <li>• Managers</li> <li>• Workers with tips</li> <li>• Workers with a specific type of absence</li> </ul>
What are you reporting for health and disability coverage?	<p>Indicate which plans for mandatory health and disability coverage (mutuelle et prévoyance) to report in a DSN. Workday Payroll for France only supports DSN reporting for health care, contingency, and supplemental retirement benefit plans. Configure these plans as health care coverage plans.</p> <p>You can also report individual benefit contributions for health care plans by:</p> <ul style="list-style-type: none"> <li>• Mapping pay components for benefit contributions to the appropriate DSN rubric.</li> <li>• Defining the coverage target and applicable benefit group for each plan.</li> </ul>
Which absences do you want to report in a DSN?	<p>Workday reports all time offs and leaves of absence that you map to rubrics:</p> <ul style="list-style-type: none"> <li>• S21.G00.60.001</li> <li>• S21.G00.65.001</li> </ul> <p>Workday also reports the leaves of absence that you map to specific leave payment types in these rubrics.</p> <p>We report consecutive time offs that you map to the same DSN rubric value as 1 absence in the DSN. For DSN reporting, Workday doesn't consider absences separated by nonworked days as consecutive. Workday recommends that you include nonworked days in time offs for absences reported in block S21.G00.60.</p>

Questions	Considerations
What working time information do you want to report for workers?	<p>To accurately report working time for workers in DSN block S21.G00.53.002, identify pay components that represent the:</p> <ul style="list-style-type: none"> <li>• Number of hours or days worked</li> <li>• Unpaid or partially paid absences</li> <li>• Overtime hours</li> </ul> <p>To identify your company's calculations, associate pay component related calculations to the corresponding FRA DSN pay component group.</p>
What different elements of pay and salary do your workers receive?	<p>To ensure that Workday accurately reports worker payments, map pay components that represent the different types of payments to the corresponding DSN reporting blocks. Examples:</p> <ul style="list-style-type: none"> <li>• Salary elements</li> <li>• Bonuses and indemnities</li> <li>• Professional expenses, meal vouchers, and other gross pay elements</li> </ul> <p>When you have nonmonthly reference periods for bonuses or other elements of gross pay, declare reference period details for DSN blocks S21.G00.52 and S21.G00.54. You can add related calculations to the bonus earnings to define the:</p> <ul style="list-style-type: none"> <li>• Reference period duration</li> <li>• Start month of the reference period</li> <li>• Start year of the reference period</li> </ul> <p>For bonuses subject to Pôle Emploi, you can identify which ones to exclude from the declared Pôle Emploi Taxable Base.</p>
Which workplace risk factors do you need to declare in a DSN?	<p>To declare worker exposition to workplace risk hazards, you can either:</p> <ul style="list-style-type: none"> <li>• Add payroll input for the appropriate workplace risk hazard on the <i>Memo - Prevention Account Exposure Factors [FRA]</i> deduction.</li> <li>• Create value comparison calculations that return a nonzero result for exposure to workplace risk hazards and associate the calculation with 1 of the <i>FRA Prevention Account</i> pay component groups.</li> </ul>
How do you want to deposit your DSN submission?	<p>You can deposit DSN submissions by:</p> <ul style="list-style-type: none"> <li>• Generating a .txt file in Workday and manually uploading it to net-entreprises.fr.</li> <li>• Configuring Workday to automatically deposit generated submissions on the net-entreprises.fr portal.</li> </ul>

Questions	Considerations
	<p>Workday recommends automatically depositing DSN files to keep an electronic record of the deposit.</p>
<p>Do you have workers with previous DSNs submitted from other payroll systems?</p>	<p>When generating DSNs, Workday only includes:</p> <ul style="list-style-type: none"> <li>Event or worker changes that occur after a worker's first payroll results in Workday.</li> <li>Absences entered after calculating the first payroll results in Workday.</li> </ul> <p>To report data or changes that occurred before a worker's first payroll results in Workday, create a manual absence DSN, an FCTU, or a manual entry.</p> <p>A worker's first payroll results are the first results for a regular run category for France, excluding payroll history results.</p> <p>To ensure coherence in reported worker data between generated DSNs and other DSNs previously submitted, manually enter:</p> <ul style="list-style-type: none"> <li>A minimum order number to ensure that Workday continues to increase the reported order numbers on new event DSNs.</li> <li>The worker's temporary technical number (NTT) declared in previous DSNs.</li> </ul>
<p>How do you want to verify the values reported in the DSN?</p>	<p>When you use Workday to prepare a DSN, Workday compares reported data with standards from the government for the DSN structure. Workday then raises errors for any exceptions.</p> <p>Workday provides several reports that you can use to verify values reported in a DSN.</p> <p>You can also create an EIB to extract a DSN submission to an XML file, if you prefer to verify the submission in a spreadsheet.</p>

## Recommendations

- Verify your DSN reporting before completing payroll, because you can't make changes after completing payroll.
- Use DSN-val or your *DSN Polling (Machine to Machine)* integration, and DSN-FPOC for a complete verification before submitting your DSN.
- Automatically deposit DSN files to keep an electronic record of the deposit.
- Keep copies of the DSN files that you send.
- Associate custom payroll calculations with the appropriate pay component groups or DSN rubrics to ensure that they're reported in the DSN.
- Configure the Employee Contract: Generate Contract ID for each New Employment localized field in the Staffing area on the Maintain Localization Settings task. This can help you ensure continuity in DSN reporting by generating contract IDs for new contracts based on DSN requirements.
- For workers with a suspended contract, ensure that you have payroll results for the current month to avoid an invalid FCTU DSN.

## Requirements

To generate a DSN, you must:

- Configure statutory calculations in Workday.
- Use Workday to calculate payroll results.

To deposit DSN submissions automatically, you must have credentials for a net-entreprises.fr account.

## Limitations

When generating a monthly DSN, Workday includes any on-demand additional or replacement payments that target:

- The current period
- A prior period that hasn't been included in a previous monthly DSN

Workday only supports DSN submissions for fewer than 20,000 workers.

## Tenant Setup

On the Maintain Localization Settings task, you can configure Workday to generate a contract ID for new contracts based on DSN requirements.

On the Edit Tenant Setup – HCM task, you can configure a sequence generator for employee contract IDs.

## Security

Domains	Considerations
These domains in the Integration functional area: <ul style="list-style-type: none"> <li><i>Integrations: EIBs</i></li> <li>Integration Build</li> </ul>	Enables users to set up an EIB for: <ul style="list-style-type: none"> <li>Exporting a DSN to a spreadsheet.</li> <li>Making manual DSN deposits.</li> </ul>
<i>Process: DSN for Pay Group (Run) - FRA</i> in the FRA Payroll functional area	Enables users to generate and verify DSNs, including: <ul style="list-style-type: none"> <li>Adding manual entries.</li> <li>Accessing reports to verify DSN exceptions and data.</li> <li>Previewing data reported in a DSN.</li> </ul> Users with access to this domain can only preview DSN data for workers in a specific pay group.
<i>Process: DSN (Run) - FRA</i> in the FRA Payroll functional area	Enables users to generate and verify all data in a DSN, including: <ul style="list-style-type: none"> <li>Adding manual entries.</li> <li>Accessing reports to verify DSN exceptions and data.</li> <li>Previewing data reported in a DSN.</li> </ul>
<i>Process: DSN (Submission) - FRA</i> in the FRA Payroll functional area	Enables users to create DSN submissions for generated DSNs. <p>This domain doesn't enable users to preview DSN content.</p> <p>Provide Get and Put access to this domain when configuring the <i>DSN Deposit Machine to Machine</i> integration.</p>

Domains	Considerations
<i>Set Up: Payroll - FRA</i> in the FRA Payroll functional area	Enables users to map: <ul style="list-style-type: none"> <li>Absences to DSN rubrics.</li> <li>Staffing information to DSN rubrics.</li> </ul>
<i>Set Up: Payroll - Company Specific (Taxes) - FRA</i> in the FRA Payroll functional area	Enables users to set tax configuration settings on the Edit Company FRA Tax Configuration task, including: <ul style="list-style-type: none"> <li>Setting up social organizations.</li> <li>Defining which health care plans to report in a DSN.</li> </ul>
<i>Set Up: Payroll (Calculations - Payroll Specific)</i> in the Core Payroll functional area	Enables users to add pay components to specific pay component groups for DSN reporting.
<i>Set Up: Payroll (DSN) - FRA</i> in the FRA Payroll functional area	Enables users to configure the main DSN setup, including: <ul style="list-style-type: none"> <li>Defining which establishments to include in a DSN.</li> <li>Mapping pay components to DSN reporting.</li> </ul>
<i>Set Up: Tenant Setup - Worklets</i> in the System functional area	Enables users to set up the DSN Command Center dashboard.
<i>Worker Data: Payroll (Payroll Input)</i> in the Core Payroll functional area	Enables users to add payroll input for DSN reporting.

### Business Processes

To generate automatic DSN deposits through Workday, configure the *DSN Submission Event* business process. You can configure the business process to manage both automatic and manual deposits.

### Reporting

Report	Considerations
<i>Audit Workers Reported in DSN</i>	Identifies workers who don't have a continuous contract during their entire period of employment. Workers with continuous contract numbers ensure continuity in DSN reporting.
<i>DSN Benefits Contributions by Establishment</i>	Compares benefit amounts aggregated by benefit plan and population with the aggregated payroll amounts.
<i>DSN Command Center dashboard</i>	Configure on your Home page to enable you to manage and track your generated DSNs.
<i>DSN Contributions by Establishment</i>	Compares payroll contribution calculations to the URSSAF amounts declared in the DSN. For AGIRC-ARRCO, compares calculated amounts by population type to the aggregated payroll amount declared in the DSN.
<i>DSN Header Rubric Results</i>	Compares and verifies the values in DSN header results.

Report	Considerations
DSN Payments to Tax and Social Organizations by Company	Displays the aggregated values of payments to tax and social organizations. You can also compare current payments with payments from the previous month.
DSN Payments to Worker by Company	Displays the aggregated values of declared worker payments.
DSN Status for Group of Workers	Displays workers with payroll or DSN results that have incorrect or missing data. Verifies the list of workers who are reported in a monthly DSN and identify any missing ones.
DSN Worker Rubric Results	Compares and verifies the values of a rubric result for multiple workers. You can also select individual workers to display only their results.

## Integrations

Integration	Considerations
<i>DSN Deposit (Machine to Machine)</i>	Sends DSN submissions to the net-entreprises.fr. With this integration, you can enable access to a zip file containing Workday-created DSN files.
<i>DSN Polling (Machine to Machine)</i>	<p>Retrieves:</p> <ul style="list-style-type: none"> <li>• The status of a deposited DSN submission from the net-entreprises.fr portal.</li> <li>• Withholding rates for income tax from the DGFIP and uploads them to worker tax elections.</li> <li>• DSN response messages (CRMs). View CRMs in the View DSN Responses (CRM) report.</li> <li>• AER PDFs or CRMs if there is a related error message.</li> </ul>

You can create an EIB based on the *Get DSN Data* web service to generate your DSN submission as a .txt file for manual submissions.

## Connections and Touchpoints

Features	Considerations
Contracts	Workday uses the contract number as a unique identifier to track employee compensation from hire to termination. To ensure accurate DSN reporting, verify that the contract number doesn't change regardless of internal transfers or contract conversions.  To help you ensure continuity, you can configure Workday to generate contract IDs for new contracts based on DSN requirements.

Features	Considerations
Companies	<p>Workday declares data from your company configuration in DSN reports. Examples:</p> <ul style="list-style-type: none"> <li>• Address</li> <li>• APEN</li> <li>• Bank account details</li> </ul>
Bank routing rules	<p>Workday declares the default bank account from bank routing rules when declaring:</p> <ul style="list-style-type: none"> <li>• Contribution payments</li> <li>• IJSS subrogation payments</li> <li>• Income tax withholding</li> </ul>
Benefits	<p>Workday declares data from your benefit configuration in DSN reports. Examples:</p> <ul style="list-style-type: none"> <li>• Group policy numbers for benefit plans</li> <li>• Benefit provider IDs</li> </ul>
Deduction recipients	<p>Configure a deduction recipient for each social organization that you declare URSSAF or AGIRC-ARRCO contributions to. You can enable the social organization to debit contributions based on the amounts reported in the DSN, by selecting a direct debit payment method.</p>
Establishments	<p>Workday declares data from your establishment configuration in DSN reports. Examples:</p> <ul style="list-style-type: none"> <li>• Industry code</li> <li>• Location</li> </ul>
Income tax withholding	<p>When you launch the <i>DSN Polling (Machine to Machine)</i> integration, Workday retrieves withholding rates from the compte rendu métier (CRM) sent by the DGFIP. Workday then automatically uploads the rates to worker tax elections.</p>
Statutory Contributions	<p>Workday uses the statutory contribution configuration in Workday to prepare the DSN report.</p>
Terminations	<p>To ensure accurate DSN reporting for terminated workers, enter a worker's:</p> <ul style="list-style-type: none"> <li>• Last Day of Work</li> <li>• Pay Through Date</li> <li>• Termination Date</li> </ul> <p>You can activate localized fields in the Staffing area of the Maintain Localization Settings task to select relevant options for different types of termination, such as:</p> <ul style="list-style-type: none"> <li>• Agreement Signature Date for mutual agreements</li> <li>• Dismissal Process Start Date</li> </ul>

Features	Considerations
	<ul style="list-style-type: none"> <li>Notice Period Start Date</li> </ul>
Workers	<p>Workday declares data from worker personal and contract information in DSN reports. Examples:</p> <ul style="list-style-type: none"> <li>Birth place</li> <li>Collective agreement</li> <li>Contact information</li> <li>Nationality</li> <li>Worker ID</li> </ul>

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

##### Concepts

[Concept: Termination Dates for DSN Reporting \(FRA\)](#) on page 1783

##### Tasks

[Calculate Employee Contract IDs](#)

## Set Up DSN Reporting (FRA)

### Reference: DSN Data Requirements (FRA)

To avoid errors and missing data in DSN declarations, your Workday setup must contain the required data before you run these tasks:

- Run Pay Calculation.
- Run DSN Preparation.

Workday recommends that you verify staffing and organizational data during your initial tenant configuration, and at each reportable event:

- Hire.
- Termination.
- Absences.
- Return to work before the expected date.

These sections list all data that you can report in a DSN. The required information for each DSN varies depending on the DSN nature and the specific situation of a company or a worker.

#### Company Data

Company Data	Options	Where to View It	How to Correct It
Address	<p>An address with:</p> <ul style="list-style-type: none"> <li>Primary selected</li> <li>Type: Business</li> </ul>	<p>Select Company &gt; View Company Contact Information from the related actions menu of the company.</p>	<a href="#">Set Up Nonsupervisory Organizations</a>

Company Data	Options	Where to View It	How to Correct It
APEN	<ul style="list-style-type: none"> <li>Industry Code</li> <li>Type: NAF/APE.</li> <li>Industry Code.</li> </ul>	<p>View Company report for the company.</p>	Edit Company Industry Codes task. Security: Set Up: Company General domain in the Common Financial Management functional area.
Bank account details	<ul style="list-style-type: none"> <li>Bank Identification Code.</li> <li>IBAN.</li> </ul>	Access Bank Statements report for the company and open a bank account.	Define Bank Accounts

#### Establishment Data

Data	Options	Where to View It	How to Correct It
Declared Establishment Details	<p>Each establishment in a DSN and the headquarters establishment of the company must have:</p> <ul style="list-style-type: none"> <li>Industry Code with the APET code</li> <li>Location with a primary business</li> </ul>	Establishment Set Up report.	Steps: Set Up Establishments

Data	Options	Where to View It	How to Correct It
	address. Workday uses the address of the primary location, when available.		

#### Statutory Contributions Setup

Data configured in payroll statutory contributions. See [Steps: Set Up Payroll Statutory Contributions \(FRA\) on page 1669](#).

#### Benefit Data

Data	Option	Where to View It	How to Correct It
Benefit plan	Group Policy Number.	On the View Company FRA Tax Configuration task, view the Contract Number field on the Benefits tab.	<a href="#">Create Health Care Plans</a>
Benefit provider	Provider ID.	On the View Company FRA Tax Configuration task, view the Organization Code field on the Benefits tab.	<a href="#">Create Benefit Providers</a>

#### Worker Data

Worker Data	Options	Where to View It	How to Correct It
Collective agreement	<ul style="list-style-type: none"> <li>Collective Agreement</li> <li>Area</li> </ul>	On the Worker profile,	<a href="#">Steps: Manage</a>

Worker Data	Options	Where to View It	How to Correct It
	<ul style="list-style-type: none"> <li>Class navigate</li> <li>Group to the</li> <li>Level. Collective</li> <li>Step, Agreement</li> <li>Coefficient report of</li> <li>the Job</li> <li>Rating profile</li> <li>Professional group.</li> <li>Category.</li> </ul>		Collective Agreements
Contact information	<ul style="list-style-type: none"> <li>Primary On the Home worker Contact profile, Address navigate with to the a Contact mailing report usage of the</li> <li>Primary Contact Work profile Email group. with public visibility.</li> <li>Primary Work Phone (Device is Telephone or Mobile) with public visibility for issuer and declaration contacts.</li> <li>Fax number with public visibility (for issuer contacts).</li> </ul>	On the Home worker Contact profile, Address navigate with to the a Contact mailing report usage of the	Steps: Set Up Contact Information
Contract	The worker must have a valid	Employee Contracts report.	Add Employee Contracts

Worker Data	Options	Where to View It	How to Correct It
	<p>contract during their entire employment by the declared establishment.</p> <p>The defined contract must have:</p> <ul style="list-style-type: none"> <li>• A Reason that is mapped to a DSN rubric value (for fixed-term contracts).</li> <li>• A Contract ID that remains the same from initial hire to final termination, even if information about the employee's contract changes.</li> <li>• A Contract Start Date</li> </ul>		

Worker Data	Options	Where to View It	How to Correct It
	<ul style="list-style-type: none"> <li>A Contract Type that is mapped to a DSN rubric value.</li> <li>A Contract End Date for fixed-term workers.</li> </ul>		
Disability type	<ul style="list-style-type: none"> <li>Disability</li> <li>Disability Status</li> <li>Date Known</li> </ul>	On the Worker profile, navigate to the Personal Information report of the Personal profile group.	Steps: Set Up Disability Tracking
DSN Worker Information	Temporary Technical Number (NTT) for workers without social security numbers.	Access the View DSN Worker Information task.	Access the Edit DSN Worker Information task.
Job details	<ul style="list-style-type: none"> <li>Employee ID.</li> <li>Business Title.</li> <li>Employee Type mapped to a DSN</li> </ul>	On the worker's profile, navigate to the Job Details report of the Job profile group.	Correct Staffing Events

Worker Data	Options	Where to View It	How to Correct It
	<ul style="list-style-type: none"> <li>• rubric value.</li> <li>• FTE or Paid FTE.</li> <li>• Hire Date.</li> <li>• Location.</li> <li>• Work Address.</li> </ul>		
Job Profile	<ul style="list-style-type: none"> <li>• A Job Classification from a classification group report of mapped the Job to DSN profile group. Click <a href="#">Job Classification Profile</a>.</li> <li>• For workers with complementary PCS-ESE codes, additional Job Classifications from a classification group mapped to DSN Job Classification Group (<a href="#">Complément PCS-ESE 2003</a>).</li> </ul>	<p>On the worker's <a href="#">Profile</a> page, navigate to the Job classifications group report of mapped the Job to DSN profile group. Click <a href="#">Job Classification Profile</a>.</p> <p><a href="#">Job Classification Group (Complément PCS-ESE 2003)</a>.</p>	<a href="#">Create Job Profiles</a> <a href="#">Correct Staffing Events</a>

Worker Data	Options	Where to View It	How to Correct It
	Workday uses the Additional Job Classifications from the worker position instead, when available.		
Position	<ul style="list-style-type: none"> <li>An Additional Job Classification from a classification group mapped to DSN Job Classification Group (PCS-ESE 2003).</li> <li>For workers with complementary PCS-ESE codes, additional Additional Job Classifications from a classification group mapped to DSN Job Classification Group (Complément PCS-ESE 2003).</li> </ul>	On the worker's profile, investigate from a classification group mapped to DSN Job Classification Group (PCS-ESE 2003) to the Job Details profile group. Click Position.	<a href="#">Create Hiring Restrictions</a> <a href="#">Create Positions</a> <a href="#">Correct Staffing Events</a>

Worker Data	Options	Where to View It	How to Correct It
	<ul style="list-style-type: none"> <li>Working Time Frequency.</li> <li>Working Time Unit.</li> <li>Working Time Value.</li> <li>Location weekly hours.</li> <li>Scheduled weekly hours.</li> </ul>		
Personal information	<ul style="list-style-type: none"> <li>Gender.</li> <li>Date of Birth.</li> <li>Country of Birth.</li> <li>Region of Birth.</li> <li>City of Birth.</li> <li>Primary Nationality.</li> </ul>	<p>On the worker profile, navigate to the Personal Information report of the Personal profile group.</p>	Steps: Set Up Personal Information Fields
Worker ID	<ul style="list-style-type: none"> <li>Identification #.</li> <li>National ID Type: Social Security ID (INSEE) Number.</li> </ul>	<p>Information report.</p>	Edit IDs task. Security: Person Data: ID Information domain in the Personal Data functional area.
Worker name	<ul style="list-style-type: none"> <li>Legal name.</li> <li>Preferred name (if available).</li> </ul>	<p>On the worker profile, navigate to the Names report of the</p>	Steps: Set Up Worker Names

Worker Data	Options	Where to View It	How to Correct It
		Personal profile group.	
Worker schedule	Work Schedule Calendar.	Select Calendar > View Worker Calendars from the worker's related actions menu.	<a href="#">Create Work Schedule Calendars</a>

## Worker Leaves

Set up leave types for reclassification and part-time therapeutic leaves. See [Steps: Set Up Reclassification Leaves \(FRA\)](#) on page 1794, and [Steps: Report Part-Time Therapeutic Leave in DSNs \(FRA\)](#) on page 1812.

## Worker Termination

Termination Data	Options	Where to View It	How to Correct It
Termination Details	<ul style="list-style-type: none"> <li>Primary Reason</li> <li>Local Termination Reasons mapped to a DSN rubric value.</li> <li>Notification Date.</li> <li>Termination Date.</li> <li>Last Day of Work.</li> <li>Pay Through Date.</li> </ul> <p>Note: When you set up localized notice period</p>	Select Worker History > View Worker History from the related actions menu of the worker, and then select the <i>Terminate</i> business process	<a href="#">Correct Staffing Events</a>

Termination Data	Options	Where to View It	How to Correct It
	<p>fields in the Staffing area of the Maintain Localized Settings task, Workday displays additional fields.</p> <ul style="list-style-type: none"> <li>• Agreement Signature Date</li> <li>• Dismissal Process Start Date</li> <li>• Notice Period Start Date</li> </ul>		

## Related Information

### Reference

[Reference: Compare Working Time Payroll Impacts \(FRA\) on page 1682](#)

[The Next Level: Evaluate HCM Data Readiness for French Payroll Deployment](#)

## Steps: Set Up DSN Reporting (FRA)

### Prerequisites

- Create establishments.
- Map staffing information to payroll calculations.
- Review setup considerations for DSN reporting.

### Context

To meet the legal requirements for reporting worker pay and statutory contributions, you can enable Workday Payroll for France to prepare DSNs for:

- Monthly on-cycle payroll results.
- Absences.
- Returns to work after an absence.
- Terminations.

Workday can prepare DSNs for completed or in progress payroll results.

### Steps

1. [Set Up Social Organizations \(FRA\) on page 1732](#).

2. [Define Establishments Included in DSN \(FRA\) on page 1733.](#)
3. Access the Maintain Absence Mapping for Payroll France task and map:
  - Time offs to rubric values from S21.G00.60.001.
  - Leave types to rubric values from S21.G00.65.001.

Workday reports consecutive time offs that map to the same DSN rubric value as 1 absence in the DSN. Absences separated by nonworked days aren't considered as consecutive. Workday recommends that you include nonworked days in time offs for absences reported in block S21.G00.60.

Don't map part-time therapeutic leaves to DSN block S21.G00.60. Workday automatically reports all leaves with the *France - FRA\_TPT - Therapeutic Part Time* leave payment type as part-time therapeutic leaves.

Security: *Set Up: Payroll - FRA* domain in the FRA Payroll functional area.

4. [Indicate Health Care Plans for DSN Reporting \(FRA\) on page 1735.](#)

## Next Steps

Set up the amounts and dates reported in the DSN, including those for part-time therapeutic leave and absences.

### Related Information

#### Concepts

[Setup Considerations: DSN Reporting \(FRA\) on page 1712](#)

#### Tasks

[Steps: Process Payroll on page 644](#)

[Steps: Set Up Establishments](#)

[Add Earnings or Deductions to Pay Component Groups on page 241](#)

[Map Staffing Information to Payroll Calculations \(FRA\) on page 1627](#)

## Set Up Social Organizations (FRA)

### Prerequisites

Define a SIREN company tax ID on the Edit Company Tax Details task. See [Set Up Company Tax ID \(FRA\) on page 1670](#).

### Context

During payroll calculations, Workday calculates the contribution amounts due to social organizations, such as URSSAF, or retirement organizations.

You can define the payment method and identification details about each social organization to:

- Report in a DSN all contributions that are due to each organization.
- Enable the organization to debit the amount from the company bank account.

### Steps

1. Access the Create Deduction Recipient task. As you complete the task, consider:

Option	Description
External Entity ID	Enter the SIRET for the social organization.
Payment Method	Select <i>Direct Debit</i> to enable the social organization to debit contributions based on the amounts reported in a DSN. In this case, when you generate a DSN that includes

Option	Description
	<p>contributions to the organization, Workday reports:</p> <ul style="list-style-type: none"> <li>• Block S21.G00.20 - Versement Organisme de Protection Sociale, and sets the DSN payment method to 05 - <i>Prélèvement SEPA</i>.</li> <li>• Details of the company bank account used to pay contributions.</li> </ul>

Security: *Worker Data: Payroll (Income Withholding Orders)* domain in the Core Payroll functional area.

## 2. Access the Edit Company FRA Tax Configuration task.

In the Organization Membership grid, map each Recipient Type to a Deduction Recipient.

If all of the establishments of the company pay contributions to the same URSSAF location, select:

- Unique Deduction Recipient.
- The establishment responsible for paying URSSAF contributions from the Payer Establishment prompt.

When you select the Unique Deduction Recipient check box, Workday reports:

- In S21.G00.22.001: The SIRET of the URSSAF deduction recipient defined at the company level.
- In S21.G00.22.002: The SIRET of the payer's establishment.

Security: *Set Up: Payroll - Company Specific (Taxes) - FRA* domain in the FRA Payroll functional area.

## 3. (Optional) Access the Edit Establishment FRA Tax Configuration task to define a different URSSAF deduction recipient for 1 of the establishments in a company.

Don't define URSSAF deduction recipients for establishments if you selected Unique Deduction Recipient in the Edit Company FRA Tax Configuration task.

Security: *Set Up: Payroll - Company Specific (Taxes) - FRA* domain in the FRA Payroll functional area.

### Related Information

#### Tasks

Steps: [Set Up DSN Reporting \(FRA\)](#) on page 1731

### Define Establishments Included in DSN (FRA)

#### Prerequisites

- Create establishments.
- Ensure that you have only 1 headquarter establishment for a company.
- Security: *Set Up: Payroll (DSN) - FRA* domain in the FRA Payroll functional area.

#### Context

To enable Workday to produce a DSN for each establishment that's running payroll in Workday, you must define:

- Which establishments and companies to report together in a DSN submission file.
- Which establishment is responsible for preparing and sending the DSN submission file.
- Contact information for each reported establishment.

#### Steps

##### 1. Access the Edit Establishment FRA Reporting task.

2. For an issuer establishment, complete the DSN Issuer tab:

Option	Description
DSN Issuer	Select.
DSN Natures	Select the declaration natures for which the issuer is responsible.  Select <i>07 - Signalement Fin du contrat de travail Unique</i> in addition to the <i>02 - Signalement fin du contrat de travail</i> to enable the issuer to manage DSNs for termination.  You can continue to manually generate DSNs for a Fin de contrat de travail (FCT) nature through 2021. When you manually create an FCT DSN for a worker, Workday doesn't generate an FCTU DSN.
Contact	Select the worker to report as the issuer contact in DSN block S10.G00.02.
Companies and Establishments	Add a line for each company to declare in the DSN submission file. Select which establishments to report.  Include the establishment that's responsible for preparing the DSN submission file.

3. For an issuer or reported establishment complete the DSN Header and DSN Options tabs.

On the DSN Options tab, consider:

Option	Description
Subrogation Option	Select the subrogation option for the establishment. Workday uses the subrogation information for reporting purposes only. To manage the impact of subrogation on payroll, define whether subrogation applies when adding pay input for each Indemnité Journalière de Sécurité Sociale (IJSS).
Type of Compensation Subject to Unemployment Insurance for Expatriates	Workday uses this option to determine which type of compensation to report in rubric S21.G00.11.009 for monthly DSNs. Workday uses the value of the configuration based on the DSN Reference Moment.
Deduction Recipient	Complete this option to report unemployment contributions to Pôle Emploi for expatriate workers. See <a href="#">Set Up DSN Reporting for Expatriate Workers (FRA)</a> on page 1757.

## Result

When you run the:

- Run DSN preparation task for a DSN issuer, Workday prepares 1 DSN for each reported establishment and for each event.
- Create DSN Submission task for the DSN issuer, Workday prepares a DSN submission that contains all of the DSNs created for the issuer.

## Example

Global Modern Services SA (France) has 2 establishments:

- GMS Paris
- GMS Lyon

Global Modern Services SA (Mulhouse) has 1 establishment, GMS SA Mulhouse.

GMS Lyon is responsible for submitting the monthly payroll DSN submission file. The submission file should contain DSNs for all establishments in both Global Modern Services companies.

To define GMS Lyon as the DSN issuer, access the Edit Establishment FRA Reporting task for GMS Lyon, and select the DSN Issuer check box.

In the Companies and Establishments grid, add these lines:

Company	Option
<i>Global Modern Services SA (France)</i>	<i>All</i>
<i>Global Modern Services SA (Mulhouse)</i>	<i>All</i>

When you run the monthly payroll, Workday produces:

- 3 DSNs (GMS Paris, GMS Lyon, GMS Mulhouse).
- 1 DSN submission containing all 3 DSNs.

## Next Steps

Create DSN subrogation rules to report subrogation for specific workers.

Related Information

### Tasks

[Steps: Set Up Establishments](#)

[Steps: Set Up DSN Reporting \(FRA\) on page 1731](#)

### Examples

[Example: Manage Employer Subrogation for IJSS Payments \(FRA\) on page 1806](#)

## Indicate Health Care Plans for DSN Reporting (FRA)

### Prerequisites

- Set up health care plans.
- Create health care coverage targets.
- Security: *Set Up: Payroll - Company Specific (Taxes) - FRA domain* in the FRA Payroll functional area.

### Context

To fulfill DSN reporting requirements, you can indicate which health care plans your company offers for mandatory health and disability coverage (prevoyance). Workday Payroll for France only supports DSN reporting for health care benefit plans.

### Steps

1. Access the Edit Company FRA Tax Configuration task.
2. In the Benefits tab, add a row to the Benefits grid for each benefit plan to be reported in a DSN.  
(Optional) In the Risk Holder field, enter the 6-character code that represents the risk holder for the benefit plan.

3. (Optional) Click OK and then Maintain Details to define details for each benefit plan.
  - a) For each plan coverage target, add a row with these settings to the Options grid:
    - Option: Select the coverage target.
    - DSN Rubric Value: Enter the option code provided in the insurance settings sheet by the benefit provider. Workday reports this value in DSN rubric S21.G00.70.004.
  - b) For each benefit group associated with the plan, add a row with these settings to the Populations grid:
    - Population: Select a benefit group applicable for France or all countries.
    - DSN Rubric Value: Enter the population code provided in the insurance settings sheet by the benefit provider. Workday reports this value in DSN rubric S21.G00.70.005.

## Next Steps

Map pay components for individual benefit contributions to DSN block S21.G00.79.

## Set Up Derogation Tracks (FRA)

### Context

You can configure Workday to apply a derogation track for DSN reporting for contracts that are classified as a contrat de travail à durée déterminée d'usage (CDDU). When you apply a derogation track to eligible contracts, Workday no longer creates a termination DSN, and reports the termination only in the monthly DSN.

### Steps

1. Access the View DSN Rubric Configuration report.  
In the row for Rubric Code S21.G00.62.017, click Maintain.  
From the CDDU Rubric Value prompt, select *01 - Application du circuit dérogatoire* to use a derogation track for all eligible contracts in the tenant.  
Security: *Set Up: Payroll (DSN) - FRA* domain in the FRA Payroll functional area.
2. (Optional) Access the Edit DSN Worker Information task.  
To record a worker's refusal of a derogation track, select Refusal of Derogation Track in the Derogation Track section.  
Security: *Worker Data: Payroll (Company Specific) - FRA* domain in the FRA Payroll functional area.

## Example: Set Up the DSN Command Center Dashboard (FRA)

This example illustrates how to configure the DSN command center dashboard.

### Context

You want to configure the DSN Command Center dashboard on your Home page to:

- Manage and track your generated DSNs.
- Verify reported payroll data.
- Quickly access related DSN tasks in Workday.

The DSN Command Center dashboard is secured to the *Process: DSN (Run) - FRA* domain in the FRA Payroll functional area.

### Prerequisites

Security: *Set Up: Tenant Setup - Worklets* domain in the System functional area.

## Steps

1. Access the Maintain Dashboards report.
2. On the row for the *DSN Command Center* dashboard, click Edit.
3. On the Content tab, click Add.
4. Enter these values:

Option	Description
Tab Name	DSN Status
Prompt Set	<i>Find DSN Data Blocks</i>
Configurable By User	Clear

5. In the Prompts section, enter these values:

Prompt Field	Default Type	Default Value
DSN Period	<i>Determine default value at runtime</i>	<i>Latest DSN Period</i>

You can optionally define default values for the other rows. Examples: Companies with SIREN for Search, Establishments.

6. In the Worklets section, add a row for these worklets:

- Monthly DSNs To Process
- Event-Based DSNs To Process

We secure these reports to these domains in the FRA Payroll functional area:

- *Process: DSN (Run) - FRA*
- *Process: DSN for Pay Group (Run) - FRA*
- *Process: DSN (Submission) - FRA*

7. In the Menu section, enter these values:

Section Label	Item - Task
DSN Management	<i>Create Manual DSN</i>
	<i>Run DSN Preparation</i>
	<i>Convert Monthly DSNs to Partial Monthly DSNs</i>
DSN Audit	<i>All DSN Exceptions</i>
	<i>Audit Workers Reported in DSN</i>
	<i>DSN Status for Group of Workers</i>

8. On the Content tab, click Add to add another tab.

9. Enter these values:

Option	Description
Tab Name	DSN Verification
Prompt Set	<i>Find DSN Data Blocks</i>
Configurable By User	Clear

10. In the Prompts section, enter these values:

Prompt Field	Default Type	Default Value
DSN Period	<i>Determine default value at runtime</i>	<i>Latest DSN Period</i>

Workday displays several additional rows with populated settings. Examples: Companies with SIREN for Search, Establishments.

11. In the Worklets section, add a row for the DSN Total Payments to Tax and Social Organizations by Company worklet.

We secure this report to these domains in the FRA Payroll functional area:

- *Process: DSN (Run) - FRA*
- *Process: DSN for Pay Group (Run) - FRA*

12. In the Menu section, enter these values:

Section Label	Item - Task
DSN Verification	<i>DSN Payments to Tax and Social Organizations by Company</i>
	<i>DSN Payments to Workers by Company</i>
	<i>DSN Header Rubric Results</i>
	<i>DSN Worker Rubric Results</i>
	<i>DSN Contributions by Establishment</i>
	<i>DSN Benefits Contributions by Establishment</i>

13. From the Home page, access the Configure Applications menu to display the Configure Worklets task.

In the Optional Worklets section, add a row with the *DSN Command Center* Worklet.

## Result

You can now access the DSN Command Center dashboard from your Home page.

## Next Steps

Run a payroll calculation and generate a DSN report to view data in the DSN Command Center dashboard.

## Set Up OETH Reporting (FRA)

### Setup Considerations: OETH Reporting (FRA)

You can use this topic to help make decisions when planning your configuration and use of OETH reporting. 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

Workday provides a series of tasks, web services, and reports that enable you to automatically report Obligation d'emploi des travailleurs handicapés (OETH) details on a yearly basis as part of Déclaration Social Nominative (DSN) reporting.

## Business Benefits

- Automatic calculations help you comply with regulatory reporting requirements.
- Streamlined processes for regularizations enable you to make adjustments easily.
- A variety of reports enables you to verify OETH reporting data easily.

## Use Cases

- Report OETH details, such as contribution amounts, number of workers, and expenses, as part of a DSN report.
- Verify differences between payroll and DSN reporting details due to OETH details.
- Regularize previously reported OETH details.

## Questions to Consider

Questions	Considerations
Do you need to report OETH details before the definitive reporting period?	<p>Workday automatically reports OETH reporting details in the monthly DSN designated for the definitive reporting period. For establishments closing between January 1 and the definitive reporting period, you can choose to report OETH data early.</p> <p>After the initial reporting period, you can regularize previously reported data in subsequent DSN reports. You can only regularize data for DSNs that have a status of <i>Passed</i>.</p>
Do you have custom contribution amounts to report?	<p>By default, Workday automatically calculates these contributions based on your company's OETH reporting parameters:</p> <ul style="list-style-type: none"> <li>Actual OETH contribution amount owed.</li> <li>Gross OETH contribution amount before deductions.</li> <li>Net OETH contribution amount before and after reduction.</li> </ul> <p>Workday calculates and reports the values for the establishment defined as the headquarters.</p> <p>You can:</p> <ul style="list-style-type: none"> <li>Delete and recalculate previously calculated amounts.</li> <li>Override any of the calculated contribution amounts.</li> </ul>
Do you have an OETH certified agreement?	You can specify that you have an OETH certified agreement as part of your tax setup. Workday then calculates the net OETH contribution amount after reduction as zero.

Questions	Considerations
What expenses do you have that are related to OETH?	<p>Consider which expenses you have that are related to OETH. You can enter the amounts of different types of expenses you want to declare as an OETH reporting detail. Workday reports expense amounts in DSN rubric S21.G00.82.002, and uses the expense information to calculate and report:</p> <ul style="list-style-type: none"> <li>• The net OETH contribution amount.</li> <li>• Planned expenses.</li> </ul>
Do you have a reduction amount based on transitional measures?	<p>When applicable, you can provide the reported contribution amount for the previous year as an OETH reporting detail. Workday uses this amount to calculate a reduction amount automatically.</p>
How do you classify worker disabilities in your organization?	<p>To ensure accurate reporting of OETH data, you can map your organization's disability types to Bénéficiaires de l'Obligation d'Emploi des Travailleurs Handicapés (BOETH) statuses when mapping staffing information payroll calculations.</p>

## Recommendations

As completing payroll modifies the status of your DSN to *Ready for Submission*, verify OETH reporting data in your generated DSN before. Workday considers any modifications as an update for the current month if the DSN isn't yet included in a real submission. Otherwise, it is treated as a regularization in the next monthly DSN.

## Requirements

Workday prompts you during the definitive reporting month to include OETH reporting details in your monthly DSN, but you must independently verify statutory reporting requirements.

Run DSN preparations after any modification to OETH reporting details.

Set up and track disability data for workers.

To accurately report workers with an Emploi exigeant des Conditions d'Aptitude Particulière (ECAP), configure the PCS ESE code for the job classification.

## Limitations

You can't make DSN manual adjustments for personnel types 730 and 740.

When the employed internal and external headcount is greater than the headcount to be employed, Workday doesn't calculate an OETH contribution.

## Tenant Setup

No impact.

## Security

These domains in the FRA Payroll functional area:

Domains	Considerations
<ul style="list-style-type: none"> <li>• <i>Process: DSN (Run) - FRA</i></li> <li>• <i>Process: DSN (Submission) - FRA</i></li> </ul>	Either domain enables you to run DSN preparations.
<i>Set Up: Payroll - OETH Reporting - FRA</i>	<p>Enables you to manage OETH reporting, including:</p> <ul style="list-style-type: none"> <li>• Creating overrides for calculated contribution amounts.</li> <li>• Deleting OETH reporting details.</li> <li>• Entering OETH reporting parameters.</li> <li>• View OETH calculations.</li> <li>• Reporting on OETH details.</li> </ul>

## Business Processes

No impact.

## Reporting

Reports	Considerations
DSN Contributions by Establishment	Use to verify reported OETH amounts for an establishment.
DSN Header Rubric Results	Use to verify reported OETH amounts for DSN blocks S21.G00.13 and S21.G00.82.
OETH Reporting Status	<p>Use to verify OETH reporting details for 1 or more companies for a given reference year such as:</p> <ul style="list-style-type: none"> <li>• The contribution amount owed.</li> <li>• The status of the associated DSN.</li> <li>• Which companies are missing OETH details.</li> </ul>
View DSN Contributions	Use to drill down on differences between payroll calculations and reported DSN values. You can identify whether the difference is due to OETH reporting details.
View OETH Reporting Details	Use to view calculated OETH contribution amounts and reported details for a given reference year and company.

You can use the OETH Reporting Status report data source to create custom reports to verify OETH details.

Access the Maintain OETH Reporting Details task from the related actions menu of a DSN that is not yet included in a real submission. After you run the task, the related DSN status reverts to *In Progress*.

## Integrations

You can use these web services to submit or retrieve OETH reporting parameters and details:

- *Get OETH Reporting Details*
- *Put OETH Reporting Details*

## Connections and Touchpoints

Features	Considerations
Disability tracking	To report OETH details accurately, you must configure and track disability data for workers.
DSN Reporting	Workday reports the OETH details automatically in the monthly DSN report for the definitive reporting period.

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

#### Concepts

[Setup Considerations: DSN Reporting \(FRA\)](#) on page 1712

#### Tasks

[Steps: Set Up Disability Tracking](#)

[Map Staffing Information to Payroll Calculations \(FRA\)](#) on page 1627

### Steps: Set Up OETH Reporting (FRA)

#### Prerequisites

- Review the setup considerations for Obligation d'emploi des travailleurs handicapés (OETH) reporting.
- Set up disability tracking and track disability data for workers.
- Map disability types to Bénéficiaires de l'Obligation d'emploi des travailleurs handicapés (BOETH) statuses in the Maintain HCM Mapping for Payroll France task. See [Map Staffing Information to Payroll Calculations \(FRA\)](#) on page 1627.

#### Context

You can configure Workday to report OETH details as part of DSN reporting.

#### Steps

1. [Enter OETH Reporting Details \(FRA\)](#) on page 1743.
2. Access the Edit Company FRA Tax Configuration task.

As you complete the task, consider:

Option	Description
Company Collective Agreement	Enter the value of the collective agreement that is most frequently applied to the company. Workday reports this value in DSN rubric S21.G00.06.015.
OETH Certified Agreement	Workday reports the code of the certified agreement in DSN rubric S21.G00.13.001. To cancel an agreement reported by mistake, enter the code as defined by the DSN technical specifications that relates to a cancellation of a wrong certified agreement code. Example: D000000000001.  Workday uses the start and end dates to determine when to apply the collective

Option	Description
	agreement for OETH reporting. Ensure that the start and end dates cover the reference period.

Security: *Set Up: Payroll - Company Specific (Taxes) - FRA domain* in the FRA Payroll functional area.

### 3. Access the Run DSN Preparation task.

Generate a DSN for the definitive OETH reporting period.

Security: Either of these domains in the FRA Payroll functional area:

- *Process: DSN (Run) - FRA*
- *Process: DSN (Submission) - FRA*

### 4. Access the View OETH Reporting Details report.

Verify the contribution amounts calculated by Workday. When viewing OETH data for DSNs with a status lower than *Ready for Submission*, you can:

- Edit the amounts to be reported in the current DSN.
- Delete OETH details.
- Preview the DSN.

Security: *Set Up: Payroll - OETH Reporting - FRA domain* in the FRA Payroll functional area.

## Next Steps

Create a DSN submission to submit the DSN.

Related Information

### Concepts

[Setup Considerations: OETH Reporting \(FRA\)](#) on page 1738

### Tasks

[Steps: Set Up Disability Tracking](#)

[Map Staffing Information to Payroll Calculations \(FRA\)](#) on page 1627

## Enter OETH Reporting Details (FRA)

### Prerequisites

Security: *Set Up: Payroll - OETH Reporting - FRA domain* in the FRA Payroll functional area.

### Context

You can provide details about your organization to enable Workday to calculate Obligation d'emploi des travailleurs handicapés (OETH) contributions and other reporting details. While OETH reporting has a definitive reporting period once a year, you can enter reporting details and make adjustments throughout the reporting year. When you modify reporting details after you've already submitted a previous DSN, Workday reports the details as a regularization in the next monthly DSN. For regularizations, Workday reports the new data:

- As a cancel and replace for the certified agreement and external headcounts.
- By negating previous details and reporting the updated versions for other details.

You use the *Put OETH Reporting Details* web service to upload reporting details.

### Steps

1. Access the Maintain OETH Reporting Details task.
2. From the Company prompt, select a company. Workday applies the OETH details to the company headquarters related to the selected company.

3. From the Reference Year prompt, select the year related to data to report, not the year of the DSN. Workday only takes into account the details starting from the first definitive reporting period. You can enter regularizations for a reference year until the end of the year. You can't process any reporting for previous reference years.

You can only modify OETH reporting details for DSNs with a status that is lower than *Ready for Submission*. Any details after that point are considered a regularization for the same reference period, and reported in the next monthly DSN.

4. Select Report DSN Early to report OETH details in a DSN before the definitive reporting date.

Only select this option if your organization is closing between January 1st and the definitive reporting period.

5. As you complete the Headcount and Parameters grid, consider:

When entering a regularization for a previous declaration, Workday automatically populates the details entered in the prior monthly DSN. Adjust the amounts to represent the full amounts to report, and not just the missing delta from the prior declaration.

Option	Description
Headcount Liable to OETH	Workday uses this value when calculating the yearly average BOETH (Bénéficiaires de l'Obligation d'emploi des travailleurs handicapés).
OETH Headcount to be Employed	Workday uses this value when calculating the gross OETH contribution amount.
OETH Headcount Employed	Workday uses this value when calculating the: <ul style="list-style-type: none"> <li>• Gross OETH contribution amount.</li> <li>• Yearly average BOETH.</li> </ul>
Headcount Employed with ECAP	Workday uses this value when calculating the: <ul style="list-style-type: none"> <li>• ECAP (Emploi exigeant des Conditions d'Aptitude Particulière)</li> <li>• Net OETH contribution amount.</li> </ul> Unlike other calculations, Workday doesn't display the ECAP calculation on the View OETH Reporting Details task. You can verify the value of the ECAP deduction by viewing the reported values in DSN block S21.G00.82.
SMIC Multiplier for BOETH Missing Headcount	Workday uses this value to calculate the gross OETH contribution amount.
Transitional Measures	Workday uses this value to calculate a reduction when you report a contribution increase compared with the last reference year.

6. Complete the External Workers grid.

Workday reports the number of external workers in DSN block S21.G00.13. Workday uses this information to calculate:

- The gross OETH contribution amount.
- The yearly average BOETH.

7. Add any expenses related to OETH in the Expenses grid.

Workday reports this information in DSN block S21.G00.82. Workday also uses this information to calculate:

- The net OETH contribution amount.
- Planned OETH expenses that aren't used.

8. (Optional) Add override value for the OETH calculated contribution amounts in the Contribution Overrides grid.

When you add an override value, it impacts all of the others that depend on it. Example: If you override the gross OETH contribution amount, Workday uses the override value as the basis when calculating the net OETH contribution amount.

## Next Steps

Access the Run DSN Preparation task to generate a DSN and calculate contribution amounts.

## Troubleshooting: OETH Reporting (FRA)

### Workday doesn't calculate an Obligation d'emploi des travailleurs handicapés (OETH) contribution.

You have entered data in the Maintain OETH Reporting Details task, but don't see any details in the DSN.

Cause	Solution
You haven't processed a monthly DSN related to the headquarters.	<p>Security: These domains in the FRA Payroll functional area:</p> <ul style="list-style-type: none"> <li>• <i>Process: DSN (Run) - FRA</i></li> <li>• <i>Process: DSN (Submission) - FRA</i></li> </ul> <ol style="list-style-type: none"> <li>1. Access the Run DSN Preparation task.</li> <li>2. From the Issuer Company prompt, select the company headquarters.</li> </ol>
You haven't processed a DSN for the definitive reporting period for OETH.	<p>Complete payroll and process DSNs for each monthly period until you can process the DSN for the definitive reporting period.</p> <p>See <a href="#">Steps: Process Payroll</a> on page 644.</p>
You haven't entered either a:	<ol style="list-style-type: none"> <li>1. Access the Maintain OETH Reporting Details task.</li> </ol> <p>Security: <i>Set Up: Payroll - OETH Reporting - FRA</i> domain in the FRA Payroll functional area.</p> <ol style="list-style-type: none"> <li>2. Select a company and the reference year previous to the year of your DSN.</li> <li>3. In the Headcount and Parameters grid, complete these fields:</li> </ol> <ul style="list-style-type: none"> <li>• OETH Headcount to be Employed</li> <li>• SMIC Multiplier for BOETH Missing Headcount</li> </ul>

Cause	Solution
	<p>4. Access the Run DSN Preparation task.</p> <p>Security: These domains in the FRA Payroll functional area:</p> <ul style="list-style-type: none"> <li>• <i>Process: DSN (Run) - FRA</i></li> <li>• <i>Process: DSN (Submission) - FRA</i></li> </ul>

### **View DSN Contributions report displays different contribution totals by type of personnel and pay component groups.**

In the View DSN Contributions report, there are different URSSAF totals for these columns:

- By Type of Personnel or Population
- By Pay Component Groups

Cause: Since the OETH contribution amounts come from the DSN preparation, and not the payroll calculation, they can't be aggregated under a pay component group. There's therefore a difference due to OETH contributions.

Solution:

#### **Steps**

Security: These domains in the FRA Payroll functional area:

- *Process: DSN (Run) - FRA*
  - *Process: DSN for Pay Group (Run) - FRA*
1. In the View DSN Contributions report, click the Differences column.
  2. Use the adjustment difference classified as OETH to reconcile any differences when verifying results.

## **Set Up Training and Apprenticeship Tax Reporting (FRA)**

### **Steps: Configure Training and Apprenticeship Taxes (FRA)**

#### **Prerequisites**

Security: *Set Up: Payroll - Company Specific (Taxes) - FRA* domain in the FRA Payroll functional area.

#### **Context**

You can configure Workday to report details on training tax and apprenticeship tax as part of DSN reporting.

#### **Steps**

1. [Enter Apprenticeship Tax Reporting Details \(FRA\)](#) on page 1747.
2. In the Company Collective Agreement grid, select a collective agreement for the establishment to report in DSN block S21.G00.11.
3. Access the Taxes tab on the Edit Company FRA Tax Configuration task.

As you complete the Apprenticeship Tax Liability grid, consider:

Option	Description
Option	Select whether the company is liable to apprenticeship tax. You can specify a different

Option	Description
	<p>option for establishments when configuring establishment tax configuration.</p> <p>Workday uses the Option field to determine whether to:</p> <ul style="list-style-type: none"> <li>Calculate deductions for apprenticeship tax.</li> <li>Report apprenticeship tax details in DSN reporting.</li> </ul> <p>Note: To calculate supplementary apprenticeship, you must still enter a rate in the Supplementary Contribution for Apprenticeship grid on the Taxes tab.</p>
Nonliability Reason	Workday reports this information in DSN S21.G00.44.004 <i>Motif de non assujettissement à la taxe d'apprentissage</i> .
OPCO (Opérateur de compétences) Membership	Workday reports this information in DSN rubric S21.G00.11. Workday uses the value of this field when you don't define a value for an establishment on the Edit Establishment FRA Tax Configuration task.

#### 4. Access the Edit Establishment FRA Tax Configuration task. Click the Apprenticeship Tax tab.

In the Collective Agreement grid, select a collective agreement for the establishment to report in DSN block S21.G00.11. You can also use the collective agreement for the company.

As you complete the Apprenticeship Tax Liability grid, consider:

Option	Description
Option	By default, the establishment has the same liability as the company. Select an option when the establishment has a different liability for apprenticeship tax.
Nonliability Reason	Workday reports this information in DSN S21.G00.44.004 as <i>Motif de non assujettissement à la taxe d'apprentissage</i> .
OPCO (Opérateur de compétences) Membership	Workday reports this information in DSN rubric S21.G00.11.

### Next Steps

Run a DSN preparation to include the information in a DSN.

### Enter Apprenticeship Tax Reporting Details (FRA)

#### Prerequisites

Security: These domains in the FRA Payroll functional area:

- Process: DSN (Run) - FRA
- Process: DSN for Pay Group (Run) - FRA

## Context

You can provide details about apprenticeship expenses calculated outside of Workday, to help you meet DSN reporting requirements.

If you need to update apprenticeship tax reporting details after submitting a DSN, you can enter a regularization on the next month. When you enter a regularization, Workday cancels and replaces the previous values from the initial DSN in the next DSN report.

## Steps

1. Access the Find DSN task.
2. From the related actions menu of the DSN, select DSN > Maintain Apprenticeship Tax Reporting Details.
3. As you complete the task, consider:

Option	Description
Regularization	<p>Select to change previously reported tax reporting details when possible.</p> <p>Example: You can't cancel and replace an incorrect value reported in DSN block S21.G00.82 for rubric value 74. In this case, correct the contribution amount directly in the payroll results. Workday processes the total updated amount in payroll and reports it as zero in block S21.G00.81 in the DSN associated to the current pay period.</p>
DSN to Regularize	<p>Select the DSN to regularize. Example: In April, you want to override amounts reported in March. You access the DSN for April and enter these settings:</p> <ul style="list-style-type: none"> <li>• Regularize: Selected</li> <li>• DSN to Regularize: Select the DSN for March.</li> </ul>
DSN Rubric Value	<p>You can't edit the amount for DSN rubric value 074- <i>Exonération Taxe d'apprentissage pour un employeur d'apprenti(s), dont la masse salariale est inférieure à 6 SMICs</i>. Workday automatically reports zero for this value.</p> <p>Supplementary apprenticeship tax is reported annually, when applicable, that is, when the establishment is a headquarters and the DSN period is in March. For supplementary apprenticeship tax, the DSN Rubric Value 080 – <i>Exonération de la contribution supplémentaire à l'apprentissage</i> is automatically populated with zero in the Maintain Apprenticeship Tax Reporting Details task.</p> <p>When you select either the balance for apprenticeship tax (076 – <i>libératoire de la taxe d'apprentissage</i>) or supplementary apprenticeship tax (079 – <i>Contribution supplémentaire à l'apprentissage (CSA)</i>) the</p>

Option	Description
	<p>amount is populated automatically, making it available for override.</p> <p>Workday also displays these rubric values to manage any expenses deductible from the apprenticeship tax settlement amount:</p> <ul style="list-style-type: none"> <li>• 077 – <i>Réduction du versement libératoire de la taxe d'apprentissage liés à des subventions aux CFA</i></li> <li>• 078 – <i>Réduction du versement libératoire de la taxe d'apprentissage liés à des créances alternants</i></li> </ul>
Maximum Amount	Displays the contribution amount for either the: <ul style="list-style-type: none"> <li>• Current DSN period.</li> <li>• DSN period selected for regularization.</li> </ul>
Amount to Regularize	If you've already submitted a DSN, Workday displays the originally reported amount.
Amount	<p>Enter the amount to report for the DSN rubric value.</p> <p>For regularizations, enter the new amount to report. Always enter a positive value for regularizations for rubric value 075, even if it's a reduction.</p>

## Next Steps

Run a DSN preparation to include apprenticeship tax reporting details in a DSN.

## Set Up DSN Reported Values (FRA)

### Steps: Set Up DSN Reported Values (FRA)

#### Context

Workday automatically identifies the values for most DSN rubrics. To ensure correct processing, you need to specify how to identify and report:

- Specific amounts. Example: Withholding tax for nonresidents.
- Different types of days and hours. Examples: Overtime, unpaid absences.
- Reference periods. Example: For nonmonthly bonuses.
- Waiting periods. Example: For IJSS payments.

#### Steps

1. [Map Pay Components to DSN Reporting Blocks \(FRA\)](#) on page 1750.
2. [Identify Amounts to Declare for DSN Reporting \(FRA\)](#) on page 1751.
3. [Declare Working Time and Absences in a DSN \(FRA\)](#) on page 1753.
4. [Define Nonmonthly Reference Periods for Reported Bonuses \(FRA\)](#) on page 1756.
5. Add payroll input to declare additional events or situations in a DSN. Examples: Exposure to a risk hazard, vested free shares.

[See Reference: Payroll Inputs for DSN Reporting \(FRA\)](#) on page 1758.

6. Access the Edit DSN Worker Information task.

Add individual worker information to report in a DSN, such as:

- Workers receiving retirement benefits while still working.
- Workers with existing Temporary Technical Numbers (NTT) from other payroll systems.

Security: *Worker Data: Payroll (Company Specific)* - FRA domain in the FRA Payroll functional area.

7. (Optional) [Set Up DSN Reporting for Expatriate Workers \(FRA\)](#) on page 1757.

## Map Pay Components to DSN Reporting Blocks (FRA)

### Prerequisites

Security: *Set Up Payroll (DSN)* - FRA domain in the Payroll France functional area.

### Context

To ensure that Workday accurately reports pay components for your company, you can map your calculations to rubric values from the DSN framework.

Workday uses rubric configuration mappings for these DSN blocks:

- S21.G00.40 (Contrat): To identify workers who receive tips.
- S21.G00.51 (Remuneration): To identify different salary elements.
- S21.G00.52 (Prime, gratification et indemnité): To identify different types of bonuses and indemnities.
- S21.G00.54 (Autre élément de revenu brut): To identify professional expenses, meal vouchers, and other different gross pay elements.
- S21.G00.78 (Code de base assujettie): To identify contribution bases to report for civil servants in private sectors, and paid vacation fund contribution basis.
- S21.G00.79 (Composant de base assujettie): To identify individual benefit contributions.
- S21.G00.81 (Cotisation individuelle): To identify individual contribution amounts for civil servants in private sectors.

Note: Only earnings and deductions can be used in the configuration of DSN rubric S21.G00.40.045.

### Steps

1. Access the View DSN Rubric Configuration report.
2. For each rubric value that requires mapping, click Maintain.

Workday only displays a Maintain button for rubric values that you must map to calculations. To view predefined calculations for other DSN rubric values, access the Calculations column in the View DSN Rubric Configuration task.

3. As you complete the row, consider:

Option	Description
Calculations for Rubric Value	<p>Select from any payroll calculation, including:</p> <ul style="list-style-type: none"> <li>• Deductions</li> <li>• Earnings</li> <li>• Pay component related calculations</li> <li>• Pay accumulations</li> <li>• Pay balances</li> <li>• Pay component groups</li> </ul> <p>For benefits, map all taxable wages to report for benefit plans.</p>

Option	Description
Related Calculations	For rubric values where you need to report the number of hours used to calculate an amount. If you use a related calculation from an earning or deduction, select the earning or deduction from the Calculations for Rubric Value prompt.
Rubric Value of Parent Block	For DSN block S21.G00.81. Select the rubric value of the block under which to report an additional DSN block S21.G00.81.
Contribution Basis	For DSN blocks S21.G00.78 and S21.G00.81. Workday reports the sum of all selected calculations as the contribution basis for the selected rubric value in DSN rubrics S21.G00.78.004 and S21.G00.81.003.
Contribution Calculation	For DSN block S21.G00.81. Workday reports the sum of all selected calculations as the contribution amount for the selected rubric value in DSN rubric S21.G00.81.004.
URSSAF Tax Election Selection	For DSN blocks S21.G00.78 and S21.G00.81. Determines whether Workday reports a rubric value for a worker. Workday reports the rubric value for: <ul style="list-style-type: none"> <li>Workers with the selected type of personnel when you select <i>Selected Only</i> as the Selection Option.</li> <li>All workers except for workers with the selected type of personnel when you select <i>All Except Selected</i> as the Selection Option.</li> </ul>

## Result

When you create a DSN, Workday evaluates the payroll calculation and reports it in the associated rubric value.

## Example

You need to report the calculations for overtime hours in DSN block S21.G00.51.

In addition to the statutory setup, you have an earning, *Overtime*, which uses the related calculation *FRA Hours* to retrieve the number of overtime hours.

Enter this configuration for the rubric code S21.G00.51.011 - Type (Rémunération):

Rubric Value	Calculations for Rubric Value	Related Calculations
017 - Heures supplémentaires ou complémentaires aléatoires	<i>Overtime</i>	<i>FRA Hours</i>

## Identify Amounts to Declare for DSN Reporting (FRA)

### Prerequisites

Security: Set Up: Payroll (Calculations - Payroll Specific) domain in the Core Payroll functional area.

## Context

Workday automatically identifies the amounts required for most DSN rubrics. To ensure correct DSN processing, you need to identify how to report some specific pay components, such as:

- Pôle Emploi taxable base.
- Withholding tax for nonresidents.

## Steps

1. Access the Edit Deduction or Edit Earning task for pay components that represent amounts to be reported in the DSN.
2. On the Non-Effective Dated tab, select the appropriate pay component group from the Groups prompt:

Reported Amount	Rubric Value	Pay Component Groups
S21.G00.51: Pôle emploi taxable base	002 - Salaire brut soumis à contributions d'Assurance chômage	<p><i>FRA DSN - Subtracts from POLE EMPLOI Taxable Base [FRA]</i></p> <p>Only add pay components that you want to remove from the gross wage taxable bases used in Pôle Emploi calculations. Examples: Bonuses, fixed-term contract allowances, annual leave payouts, payment instead of notice.</p>
S21.G00.51: Social security basis salary	003 - Salaire rétabli – reconstitué	<p><i>FRA Adds to Social Security Basis Salary [FRA]</i></p> <p><i>FRA Subtracts from Social Security Basis Salary [FRA]</i></p> <p>Only add earnings and deductions that you want to add or remove from the taxable wages for work accident contributions.</p>
S21.G00.52: Purchasing power bonuses	902 - Potentiel nouveau type de prime exceptionnelle de pouvoir d'achat (PEPA)	<i>DSN reporting of the Purchasing Power Exceptional Bonus [FRA]</i>
S21.G00.52: Value Sharing Bonus	<ul style="list-style-type: none"> <li>• 904 - Prime de partage de la valeur exonérée socialement et non imposable</li> <li>• 905 - Prime de partage de la valeur exonérée socialement et imposable</li> </ul>	<i>FRA DSN - Value Sharing Bonus [FRA]</i>
S21.G00.54, S21.G00.79, S21.G00.81: Health care, contingency funds, and retirement plans	S21.G00.54: <ul style="list-style-type: none"> <li>• 92 - Cotisation frais de santé.</li> </ul>	<p><i>FRA Contributions to Contingency Funds ER [FRA]</i></p> <p><i>FRA DSN Contributions to Health Care Funds ER [FRA]</i></p>

Reported Amount	Rubric Value	Pay Component Groups
	<ul style="list-style-type: none"> <li>• 93 - Cotisation prévoyance et retraite supplémentaire</li> </ul> <p>S21.G00.79:</p> <ul style="list-style-type: none"> <li>• 04 - Contributions patronales destinées au financement des prestations de prévoyance complémentaire</li> <li>• 05 - Contributions patronales destinées au financement des prestations de retraite supplémentaire</li> </ul> <p>S21.G00.81: 901 - Cotisation épargne retraite</p>	<i>FRA DSN Contributions to Supplementary Retirement Funds EE [FRA]</i> <i>FRA Contributions to Supplementary Retirement Funds ER [FRA]</i>
S21.G00.65.005: Number of split leave days	For leaves of absences reported under rubric value 607 – Congé de présence parentale or 650 – Congé de proche aidant	<i>FRA Split Leave Number of Days [FRA]</i>
S21.G00.66: Salary lost due to part-time therapeutic leave		<i>FRA DSN - Therapeutic Part Time Salary Loss [FRA]</i>
S21.G00.81: Withholding tax for nonresidents	077 - Montant de la retenue à la source effectuée sur les salaires versés aux personnes domiciliées hors de France	<i>FRA DSN Withholding Tax for Non Resident [FRA]</i> <i>FRA RTT Payout Employer Exemption [FRA]</i>

## Related Information

### Tasks

[Add Earnings or Deductions to Pay Component Groups](#) on page 241

[Steps: Set Up DSN Reported Values \(FRA\)](#) on page 1749

### Declare Working Time and Absences in a DSN (FRA)

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

To correctly report working time and specific absences in the DSN, you can identify pay components that represent:

- Worked hours or days.
- Unpaid or partially paid absences.
- Overtime hours.
- Social security waiting periods.

## Steps

1. Access the Edit Deduction or Edit Earning task for the pay component with related calculations for worked time or absences.
2. On the Effective Dated tab, in the row with the related calculation for the overtime or time off, select the appropriate pay component group from the Groups prompt.

Related Calculation For	Impacted DSN Rubric	Pay Component Groups
Number of hours worked	S21.G00.53.002 (Mesure (Activité))	Select <i>FRA DSN - Worked Hours Override for Block 53 [FRA]</i> to declare hours for medical staff that aren't based on the worker calendar.  The <i>FRA DSN - Worked Hours Override for Block 53 [FRA]</i> pay component group only applies to workers with one of these tax elections: <ul style="list-style-type: none"> <li>• 336 - Medical Jobs 30% Reduced Rate</li> <li>• 346 - Medical Health Center Staff</li> </ul> For other workers, Workday automatically uses the worker schedule to determine the number of days or hours worked.
Overtime hours	S21.G00.53.002 (Mesure (Activité))	Select <i>FRA DSN - Paid Activity Hours [FRA]</i> .
Unpaid absences	S21.G00.53.002 (Mesure (Activité))	Select either: <ul style="list-style-type: none"> <li>• <i>FRA DSN - Unpaid Activity Days [FRA]</i></li> <li>• <i>FRA DSN - Unpaid Activity Hours [FRA]</i></li> </ul> For workers with an hourly working time, Workday converts any absences associated with <i>FRA DSN - Unpaid Activity Days [FRA]</i> from days to hours. Workday bases the calculation on the employee's work schedule calendar.
Partially unpaid absences	S21.G00.53.002 (Mesure (Activité))	Add pay component related calculations for the paid portion of partially paid absences to either: <ul style="list-style-type: none"> <li>• <i>FRA DSN - Paid Activity Hours [FRA]</i></li> <li>• <i>FRA DSN - Paid Activity Days [FRA]</i></li> </ul>

Related Calculation For	Impacted DSN Rubric	Pay Component Groups
		<p>Don't map fully paid absences to the paid activity or unpaid activity pay component groups.</p> <p>Add pay component related calculations for the unpaid portion of partially paid absences to either:</p> <ul style="list-style-type: none"> <li>• <i>FRA DSN - Unpaid Activity Hours [FRA]</i></li> <li>• <i>FRA DSN - Unpaid Activity Days [FRA]</i></li> </ul> <p>For workers with an hourly working time, Workday converts any absences associated with these pay component groups from days to hours:</p> <ul style="list-style-type: none"> <li>• <i>FRA DSN - Paid Activity Days [FRA]</i></li> <li>• <i>FRA DSN - Unpaid Activity Days [FRA]</i></li> </ul> <p>Workday bases the calculation on the employee's work schedule calendar.</p>
Social security waiting period	<p>S21.G00.60.005 (Date de début de subrogation)</p> <p>S21.G00.60.006 (Date de fin de subrogation)</p>	<p><i>FRA DSN - Waiting Period [FRA]</i></p> <p>Use with time offs that are part of an absence table with absence tiers. See <a href="#">Create Absence Tables</a>.</p> <p>Define the variable waiting period duration in the Quantity Per Occurrence field in Absence Table Tiers tab in the Create Absence Table task. See <a href="#">Create Absence Tables and Example: Create Quantity-per-Occurrence Calculations Starting in the Prior 12 Months</a>.</p>

#### Related Information

##### Tasks

[Add Earnings or Deductions to Pay Component Groups](#) on page 241

[Steps: Set Up DSN Reported Values \(FRA\)](#) on page 1749

## Define Nonmonthly Reference Periods for Reported Bonuses (FRA)

### Prerequisites

Create pay components for bonuses and gross pay elements.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

### Context

Identify nonmonthly reference periods for:

- Bonuses reported in DSN block S21.G00.52.
- Other elements of gross pay reported in DSN block S21.G00.54.

You can view which bonuses and elements are reported in DSN by accessing the View DSN Rubric Configuration task for rubric codes:

- S21.G00.52.001
- S21.G00.54.001

### Steps

1. Access the Edit Earning task for a bonus or gross pay component.
2. Add these rows to the Related Calculations grid:

Related Calculation	Override Calculation	Do Not Store/ Do Not Store if Zero
<i>Reference Period Start Date</i>	Enter the start date when the reference period starts. Example: 01-01-2025 for January 1, 2025.	
<i>Reference Period End Date</i>	Enter the end date when the reference period starts. Example: 31-12-2025 for December 31, 2025.	

Note: For the *Value Sharing Bonus*, the start and end period dates are related to the payment date.

### Result

When you prepare a DSN, Workday uses the values of the related calculations to calculate the reported reference period start and end dates. If you don't indicate any related calculations, Workday:

- Reports bonuses in block S21.G00.52 as annual with reference start dates in January.
- Doesn't report the reference period start and end dates in block S21.G00.54.

### Related Information

#### Tasks

[Add Earnings or Deductions to Pay Component Groups](#) on page 241

[Steps: Set Up DSN Reported Values \(FRA\)](#) on page 1749

## Report Subrogation for Specific Workers (FRA)

### Context

You can configure how to apply subrogation for DSN reporting based on absence types and worker details. You can define your own rules to determine which workers Workday reports as eligible for subrogation.

Example: You can create subrogation rules to define a different subrogation reporting for managers, workers with tips, and workers with a specific type of absence.

## Steps

1. Access the Create DSN Subrogation Rule task.

In the Rule Condition grid, define conditions that identify workers you want to report as eligible for subrogation.

Use the By category > DSN Subrogation prompt in the Source External Field or Condition Rule column to select criteria for the column in order to ensure using recommended report fields.

**Security:** *Set Up: Payroll (DSN) - FRA domain* in the FRA Payroll functional area.

2. Access the Edit Establishment FRA Reporting task.

In the DSN Options tab, select Apply Social Security Allowance Subrogation.

Select your subrogation rule from the DSN Subrogation Configuration Rule prompt.

**Security:** *Set Up: Payroll (DSN) - FRA domain* in the FRA Payroll functional area.

## Result

Workday evaluates subrogation rules for absences based on 1 day before the absence start date.

When a worker meets the criteria for a subrogation rule, Workday reports the worker as subject to subrogation for an Absence DSN. Workday reports all other workers for the establishment as not subject to subrogation.

## Next Steps

Since DSN subrogation rules aren't effective dated, Workday recommends creating a new rule when you want to add criteria instead of editing an existing rule.

## Set Up DSN Reporting for Expatriate Workers (FRA)

### Prerequisites

**Security:** *Set Up: Payroll (DSN) - FRA domain* in the FRA Payroll functional area.

### Context

For expatriate workers, you can configure how to report unemployment insurance and Pôle Emploi contributions in DSN reporting.

## Steps

1. Access the DSN Options tab in the Edit Establishment FRA Reporting task.

In the Type of Compensation Subject to Unemployment Insurance for Expatriates section, select whether to report the real or equivalent salary in DSN rubric S21.G00.11.009.

In the Deduction Recipient section, complete the Pole Emploi grid.

Option	Description
Start Date	Determines when Workday starts to report Pôle Emploi payments in a DSN.
Deduction Recipient	Select the deduction recipient representing the Pôle Emploi organization.

Option	Description
External Entity ID	Workday automatically displays the Pôle Emploi SIRET from the External Entity ID of the deduction recipient.
Reference Number	Enter the reference number from Pôle Emploi.

Security: *Set Up: Payroll (DSN) - FRA domain* in the FRA Payroll functional area.

## 2. Access the Edit DSN Worker Information task.

In the Place of Work section, consider:

Option	Description
Location/Use Assigned Location	Select: <ul style="list-style-type: none"><li>• Location to indicate that the worker isn't working at their assigned establishment. Select the location of their current workplace.</li><li>• Use Assigned Establishment Location to indicate that worker is no longer an expatriate worker.</li></ul>
Location Identifier	Workday automatically displays the location identifier from the View Location report of the selected location.  Workday uses the location identifier to report: <ul style="list-style-type: none"><li>• The identifier in DSN block S21.G00.40.</li><li>• The location details in DSN block S21.G00.85.</li></ul>

Security: *Worker Data: Payroll (Company Specific) - FRA* in the FRA Payroll functional area.

## Result

When you prepare a DSN with an expatriate worker, Workday reports:

- Payments to Pôle Emploi in DSN block S21.G00.20 for establishments with a defined deduction recipient.
- The location identifier in DSN block S21.G00.40.
- The location of the worker in DSN block S21.G00.85.
- The real or equivalent salary in DSN block S21.G00.11.

## Reference: Payroll Inputs for DSN Reporting (FRA)

There are several pay components that you can use to declare specific events or situations in DSN reporting.

To declare the event, add payroll input for the pay component and then run a payroll calculation to process the added input.

Declared Event	Pay Component	Considerations
Exercised stock options (S89.G00.88)	<i>Memo – Reporting of Stock Options – Exercise [FRA]</i>	Indicate the: <ul style="list-style-type: none"><li>• Number.</li><li>• Share unit price.</li><li>• Share subscription price.</li></ul>

Declared Event	Pay Component	Considerations
		<ul style="list-style-type: none"> <li>Percent of gain from a French source.</li> <li>Release date.</li> <li>Exercise date.</li> </ul>
Exposure to workplace risk hazards (S21.G00.34)	<i>Memo - Prevention Account Exposure Factors [FRA]</i>	<p>Select the workplace risk hazard factor as the Input Details - Type and enter a nonzero value for the Input Details - Value.</p> <p>You only need to indicate exposure once for each year. Workday reports the workplace exposure factor in a monthly DSN for either:</p> <ul style="list-style-type: none"> <li>The December pay period.</li> <li>The worker's termination pay period, if earlier than December.</li> </ul>
Regularization of reported workplace risk hazards (S21.G00.34)	<i>Memo – Prevention Account Exposure Factors Regularization [FRA]</i>	<p>Select the correct workplace risk hazard factor as the Input Details - Type and enter a nonzero value for the Input Details - Value.</p> <p>Enter the impacted period as the value for the <i>Reference Year</i> related calculation.</p> <p>To cancel a previously reported risk exposure factor, enter a nonzero value for the <i>Cancellation</i> related calculation.</p> <p>When you enter a regularization, Workday cancels and replaces the previously reported workplace risk hazard details.</p>
Released free shares (S89.G00.87)	<i>Memo - Reporting of Free Shares - Release [FRA]</i>	Indicate the: <ul style="list-style-type: none"> <li>Number of shares.</li> <li>Percent of gain from a French source.</li> <li>Release dates.</li> <li>Share unit price.</li> <li>Vesting dates.</li> </ul>
Released stock options (S89.G00.88)	<i>Memo – Reporting of Stock Options – Release [FRA]</i>	Indicate the: <ul style="list-style-type: none"> <li>Number.</li> <li>Share unit price.</li> <li>Share subscription price.</li> </ul>

Declared Event	Pay Component	Considerations
Multiple jobs (S21.G00.40.036)	<i>Memo – Reference Values for Multiple Employment Overrides [FRA]</i>	Indicate the rubric value to report on the <i>Multiple Employee Override</i> for Block 40 related calculation.
Multiple employers (S21.G00.40.037)	<i>Memo – Reference Values for Multiple Employment Overrides [FRA]</i>	Indicate the rubric value to report on the <i>Multiple Employer Override</i> for Block 40 related calculation.
Vested free shares (S89.G00.87)	<i>Memo - Reporting of Free Shares - Vesting [FRA]</i>	<p>Indicate the:</p> <ul style="list-style-type: none"> <li>• Number.</li> <li>• Share unit price.</li> </ul> <p>Add payroll input to 1 of these payroll component related calculations:</p> <ul style="list-style-type: none"> <li>• Contribution on Free Shares 20% base adds to PCG FRA Adds to Free Shares 30% Taxable Base [FRA]</li> <li>• Contribution on Free Shares 30% base adds to PCG FRA Adds to Free Shares 20% Taxable Base [FRA]</li> </ul>

#### Related Information

##### Tasks

[Add Payroll Input for Workers](#) on page 617

#### Example: Create Calculations for Workplace Risk Exposure Factors (FRA)

This example illustrates how to create calculations to determine when a worker is exposed to a workplace risk factor.

##### Context

Global Modern Services (GMS) has several workers who work night hours. You want to report in a DSN the workers' exposure to the night-work risk factor when they work more than 120 nights.

Your company already stores the number of worked nights in a pay component. Instead of adding pay input for each worker, you want to create calculations based on the available night work information.

##### Prerequisites

Create a *Night Work Bonus* earning for with a *Worked Nights* related calculation.

## Steps

1. Access the Create Pay Balance task.

Enter these values:

Option	Values
Name	<i>YTD Worked Nights for Company</i>
Filter Worktags	<i>Company</i>
Pay Component	<i>Night Work Bonus - Worked Nights</i>
Balance Period	<i>YTD Current Calendar Year (based on Period End Date)</i>

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the Create Value Comparison Calculation task.

Enter these values:

Option	Values
Name	<i>Worked Nights Greater than 120</i>
1st Operand	<i>YTD Worked Nights for Company</i>
Operator	<i>&gt;</i>
2nd Operand	<i>120</i>

Security:

- *Set Up: Payroll (Calculations - Generic)* domain in the Core Payroll functional area.
- *Set Up: Time Off (Calculations - Generic)* domain in the Time Off and Leave functional area.

3. Access the Edit Earning task for the *Night Work Bonus* earning.

In the Related Calculations section, access the *Worked Nights* related calculation, and select *FRA Prevention Account - Night Work Exposure Factor [FRA]* from the Groups prompt.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* in the Core Payroll functional area.

## Result

Workday is now configured to identify workers with exposure to the night-work risk factor, based on the number of nights worked.

When a worker works more than 120 nights in a year, Workday:

- Creates a nonzero result for the corresponding related calculation on the *Memo - Prevention Account Exposure Factors* deduction.
- Reports the exposure to the risk factor in block S21.G00.34 for the December pay period, or the worker's termination pay period.

## Next Steps

Run a payroll calculation and generate DSN reports for the processed payroll.

Create similar calculations for other exposure factors. Example: Noise exposure, repetitive work.

Related Information

### Tasks

[Steps: Process Payroll](#) on page 644

- [Steps: Generate DSNs \(FRA\) on page 1766](#)
- [Create Related Calculations on page 247](#)
- [Steps: Set Up DSN Reported Values \(FRA\) on page 1749](#)

## Set Up DSN Deposits (FRA)

### Steps: Set Up DSN Deposits (FRA)

#### Context

You can configure Workday Payroll for France to either:

- Prepare a DSN submission file that you can manually upload to the net-entreprises.fr portal.
- Automatically deposit a DSN submission on the net-entreprises.fr portal.

#### Steps

1. [Set Up DSN Deposit \(Machine to Machine\) Integration](#).
2. Create an EIB to extract a DSN submission in the format required by net-entreprises.fr for manual deposits.  
See Example: [Create EIB for Manual DSN Deposits \(FRA\) on page 1762](#).
3. Configure the *DSN Submission Event* business process for both manual and automatic submissions.  
See Example: [Set Up the DSN Submission Event Business Process \(FRA\) on page 1764](#).
4. [Set Up DSN Polling \(Machine to Machine\) Integration](#).
5. (Optional) Use the *Pay France DSN Rejected* notification type to configure Workday to send notifications when the net-entreprises.fr portal rejects a DSN.

Workday sends the notification to the user who launched either of these integrations:

- *DSN Deposit (Machine to Machine)*
- *DSN Polling (Machine to Machine)*

See [Steps: Set Up Workday Notifications](#).

#### Result

You can manage automatic or manual deposits through the Send DSN File task. You can access the Send DSN File task by accessing a DSN submission and clicking Send DSN File on a DSN submission.

### Example: Create EIB for Manual DSN Deposits (FRA)

This example illustrates how to create an EIB that extracts a DSN submission to a text file compatible with the net-entreprises.fr portal.

#### Context

You want to upload your DSN submissions manually to the net-entreprises.fr portal.

#### Prerequisites

- Create a custom XSLT attachment transformation, named DSN Data Transformation - Custom, based on the latest version of the DSN Data Transformation.xslt file. You can download the DSN Data Transformation.xslt file from [Workday Community](#).
- These security domains in the Integration functional area:
  - *Integration Build*
  - *Integrations: EIBs*

## Steps

1. Access the Create Web Service Data Source task.
2. Select *Get DSN Data (Web Service)* from the Web Service Operation prompt.
3. Click OK.
4. From the related actions menu of the data source, select Web Service Data Source > Edit.
5. In the Request XML field, enter:

```
<wd:Get_DSN_Data_Request xmlns:wd="urn:com.workday/bsvc">
  <wd:Request_References>
    <wd:DSN_Submission_Reference>%DSN Submission Reference%</
    wd:DSN_Submission_Reference>
  </wd:Request_References>
</wd:Get_DSN_Data_Request>
```

6. In the Launch Parameters grid, enter these values:

Option	Description
Add Name	<i>DSN Submission Reference.</i>
Launch Parameter Type	From the Data Type prompt, select the self-referencing instance field type <i>DSN Submission</i> .
Options	<i>Required</i>

7. Click OK.
8. Access the Create EIB task.
9. Enter these values and click OK.

Option	Value
Name	<i>DSN Submission Data</i>
Outbound	Select

10. On the General Settings page, click Next.

11. In the Get Data section, select these values:

Option	Value
Data Source Type	<i>Web Service</i>
Web Service	<i>Get DSN Data (Web Service)</i>

12. Click Next.

13. In the Transform section, select these values:

Option	Value
Transformation Type	<i>Custom Transformation</i>
Custom Transformation	The custom transformation that you created based on the DSN Data Transformation.xslt file.

14. Click Next.

15. In the Deliver section, enter these values:

Option	Value
Delivery Method	<i>Workday Attachment</i>
File Name	<i>DSN_Data.txt</i>

16. Click Next and OK.

## Next Steps

Create an integration step for manual submissions on the *DSN Submission Event* business process and add the *DSN Submission Data*.

Related Information

### Tasks

[Create Integration Transformation](#)

[Create Web Service Data Source](#)

[Set Up Outbound EIB](#)

## Example: Set Up the DSN Submission Event Business Process (FRA)

This example illustrates how to configure the *DSN Submission Event* business process for automatic and manual DSN deposits.

### Context

You want to enable Workday to manage both manual and automatic DSN deposits. You plan on primarily using automatic deposits for your DSN submissions, but you want to be able to prepare a manual deposit when necessary. Because your company has multiple accounts that can deposit DSN submissions, you want to provide your net-entreprises.fr credentials for each submission.

### Prerequisites

Set up a DSN Deposit (Machine to Machine) integration.

Create an EIB for manual DSN deposits. See [Example: Create EIB for Manual DSN Deposits \(FRA\)](#).

Security:

- Configure the *DSN Submission Event* business process and security policy in the FRA Payroll functional area.
- Business Process Administration* and *Manage: Business Process Definitions* domains in the System functional area.

### Steps

- Select Business Process > Edit Definition from the related actions menu of your business process definition for the *DSN Submission Event* business process.
- Create an integration step for automatic DSN deposits.
  - From the related actions menu of the integration step, select Business Process > Configure Integration Step.
  - From the Integration prompt, select an integration based on the *DSN Deposit (Machine to Machine)* integration system.
  - Enter these values in the Integration Criteria grid:

Field	Value Type	Value
SIRET	<i>Determine Value at Runtime</i>	<i>DSN Issuer SIRET</i>

Field	Value Type	Value
First Name	Determine Value at Runtime	DSN Deposit First Name
Last Name	Determine Value at Runtime	DSN Deposit Last Name
Password	Determine Value at Runtime	DSN Deposit Password
DSN Submission	Determine Value at Runtime	DSN Submission
Generate Excel File	Determine Value at Runtime	Generate Excel File

- d) Select Business Process > Create Condition Rule from the related actions menu of the integration step.
- e) Enter these settings:

Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
DSN Automatic Deposit	equal to	Value specified in this filter	Yes

- f) In the View Business Process Definition task, click the Step related actions menu on the *Business Process Steps* tab and select Business Process > Maintain Step Conditions. Add a row to the *Entry Conditions* table and select *DSN Automatic Deposit*. Click OK.

3. Create a second integration step for manual deposits.

- a) From the Integration prompt, select your EIB for manual DSN deposits.
- b) Enter these values in the Integration Criteria grid:

Field	Value Type	Value
DSN Submission Reference	Determine Value at Runtime	DSN Submission
File Name	Determine Value at Runtime	DSN Submission Name Defaulted with Extension

- c) Select Business Process > Create Condition Rule from the related actions menu of the integration step.
- d) Enter these settings:

Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
DSN Automatic Deposit	equal to	Value specified in this filter	No

4. (Optional) Create an integration step to generate Excel files with a manual deposit.

- a) From the Integration prompt, select your EIB for manual DSN deposits.
- b) Enter these values in the Integration Criteria grid:

Field	Value Type	Value
DSN Submission Reference	Determine Value at Runtime	DSN Submission

Field	Value Type	Value
File Name	<i>Determine Value at Runtime</i>	<i>DSN Submission Name Defaulted With XML Extension</i>

- c) Select Business Process > Create Condition Rule from the related actions menu of the integration step.
- d) Enter these settings:

Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
<i>DSN Automatic Deposit</i>	<i>equal to</i>	<i>Value specified in this filter</i>	<i>No</i>

## Result

The *DSN Submission Event* business process is configured to process a manual or automatic deposit based on the option selected on the Send DSN File task.

For automatic deposits, the integration is configured to retrieve the net-entreprises.fr sign-in credentials from the Send DSN File task.

Related Information

### Tasks

[Set Up DSN Deposit \(Machine to Machine\) Integration](#)

## Prepare and Submit DSN Declarations (FRA)

### Steps: Generate DSNs (FRA)

#### Prerequisites

Run a payroll calculation for the company of the declared establishments.

#### Context

After each payroll calculation, you can generate a DSN with information on social contributions and payments to workers to report to French authorities.

Workday compares reported data against the standards from the government for data submission, and raises errors for any exceptions. You can also check for errors on nil declarations, replacements, or cancellations created as a manual DSN.

When generating DSNs, Workday only considers events or worker changes that occur after a worker's first payroll results in Workday. A worker's first payroll results are the first results for a regular run category for France, excluding payroll history results. Example: Workday only creates absence DSNs for time offs with a begin date after the worker's first payroll results.

## Steps

1. Access 1 of these tasks to generate DSNs:

- Run DSN Preparation to generate DSNs immediately.
- DSN Scheduler to schedule DSN generation either once in the future or on a recurring basis.

**Security:** *Process: DSN (Run) - FRA* and *Process: DSN (Submission) - FRA* domains in the FRA Payroll functional area.

Workday generates a DSN for each declared establishment of the selected DSN issuer that has a reportable event. Workday generates DSNs with the payroll results from the last regular run category. Workday also includes results from any run categories that share the same period schedule as the regular run category, regardless of the pay group.

2. Access the DSN Contributions by Establishment report.

Compare the payroll contribution calculations to the URSSAF amounts declared in the DSN. For AGIRC-ARRCO, compare calculated amounts by population type to the aggregated payroll amount declared in the DSN.

**Security:** *Process: DSN (Run) - FRA* or *Process: DSN for Pay Group (Run) - FRA* domain in the FRA Payroll functional area.

3. Access the DSN Benefits Contributions by Establishment report.

Compare the declared benefit amounts by benefit plan and population with the aggregated payroll amounts.

**Security:** *Process: DSN (Run) - FRA* or *Process: DSN for Pay Group (Run) - FRA* domain in the FRA Payroll functional area.

4. To view raised exceptions, select DSN > View Exceptions from the related actions menu of the DSN.

You can view the source of errors in the Description or Worker columns.

Workday verifies the basic data requirements such as length, regular expression, or required fields. Workday recommends that you use the DSN-val tool for other data controls.

To view DSN exceptions for multiple DSNs, access the All DSN Exceptions report.

**Security:** *Process: DSN (Run) - FRA* or *Process: DSN for Pay Group (Run) - FRA* domain in the FRA Payroll functional area.

5. To view comptes rendus métiers (CRMs), access the View DSN Responses (CRM) report. The CRM 11 – Certificat de conformité /Bilan d'anomalies provides the same verifications as DSN-val.

**Security:** *Process: DSN (Run) - FRA* or *Process: DSN for Pay Group (Run) - FRA* domain in the FRA Payroll functional area.

6. Correct any missing or incorrect data in Workday.

7. (Optional) When you can't correct the data or payroll result, you can manually override the generated value for most DSN blocks.

- a) In a DSN, click Preview or Preview Header to access the DSN block with the exception.
- b) Click Add Manual Entry for [DSN Block].

When you create a manual entry to modify a reportable value in certain blocks, you must also manually report the change. Example: You create a manual entry for block 40, then from block S21.G00.40, click Create S21.G00.41 - Changements Contrat to create the block that reports changes in contract information. You create a manual entry for block 30, then from block S21.G00.30, click Create S21.G00.31 to create the block that reports worker information.

**Security:** *Process: DSN (Run) - FRA* or *Process: DSN for Pay Group (Run) - FRA* domain in the FRA Payroll functional area.

8. Access the Run Pay Calculation task to rerun the payroll calculation for the reported period.

**Security:** *Process: Run Batch Calculations (Pay Calculation)* domain in the Core Payroll functional area.

9. To set the status of monthly or termination DSNs to *Ready for Submission*, access the Run Pay Complete task before regenerating the DSN.

**Security:** *Process: Run Batch Complete (Pay Complete)* domain in the Core Payroll functional area.

10. Access the Run DSN Preparation task to regenerate the DSN.

You can select the Only verify exceptions for workers with changes check box to limit the DSN verifications Workday does during the DSN preparation. When selected, Workday only verifies the generated data against DSN data requirements for workers:

- Reported with exceptions during the previous DSN preparation.
- With DSN manual entries.
- With recalculated payroll results.
- With new payroll-impacting events since the previous DSN preparation such as time off, collective agreements, and benefits.

**Security:** *Process: DSN (Run) - FRA* and *Process: DSN (Submission) - FRA* domains in the FRA Payroll functional area.

## Result

You can view generated DSNs by accessing the Find DSN report.

Related Information

### Concepts

[Concept: Workday Scheduled Processes](#)

### Tasks

[Steps: Process Payroll](#) on page 644

## Steps: Generate and Deposit DSN Submissions (FRA)

### Prerequisites

- Create a DSN with a status of *Ready for Submission* or *In Progress* for each establishment included in the submission.
- Set up the *DSN Submission Event* business process to manage automatic deposits.
- Security:
  - Configure the *DSN Submission Event* business process and security policy in the FRA Payroll functional area.
  - *Process DSN (Run) - FRA* domain in the FRA Payroll functional area.
  - Ensure that you have *Put* permissions on the *Process DSN (Submission) - FRA* domain in the FRA Payroll functional area.

### Context

To submit your DSNs to the authorities, you can use Workday to:

- Generate a DSN submission containing 1 or more DSN reports.
- Automatically submit the DSN on net-entreprises.fr.

Note: Workday recommends automatically depositing DSN files to keep an electronic record of the deposit. For test submissions, Workday recommends that you also create an automatic deposit with *DSN Polling (Machine to Machine)* integration template to test DSN submissions.

## Steps

- Access the Create DSN Submission task. As you complete the task, consider:

Option	Description
DSN Test or Production	<p>For a test submission, Workday includes all available DSNs for the issuer with a status of <i>Ready for Submission</i> or <i>In Progress</i>, based on the selection criteria.</p> <p>For a real submission, Workday only includes DSNs with a status of <i>Ready for Submission</i>, based on the selection criteria.</p> <p>To reduce the risk of a duplicate submission, Workday automatically excludes from new DSN submissions any DSNs that have a deposit status of:</p> <ul style="list-style-type: none"> <li><i>Technical Verification In Progress</i></li> <li><i>Waiting for Response</i></li> </ul>
DSN Test Cancel and Replace	<p>Can be used in test submissions to replace a DSN that has been previously accepted in a test submission to net-entreprises.fr.</p> <p>When selected, Workday generates the DSN submission with the declaration type <i>03 - déclaration annule et remplace integral</i>.</p>
Only Include DSNs Waiting for Responses	<p>Select to create a DSN submission that only contains DSNs with the deposit statuses that are typically excluded:</p> <ul style="list-style-type: none"> <li><i>Technical Verification In Progress</i></li> <li><i>Waiting for Response</i></li> </ul> <p>Example: Create a test submission to verify modified data.</p>
DSN Version Number	<p>Automatically filled with the DSN version based on the year of the reportable event.</p> <p>Remains empty when there are no DSNs with the appropriate status for the submission. In this case, correct the status of the DSNs before creating a submission.</p>
Filter on DSN Natures	Enables you to create a submission that contains only the selected DSN natures.
Filter on DSN Establishments	Enables you to create a submission that contains only the DSNs from the selected establishments.
DSN for Submission	<p>Displays the DSN included in the submission.</p> <p>You can add or remove a DSN from the submission before depositing the DSN. Create the submission, and then select 1 of these options from the related actions menu of the DSN.</p>

Option	Description
	<ul style="list-style-type: none"> <li>DSN Submission &gt; Remove DSN</li> <li>DSN Submission &gt; Add DSN</li> </ul>

2. (Optional) Extract the DSN submission to an Excel format.

See [Example: Extract DSN Submissions to Excel \(FRA\)](#) on page 1778.

3. Access the Find DSN Submissions report and view the DSN submission.

4. Click Send DSN File.

5. Select Automatic Deposit using Machine to Machine.

6. Enter your credentials for the net-entreprises.fr portal.

Workday recommends that you use the same net-entreprises.fr account for automatic deposits as for *DSN Polling (Machine to Machine)* integrations.

## Result

Workday automatically deposits the DSN submission on net-entreprises.fr.

## Next Steps

To view the status of an automatic DSN deposit, access the Find DSN report.

Launch an integration based on the *DSN Polling (Machine to Machine)* integration template to retrieve:

- The status. Example: Rejected.
- Comments from net-entreprises.fr on the DSN submission.
- Status updates for the 11, 20, 21, 22, 42, or 44 CRMs in the View DSN Responses (CRM) report.

Note: Workday recommends scheduling the integration to run several times each day to collect CRMs.

## Related Information

### Tasks

[Launch an Integration](#)

[Steps: Set Up DSN Deposits \(FRA\)](#) on page 1762

### Reference

[FAQ: DSN Reporting \(FRA\)](#) on page 1786

## Manually Deposit DSN Submissions (FRA)

### Prerequisites

- Set up the *DSN Submission Event* business process to manage manual deposits.
- Create a DSN submission.
- Security:
  - Configure the *DSN Submission Event* business process and security policy in the FRA Payroll functional area.
  - Process: DSN (Submission) - FRA* domain in the FRA Payroll functional area.

### Context

To submit your DSNs to the authorities, you can use Workday to generate a submission file in the format required by net-entreprises.fr.

## Steps

1. Access the Find DSN Submissions report and view a DSN submission.
2. Click Send DSN File.
3. Select Manual Deposit.  
Workday initiates the *DSN Submission Event* business process and sends a My Tasks item to the reviewer to verify the DSN submission file.
4. Use the regulatory DSN-val tool to verify the DSN submission file.

## Next Steps

When all DSNs have passed the submission file verifications on DSN-val, submit the generated file to net-entreprises.fr.

The *DSN Submission Event* business process sends Action items to My Tasks that enable authorized users to update the status of the DSN with the submission results.

When you indicate that DSN-val or net-entreprises.fr has rejected 1 of the DSNs in the submission, Workday:

- Stops the submission.
- Marks the business process as Complete.
- Marks the DSN as rejected.

To submit the DSNs that passed the DSN-val data verifications, you must create a new DSN submission.

Related Information

### Tasks

[Steps: Set Up DSN Deposits \(FRA\)](#) on page 1762

## Create Partial DSNs (FRA)

### Context

When submitting an event DSN, you generally need to also send the relevant monthly DSN data for the worker. However, in some cases a worker doesn't have any previous monthly DSNs at the time of their event DSN. Example: Workers who are hired and terminated before you complete the monthly DSN.

In these cases, to submit the relevant monthly information to net-entreprises.fr, you can create partial DSNs that only contain information for selected workers.

## Steps

1. Access the Convert Monthly DSNs to Partial Monthly DSNs task.  
Enter selection criteria, and click OK to view a list of termination DSNs that are ready for submission.  
Workday only displays termination DSNs for workers with completed results.  
Security: *Process: DSN (Run)* - FRA domain in the FRA Payroll functional area.
2. Select the workers for which you need to create a partial DSN.  
Workday tags the associated monthly DSNs as targeted to be converted. You can later remove any DSNs that were tagged in error by selecting DSN > Remove Partial DSN Attribute from the related actions menu of the DSN.
3. Access the Run DSN Preparation task for the associated monthly DSNs.  
Security: *Process: DSN (Run)* - FRA and *Process: DSN (Submission)* - FRA domains in the FRA Payroll functional area.

## Result

Workday converts the selected monthly DSNs to partial monthly DSNs by removing:

- Active workers or workers on leave.
- DSNs blocks that don't apply to a partial DSN. Examples: S21.G00.20, S21.G00.22, S21.G00.23, S21.G00.55.

## Next Steps

Submit the partial DSNs to net-entreprises.fr.

Before submitting the next full monthly DSN:

- Access the Mass Create Cancel and Replace DSNs task to replace any partial DSNs with the full monthly DSN.
- Access the Run DSN Preparation task to generate the DSN data for the replacement DSNs.

## Steps: Create a Nil Declaration (FRA)

### Prerequisites

Security: *Process DSN (Run) - FRA* and *Process DSN (Submission) - FRA* domains in the FRA Payroll functional area.

### Context

When an establishment has the legal obligation to submit a DSN but has no employees to report, you can create a manual DSN for the nil declaration.

### Steps

1. Access the Create Manual DSN task, and select:

- DSN Nature: *01-DSN mensuelle*
- DSN Type: *02 - Déclaration normale néant*

As you complete the task, remember that the options are for the declared establishment, not the issuer.

2. [Steps: Generate DSNs \(FRA\)](#) on page 1766.

Workday compares reported data against the government's technical standards for data submission and raises errors for any exceptions.

3. Select DSN > Update Status from the related actions menu of the DSN, and *Ready for Submission* from the Next Status prompt.

4. [Steps: Generate and Deposit DSN Submissions \(FRA\)](#) on page 1768.

When all of the DSNs in the submission file are nil, select *02-Envoi néant* from the DSN Submission Type prompt.

## Steps: Replace or Cancel a DSN (FRA)

### Prerequisites

- Have a DSN submission with a status of *Passed*.
- Security: *Process DSN (Run) - FRA* domain in the FRA Payroll functional area.

### Context

If you discover an error in a DSN after authorities have acknowledged it for post-processing, you can:

- Replace the previous DSN with a new one.

- Cancel the previous DSN (only for a termination event).

In both cases, you need to generate a new:

- DSN for the establishment or for the event and worker.
- DSN submission file.

When replacing or canceling a DSN submission file containing DSNs for multiple establishments, you can only create or cancel 1 DSN at a time.

## Steps

1. Access the Find DSN task.

Note: If you have security permissions to view pay results for only some of the establishments declared in a DSN, access the Create Manual DSN for Events task, secured to the *Process: DSN for Pay Group (Run) - FRA* domain in the FRA Payroll area. You can then cancel and replace leave or termination DSNs.

2. From the related actions menu of a DSN, select DSN > Cancel and Replace.

Workday copies any manual entries from the DSN selected in the Replacement For prompt, and adds them to the replacement DSN.

3. Generate the replacement DSN.

Workday compares reported data against the government technical standards for data submission, and raises errors for any exceptions.

See [Steps: Generate DSNs \(FRA\)](#) on page 1766.

4. Create the submission file for the replacement DSN.

See [Steps: Generate and Deposit DSN Submissions \(FRA\)](#) on page 1768.

## Report URSSAF Contribution Adjustments (FRA)

### Prerequisites

Generate a DSN.

Security: These domains in the FRA Payroll functional area:

- *Process: DSN (Run) - FRA*
- *Process: DSN for Pay Group (Run) - FRA*

### Context

You can add URSSAF contribution adjustments directly in a DSN report without having to calculate contribution amounts individually for each worker. You can directly enter contribution amounts to a generated DSN to help manage certain situations. Example: When your company offers a retirement plan where the employer contribution is based on a global amount for the entire company.

## Steps

1. Access the Find DSN report.

Select a DSN with 1 of these statuses:

- *In Error*.
- *In Progress*.
- *Ready for Submission*, and not in a real DSN submission.

2. Select DSN > Maintain Contribution Adjustments from the related actions of the DSN.

3. As you complete the task consider:

Option	Description
Only Adjust Total Due Amount	Select to enter 1 aggregated amount for a period in the Rounded Adjustment Amount field. When clear, you can enter granular adjustment details. Example: Adjustment amounts by INSEE city code.  When you enter an adjustment for the total due amount, Workday only adjust the amount reported in DSN block S21.G00.20.
Period	Select the payroll period for either: <ul style="list-style-type: none"><li>• The month covered by the DSN.</li><li>• A previous month.</li></ul>
Type of Personnel/ Base Qualifier	You can add multiple lines for the same type of personnel and period combination. Workday aggregates these values in the DSN blocks and related reports.  When you process an adjustment for a personnel type, such as FNAL, Workday creates a new block when there's no existing block for the same dimensions.
Special Rate	Enter the rate for types of personnel with a variable rate. Example: Work accident and mobility contributions.  When you process an adjustment contribution with a special rate, Workday creates a new block if there isn't an existing block for the same dimensions. Examples: Period, type of personnel, rate.
Rounded Adjustment Base	Enter an amount rounded to the nearest integer.
Rounded Adjustment Amount	Enter an amount rounded to the nearest integer.
INSEE City Code	Enter the INSEE city code for adjustments to mobility contributions.  When you process the adjustment contribution with a specified INSEE city code, Workday creates a new block if there isn't an existing block for the same dimensions. Examples: Type of personnel, period, city code.
Inactive	Select to delete previously processed contribution adjustments.

4. Access the Run DSN Preparation task to:

- Process contribution adjustments.
- Delete inactive adjustments.

## Result

Workday modifies DSN blocks S21.G00.20 and S21.G00.23. Workday:

- Updates blocks S21.G00.23 when the adjustments apply to existing data.
- Creates a new block S21.G00.23 when the adjustments relate to different reported dimensions.
- Updates only block S21.G00.20 when you only adjust the total due.

Related Information

### Tasks

[Steps: Generate DSNs \(FRA\)](#) on page 1766

## Report a Return from Absence (FRA)

### Prerequisites

- Create an Absence DSN with a status of *Passed*.
- Correct the end date of the time off for sick leave to have an earlier date.
- Security: *Process: DSN (Run) - FRA domain* in the FRA Payroll functional area.

### Context

When a worker returns from an absence (arrêt de travail) earlier than expected, you can create a DSN to report the return from absence.

### Steps

1. Access the Find DSN task.
2. From the related actions menu of an Absence DSN, select DSN > Report a Return from Absence.  
Workday populates:
  - The DSN options based on the Absence DSN. Examples: DSN Nature, Worker.
  - The Absence Event option with the corrected absence event.
3. Generate the Return from Absence DSN.  
[See Steps: Generate DSNs \(FRA\)](#) on page 1766.

## Result

Workday generates a Return from Absence DSN.

Related Information

### Tasks

#### Correct Approved Time Off Requests

[Steps: Set Up DSN Reporting \(FRA\)](#) on page 1731

[Steps: Generate DSNs \(FRA\)](#) on page 1766

## Override the DSN Version (FRA)

### Prerequisites

- Generate a DSN that has a status of In Progress, In Error, or Ready for Submission.
- Security: *Process: DSN (Run) - FRA* in the FRA Payroll functional area.

### Context

You can override the version of the DSN technical specifications on a DSN before submitting it to net-entreprises.fr. Overriding the DSN version can help you manage DSN submissions during interim periods between 2 versions of technical specifications on net-entreprises.fr.

## Examples:

- You can add a 2018 DSN version when reporting a DSN for 2019 before the 2019 technical specifications are in place.
- After the 2019 technical specifications are in place, you can change a DSN version to 2019 when reporting events that took place in 2018.

## Steps

1. Access the Override DSN Version task.
2. Enter search criteria to find the DSNs to override.

You can only override the version for DSNs with a current version of 2018 or later.

3. Click OK.
4. Select the DSNs you want to modify.

Only DSNs that are eligible for a version override display. You can't override the DSN version for DSNs that are part of a real submission that is in progress.

Ensure that the selected DSN meets DSN requirements for the override version. Example: You can't override a 2019 DSN to 2018, if the DSN has rubric values that aren't valid for 2018.

5. From the Override Version prompt select the new DSN version.
6. Access the Run DSN Preparation task to update the DSN according to the specifications for the new DSN version.

## Result

### Workday reports:

- The new DSN version in DSN rubric S10.G00.00.006.
- The rubrics according to the specifications for the new DSN version.

## Next Steps

To remove previous version overrides, run the Override DSN Version task for a DSN, and leave the Override Version field empty.

## Reference: DSN Verification Reports (FRA)

You can use several reports to verify DSN results before completing payroll and submitting DSNs. To easily access these reports, consider adding them to the DSN Command Center dashboard.

Report	Security	Description
All DSN Exceptions	<i>Process: DSN (Run) - FRA</i> or <i>Process: DSN for Pay Group (Run) - FRA</i> in the FRA Payroll functional area	View data and results that don't meet the DSN technical specifications, and could result in a rejected DSN.
Audit Workers Reported in DSN	These domains in the FRA Payroll functional area: <ul style="list-style-type: none"> <li>• <i>Process: DSN (Run) - FRA</i></li> <li>• <i>Process: DSN (Submission) - FRA</i></li> <li>• <i>Process: DSN for Pay Group (Run) - FRA</i></li> </ul>	Identify workers who don't have a continuous contract during their entire period of employment. Workers with continuous contract numbers ensure continuity in DSN reporting.
DSN Benefit Contributions by Establishment	<i>Process: DSN (Run) - FRA</i> or <i>Process: DSN for Pay Group</i>	Compare the benefit amounts by benefit plan and population

Report	Security	Description
	(Run) - FRA in the FRA Payroll functional area	with the aggregated payroll amounts.
DSN Contributions by Establishment	Process: DSN (Run) - FRA or Process: DSN for Pay Group (Run) - FRA in the FRA Payroll functional area	Compare the payroll contribution calculations to the URSSAF amounts declared in the DSN. For AGIRC-ARRCO, compare calculated amounts by population type to the aggregated payroll amount declared in the DSN.
DSN Header Rubric Results	Process: DSN (Run) - FRA or Process: DSN for Pay Group (Run) - FRA in the FRA Payroll functional area	Verify value of header rubrics for a DSN.
DSN Payments to Tax and Social Organizations by Company	These domains in the FRA Payroll functional area: <ul style="list-style-type: none"> <li>Process: DSN (Run) - FRA</li> <li>Process: DSN (Submission) - FRA</li> <li>Process: DSN for Pay Group (Run) - FRA</li> </ul>	View the aggregated values of payments to tax and social organizations. <ul style="list-style-type: none"> <li>For AGIRC-ARRCO and URSSAF: Verify the contribution amounts paid through the DSN through direct debit.</li> <li>For benefits contributions: Verify either the contribution amounts paid through the DSN through direct debit, or the amounts to pay.</li> </ul> You can also compare current payments with payments from the previous month.
DSN Payments to Worker by Company	These domains in the FRA Payroll functional area: <ul style="list-style-type: none"> <li>Process: DSN (Run) - FRA</li> <li>Process: DSN (Submission) - FRA</li> <li>Process: DSN for Pay Group (Run) - FRA</li> </ul>	Verify the aggregated values of declared worker payments. Displays values from DSN blocks: <ul style="list-style-type: none"> <li>S21.G00.50</li> <li>S21.G00.51</li> <li>S21.G00.52</li> <li>S21.G00.54</li> </ul>
DSN Status for Group of Workers	Reports: Pay Calculation Results for Pay Group (Results) - FRA in the FRA Payroll functional area	Verify whether: <ul style="list-style-type: none"> <li>Workers are in error in a DSN.</li> <li>Workers are reported in at least 1 DSN.</li> </ul>
DSN Worker Rubric Results	Process: DSN (Run) - FRA or Process: DSN for Pay Group (Run) - FRA in the FRA Payroll functional area	Verify the value of rubric results for multiple workers. You can also select individual workers to display only their rubric results.

Report	Security	Description
FRA AER List Termination Statements	<i>Process: DSN (Run) - FRA</i> in the FRA Payroll functional area to view PDFs at the company level  or  <i>Process: DSN for Pay Group (Run) - FRA</i> in the FRA Payroll functional area to view PDFs at the pay group level	View a list of AER termination statements and select PDFs to download.
FRA IJSS Reconciliation	<i>Process: DSN (Run) - FRA</i> or <i>Process: DSN for Pay Group (Run) - FRA</i> in the FRA Payroll functional area	Verify IJSS and Absence DSN details. The report displays 1 row per Absence DSN, with the corresponding payments from BPIJ.
View DSN Responses (CRM)	<i>Process: DSN (Run) - FRA</i> or <i>Process: DSN for Pay Group (Run) - FRA</i> in the FRA Payroll functional area	Verify the content of multiple comptes rendus métiers (CRMs) of the same type: 11, 20, 21, 22, 42, or 44.

### Example: Extract DSN Submissions to Excel (FRA)

This example illustrates how to create an EIB to extract a manual DSN submission to Excel. You can also set up Workday-generated Excel files with the *DSN Deposit (Machine to Machine)* integration. See [Example: Set Up the DSN Submission Event Business Process \(FRA\)](#).

#### Context

You want to extract your monthly DSN submissions to:

- Verify the submission before sending the DSN file to net-entreprises.fr.
- Archive the sent DSNs.

#### Prerequisites

- Create a DSN submission.
- Create a custom XSLT attachment transformation named *DSN Excel Transformation - Custom* based on the latest version of the *DSN Excel Transformation.xslt* file. You can download the *DSN Excel Transformation.xslt* from [Workday Community](#).
- Security:
  - *Integrations: EIBs, Integration Event, and Integration Build* domains in the Integration functional area.
  - *Process: DSN (Submission) - FRA* domain in the FRA Payroll functional area.
  - Your tenant must have a definition for the *Integration Process Event* business process including the *Initiation* and *Fire Integration* steps.

#### Steps

1. Access the Create Web Service Data Source task.
2. Select *Get DSN Data (Web Service)* from the Web Service Operation prompt.
3. Click OK.
4. From the related actions menu of the data source, select Web Service Data Source > Edit.

5. In the Request XML field, enter:

```
<wd:Get_DSN_Data_Request xmlns:wd="urn:com.workday/bsvc">
  <wd:Request_References>
    <wd:DSN_Submission_Reference>%DSN Submission Reference%</
    wd:DSN_Submission_Reference>
  </wd:Request_References>
  <wd:Request_Criteria>
    <wd>Show_DSN_Structure>1</wd>Show_DSN_Structure>
  </wd:Request_Criteria>
</wd:Get_DSN_Data_Request>
```

6. In the Launch Parameters grid, enter these values:

Name	Launch Parameter Type	Options
DSN Submission Reference	Select Data Type, and then the self-referencing report field, <i>DSN Submission</i> .	<i>Required</i>

7. Access the Create EIB task and enter these values:

Option	Value
Name	DSN Excel Export
Outbound	Checked
Data Source Type	<i>Web Service</i>
Web Service	<i>Get DSN Data (Web Service)</i>
Transformation Type	<i>Custom Transformation</i>
Custom Transformation	<i>DSN Excel Transformation - Custom</i>
Delivery Method	<i>Workday Attachment</i>

## Result

Workday generates the DSN submission as an XML file, which you can then open in Excel.

### Related Information

#### Tasks

- [Create Integration Transformation](#)
- [Create Web Service Data Source](#)
- [Set Up Outbound EIB](#)
- [Launch an Integration](#)

## Concept: Contract Setup for DSN Reporting (FRA)

In DSN reporting, the employee contract number is a unique identifier that enables you to track employee compensation from hire to termination. The contract number doesn't change regardless of internal transfers or contract conversions. These examples illustrate how to set up contracts in Workday to support continuity in the DSN reporting.

You can access the Audit Workers Reported in DSN report to verify that all workers for a company or establishment have continuous contracts covering an entire period.

Note: Workday recommends that you configure Employee Contract: Generate Contract ID for each New Employment, localized field in the Staffing area on the Maintain Localization Settings task when using DSN reporting. This can help you ensure continuity in DSN reporting, by generating contract IDs for

new contracts. Workday either generates a new contract ID or copies the existing one based on DSN requirements.

#### Example 1: New Hire

You hire an employee on January 20, 2017.

1. Access the Hire Employee task, and enter a Hire Date of *2017-01-20*.
2. Access the Add Contract task, and enter a Contract Start Date of *2017-01-20*.

In the DSN, Workday reports:

Rubric Label	Reported Information
DSN Contract Start Date	The employee's hire date. Example: <i>2017-01-20</i> .

#### Example 2: Contract Date Entered in Error

You hired an employee on January 25. In February you recognize that you entered an incorrect hire date of January 20, 2017.

1. From the related actions menu of the *Hire* staffing event, select Business Process > Correct.  
Correct the Hire Date to *2017-01-25*.
2. From the worker's related actions menu, select Job Change > Employee Contracts.
3. Access the business process used to create the employee's contract.

From the related actions menu of the business process, select Business Process > Correct.

Change the Contract Start Date to *2017-01-25*.

In the February DSN, Workday reports:

Rubric Label	Reported Information
DSN Contract Start Date	The new hire date. Example: <i>2017-01-25</i> .
Modification Date	The beginning of the payroll period. Example: <i>2017-02-01</i> .

#### Example 3: Convert an Employee's Contract from a Fixed-Term to an Unlimited Contract

An employee has a fixed-term contract starting on 2017-01-01 and ending on 2017-03-31. You convert the employee's contract to an unlimited contract, without terminating the employee.

1. Access the Change Job task and change the Employee Type to one for unlimited contracts.

2. Edit the employee's contract, and enter an Effective Date of *2017-04-01*.

Don't modify the Contract ID.

In the April DSN, Workday reports:

Rubric Label	Reported Information
DSN Contract Start Date	The hire date on the employee profile, which is the start date of the fixed-term contract. Example: <i>2017-01-01</i> .
DSN Contract Type	The DSN contract type value that corresponds to the new employee type. Example: <i>01 - Unlimited Contract</i> .
Modification Date	The effective date of the contract change. Example: <i>2017-04-01</i> .

#### Example 4: Rehire a Previously Terminated Employee

An employee has a fixed-term contract that ended in March 2016. You terminated the employee and paid them all termination compensation. In April 2017, you rehire the employee with an unlimited contract.

When you rehire the employee, create a new contract with a different Contract ID than the fixed-term contract ID.

### Concept: DSN Manual Entry (FRA)

A DSN manual entry allows you to correct DSN data. Your manual entry value in the DSN replaces the 1 generated with an existing calculation.

Workday recommends that you correct data in either the worker's profile or payroll results if you find an error in the monthly DSN. After the correction, you can run payroll again and then the Run DSN Preparation task. If the worker profile or payroll result correction isn't reflected in the DSN, then you can use a manual entry to override the generated DSN block value for most blocks.

You can create a manual entry when a DSN has 1 of these statuses:

- *Error*.
- *In Progress*.
- *Ready For Submission* (if the DSN isn't already included in a real submission).

Workday supports manual entries for all DSN blocks, except:

- S21.G00.00
- S21.G00.01
- S21.G00.02
- S21.G00.13
- S21.G00.23
- S21.G00.82

- S21.G00.90

**Example 1: Correcting a DSN Error with Manual Entry**

Alex prepares a monthly DSN but a new hire, Chris, was sick the first day of their contract, 2024-11-01. When Alex runs the DSN, the sick leave-related rubric S21.G00.60.002 Date du dernier jour travaillé is empty. Alex needs to correct this so the rubric value reports the hire date as the last day of work before a sick leave.

1. Access Find DSN and click the spyglass under DSN.
2. On the Workers tab, click Preview for Chris's pay result.
3. Select S21.G00.60, and click Add Manual Entry for S21.G00.60.
4. Select S21.G00.60.002, and click Override to enter 01/11/2024 in the New field.
5. Click OK.
6. Click Done.
7. Run DSN Preparation to confirm the changes.

Alex sees the correct value in block 60.

**Example 2: Creating a Child Block with Manual Entry**

Pay administrator Alex needs to update a DSN to create a block that reports changes in a worker's contract information. Alex needs to create 2 child blocks, 1 for the contract information and 1 for worker information.

Before adding the child block:

- Run DSN Preparation. See [Steps: Generate DSNs \(FRA\)](#) on page 1766.
  - Security: *Process: DSN (Run) - FRA* and *Process: DSN (Submission) - FRA* domains in the FRA Payroll functional area.
1. Access the View DSN report.
  2. Click Preview to access DSN block 40.
  3. Click Add Manual Entry for S21.G00.40.
  4. Click Create S21.G00.41 - Changements Contrat.
  5. Click Preview to access DSN block 30.
  6. Click Add Manual Entry for S21.G00.30.
  7. Click Create S21.G00.31 to create the block that reports worker information.

Alex sees a new child block in block 40 and a new child block in block 30.

**Related Information**

**Tasks**

[Steps: Generate DSNs \(FRA\)](#) on page 1766

**Reference**

[FAQ: DSN Reporting \(FRA\)](#) on page 1786

## Concept: Termination Dates for DSN Reporting (FRA)

### Example 1: Termination without Notice Period

On January 22, Global Modern Services terminates Bertrand without notice for serious misconduct.

To report a termination without notice in the DSN, the HR administrator ensures that there's no notice period in Workday.

The HR administrator then enters these dates when completing the Terminate Employee task:

- Termination Date: January 22
- Last Day of Work: January 22
- Pay Through Date: January 22

### Example 2: Termination with Partially Worked Notice Period

Fiona submits her resignation on January 22. Her contract requires a 3-month notice period ending on April 21. Global Modern Services has agreed to let her leave on March 1.

Fiona selects Job Change > Resign from the related actions on her worker profile, and enters a Notification Date of January 22.

The HR administrator enters these dates when completing the Terminate Employee task:

- Termination Date: April 21
- Last Day of Work: March 1
- Pay Through Date: March 1

Workday reports the termination in a DSN in April, with these notice periods:

- Paid and worked notice: January 22 - March 1.
- Unpaid and unworked notice: March 2 - April 21.

### Example 3: Termination with Unworked Notice Period

Global Modern Services terminates Gabriel on January 22. Gabriel has a 3-month notice period ending on April 21. Due to a noncompete clause, Gabriel continues to receive compensation for 6 months after his termination.

The HR administrator enters these dates when completing the Terminate Employee task:

- Notification Date: January 22
- Termination Date: April 21
- Last Day of Work: January 22
- Pay Through Date: October 22

Workday reports the termination in a DSN in April with a paid and unworked notice period from January 22 - April 21.

#### Example 4: Termination with Worked Notice Period

When you enable localized fields in the Maintain Localization Settings task in the Staffing area for France, Workday displays specific notice period fields.

Beatrice submits her resignation on January 29. Her contract requires a 3-month notice period ending on April 30.

The HR administrator enters these dates when completing the Terminate Employee task:

- Notification Date: January 29
- Termination Date: April 30
- Notice Period Start Date: February 1
- Last Day of Work: April 30

Workday reports the termination in a DSN in April with a paid and worked notice period from February 1 - April 30.

[Related Information](#)

[Tasks](#)

[Terminate Employees](#)

### Concept: Workers with Previous DSNs from Other Payroll Systems (FRA)

You can use Workday to ensure a coherence in reported worker data between generated DSNs and other DSNs previously submitted to net-entreprises.fr from other payroll systems.

#### Event Order

When a worker has previous event DSNs created by another payroll system, you can define a minimum order number. This ensures that Workday continues to increase the reported order numbers on new event DSNs.

1. Access the View DSN Rubric Configuration task.
2. On the row for DSN rubric S20.G00.05.004, click Maintain.
3. Complete the Event DSN Minimum Order Number field.

#### Temporary Technical Number (NTT)

Workday generates an NTT for workers who don't have an SSN. Workday bases the NTT on the worker's:

- Gender.
- Company SIREN.
- Employee ID number.

Once generated, Workday uses the same NTT for a worker during their entire employment with a company.

When a worker has an existing NTT from another payroll system, you can modify the generated NTT by accessing the Edit DSN Worker Information task.

## Reference: DSN Statuses (FRA)

### DSN Statuses

The DSN status provides information on an individual DSN report for an establishment.

Status	Description
<i>Cancelled</i>	You canceled the DSN.
<i>Draft</i>	You haven't run data verifications on the DSN.
<i>In Error</i>	Workday found some data exceptions during the Run DSN Preparation task.
<i>In Progress</i>	<p>The DSN has no exceptions, but the underlying payroll results don't have a status of <i>Complete</i>.</p> <p>The DSN remains <i>In Progress</i> during and after a test submission unless net-entreprises.fr rejects it.</p> <p>If you manually enter details into a DSN with the status <i>Ready for Submission</i>, Workday automatically changes the status to <i>In Progress</i>.</p>
<i>Passed</i>	<p>Net-entreprises.fr accepted and validated the DSN in a real submission.</p> <p>You can't modify the content of the DSN.</p>
<i>Ready for Submission</i>	<p>The DSN has no exceptions, and the underlying payroll results have a status of <i>Complete</i>.</p> <p>The DSN remains <i>Ready for Submission</i> during and after a test submission unless net-entreprises.fr rejects it.</p> <p>You can't modify a DSN with a <i>Ready for Submission</i> status when it's in a real submission.</p>
<i>Rejected</i>	<p>DSN-val or net-entreprises.fr rejected the DSN either in a test or real submission.</p> <p>In the Run DSN Preparation task, you can select the Include DSN with Rejected Status check box so you don't have to manually update the DSN status from <i>Rejected</i> to <i>In Progress</i>.</p> <p>When you use <i>DSN Polling (Machine to Machine)</i>, the DSN is rejected when a CRM 11 returns the status KO.</p>
<i>Submitted</i>	<p>You submitted the DSN to authorities in a real submission.</p> <p>You can no longer modify the DSN in Workday.</p>

### DSN Submission Statuses

The DSN submission status provides information on a DSN submission containing 1 or more DSN reports.

DSN Submission Status	Description
<i>Completed</i>	Represents one of these situations:

DSN Submission Status	Description
	<ul style="list-style-type: none"> <li>A DSN in the submission has a status of <i>Rejected</i>.</li> <li>Net-entreprises.fr accepted and validated all of the DSNs in the submission.</li> </ul>
<i>Draft</i>	You created the DSN submission but haven't generated the file.
<i>In Progress</i>	<p>Represents one of these situations:</p> <ul style="list-style-type: none"> <li>You generated the DSN submission file.</li> <li>DSN-val raised no exceptions for any of the DSNs in the submission file.</li> <li>You submitted the DSN submission file to net-entreprises.fr.</li> </ul>

### DSN Deposit Statuses

The DSN deposit status provides information on the status of a deposit of DSN submissions on the net-entreprises.fr portal.

DSN Deposit Status	Description
<i>Deposit Rejected</i>	The net-entreprises.fr portal failed to receive the deposit. Example: Interrupted connection during the deposit attempt.
<i>Invalid File Structure</i>	The net-entreprises.fr portal received the deposit, but identified the uploaded file as something other than a DSN deposit.
<i>Potential Anomalies</i>	The deposit passed the initial technical verifications, but net-entreprises.fr portal detected potential functional errors.
<i>Responses Received</i>	The deposit passed the initial technical and functional verifications. Workday recommends that you verify detailed responses from the net-entreprises.fr portal.
<i>Technical Verification Errors</i>	The net-entreprises.fr portal identified errors in the DSN-val data requirements.
<i>Technical Verification In Progress</i>	The net-entreprises.fr portal accepted the DSN deposit and is verifying the DSN-val data requirements.
<i>Waiting for Response</i>	The net-entreprises.fr portal successfully received the deposit and is analyzing it.

Related Information

#### Tasks

[Steps: Generate DSNs \(FRA\)](#) on page 1766

### FAQ: DSN Reporting (FRA)

- [How do I delete a DSN?](#)
- [The authorities have rejected my DSN submission file. What do I do next?](#)

- What date does Workday use for data included in DSNs?
- When can I create a manual entry?
- How can I edit or deactivate a manual entry?
- How do I process additional pay for a terminated worker?
- How do I report additional pay when I manage a worker's termination outside of Workday?
- How do I modify an absence after generating an Absence DSN?
- How do I identify the company bank account used for payments?
- How do I verify the salary tax reported in the December monthly DSN?
- How do I prepare my monthly and yearly salary tax forms in Workday?
- How do I report international transfers?
- Does Workday report on-demand additional payments in a DSN?
- What do I need to do if my establishment changes SIRET?
- How does Workday report terminations for workers without previous payroll results in Workday?
- How can I see comptes rendus métiers (CRMs)?
- How does Workday report retro benefit calculations?
- How does Workday handle DSN reporting with mixed results?
- How can I find a zip archive of a Workday-generated DSN? Or individual Excel files?

How do I delete a DSN?

You can't delete a DSN, but you can change its status to *Cancelled*.

1. Select DSN > Update Status from the related actions menu of the DSN.
2. On the Next Status prompt, select *Cancelled*.

The authorities have rejected my DSN submission file. What do I do next?

When your DSN doesn't meet the specified data requirements, DSN-val or the authorities might reject it.

If the rejection is the result of:

- A manual deposit, see [Manually Deposit DSN Submissions \(FRA\)](#).
- An automatically generated DSN, then the DSN status is set to Rejected by the *DSN Polling (Machine-to-Machine)* integration.

To resubmit the corrected DSN file:

1. Access the Find DSN task to view a list of generated DSNs.
2. Correct any errors and rerun a pay calculation.
3. Access the Run DSN Preparation task, and select the Include DSN with Rejected Status check box.
4. Access the Create DSN Submission task to generate the DSN submission file.

What date does Workday use for data included in DSNs?

In the Preview Worker or Preview Header report in a DSN, you can view these dates:

- Effective Date: The reference date used to retrieve worker, establishment, or event data. Example: For a monthly DSN, Workday reports the business title as of the period end date.

- DSN Processing Moment: The DSN generation date.
- Latest Payroll Calculation: The date of the payroll calculation results used in the DSN. Workday only displays it when it's different from the DSN Processing Moment.

When can I create a manual entry?

You can create a manual entry when a DSN has one of these statuses:

- *Error*.
- *In Progress*.
- *Ready For Submission* (if the DSN isn't already included in a real submission).

Workday supports manual entries for all DSN blocks, except:

- S21.G00.00
- S21.G00.01
- S21.G00.02
- S21.G00.13
- S21.G00.23
- S21.G00.82
- S21.G00.90

How can I edit or deactivate a manual entry?

1. Access the Find DSN task to view a list of generated DSNs.
2. In a DSN, access the DSN Manual Entries tab.
3. From the related actions menu of a manual entry, select Manual Entry for DSN > Edit.
4. (Optional) To delete the manual entry, select Inactive.
5. Click Run DSN Preparation for the modification or deletion of the manual entry to take effect.

Example: You create a block 78 with Manual Entry, and then 2 child blocks 79 and 81. When you select the Inactive check box for Manual Entry on block 78 and run the Run DSN Preparation task, Manual Entry for the child blocks 79 and 81 is deactivated.

How do I process additional pay for a terminated worker?

To report the additional pay, cancel and replace the initial termination DSN. Workday automatically includes the additional pay in the next monthly DSN after the additional payment.

How do I report additional pay when I manage a worker's termination outside of Workday?

When you manage a worker's termination outside of Workday, you can still report any additional pay in a Monthly DSN:

1. Access the Find DSN task to view a list of generated DSNs.
2. From the related actions menu of a DSN, select DSN > Preview Worker.

3. In the right pane, navigate to block S21.G00.51.
4. Click Add Manual Entry for S21.G00.51.
5. Add the dates of the last subperiod before termination.
6. Click Run DSN Preparation for the modification to take effect.

To cancel and replace the initial termination DSN, Workday recommends that you manually provide the updated Attestation Employeur (AE) on net-entreprises.fr.

How do I modify an absence after generating an Absence DSN?

If you haven't submitted the Absence DSN, cancel the Absence DSN before modifying the absence. You can then create a new Absence DSN. Regenerating the same DSN after modifying an absence can result in the DSN having multiple errors.

If you've already submitted the Absence DSN, you can cancel and replace it. Refer to the DSN technical specifications for guidance on specific cases.

How do I identify the company bank account used for payments?

For contributions, income tax withholding, and IJSS subrogation payments, Workday declares the Default Bank Account in the Edit Bank Routing Rule task.

How do I verify that the salary tax is reported in the December monthly DSN?

You can access the Salary Tax Summary report to view the salary tax details for each pay period. Workday reports yearly salary tax amounts in the December monthly DSN.

How do I prepare my monthly and yearly salary tax forms in Workday?

You can use the Salary Tax Summary report when preparing your monthly and yearly salary tax form submissions. The report extracts data only and doesn't output it in a final format. Transform the data to an appropriate form for submission and ensure that your reporting complies with regulations.

How do I report international transfers?

Workday identifies and reports workers transferring into or out of a French company. Workday uses the SIREN Tax ID Type on the Tax IDs tab of the Edit Company Tax Details task to determine if a company is French.

Type of Transfer	DSN Reporting
Transfer to France	In S21.G00.40.001, Workday reports the worker's transfer date as the contract start date.
Transfer from France	The month of the transfer, Workday reports a termination

Type of Transfer	DSN Reporting
	<p>in block S21.G00.62 of the monthly DSN. For transfers, Workday uses the termination reason 998 - <i>Work Contract Transfer to another Establishment without Contract Termination.</i></p> <p>Workday doesn't generate a termination DSN.</p>

Does Workday report on-demand additional payments in a DSN?

When generating a monthly DSN, Workday includes any on-demand additional payments that target the current month in the monthly DSN, and also on-demand, prior period payments not previously reported in a DSN.

What do I need to do if my establishment changes SIRET?

To ensure accurate DSN reporting, Workday recommends that you create a new establishment when your establishment's SIRET changes.

You can then move all active workers to the new establishment. This will enable you to accurately report complementary pay to terminated workers from the old establishment.

How does Workday report terminations for workers without previous payroll results in Workday?

FCTU reporting typically requires you to report payroll results for the previous and current month in DSN block S21.G00.50. When you have a termination or retro termination in the first month of payroll results, Workday declares:

- The payroll results of the current month only in block S21.G00.50.
- A date 1 month in the future for rubric S21.G00.62.020.

This applies:

- To workers with a contract start date before the first month of payroll results.
- Regardless of whether the worker has a payroll history.

Workday never uses history payroll results in DSN block S21.G00.50.

How can I see comptes rendus métiers (CRMs)?

Access the View DSN Responses (CRM) report to verify the content of multiple CRMs of the same type. Workday supports reporting of these CRMs: 11, 20, 21, 22, 42 and 44.

How does Workday report retro benefit calculations?

For a retro calculation of benefits, Workday reports Cancel for a set of blocks 78, 79, and 81

and generates a Replace set of blocks 78, 79, and 81 with the new values.

When retro differences impact a previous quarter, we report:

- A block 55 for each combination of Benefit Provider/Risk Holder/Benefit Contract/Quarter. If the establishment is the company's headquarters, the block 55 reports the amount to pay. Otherwise, the blocks 55 report an amount equal to 0.
- A block 20 for each combination of Benefit Provider/Risk Holder. If the establishment is the company's headquarters, the blocks 20 report the sum of the blocks 55 for the Benefit Provider/Risk Holder. Otherwise, they report an amount equal to 0.

How does Workday handle DSN reporting with mixed results?

DSN reporting can contain mixed results, such as:

- Regular on-cycle and off-cycle payroll results.
- Results from the current period and prior period.
- Workers with different period schedules.
- Workers with different URSSAF contribution adjustments.

In these cases, Workday reports:

- 1 DSN block S21.G00.20 per monthly DSN for DGFiP, and URSSAF.
- 1 DSN block S21.G00.20 per quarter for each benefit provider.
- 1 DSN block S21.G00.22 per period reported in a monthly DSN.
- 1 DSN block S21.G00.23 per CTP and per month.
- 1 DSN block S21.G00.20 per period for AGIRC-ARRCO.

For Pôle Emploi Contributions for expatriates, Workday reports as many blocks S21.G00.20 as periods with a regularization payment.

When you use the *DSN Deposit (Machine to Machine)* integration to generate your DSNs, you also have access to a file archive of your DSN.

Access the View DSN Submission task. You can download the zip file from the Status section.

If Workday generates your DSN with the *DSN Deposit (Machine to Machine)* integration and you select Generate Excel File, then you can also view the individual Excel and text files in the View DSN task on the DSN Submissions tab in the *Excel File* and *DSN File* columns.

## Troubleshooting: DSN Reporting (FRA)

This topic provides strategies for diagnosing and resolving these DSN reporting issues:

- [Corrected data doesn't display in a DSN.](#) on page 1792
- [DSN rubric value is incorrect.](#) on page 1792
- [Manual entry doesn't display in a DSN.](#) on page 1792
- [Can generate monthly DSNs, but not event-based DSNs.](#) on page 1793
- [DSN doesn't report event or change in worker information.](#) on page 1793
- [DSN blocks S21.G00.78, S21.G00.79, and S21.G00.81 are missing benefit plan deductions.](#) on page 1793

### **Corrected data doesn't display in a DSN.**

Cause: You corrected the worker or company data in Workday, but you haven't rerun the Run DSN Preparation task.

Solution:

#### **Steps**

1. [Calculate On-Cycle Payroll](#) on page 651.
2. Access the Run DSN Preparation task.

Security: These domains in the FRA Payroll functional area:

- *Process: DSN (Run) - FRA*
- *Process: DSN (Submission) - FRA*

### **DSN rubric value is incorrect.**

Cause: You're missing required data for the rubric value, and unable to enter the required data in Workday.

Example: After completing payroll. When possible, Workday recommends that you work with your HR or payroll administrator to enter the required data instead of following these steps.

Solution:

#### **Steps**

Security: These domains in the FRA Payroll functional area:

- *Process: DSN (Run) - FRA*
- *Process: DSN (Submission) - FRA*

1. Access the Find DSN task.
2. From the related actions menu of the affected DSN, select DSN > View Exceptions. Identify the required data for the rubric in the Description column.
3. Access the DSN rubric with the exception.

Click:

- Preview to access rubrics in the body of the DSN.
  - Preview Header to access rubrics in the header of the DSN.
4. Click Add Manual Entry.
  5. Enter a new value for the rubric.
  6. Click Run DSN Preparation to regenerate your DSN.

### **Manual entry doesn't display in a DSN.**

Cause: You haven't rerun the Run DSN Preparation task after adding or editing the manual entry.

Solution: Security: These domains in the FRA Payroll functional area:

- *Process: DSN (Run) - FRA*
- *Process: DSN (Submission) - FRA*

Access the Run DSN Preparation task.

### **Can generate monthly DSNs, but not event-based DSNs.**

Cause: You haven't configured an issuer for all DSN natures.

Solution:

#### **Steps**

Security: *Setup: Payroll (DSN) - FRA* domain in the FRA Payroll functional area.

1. Access the Edit Establishment FRA Reporting task for your DSN issuer.
2. Select the missing DSN natures in the DSN Natures prompt.

### **DSN doesn't report event or change in worker information.**

Cause	Solution
<p>The event or change occurred before the worker's first payroll results in Workday. For a change in contract or worker information, Workday reports information starting from the worker's first payroll result. A worker's first payroll results for Workday Payroll for France are the first nonhistorical payroll results for a regular run category for France.</p>	<p>1. Access the Find DSN task. From the related actions menu of the affected DSN, select either:</p> <ul style="list-style-type: none"> <li>• DSN &gt; Preview Header to access rubrics in the header of the DSN.</li> <li>• DSN &gt; Preview Worker to access rubrics in the body of the DSN related to a worker.</li> </ul> <p>In the right pane, navigate to block S21.G00.30 or S21.G00.40, and click Create [DSN Block]. Enter the missing values. Security: These domains in the FRA Payroll functional area:</p> <ul style="list-style-type: none"> <li>• <i>Process: DSN (Run) - FRA</i></li> <li>• <i>Process: DSN (Submission) - FRA</i></li> </ul> <p>2. <a href="#">Calculate On-Cycle Payroll</a> on page 651. 3. Regenerate your DSN. See <a href="#">Steps: Generate DSNs (FRA)</a> on page 1766.</p>
<p>Workday only creates DSNs for absences entered after calculating the first payroll results.</p>	<p>Security: <i>Process DSN (Run) - FRA</i> in the FRA Payroll functional area.</p> <ol style="list-style-type: none"> <li>1. Access the Create Manual DSN task.</li> <li>2. Create DSNs for absences or returns from absences that occurred before the first payroll results.</li> </ol>

### **DSN blocks S21.G00.78, S21.G00.79, and S21.G00.81 are missing benefit plan deductions.**

Cause	Solution
A worker has a benefit deduction in payroll, but they aren't enrolled in a benefit plan for the period or subperiod. Work with your HR administrator to add or modify a benefit election.	<ol style="list-style-type: none"> <li>Select Benefits &gt; Change Benefits from the worker's related actions menu. Enroll the worker in a benefit election. Security: <i>Worker Data: Benefit Elections</i> domain in the Benefits and Personal Data functional areas.</li> <li><a href="#">Calculate On-Cycle Payroll</a> on page 651.</li> <li>Regenerate your DSN. See <a href="#">Steps: Generate DSNs (FRA)</a> on page 1766.</li> </ol>
You haven't configured benefit plans for DSN reporting.	<ol style="list-style-type: none"> <li><a href="#">Indicate Health Care Plans for DSN Reporting (FRA)</a> on page 1735.</li> <li><a href="#">Calculate On-Cycle Payroll</a> on page 651.</li> <li>Regenerate your DSN. See <a href="#">Steps: Generate DSNs (FRA)</a> on page 1766.</li> </ol>
You haven't mapped individual benefit contributions to rubric values.	<ol style="list-style-type: none"> <li>Access the View DSN Rubric Configuration task. Select the year impacting your DSN reporting. In the row where the Rubric Code is <i>S21.G00.79.001</i>, click Maintain. Select benefit contributions from the Calculations for Rubric Value prompt, and the corresponding Rubric Value. Security: <i>Set Up Payroll (DSN) - FRA</i> domain in the FRA Payroll functional area.</li> <li><a href="#">Calculate On-Cycle Payroll</a> on page 651.</li> <li>Regenerate your DSN. See <a href="#">Steps: Generate DSNs (FRA)</a> on page 1766.</li> </ol>

## Statutory Leave and Absence (FRA)

### Steps: Set Up Reclassification Leaves (FRA)

#### Context

Earned income and reclassification allowances are subject to different statutory calculations during these phases of a reclassification leave:

- Notice period.
- Legal period.
- Extension beyond the legal period.

You can set up Workday to:

- Pay the appropriate earnings during each phase of reclassification leave.
- Exempt reclassification allowances paid during the legal period from common law contributions.
- Subject reclassification allowances paid during the legal period to CSG/CRDS on replacement income.
- Subject reclassification allowances to complementary retirement contributions.

## Steps

1. Access the Maintain Leave Families task.

Add a new row and enter **Reclassification** in the Leave Family Name field.

**Security:** *Set Up: Leave of Absence* domain in the Time Off and Leave functional area.

2. [Create Leave Types](#).

Create a leave type for each phase of reclassification leave.

From the Leave Payment Type prompt, select *France* and then a payment type associated with reclassification leave:

- *France - FRA\_RC - Reclassification Leave - No Contributions*. Workday doesn't calculate the AGIRC-ARRCO ceiling for leaves based on this leave payment type.
- *France - FRA\_RC\_CONT - Reclassification Leave - With Contributions*. Workday calculates the AGIRC-ARRCO ceiling for leaves based on this leave payment type.
- *France - FRA\_RC\_EX - Reclassification Leave - Extension*
- *France - FRA\_RC\_N - Reclassification Leave - Notice*

3. Access the Maintain Absence Mapping for Payroll France task.

For DSN Rubric Code *S21.G00.65.001*, map your company's leave types to the DSN Rubric Value for reclassification leave.

**Security:** *Set Up: Payroll - FRA* domain in the FRA Payroll functional area.

4. Create a separate earning for the payment during each of the reclassification periods. Example: Payment in lieu of notice, reclassification allowance during the legal period, reclassification allowance during an extended period.

For earnings representing the legal reclassification allowance during the legal period, select *FRA Adds to CSG/CRDS on Replacement Income Taxable Base and Subtracts from Common Law Contributions Taxable Bases* from the Groups prompt on the Non-Effective Dated tab.

You can use Workday-delivered instance set comparison calculations to determine when a worker is eligible. Example: *Leave Payment Type equals Reclassification Leave – Legal Period – No Contributions*.

See [Steps: Create Earnings](#) on page 229.

5. [Set Up Pay Component Eligibility](#) on page 243.

Edit the pay component eligibility on your deductions for contingency fund contributions.

You can use Workday-delivered instance set comparison calculations to determine when a worker is eligible. Example: *Leave Payment Type equals Reclassification Leave – Legal Period – With Contributions*.

## Result

When you process a payroll calculation, Workday:

- Pays the appropriate earning during each reclassification period.
- Unless specified, exempts reclassification allowances for the legal period from common law contributions, and subjects them to CSG/CRDS on replacement income.

## Example

Julie, the payroll administrator creates:

These statutory leave types:

Statutory Leave Type	Associated with Leave Payment Type
Reclassification Leave - Legal Period	<i>France - FRA_RC_CONT - Reclassification Leave - With Contributions</i>
Reclassification Leave - Extension	<i>France - FRA_RC_EX - Reclassification Leave - Extension</i>

These earnings:

Earning	Calculation	Added to Pay Component Groups	Worker Eligibility
Health Care Contribution (Deduction)	Based on reclassification allowance.	<i>FRA Statutory ER [FRA]</i>	<i>Leave Payment Type equals Reclassification Leave – Legal Period – With Contributions</i>
Reclassification allowance - Legal	65% of the base salary	<i>FRA Adds to Gross [FRA] FRA Adds to CSG/ CRDS on Replacement Income Taxable Base and Subtracts from Common Law Contributions Taxable Bases FRA Adds to AGIRC- ARRCO Taxable Base [FRA]</i>	<i>Leave Payment Type equals Reclassification leave - Legal period - With Contributions</i>
Reclassification allowance - extension	80% of the base salary	<i>FRA Adds to Gross [FRA]</i>	<i>Leave Payment Type equals Reclassification leave - Extension</i>

### Next Steps

Set up the run category to process earnings for workers on a reclassification leave.

Place workers on leave with the appropriate leave type when they are on reclassification leave.

Related Information

#### Tasks

[Place Workers on Leave](#)

### Example: Configure Reclassification Leaves for the Notice Period (FRA)

This example illustrates how to create a leave type and earning for the notice period of a reclassification period.

#### Context

You want to manage payroll for workers on reclassification leave. You work with your absence administrator to create a leave type for the notice period of a reclassification leave. During the notice period, your workers continue to receive their normal salary.

## Prerequisites

Create a leave family called *Reclassification*.

Create a calculation that returns the value of the notice indemnity for the reclassification notice period, called *Reclassification Notice Indemnity*.

### Security:

- *Set Up: Leave of Absence* domain in the Time Off and Leave functional area.
- *Set Up: Payroll Calculations (Payroll - Specific)* domain in the Core Payroll functional area.

## Steps

1. Access the Create Leave Type task.

Enter these values on the Details tab:

Option	Description
Leave Type	Reclassification - Notice Period
Leave Family	<i>Reclassification</i>
Leave Payment type	Select <i>France</i> and then <i>France - FRA_RC_N - Reclassification Leave - Notice</i> .
Enabled for Worker Type	<i>Employee</i>

In the Leave Impacts section, leave the Payroll Effect check box clear.

2. Enter these values on the Balance/Leave Taken tab:

Option	Description
Unit of Time	<i>Days</i>
Days to Include	<i>All Days</i>

3. Click OK.

## Result

You can now place workers on leave for the notice period of a reclassification leave. Workers on this type of leave continue to receive their standard pay.

## Next Steps

In the Maintain Absence Mapping for Payroll France task, map the leave type to the absence value 625 - *Reclassification* to declare the reclassification leave in DSN reporting.

### Related Information

#### Tasks

[Steps: Set Up Leave of Absence](#)

[Steps: Set Up DSN Reporting \(FRA\) on page 1731](#)

## Example: Configure Reclassification Leaves with Contributions (FRA)

This example illustrates how to create a leave type and reclassification earning subject to contributions.

### Context

You want to manage payroll for workers during the legal period of a reclassification leave. During the legal period, your workers receive a reclassification allowance instead of their standard pay. The workers' reclassification allowances are:

- Exempt from social security contributions.
- Subject to the CSG/CRDS on replacement income.
- Subject to complementary retirement and health care contributions.

## Prerequisites

Create a leave family called *Reclassification*.

Create a calculation that returns the value of the reclassification allowance, called *Reclassification Allowance*.

Configure your run category for workers on leave.

Security:

- *Set Up: Leave of Absence* domain in the Time Off and Leave functional area.
- *Set Up: Payroll Calculations (Payroll - Specific)* domain in the Core Payroll functional area.
- *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

## Steps

1. Access the Create Leave Type task.

Enter these values:

Option	Description
Leave Type	Reclassification - Legal Period - Contributions
Leave Family	<i>Reclassification</i>
Leave Payment type	Select <i>France</i> and then <i>France - FRA_RC_CONT - Reclassification Leave - Contributions</i> .
Enabled for Worker Type	<i>Employee</i>

In the Leave Impacts section, select the Payroll Effect check box.

2. Access the Create Earning task.

Enter these values:

Option	Description
Name	Reclassification Allowance - No Contributions
Code	<i>Reclass_Legal_No_Cont</i>
Effective Date	Enter today's date.
Worker Eligibility	<i>Leave Payment Type equals Reclassification Leave - Legal Period - Contributions</i>
Calculation	<i>Reclassification Allowance</i>

On the Non-effective dated tab, select these pay component groups from the Groups prompt:

- *FRA Adds to AGIRC-ARRCO Taxable Base [FRA]*
- *FRA Adds to CSG/CRDS on Replacement Income Taxable Base and Subtracts from Common Law Contributions Taxable Base [FRA]*
- *FRA Adds to Gross [FRA]*
- *FRA CSG/CRDS Reduction Calculation Activation [FRA]*

Select any custom pay component groups related to health insurance and supplementary retirement insurance.

- Access the Edit Run Category task for your run category.

On the Nonactive (On Cycle, On Demand Replacement) tab, add this row:

Pay Component to Calculate	Status	Leave Types
<i>Reclassification Allowance - No Contributions</i>	<i>On Leave</i>	<i>Reclassification - Legal Period - Contributions</i>

- Click OK.

## Result

You can now place workers on leave for the legal period of a reclassification leave. Workers on this type of leave receive a reclassification allowance instead of their regular pay. The reclassification allowance is subject to complementary retirement and health contributions.

## Next Steps

In the Maintain Absence Mapping for Payroll France task, map the new leave type to the absence value 625 - *Reclassification* to declare the reclassification leave in DSN reporting.

### Related Information

#### Tasks

[Steps: Set Up Leave of Absence](#)

[Steps: Set Up DSN Reporting \(FRA\) on page 1731](#)

#### Examples

[Example: Set Up Pay Run Category for Workers on Leave \(FRA\) on page 148](#)

## Example: Configure Reclassification Leaves without Contributions (FRA)

This example illustrates how to create a leave type and earning for the legal period that exceeds the notice period of a reclassification leave.

### Context

You want to manage payroll for workers during the legal period of a reclassification leave. During the legal period, your workers receive a reclassification allowance instead of their standard pay. The workers' reclassification allowances are only subject to the CSG/CRDS on replacement income.

### Prerequisites

Create a leave family called *Reclassification*.

Create a calculation that returns the value of the reclassification allowance, called *Reclassification Allowance*.

Configure your run category for workers on leave.

#### Security:

- Set Up: Leave of Absence* domain in the Time Off and Leave functional area.
- Set Up: Payroll Calculations (Payroll - Specific)* domain in the Core Payroll functional area.
- Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

## Steps

- Access the Create Leave Type task.

Enter these values:

Option	Description
Leave Type	Reclassification - Legal Period - No Contributions
Leave Family	<i>Reclassification</i>
Leave Payment type	Select <i>France</i> and then <i>France - FRA_RC - Reclassification Leave - No Contributions</i> .
Enabled for Worker Type	<i>Employee</i>

In the Leave Impacts section, select the Payroll Effect check box.

- Enter these values on the Balance/Leave Taken tab:

Option	Description
Unit of Time	<i>Days</i>
Days to Include	<i>All Days</i>

- Click OK.

- Access the Create Earning task.

Enter these values:

Option	Description
Name	Reclassification Allowance - No Contributions
Code	<i>Reclass_Legal_Cont</i>
Effective Date	Enter today's date.
Worker Eligibility	<i>Leave Payment Type equals Reclassification Leave - Legal Period - No Contributions</i>
Calculation	<i>Reclassification Allowance</i>

On the Non-effective dated tab, select these pay component groups from the Groups prompt:

- FRA Adds to CSG/CRDS on Replacement Income Taxable Base and Subtracts from Common Law Contributions Taxable Base [FRA]*
- FRA Adds to Gross [FRA]*
- FRA CSG/CRDS Reduction Calculation Activation [FRA]*

- Access the Edit Run Category task for your run category.

On the Nonactive (On Cycle, On Demand Replacement) tab, add this row:

Pay Component to Calculate	Status	Leave Types
<i>Reclassification Allowance - No Contributions</i>	<i>On Leave</i>	<i>Reclassification - Legal Period - No Contributions</i>

- Click OK.

## Result

You can now place workers on leave for the legal period of a reclassification leave. Workers on this type of leave receive a reclassification allowance instead of their regular pay. The reclassification allowance is only subject to the CSG/CRDS on replacement income.

## Next Steps

In the Maintain Absence Mapping for Payroll France task, map the new leave type to the absence value 625 - *Reclassification* to declare the reclassification leave in DSN reporting.

Related Information

### Tasks

[Steps: Set Up Leave of Absence](#)

[Steps: Set Up DSN Reporting \(FRA\) on page 1731](#)

### Examples

[Example: Set Up Pay Run Category for Workers on Leave \(FRA\) on page 148](#)

## Example: Configure Reclassification Leaves for an Extended Period (FRA)

This example illustrates how to create a leave type and reclassification allowance for the period that exceeds the legal duration of a reclassification leave.

### Context

You want to manage payroll for workers on an extended reclassification leave. Your workers receive a reclassification allowance instead of their regular pay. The reclassification allowance during this period is subject to all contributions.

### Prerequisites

Create a leave family called *Reclassification*.

Create a calculation that returns the value of the reclassification allowance, called *Reclassification Allowance Extension*.

Configure your run category for active workers.

Security:

- *Set Up: Leave of Absence* domain in the Time Off and Leave functional area.
- *Set Up: Payroll Calculations (Payroll - Specific)* domain in the Core Payroll functional area.
- *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

### Steps

1. Access the Create Leave Type task.

Enter these values:

Option	Description
Leave Type	Reclassification - Extension
Leave Family	<i>Reclassification</i>
Leave Payment type	Select <i>France</i> and then <i>France - FRA_RC_EX - Reclassification Leave - Extension</i> .
Enabled for Worker Type	<i>Employee</i>

In the Leave Impacts section, leave the Payroll Effect check box clear.

2. Enter these values on the Balance/Leave Taken tab:

Option	Description
Unit of Time	Days
Days to Include	All Days

3. Click OK.  
 4. Access the Create Earning task.

Enter these values:

Option	Description
Name	Reclassification Allowance - Extension
Effective Date	Enter today's date.
Worker Eligibility	<i>Leave Payment Type equals Reclassification Leave - Extension</i>
Calculation	<i>Reclassification Allowance Extension</i>

On the Non-effective dated tab, select *FRA Adds to Gross [FRA]* from the Groups prompt.

5. Click OK.  
 6. Access the Edit Run Category task for your run category.  
 On the General tab, select *Reclassification Allowance - Extension* from the Additional Pay Components to Calculate prompt.

7. Click OK.  
 8. Access the Edit Earning task for the earning for a worker's salary.

From the Worker Eligibility prompt, select Create > Create Instance Set Comparison Calculation.

9. Enter these values:

Option	Description
Name	Not on extended reclassification leave
Category	Payroll

10. Add this row to the Calculation grid:

Source Field	Relational Operator	Target Instance
<i>FRA Worker: Leave Payment Type as of Sub-Period End Date</i>	<i>NOT exact match with the selection list</i>	<i>France - FRA_RC_EX - Reclassification Leave - Extension</i>

11. Click OK and then OK.

## Result

You can now place workers on leave for the extended period of a reclassification leave. Workers on this type of leave remain active, but receive a reclassification allowance instead of their regular pay.

## Next Steps

In the Maintain Absence Mapping for Payroll France task, map the new leave type to the absence value 625 - *Reclassification* to declare the reclassification leave in DSN reporting.

### Related Information

#### Tasks

[Steps: Set Up Leave of Absence](#)

[Steps: Set Up DSN Reporting \(FRA\)](#) on page 1731

#### Examples

[Example: Set Up Pay Run Category for Active and Terminated Workers \(FRA\)](#) on page 140

## IJSS Payments and Reporting (FRA)

### Steps: Set Up IJSS Payments (FRA)

#### Prerequisites

Configure earnings and deductions. See [Steps: Create Earnings](#) on page 229 and [Steps: Create Deductions](#).

#### Context

You can configure Workday to manage payments for Indemnités Journalières de Sécurité Sociale (IJSS). You can configure Workday to manage:

- Which earnings and deductions to include when calculating income tax withholding.
- Gross IJSS calculation based on input net amounts.
- Payment and DSN reporting of employer subrogation.

#### Steps

1. [Gross Up IJSS Payments \(FRA\)](#) on page 1803.
2. (Optional) Configure employer subrogation of IJSS payments.  
See [Example: Manage Employer Subrogation for IJSS Payments \(FRA\)](#) on page 1806.
3. (Optional) For companies with employer subrogation, configure DSN reporting.  
See [Example: Report Employer Subrogation in a DSN \(FRA\)](#) on page 1808.
4. Create an earning for IJSS payments that you don't include in a gross-up earning. Example: The portion of an IJSS payment that exceeds a worker's normal net pay.  
Add the earning to the *FRA Adds to IJSS Amount Fully Taxable [FRA]* pay component group.  
See [Steps: Create Earnings](#) on page 229.

### Gross Up IJSS Payments (FRA)

#### Prerequisites

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

#### Context

When workers receive Indemnités Journalières de Sécurité Sociale (IJSS), you can configure Workday to reduce their gross salary so that they don't earn more than their standard pay. Based on pay inputs for net IJSS amounts, Workday calculates a gross IJSS amount that accounts for any applicable contributions.

When a worker directly receives IJSS payments from Social Security (employer subrogation), Workday deducts the gross up IJSS amount from the worker's gross pay.

When an employer receives IJSS payments from Social Security on behalf of the worker, Workday:

- Deducts the IJSS gross up amount from the worker's gross pay.
- Pays an IJSS net earning to the worker's net salary.

#### Steps

1. Access the Add Payroll Input by Worker task.

2. In the Processing Defaults section, select:

- One-time
- Override
- Regular Run Category

3. As you complete the Input grid, consider:

Option	Description
Pay Component	<p>To calculate the worker's final net salary as the usual net salary, reduced by applicable CSG/CRDS contributions, select 1 of these pay components:</p> <ul style="list-style-type: none"> <li>• <i>IJSS Gross Additional Maternity Leave [FRA]</i></li> <li>• <i>IJSS Gross Commuting Accident [FRA]</i></li> <li>• <i>IJSS Gross Maternity [FRA]</i></li> <li>• <i>IJSS Gross Paternity Leave [FRA]</i></li> <li>• <i>IJSS Gross Sickness [FRA]</i></li> <li>• <i>IJSS Gross Work Accident [FRA]</i></li> </ul> <p>To calculate the worker's final net salary as the usual net salary, select 1 of these pay components:</p> <ul style="list-style-type: none"> <li>• <i>IJSS Gross Additional Maternity Leave With No CSG Impact on Net [FRA]</i></li> <li>• <i>IJSS Gross Commuting Accident with No CSG Impact on Net [FRA]</i></li> <li>• <i>IJSS Gross Maternity With No CSG Impact on Net [FRA]</i></li> <li>• <i>IJSS Gross Paternity Leave With No CSG Impact on Net [FRA]</i></li> <li>• <i>IJSS Gross Sickness With No CSG Impact on Net [FRA]</i></li> <li>• <i>IJSS Gross Work Accident With No CSG Impact on Net [FRA]</i></li> </ul>
Input Details - Type	<p>Select:</p> <ul style="list-style-type: none"> <li>• <i>Net Amount Without Subrogation</i> to indicate that workers directly receive IJSS payments from the Social Security organization.</li> <li>• <i>Net Amount With Subrogation Taxable</i> to indicate that employer subrogation applies.</li> <li>• <i>Net Amount With Subrogation non Taxable</i> to indicate that employer subrogation applies, and the IJSS amount isn't subject to taxes. For IJSS Gross Sickness pay components only.</li> </ul> <p>Don't use the <i>Amount</i> input detail type.</p>

## Result

Workday calculates these pay components:

- *IJSS Gross [FRA]* or *IJSS Gross With No CSG Impact on Net [FRA]* to calculate the gross amount to deduct from a worker's salary based.
- *IJSS Net [FRA]* to calculate the net amount based on the net pay input.

### **Example: Manage Multiple IJSS Payments (FRA)**

This example illustrates how to:

- Calculate contributions and taxes on multiple Indemnités Journalières de Sécurité Sociale (IJSS) net payments.
- Distinguish between IJSS payments for different types of leaves associated with Social Security benefits.

#### **Context**

In July, Fiona, an employee of Global Modern Services is on sick leave for 1 week, followed by maternity leave. She receives these IJSS payments directly from Social Security:

- 100 EUR for 2 days the first week.
- 1700 EUR for the rest of the month.

Global Modern Services maintains Fiona's net salary, minus CSG and CRDS taxes, during her sick leave and maternity leave. You need to calculate a gross IJSS amount and deduct it from Fiona's pay.

#### **Prerequisites**

Set up:

- A time off and deduction for sick leave, called Time Off - Sickness.
- A time off and deduction for maternity leave, called Time Off - Maternity.
- An earning, called Maintain Salary - Sickness, to maintain salaries for eligible workers during sick leave.
- An earning, called Maintain Salary - Maternity, to maintain salaries for eligible workers during maternity leave.

Add your company's contributions to the *FRA Adds to Gross-Up Calculation [FRA]* pay component group if they both:

- Impact the net salary.
- Aren't already included in a pay component group for employee statutory taxes, employer contingency contributions, or contributions for health and contingency funds.

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

#### **Steps**

1. Access the Add Payroll Input by Worker task.
2. Enter these settings:

Option	Setting
Worker	<i>Fiona</i>
Start Date	<i>July 1</i>
End Date	<i>July 31</i>

3. In the Processing Defaults section select:

- One-time
- Override
- Regular Run Category

4. Add these rows to the Input grid:

Pay Component	Input Details - Type	Input Details - Value
IJSS Gross Sickness [FRA]	Net Amount Without Subrogation Taxable	100
IJSS Gross Maternity [FRA]	Net Amount Without Subrogation Taxable	1700

Don't enter a value for the *Amount* Input Detail Type.

### Result

When you run payroll calculations for July, Fiona has these results on the Summary tab of her pay results:

Pay Component	Amount (EUR)
Gross	
Base salary	4000
Time Off - Sickness	(1000)
Time Off - Maternity	(3000)
Maintain Salary - Sickness	1000
Maintain Salary - Maternity	3000
IJSS Gross	(2460.40)

Workday calculates a gross IJSS based on the sum of Fiona's maternity and sick leave IJSS payments.

### Next Steps

You can view the gross IJSS amounts for each IJSS payment on the Gross to Net tab in Fiona's pay results. View the Related Values for the *Memo-Reference Values for IJSS* deduction. Workday calculates the gross amount for each IJSS payment, by distributing the global gross IJSS amount pro rata the net amount of each payment.

### Example: Manage Employer Subrogation for IJSS Payments (FRA)

This example illustrates how to:

- Calculate contributions and taxes for Indemnités Journalières de Sécurité Sociale (IJSS) net payments.
- Manage employer subrogation of IJSS payments.

### Context

Yannick has 1 week of sick leave beginning July 15th. He's entitled to a net IJSS payment of 100 EUR for 2 of the days of his sick leave. For eligible workers on sick leave, Global Modern Services:

- Maintains worker salaries, minus CSG and CRDS tax amounts.
- Receives IJSS payments from Social Security on behalf of the worker.

You need to:

- Pay Yannick the net IJSS amount from Social Security as part of his post-taxable salary.
- Calculate a gross IJSS amount, and deduct it from Yannick's gross pay.

### Prerequisites

Set up:

- A time off and deduction for sick leave, called Time Off - Sickness.
- An earning called Maintain Salary - Sickness, to maintain salaries for eligible workers during sick leave.
- DSN reporting for employer subrogation.

Add your company's contributions to the *FRA Adds to Gross-Up Calculation [FRA]* pay component group if they both:

- Impact the net salary.
- Aren't already included in a pay component group for employee statutory taxes, employer contingency contributions, or contributions for health and contingency funds.

Security: *Worker Data: Payroll (Payroll Input)* domain in the Core Payroll functional area.

## Steps

1. Access the Add Payroll Input by Worker task.
2. Enter these settings:

Option	Setting
Worker	<i>Yannick</i>
Start Date	<i>July 1</i>
End Date	<i>July 31</i>
Pay Component	<i>IJSS Gross Sickness</i>

3. In the Processing Defaults section select:
  - One-time
  - Override
  - Regular Run Category
4. Add a row to the Input grid, with these Input Details:

Type	Value
<i>Net Amount With Subrogation Taxable</i>	100

Don't enter a value for the *Amount* Input Detail Type.

## Result

When you run the July pay calculation, Yannick has these results:

Pay Component	Amount (EUR)
Gross	
<i>Base salary</i>	4000
<i>Time Off - Sickness</i>	(200)
<i>Maintain Salary - Sickness</i>	200
<i>IJSS Gross</i>	(134.57)
Post Taxable Net	
<i>IJSS Net</i>	100

## Example: Report Employer Subrogation in a DSN (FRA)

This example illustrates how to report subrogation in DSN for absences or return from absences.

### Context

Yannick has 1 week of sick leave beginning July 15. He has a 3-day waiting period before receiving any IJSS payments.

You have already set up employer subrogation for the IJSS payments. You need to:

- Declare Yannick's sick leave in a DSN for absences.
- Declare the dates during which the employer subrogation applies.

### Prerequisites

- Set up 2 time offs for sick leave: Time Off - Sickness, and Time Off - Sickness Waiting Period.
- In the Time Off - Sickness time off plan:
  - Create accruals for the number of days workers are eligible to have their salaries maintained.
  - Select *All Days* in the Days to Include in Time Off Requests field.
- Create an absence table that contains tiers for the Time Off - Sickness and Time Off - Sickness Waiting Period time offs and time off plans.
- Create deductions for each of the time offs named Sickness Deduction and Sickness Waiting Period Deduction.
- Security: *Set Up Payroll - FRA* and *Set Up: Payroll (Calculations - Payroll Specific)* domains in the FRA Payroll functional area.

### Steps

1. Access the S21.G00.60.001 tab on the Maintain Absence Mapping for Payroll France task.  
Access the S21.G00.60.001 tab.
2. In the row where DSN Rubric Value is *01 - Sickness*, enter these values:
  - *Time Off - Sickness*
  - *Time Off - Sickness Waiting Period*
3. Access the Edit Establishment FRA Reporting task for Global Modern Services.  
In the Subrogation Option section on the DSN Options tab, select Apply Social Security Allowance Subrogation.
4. Access the Edit Deduction task for the *Sickness Waiting Period Deduction*.  
On the Effective Dated tab, add this row to the Related Calculations grid:

Related Calculation	Groups
<i>Time Off - Sickness Waiting Period - Time Off Total</i>	<i>FRA DSN Waiting Period</i>

### Result

Before his sick leave, the Time Off - Sickness plan balance for Yannick is 30 days.

Workday creates a DSN for Yannick's absence when you both:

- Add Yannick's time off using the sick leave absence table.
- Run the Run DSN Preparation task.

In the DSN, Workday reports these subrogation dates:

- Subrogation Start Date: July 18
- Subrogation End Date: August 13

Workday also reports the details of the company bank account that receives the IJSS payments, according to defined bank routing rules.

## Next Steps

Add payroll input to set up the impact of IJSS payments on the worker's salary.

## BPIJ Management (FRA)

### Steps: Set Up BPIJ (Machine to Machine) Integration (FRA)

#### Prerequisites

Security: These domains in the Integration functional area:

- *Integration Build*
- *Integration Configure*

#### Context

You can automatically import Bordereau de Paiement pour le versement des Indemnités Journalières (BPIJ) into Workday, simplifying your data input, payroll, and reporting. Workday enables machine-to-machine search and retrieval of existing BPIJ to streamline your payroll processes. Automatic BPIJ retrieval requires prior planning.

Workday recommends you plan a job and integration per DSN Issuer.

#### Steps

1. [Create Security Domains \(FRA\) on page 1632](#).
2. Access the Create Integration System task.
  - a) Enter a unique System Name.
  - b) From the Template, New using Template field, select BPIJ Search and Download.

Details of the integration appear on the View Integration System report.
3. Access the Launch / Schedule Integration task.
  - a) From Integration, select the name of your BPIJ integration system.
  - b) From Run Frequency, select a frequency for Workday to contact the net.entreprises.fr portal searching for BPIJ.
  - c) As you complete the task, consider:

Option	Description
SIRET	Enter the SIRET number for the person with the net.entreprises.fr credentials.
Password	Enter the net.entreprises.fr password.
Authentication Only	Select this check box for troubleshooting purposes only.
Verbose Mode	Select this check box for troubleshooting purposes only. Otherwise, the task is time consuming.

Option	Description
DSN Issuer	Select your establishment.

d) In the Schedule tab, consider:

Option	Description
Priority	Select <i>Normal</i> .
Recurrence Interval	Select an interval to search for BPIJ. Workday recommends selecting <i>Every 3 hours</i> for performance.
Start Time	Enter a start time. Workday recommends you set a start time with at least a 1-hour difference from the start time set on the BPIJ Scheduler task.
Time Zone	Select <i>GMT+01:00 Central European Time (Paris)</i> .
Catch Up Behavior	Select <i>None</i> .
Start Date	Enter the recurrence start date. This must be after the current date.

4. [Create BPIJ Schedules \(FRA\)](#) on page 1810.

## Next Steps

[View the List BPIJ by Worker report to confirm payroll accuracy.](#)

### Related Information

#### Tasks

[Create Integration System](#)

#### Reference

[2023R1 What's New Post: Bordereau de Paiement pour le versement des Indemnités Journalières \(BPIJ\)](#)

#### Examples

[Example: Report Employer Subrogation in a DSN \(FRA\)](#) on page 1808

## Create BPIJ Schedules (FRA)

### Prerequisites

Security: These domains in the Integration functional area:

- *Integration Build*
- *Integration Configure*

### Context

Workday enables you to automatically import BPIJ based on a schedule you set. You need access to the net-entreprises.fr portal account for your establishment.

To set up automatic retrieval of BPIJ, you need to create schedules in the BPIJ Scheduler and Launch / Schedule Integration tasks. When you set up the run frequency for 1 task, the starting time for the other task must have at least a 1-hour difference.

Example: Set the BPIJ Scheduler task to start at 12:00 and Launch / Schedule Integration for BPIJ to start at 13:00.

## Steps

1. Access the BPIJ Scheduler task.
2. As you complete the BPIJ Criteria tab, consider:

Option	Description
DSN Issuer	Select the establishment.
BPIJ Retrieval Start Date	<p>Set the date that BPIJ machine to machine will retrieve past BPIJ from the net-entreprises.fr portal.</p> <p>Select a date earlier than 90 days before today's date.</p>

3. As you complete the Schedule tab, consider:

Option	Description
Recurrence Interval	<p>Select the frequency to contact net-entreprises.fr.</p> <p>Workday recommends selecting <i>Every 3 hours</i> for performance.</p>
Start Time	<p>Enter a start time.</p> <p>Workday recommends you set a start time with at least a 1-hour difference from the start time set on the Launch / Schedule Integration task.</p>
Time Zone	Select <i>GMT+01:00 Central European Time (Paris)</i> .
Catch Up Behavior	Select <i>None</i> .
Start Date	Enter the recurrence start date. This must be after the current date.

## Concept: BPIJ Reporting (FRA)

Workday provides reports to help you view BPIJ results and to help you troubleshoot the integration.

### List BPIJ by Worker

You can use Workday BPIJ reporting as a reference to view the amounts each employee is paid from IJSS.

Workday enables you to extract information in the List BPIJ by Worker report. It is useful for control purposes, in particular for the accounting department and monitoring of IJSS payments by CPAM.

The List BPIJ by Worker report includes the:

- IJSS Net amount
- Number of IJ paid
- Payment date
- Per unit amount
- Personnel number

To view results directly related to IJSS Net, select the Display only IJ check box.

## Find BPIJ Requests

You can use the Find BPIJ Requests report if you encounter a problem with the integration. You can change the status and reschedule the BPIJ retrieval process with this report.

From the Search Request related actions menu, select Update Status. Move the Next Status to In Progress. Workday restarts the BPIJ retrieval.

## Part-Time Therapeutic Leave in DSNs (FRA)

### Steps: Report Part-Time Therapeutic Leave in DSNs (FRA)

#### Context

You can set up Workday to declare part-time therapeutic leaves in DSN reporting.

#### Steps

1. Create a Leave Type for Therapeutic Part Time (FRA) on page 1813.
2. Create a Time Off for Therapeutic Part Time (FRA) on page 1814.
3. Create a deduction that represents the reduction in salary due to time off for part-time therapeutic leave.

On the Non-Effective Dated tab, from the Groups prompt, select *FRA DSN - Therapeutic Part Time Salary Loss [FRA]* as one of the pay component groups.

As you complete the Related Calculations grid on the Effective Dated tab, consider:

Field	Description
Related Calculation	To report the compensation loss in DSN block S21.G00.66, select one of these values: <ul style="list-style-type: none"> <li>• <i>FRA Days</i></li> <li>• <i>FRA Hours</i></li> </ul> If you select another calculation, select <i>FRA Payslip - Displayed Time Off Dates</i> from the Groups prompt.
Override Calculation	Select the absence component related calculation for the part-time therapeutic time off.

4. Update your existing deduction for time offs and absences to include those that suspend part-time therapeutic leave and that aren't mapped.

As you update the Related Calculations grid on the Effective Dated tab, consider:

Field	Description
Related Calculation	To report the suspension of therapeutic part-time compensation, select <i>FRA Days</i> .
Groups	Select <i>FRA Absence Days Suspending Therapeutic Part Time Leave [FRA]</i> .

See Steps: Create Deductions on page 234.

#### Result

Workday can now report:

- The dates of a part-time therapeutic leave in DSN block S21.G00.60.
- The loss of salary due to part-time therapeutic leave in DSN block S21.G00.66.
- Multiple blocks 66 when a worker is absent due to time off or leave during part-time therapeutic leave.

## Next Steps

- Place a worker on part-time therapeutic leave for the total time of their part-time therapeutic leave.
- Enter time off for the days that the employee isn't at work due to part-time therapeutic leave.

## Create a Leave Type for Therapeutic Part Time (FRA)

### Prerequisites

Security: *Set Up: Leave of Absence* domain in the Time Off and Leave functional area.

### Context

You can enable Workday to set up different types of part-time therapeutic leaves.

### Steps

1. Access the Create Leave Type task.
2. As you complete the task for each of the 4 types of part-time therapeutic leave, consider:

Field	Description
Leave Type	<p>Enter a name that represents the reason for the leave.</p> <p>Workday recommends that you use a similar name as the Leave Payment Type.</p>
Leave Family	Select Medical Leave for part-time therapeutic leave.
Leave Payment Type	<p>Link the leave type to 1 of 4 Workday-delivered leave payment types.</p> <ul style="list-style-type: none"> <li>• France - FRA_TPT_CA - Therapeutic Part Time - Commuting Accident</li> <li>• France - FRA_TPT_OS - Therapeutic Part Time - Occupational Sickness</li> <li>• France - FRA_TPT_SK - Therapeutic Part Time - Sickness</li> <li>• France - FRA_TPT_WA - Therapeutic Part Time - Work Accident</li> </ul>

3. Define Eligibility Criteria to control whether the leave type is available for selection when entering a leave request:

Field	Description
Country/Country Region	France
Enabled for Worker Type	Select ~Employee~

4. Leave the Payroll Effect check box clear.

- On the Balance/Leave Taken tab, configure balance tracking options.

Provide information Workday needs to calculate balances for therapeutic part-time leave taken:

Field	Description
Unit of Time	Select Days.
Calendar Display	Select Do Not Show Balance.
Days to Include	Select All Days.

## Result

Workday uses the leave payment type to determine the rubric value when reporting a leave of absence in DSN block S21.G00.60. Example: Workday reports all leaves of absence with a sickness leave payment type under rubric value *15 - temps partiel thérapeutique (risque maladie)*.

## Next Steps

[Create a Time Off for Therapeutic Part Time \(FRA\) on page 1814.](#)

### Create a Time Off for Therapeutic Part Time (FRA)

#### Prerequisites

Security: *Set Up: Time Off (Calculations - Absence Specific)* domain in the Time Off and Leave functional area.

#### Context

Create a time off to represent the time that an employee isn't at work due to part-time therapeutic leave.

#### Steps

- Access the Create Time Off task.

As you complete the task, consider:

Option	Description
Code	Enter a time off code for web services and EIB uploads.
Comments	Enter a high-level summary to explain that this time off is for therapeutic part time.
Time Off Type	Select a time off type for sick days.
Priority	Enter a number indicating the priority for processing the time off when multiple time offs subtract from the same time off plan.
Entry Option	Select an option to specify whether workers can enter requests for the time off.

- For more information about time offs, see [Steps: Set Up Time Offs](#).

## Result

The time off you create generates the deduction that indicates when the worker is not working. Workday reports this amount in DSN block 66. You don't need to use the Maintain Absence Mapping for Payroll France task.

## Next Steps

See [Create Time Off Plan Overrides for Time Offs](#).

# Payroll for Australia

## Payroll for Australia

You can find more information relevant for all features throughout the Payroll Admin Guide book. Use these quick links to view topics and features specific to Payroll for Australia:

- [Bonuses and Commissions \(AUS\)](#)
- [Collective Agreements \(AUS\)](#)
- [Leave Pay \(AUS\)](#)
- [Single Touch Payroll \(AUS\)](#)
- [Superannuation \(AUS\)](#)
- [Termination Pay \(AUS\)](#)
- [Tax Setup \(AUS\)](#)
- [Withholding Orders \(AUS\)](#)

## Bonuses and Commissions (AUS)

### Set Up Bonuses and Commissions (AUS)

#### Prerequisites

Identify the earnings that should have PAYG withholding tax calculated using Method B(ii). Example:

- Commissions.
- Bonuses.
- Other Lump Sum payments, such as leave loading.

Note: You don't need to include back payment amounts that generate using the retro-pay process. Workday calculates the PAYG withholding for these amounts, based on the period in the current or previous tax year that they apply to.

#### Context

Workday calculates PAYG withholding for these earnings by averaging all additional payments made in the current tax year, over the number of pay periods in the tax year. The average is applied to the average total earnings to date.

#### Steps

1. Access the Edit Earning task.
2. On the Non-Effective Dated tab, add these pay component groups:
  - *AUS Adds to Gross [AUS]*
  - *Method B(ii) Taxable Wages [AUS]*
3. Ensure that the earning doesn't have any other Taxable Wages pay component groups associated with it.

## Result

When you run a pay calculation with a Method B(ii) taxable earning, Workday will calculate the PAYG separately and display it on the pay result.

## Next Steps

You can use the *AUS PAYG Withholding - Bonus, Commission, Back Pay Tax [AUS]* pay component to return the total PAYG withholding amount for a worker's earnings that are taxed using Method B(ii). It includes any back-pay amounts forwarded from a retro-pay related to periods in previous tax years. It also includes the STSL withholding amount for workers who have STSL debt.

# Collective Agreements (AUS)

## Example: Set Up Overtime Earnings for Workers on a Collective Agreement (AUS)

This example demonstrates 1 way to set up overtime earnings for workers who are on a collective agreement that has rules for overtime pay for Payroll for Australia.

### Context

You have workers who are part of the Fast Food Industry Award and may be required to work overtime. Configure an earning to calculate their overtime earnings.

### Prerequisites

Set up time tracking, so you know what workers' overtime is.

Security: *Set Up: Payroll (Calculations - Payroll Specific)* in the Core Payroll functional area.

Set up time tracking, time calculations, and time calculation tags so that you can capture the worker's hours from time tracking. See [../human-capital-management/time-tracking/time-calculations/dan1370796802476.dita](#) for more information.

Set up the collective agreement and collective agreement factors. See [Steps: Manage Collective Agreements](#) for more information. For this example, the collective agreement is set up with the Name *AUS - Fast Food Industry Award 2020*, Factor 1 as *Class*, and Factor 2 as *level*.

### Steps

1. Access the Create Earning task.
2. Enter a Name and Code for the earning. See [Steps: Create Earnings](#) for more information.
3. In the Country field, enter *Australia*.
4. Select the Run Category Eligibility and the Pay Group Detail Eligibility.
5. In the Worker Eligibility grid, add a new row, and select Create > Create Instance Set Comparison Calculation
6. In the Create Instance Set Comparison Calculation task, enter these details:

Option	Description
Name	<i>Collective Agreement: Fast Food</i>
Category	<i>Payroll</i>
Source Field	<i>Collective Agreement as of PC Sub Period End Date</i>
Relational Operator	<i>In the Selection List</i>

Option	Description
Target Instance	<p>AUS - Fast Food Industry Award 2020 (01/01/2020 - )</p> <p>Note: Enter the name of the collective agreement that you set up in Workday.</p>

7. Click OK, the new Instance Set Comparison Calculation is inserted into the Worker Eligibility field of the earning.
8. In the Calculation section, enter:

Option	Description
Calculation	Hours (prorated) * Rate (no rounding)
Input Amount Allowed?	Yes
Override Frequency	Hourly

9. In the Events Causing Pay Component Proration, select *Change in Collective Agreement* and *Compensation Change*, along with any other events causing proration that you're using.
10. In the Calculation Worktag field, enter *Position*, along with any other worktags you're using.
11. In the Related Calculations grid, enter these 4 rows:

Option	Description
Related Calculation	Hours (prorated)
Override Calculation	Timesheet: Approved Hours for Earning for Sub-period
Input Allowed?	Yes
Display Current/Current and Balances	Display Current
Aggregate	Yes
Hide on Retro Results?	No

Option	Description
Related Calculation	Rate (unadjusted)
Override Calculation	Compensation: Compensation Element Value (using PC Freq Override - No Rounding)
Input Allowed?	Yes
Display Current/Current and Balances	Display Current
Aggregate	No
Hide on Retro Results?	No

Option	Description
Related Calculation	Percent
Override Calculation	Aus 1.5
Input Allowed?	<p>Note: This is a tenanted constant value calculation set up for the earning.</p> <p>Yes</p>

Option	Description
Display Current/Current and Balances	<i>Display Current</i>
Aggregate	<i>No</i>
Hide on Retro Results?	<i>No</i>

Option	Description
Related Calculation	<i>Rate</i>
Override Calculation	<i>AUS Unadjusted Hourly Rate Multiplied by Percent</i>  Note: This is a tenanted arithmetic calculation set up for the earning.
Input Allowed?	<i>Yes</i>
Display Current/Current and Balances	<i>Display Current</i>
Aggregate	<i>No</i>
Hide on Retro Results?	<i>No</i>

- 12.In the Compensation Element field, enter your applicable compensation element.
- 13.In the Time Calculation Tags grid, add a new row, and enter the relevant time calculation tag, *150%*.
- 14.On the Non-Effective Dated tab, in the Groups field, enter *AUS Adds to Gross* and *AUS PAYG Taxable Wages*.

## Result

You can use the earning for workers who work overtime.

## Next Steps

## Leave Pay (AUS)

### Map Leave Types to Pay Components (AUS)

#### Prerequisites

- Map your leave payment types to your leave types.
- Create the pay components that you need for making a leave payment.

#### Context

You can map your leave types to the correct pay components, so that workers get paid as per the correct leave payment type.

#### Steps

1. Access the Maintain Leave Type Payment Configuration task.
2. Select *Australia* from the Country field, and enter an Effective Date, for this configuration to be effective from.

3. Add a new row to the grid:

Option	Description
Leave Types	Select the Leave Type that you're mapping.
Leave Payment Type	The Leave Payment Type that the Leave type is mapped to. This field will automatically fill based on the Leave type you select.
Leave Pay Earning	Select the Leave Pay Earning component to associate with the Leave Type.
Top-Up Earning	(Optional) Enter the top-up pay component to associate with the Leave Type.

### Next Steps

Add the calculation for leave pay to the leave pay earning component, using the Workday delivered calculation blocks.

## Single Touch Payroll (AUS)

### Setup Considerations: Single Touch Payroll (AUS)

You can use this topic to help make decisions when planning your configuration and use of Single Touch Payroll (STP). 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

Single Touch Payroll (STP) is the way that you report payroll information including tax and superannuation obligations for your employees to the Australian Taxation Office (ATO).

Workday supports STP Phase 2 reporting.

### Business Benefits

Single Touch Payroll enables you to:

- Meet the legal requirements for reporting worker salaries and wages, and superannuation liability to the ATO.
- Increase efficiency by streamlining the process of managing and submitting STP reports.
- Reduce the need for separate reporting to other agencies, such as Services Australia.

### Use Cases

Report worker payments to the ATO using STP.

## Questions to Consider

Questions	Considerations
Which earnings and deductions do you need to report to the ATO?	To ensure accurate reporting, identify the earnings and deductions to map to specific STP categories.
How much data do you need to transfer from previous systems?	<p>For correct YTD amounts on employee payslips and consolidated financial reporting, transfer this year's data from your previous software.</p> <p>If you start using Workday:</p> <ul style="list-style-type: none"> <li>At the start of a tax year, you don't need to transfer YTD amounts for your payees for STP purposes.</li> <li>During a tax year, consider transferring YTD amounts.</li> </ul> <p>Also decide whether you want to transfer YTD amounts for inactive and terminated employees, or employees terminated within the tax year.</p> <p>If you don't transfer YTD amounts, calculations that use those amounts will be incorrect. These may include Superannuation MSCB Cap calculations, and PAYG Withholding on lump sum payments including bonuses and backpays.</p> <p>If you plan to transfer your YTD amounts, confirm that your previous system allows you to generate and submit a zero dollar YTD update event, to zero out. Transferring your YTD amounts will affect how you configure your BMS ID and will add complexity.</p>
Have you started using Workday partway through a tax year?	<p>If you started using Workday partway through a tax year, consider:</p> <ul style="list-style-type: none"> <li>Were you previously reporting STP Phase 2?</li> <li>Will you use the same Business Management (BMS) ID?</li> <li>How you want worker income statements to display in MyGov.</li> </ul>

## Recommendations

Workday Payroll for Australia and the STP function is designed to assist you with the pay and tax reporting required by the ATO. However, you should independently verify your obligations required by the Australian Taxation Office.

## Requirements

- Configure statutory tax and superannuation calculations in Workday.
- Use Workday to calculate payroll results.

## Limitations

Workday doesn't support:

- Updates for tax years that weren't submitted using Workday.
- Income types other than salary and wages or working holiday makers.

## Tenant Setup

No impact.

## Security

Configure these domains in the Australia Payroll functional area.

Domains	Considerations
<i>Process: STP (Run) - AUS</i>	Enables you to process STP data.
<i>Process: STP (Reports) - AUS</i>	Enables you to report on STP submissions.
<i>Process: STP (Approve) - AUS</i>	Enables you to approve and submit your STP reports to the ATO.
<i>Set Up: Payroll (STP) - AUS</i>	Enables you to define your Single Touch Payroll configuration.

## Reporting

Reports or Dashboards	Considerations
All AUS STP Reports	View all STP reports that you have generated using Workday and their status.
Preview AUS STP	Verify the details of an STP report before you approve it.
View AUS STP Reporting Categories	Verify calculation types against the STP Reporting categories: <ul style="list-style-type: none"> <li>• Earnings.</li> <li>• Deductions.</li> <li>• Pay component related calculations.</li> <li>• Pay Component Groups.</li> </ul>

## Connections and Touchpoints

Features	Considerations
Companies	Workday uses data from your company tax details in STP reports. Examples: <ul style="list-style-type: none"> <li>• Organization name.</li> <li>• Organization ABN.</li> <li>• PAYG withholding branch.</li> <li>• Postcode and country of the main business location of the organization.</li> <li>• Name and business contact details of the nominated person to be contacted about STP reports. The ATO might direct</li> </ul>

Features	Considerations
	questions about STP submissions to this contact.
Pay components	Workday reports data from pay components, earnings, and deductions in STP reports.
Payroll ID	<p>When moving to Workday from a legacy payroll system, load workers legacy payroll ID when you record their details. After Workday generates their new Workday payroll ID, you can't go back and load the legacy ID.</p> <p>Workday uses the payroll ID as a unique identifier to track worker compensation from hire to termination. For continuity in STP reporting, ensure that a worker's payroll ID doesn't change regardless of job changes or transfers within an Australian employer reference.</p>
Terminations	<p>To ensure accurate reporting for terminated workers, follow the Workday recommendations for entering a worker's:</p> <ul style="list-style-type: none"> <li>• Last day of work.</li> <li>• Pay through date.</li> <li>• Termination date.</li> </ul>
Workers	<p>Workday declares personal worker data in STP reports. Examples:</p> <ul style="list-style-type: none"> <li>• Home address.</li> <li>• Personal email address.</li> <li>• Date of birth.</li> <li>• First, middle, and last names.</li> <li>• Personal phone number.</li> <li>• Tax File Number.</li> <li>• Title.</li> </ul>

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.

## Steps: Set Up Single Touch Payroll (AUS)

### Prerequisites

Review the setup considerations for Single Touch Payroll (STP).

### Context

To meet the requirements for reporting payroll data to the Australian Taxation Office (ATO), enable Workday Payroll for Australia to generate and submit Single Touch Payroll reports.

### Steps

1. Access the View AUS BMS ID task.

Generate or add an existing Business Management Software (BMS) ID.

[Security Set Up: Payroll \(STP\) - AUS](#) in the AUS payroll functional area.

2. Click Generate AUS BMS ID.

Security *Set Up: Payroll (STP) - AUS* in the AUS payroll functional area.

(Optional) Or, to use an Existing ID: [Enter Your Existing BMS ID](#)

3. Access the View Company AUS Tax Reporting task.

Configure your STP details.

Security *Payroll - Company Specific (Taxes) - AUS* in the AUS payroll functional area.

4. Select the company to set up for STP.

5. As you complete the Payer Key Identifiers grid, consider:

Option	Description
Effective Date	Enter the date that these settings will apply from.
Payer Branch Code	Enter the number to identify the correct branch of the organization for PAYG withholding.
Payer Post Code	Enter the postcode associated with the address for the company, registered with the ATO.
Payer Country	Enter the country of the payer.

6. Complete the Working Holiday Maker Employer Registration grid.
7. In the Payer Contact Details grid, enter the name of the main company contact for the ATO. The ATO might direct questions about STP submissions to this contact.
8. [Map STP Reporting Categories \(AUS\)](#) on page 1824.
9. [../../../../integrations/workday-payroll-connectors/australian-taxation-office-stp-integration/Steps--Set-Up-ATO-STP-Integration.dita](#)

## Record an Existing BMS ID (AUS)

### Prerequisites

Security: *Set Up: Payroll (STP) - AUS* in the AUS Payroll functional domain.

### Context

Workday stores a record of the BMS ID from your previous payroll system.

Note: The record of your previous BMS ID is for your record only.

### Steps

1. Access the Maintain AUS BMS ID task.
2. Enter the previous BMS ID into the Previous BMS ID field.

### Example

### Next Steps

To view your BMS IDs, access the View AUS BMS ID task.

## Map STP Reporting Categories (AUS)

### Prerequisites

- Set up any earnings and deductions you require.
- Security: *Set Up: Payroll (STP) - AUS domain* in the AUS Payroll functional area.

### Context

Map your earnings and deductions to Single Touch Payroll (STP) reporting categories so that the Australian Taxation Office (ATO) knows how to treat each type of payment.

Note: Some payroll categories processed in your pay run aren't reportable with STP.

You can manage STP categories as:

- Workday-owned categories, which can include Workday-owned pay components already mapped to STP categories using Workday-delivered pay component groups. You can add your own custom pay components to Workday-delivered pay component groups, to include in STP reporting.
- Customer-owned categories, using the View AUS STP Reporting Categories task. These are usually your custom pay components and pay component groups.

You must map any pay components that you use to your customer-owned categories.

Note: You can't map a pay component to multiple categories.

You can't remove rows that are in use on an STP report. Editing or removing calculations from a reporting category that has been used in the past could result in incorrect reporting.

### Steps

1. Access the View AUS STP Reporting Categories report.
2. Click Edit in the row of a category that you want to add calculations to.
3. As you complete the AUS STP Reporting Category grid, consider:

Option	Description
Effective Tax Year	Enter the date from which this configuration is valid. Enter only 1 row for each Effective Tax Year.  The Effective Tax Year can't overlap with the Effective Until End of Tax year for any other rows.
Effective Until End of Tax Year	(Optional) If you want the mapping to expire at the end of a tax year, enter the year.  If you want to add another configuration after this row, enter the year. You can only have 1 row without an Effective Until End of Tax Year date.
Calculation	Select the earnings, deductions, pay component groups, and pay component related calculations to report under this category.

Related Information

#### Reference

[Single Touch Payroll Phase 2 employer reporting guidelines](#)

## Create a Submit Pay Event (AUS)

### Prerequisites

- An in-progress or completed pay calculation.
- Security: *Process STP (Run) - AUS domain* in the AUS Payroll functional domain.

### Context

A submit pay event includes the company totals for the current pay period, and the current year to date amounts for workers.

Create a submit pay event every time you make a payment to a worker, including:

- Regular pay cycles.
- Payments made outside of the regular pay cycle (on demand).
- Payments with no withheld tax.
- Payees with no net pay.

You can create a submit pay event while pay calculations are in progress. To approve a submit pay event, you need to generate it with complete pay results after running the Run Pay Complete task.

### Steps

1. Access the Create AUS STP Report task.
2. In the Report Type field, select *Submit Pay Event*.
3. As you complete the task, consider:

Option	Description
Company	Workday only displays companies that you have access to.
Pay Groups	Select all the pay groups that this report is for. Note: Only select pay groups that have the same payment date and pay frequency.
On Cycle Payment Date	Select the payment date.
Off Cycle Payment Date	Select the payment date for an off-cycle payment.

4. Use the related actions on the report to view the Preview task and ensure that the details are correct.

### Next Steps

To update the data in the STP report after you've created it, use the related actions on the report to access the Refresh Data task.

Use the View Errors button on the report preview to check for any warnings that may result in a partial acceptance from the ATO, or critical errors that may result in a rejection from the ATO.

Note: If you don't submit an STP report for an off-cycle payment, the company totals won't be correctly reported to the ATO. The payee's YTD amount will be reported correctly in the next regular pay cycle.

Approve the pay event.

Related Information

### Tasks

[Approve an STP Pay Event \(AUS\)](#) on page 1827

## Create an Update Pay Event (AUS)

### Prerequisites

Security: Process: STP (Run) - AUS in the AUS Payroll functional domain.

### Context

Create an update pay event when you need to update information with the ATO, including when you need to:

- Update your BMS ID or Worker IDs when moving to Workday.
- Make STP amendments for previous finalized years.
- Complete end of tax year processes, including finalization.
- Correct misclassifications with no additional payment.
- Finalize STP for a terminated worker who has no final payment.

Note: Only use an update pay event when you aren't paying workers. Use a submit pay event if you're creating an STP report in relation to a pay calculation.

Note: You'll only be able to generate update pay events for the previous tax year if you have submitted STP reports for the company with Workday in the previous year. The tax year is based on the local time and date of the logged in user.

### Steps

1. Access the Create AUS STP Report task.
2. In the Report Type field, select *Update Pay Event*.
3. As you complete the task, consider:

Option	Description
Company	Workday only displays companies that you have access to.
Pay Groups	(Optional) Select any pay groups involved in the update pay event.  Note: Do not enter a pay group if you are creating an STP update event to finalize workers, or for previously finalized workers.
Specific Workers	(Optional) Select any specific workers involved in the update pay event.
Previously Finalized Workers	(Optional) Select any previously finalized workers involved in the update pay event.
Update Date	If the update pay event is for the current tax year, select <i>Update Date</i> and enter the date.  If the update pay event is for a previous tax year, select <i>Previous Tax Year</i> , and select the correct year from the drop-down.

4. Use the related actions on the report to view the Preview task and ensure that the details are correct.

### Next Steps

To update the data in the STP report after you've created it, use the related actions on the report to access the Refresh Data task.

Use the View Errors button on the report preview.

Approve the pay event.

## Approve an STP Pay Event (AUS)

### Prerequisites

Security: *Process: STP (Approve) - AUS domain* in the AUS Payroll functional area.

To approve a submit pay event:

- A completed pay calculation.
- Run the Create AUS STP Report task with a pay calculation that has the *Completed* status.

To approve an update pay event:

- A completed Submit Pay Event for the company or group of workers.

### Context

Send your payroll data to the ATO.

### Steps

1. Access the Approve AUS STP Report task.
2. Select the STP Report that you want to submit to the ATO.
3. If the STP report contains any critical errors that will cause the ATO to reject the submission, you will see them on the Blocking Errors page of the task. Fix any critical errors before you continue. If there are no critical errors, the Blocking Errors page won't display.
4. Read the declaration statement. Check the declaration check box to sign the declaration with your Workday account credentials.

### Next Steps

Access the All STP Reports task to view the status of all submitted STP reports.

## Cancel an Approved STP Report (AUS)

### Prerequisites

Security: *Process: STP (Approve) - AUS domain* in the AUS Payroll functional area.

A Single Touch Payroll (STP) report with the *Approved* status, but that has not been submitted to the Australian Taxation Office (ATO).

### Context

You can cancel the approval of an STP report that hasn't been submitted to the ATO, to fix any mistakes in the report before submission. When you cancel the approval, the STP report will return to the *Awaiting Approval* status.

### Steps

1. Access the Cancel Approval AUS STP Report task.
2. Select the STP report to cancel approval for.
3. Select the OK to Proceed check box.

## Result

The report has the *Awaiting Approval* status.

## Next Steps

Use the All AUS STP Reports report to confirm the status of the STP report.

# Superannuation (AUS)

## Setup Considerations: Superannuation (AUS)

You can use this topic to help make decisions when planning your configuration and use of superannuation in Workday. 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

Workday enables you to pay superannuation to your eligible workers.

## Business Benefits

Workday automatically calculates superannuation eligibility and tracks superannuation payments for workers, based on legislation published by the Australian Taxation Office (ATO).

You can set up Maximum Superannuation Contribution Base (MSCB) rules for Workday to use along with worker compensation packages.

## Use Cases

- Automatically calculate superannuation on Ordinary Time Earnings (OTE).
- Calculate superannuation based on compensation.
- Make adjustments to superannuation.

## Questions to Consider

Questions	Considerations
How do you want to pay workers whose pay will exceed the MSCB?	Workday recommends you use amount-based plans for these workers when your relevant superannuation configuration is <i>pay excess to gross</i> , or to <i>cap superannuation contributions</i> .
How do you want to pay workers with amount-based superannuation plans?	Workday doesn't automatically calculate superannuation for additional OTE components when a worker only has amount-based plans. Manually calculate the superannuation for workers with amount-based superannuation plans, and add them as a pay input.

## Recommendations

Use percentage-based allowance plans for allocated superannuation where possible to minimize manual inputs.

## Requirements

You must have Workday Payroll to use the superannuation functionality.

Opt-in to the Workday 32 - Time Zone functionality. See [Concept: Roles, Time Zones, and Snapshots](#).

Use Workday Payroll to configure:

- A default superannuation fund in your Workday tenant.
- The MSCB rules for your organization.
- Superannuation choices for all workers.

## Limitations

- Workers can only have 1 active superannuation fund per worker, per company.
- Workday currently doesn't support child and spouse superannuation funds.
- Workday currently doesn't support calculated compensation plans.
- In a retro event, Workday uses the superannuation rate at the time of the event, not the current rate.
- Workday currently doesn't support stapled funds lookups. Enter stapled fund results as APRA or SMSF choice types.

## Tenant Setup

No tenant setup required.

## Security

Configure these domains in the Australia Payroll functional area:

Domains	Considerations
<i>Set Up: Payroll (Superannuation) - AUS</i>	Enables you to configure superannuation.
<i>Worker Data: Payroll (Company Specific) - AUS</i>	Enables you to add worker superannuation choices on behalf of the worker.
<i>Self Service: Payroll (My Superannuation Choices) - AUS</i>	Enables workers to enter their own superannuation choices.

## Business Processes

No impact.

## Reporting

Reports or Dashboards	Considerations
<i>View AUS Worker Superannuation Choice</i>	Use this report to review workers' superannuation fund choices.

## Integrations

<i>Get Super Choice</i>	Exports superannuation choice data from your Workday tenant.
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<i>Put Super Choice</i>	Imports superannuation choice data into your Workday tenant.
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## Connections and Touchpoints

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.

## Set Up Superannuation (AUS)

### Steps: Configure Superannuation (AUS)

#### Prerequisites

- Review the setup considerations for superannuation.
- Set up superannuation as an allowance plan, as either a percentage or amount-based plan.
- Assign allowance plans to workers, to determine their superannuation rate or amount

#### Context

You can:

- Define a default superannuation fund.
- Define how you want to treat earnings over the Maximum Superannuation Contribution Base (MSCB).
- Map allowance plans and compensation packages to superannuation guarantee and employer voluntary contributions.
- Map the superannuation pay components to ordinary time earnings.

#### Steps

1. [Set Up a Default Superannuation Fund \(AUS\)](#) on page 1830.
2. [Assign Compensation Allowance Plans to Payroll Superannuation \(AUS\)](#) on page 1832.
3. [Set Up Default Maximum Superannuation Contribution Base \(MSCB\) Rules \(AUS\)](#) on page 1831.
4. Add all of your pay components that are subject to superannuation to the AUS Ordinary Time Earnings pay component group.

#### Next Steps

Record superannuation choices for all workers.

Related Information

#### Tasks

[Add Worker Superannuation Choice \(AUS\)](#) on page 1836

## Set Up a Default Superannuation Fund (AUS)

#### Prerequisites

Security:*Set Up: Payroll (Superannuation) - AUS.*

#### Context

Workday requires a default superannuation fund so that:

- Workers can complete a superannuation choice form.
- You can run an Australian payroll calculation.

Workday uses the default superannuation fund if there aren't any active Superannuation Configuration Periods. Workday also uses the default fund if you don't specify a superannuation fund in the active superannuation configuration period.

## Steps

1. Access the Maintain AUS Superannuation Configuration task.
2. As you complete the task, consider: Enter the USI of the superannuation fund.

Option	Description
Default Superannuation Fund USI	The USI of the default superannuation fund of the organization.
Exceeds MSCB Rule	What you want to happen to a worker's superannuation that exceeds the MSCB cap.

## Result

Workday uses the default superannuation fund when a worker makes a superannuation choice.

Adding or changing the default superannuation fund and MSCB rule only affects future superannuation choices and payroll calculations.

## Next Steps

Set up your MSCB rules and assign your compensation plans.

Related Information

### Tasks

[Assign Compensation Allowance Plans to Payroll Superannuation \(AUS\) on page 1832](#)

[Set Up Superannuation Configuration Periods \(AUS\) on page 1833](#)

## Set Up Default Maximum Superannuation Contribution Base (MSCB) Rules (AUS)

### Prerequisites

Security:[Set Up: Payroll \(Superannuation\) - AUS.](#)

### Context

Workday requires you to have a default Maximum Superannuation Contribution Base (MSCB) rule, to define what will happen when a worker's earnings exceed the MSCB amount.

Workday uses the default MSCB rule if there aren't any active superannuation configuration periods. Workday also uses the default MSCB rule if you don't specify a rule in the active Superannuation Configuration Period.

Note: The MSCB rule is only effective with percent-based plans. You need to manage Amount-based plans manually, but they do contribute towards the MSCB Quarter to Date amount.

## Steps

1. Access the Maintain AUS Superannuation Configuration task.
2. Select the Update Superannuation Default Configuration option.
3. Select an option from the Exceeds MSCB Rule field. The options available are:

Option	Description
Pay Excess to Taxable Income	You pay any amount that exceeds the cap as taxable income to the worker.

Option	Description
Cap Payments at MSCB	You don't pay any amount over the cap to the worker.
Ignore MSCB	You continue paying into the worker's superannuation fund, even if they've reached the cap.

## Next Steps

You can use superannuation configuration periods to apply different MSCB rules for specific periods of time, or for groups of workers.

### Related Information

#### Tasks

[Set Up a Default Superannuation Fund \(AUS\)](#) on page 1830

[Set Up Superannuation Configuration Periods \(AUS\)](#) on page 1833

## Assign Compensation Allowance Plans to Payroll Superannuation (AUS)

### Prerequisites

- Security:[Set Up: Payroll \(Superannuation\) - AUS](#).
- Create allowance plans for each of your superannuation components.
- Ensure that workers are eligible for superannuation.

### Context

Connect your core compensation allowance plans to your payroll superannuation components.

You can add percent-based plans or amount-based plans.

Plan type	Considerations
Percent-based	The worker's OTE is multiplied by the percent-based plan during the payroll calculation. Workday doesn't include the compensation basis in the allowance plan in the payroll calculation.
Amount-based	Amount-based plans apply the amount, adjusted by the allowance frequency and payroll periods.

If a worker is eligible for multiple allowances, they're aggregated together.

Note: Workday currently doesn't support calculated plans for calculating superannuation.

### Steps

1. Access the Maintain AUS Superannuation Configuration task.
2. Select the *Update Superannuation Default Configuration* option.
3. Complete the Compensation Superannuation Allowance map to Payroll Calculation section. As you complete the section, consider:

Option	Description
Superannuation Guarantee	Enter all allowance plans representing a superannuation guarantee amount.

Option	Description
	Contributions in this category are categorized as Superannuation Guarantee for SuperStream and STP.
Reportable Employer Superannuation Contributions	Enter all allowance plans representing any reportable employer superannuation contributions.  Contributions in this category are sent to SuperStream as Employer Additional, and are sent to STP as RESC.

## Set Up Superannuation Configuration Periods (AUS)

### Prerequisites

- Set up your [default superannuation configuration](#).
- Security: *Set Up: Payroll (Superannuation) - AUS* domain in the AUS Payroll functional area.

### Context

You can create superannuation configuration periods for different periods of time or groups of works enabling you to apply a specific:

- Default superannuation fund.
- MSCB rule.

You can add multiple rows to each configuration grid, with different restriction rules to define groups of workers to apply to each one.

When a configuration grid has multiple restricted rows, Workday evaluates them in order until there's a matching condition for each worker. When no condition matches for the worker, Workday uses the row marked as default.

When a superannuation configuration period grid is empty, Workday uses either the legislative rule or the default superannuation configuration in your tenant.

### Steps

1. Access the Maintain AUS Superannuation Configuration task.
2. Select Add a New Configuration Period and select a date for the configuration period to begin.
3. Confirm the Effective Date and End Date of the configuration period. The dates must be within a tax year, and can't overlap with any existing configuration periods.
4. Add rows in the grids and enter the details that you want to apply to the period. You can set the default superannuation fund and MSCB rules. Specify a restriction rule for each row of the table except the final row, which you must mark as *default*. To optimize performance, set up the restrictions from least to most restrictive.

## Create Superannuation Configuration Restriction Rules (AUS)

### Prerequisites

Security:*Set Up: Payroll (Superannuation) - AUS*.

### Context

Create superannuation restriction rules to use when you set up superannuation configuration periods.

When you create a restriction rule, consider when the dimension is applied to a worker and when the task is completed.

Example: You want to create a restriction rule related to a worker's superannuation choice. If the restriction is based on the Pay Group dimension, and the worker's pay group is assigned after they've completed their superannuation choice, the restriction won't work because the pay group hasn't been assigned when they make a superannuation.

## Steps

1. Access the Create AUS Superannuation Configuration Restriction task.
2. Enter a Name for the restriction.
3. Select a Logical Operator. The operator you select applies to everything you enter into the Restriction Conditions grid.
4. In the Restriction Conditions grid, enter:

Option	Description
Dimension or Restriction	Select an element to apply the rule to: <ul style="list-style-type: none"> <li>• Dimension: Workday delivered elements that rules can be applied to.</li> <li>• Restriction: Another Superannuation Configuration Restriction that you have set up in Workday.</li> </ul>
Relational Operator	Select a relational operator to define how the dimension or restriction is compared to a worker.
Comparison Value	Enter a comparison value, if applicable, to be compared with the dimension or restriction.

## Next Steps

Use your Superannuation Configuration Restriction in a Superannuation Configuration Period.

## Assign Multiple Default Superannuation Funds (AUS)

### Prerequisites

Security:*Set Up: Payroll (Superannuation) - AUS*.

### Context

You can assign default superannuation funds to a specific group of workers using restriction rules within a superannuation configuration period. Workday evaluates a worker against each of the restriction rules in order until there's a matching rule.

## Steps

1. Access the Maintain AUS Superannuation Configuration task.
2. Select Add a New Configuration Period or Update a Configuration period, and enter an Effective Date.
3. For each superannuation fund, add an entry to the Default Superannuation Fund grid and add the details and restriction.

Option	Description
Default Superannuation Fund USI	The USI of the superannuation fund.

Option	Description
Default	The row that Workday uses if none of the restrictions match a worker. Mark the final row of the grid as Default. You can't mark any other rows of the grid as Default.
Restriction	Use an existing restriction, or create a new one to define which workers this superannuation fund applies to.

### Example

A collective agreement within your organization can define a certain superannuation fund as the default fund, which is different from the default fund of the organization. You can set up a Superannuation Configuration Restriction Rule to identify workers with the assigned collective agreement, and provide a different default superannuation fund to other workers in your organization.

## Adjust MSCB Threshold Configuration (AUS)

### Prerequisites

Security:*Set Up: Payroll (Superannuation) - AUS*.

### Context

You can assign alternative Maximum Superannuation Contribution Base (MSCB) limits or MSCB Excess rules to groups of workers using restriction rules within a superannuation configuration period. Workday evaluates a worker against each of the restriction rules in order until there's a matching rule.

If you leave the grid blank, the legislated MSCB rate from the advanced lookup table will apply, and the default MSCB rule for the tenant will apply.

### Steps

1. Access the Maintain AUS Superannuation Configuration task.
2. Access the superannuation configuration period that you're adjusting the MSCB configuration for.
3. In the Maximum Superannuation Contribution Base Configuration grid, add a new row. Add the details and restriction.

Option	Description
Quarterly Contribution Base	Enter the MSCB limit per quarter. OTE over the MSCB limit is subject to the MSCB rule.
Exceeds MSCB Rule	Select the treatment of any OTE exceeding the contribution base. <ul style="list-style-type: none"> <li>• Pay excess to Taxable Income.</li> <li>• Cap payments at MSCB.</li> <li>• Ignore MSCB.</li> </ul> Note: MSCB rules only apply to percent-based allowance plans. Amount-based plans contribute to the quarterly MSCB, but Workday doesn't apply the rule to amount-based earnings exceeding the contribution limit.
Default	Mark the final row of the grid as Default.

Option	Description
	Workday uses the default if no other restrictions apply to the worker.
Restriction	Use an existing restriction, or create a new one to define which workers this configuration applies to.

### Example

A group of workers in your organization have rules from a prior agreement that are different from your default method of treating earnings over the MSCB. You can use superannuation configuration restriction rules to identify these workers and apply different MSCB rules in the pay calculation.

## Superannuation Choice (AUS)

### Add Worker Superannuation Choice (AUS)

#### Prerequisites

- Ensure you have a default superannuation fund set up in your Workday tenant.
- Security: *Worker Data: Payroll (Company Specific) - AUS* in the AUS Payroll functional area.

#### Context

Workers can have 1 active superannuation choice per company, and the choice applies to their:

- Superannuation Guarantee contributions.
- Reportable Employer Superannuation Contributions.
- Employee Voluntary superannuation contributions (Salary Sacrifice and employee post-tax contributions).

Workday uses the payment date of the pay period to determine which active superannuation choice is used for the worker in each company.

Note: Configure Employee Voluntary contributions at the same time as a worker's superannuation choice. Voluntary contributions must be in monetary amounts, not percentage amounts. Workday processes Employer Voluntary contributions in each pay run, but not in retro pay runs.

Note: Workday doesn't support spouse or child superannuation contributions.

#### Steps

1. Access the Add Worker AUS Superannuation Choice task.
2. Select the worker, the effective date, and the company.
3. Select a Choice Type:

Option	Description
APRA or Public Funds	Select when a worker requests a fund that isn't SMSF. Requires the: <ul style="list-style-type: none"> <li>• USI of the fund.</li> <li>• Member number.</li> </ul>
SMSF	Select when a worker selects an SMSF fund. Requires the: <ul style="list-style-type: none"> <li>• ABN of the SMSF.</li> <li>• Trustee confirmation.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>• Member number.</li> <li>• Banking details.</li> </ul>
Employer Fund	Select if the worker doesn't make a choice, or selects the default superannuation fund. Member number is optional.

## Next Steps

If you've calculated and not finalized the payroll, recalculate the worker's pay result.

## Create and Manage Superannuation Funds (AUS)

### Context

Workday creates a superannuation fund when a worker makes a superannuation choice. You need to add additional details to the superannuation fund in Workday so that it's properly processed with SuperStream.

### Steps

1. Access the Edit AUS Superannuation Fund task.
2. Find the superannuation fund that you want to manage by entering the ABN or USI of the fund.
3. Fill in the details of the fund. As you complete the task, consider the Fund Type:

Option	Description
APRA Fund	SUP
SMSF Fund	SMF

### Result

When you change the details of a superannuation fund, Workday changes the fund details for all workers who have selected the fund.

## SuperStream (AUS)

### Setup Considerations: SuperStream (AUS)

You can use this topic to help make decisions when planning your configuration and use of SuperStream in Workday. 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

Workday enables you to send your superannuation payments and data to worker superannuation funds using SuperStream, using a Superannuation Clearing house with a SAFF file.

### Business Benefits

SuperStream enables you to:

- Meet the legal requirements for sending superannuation payments and payment information.
- Increase your efficiency by streamlining the process of managing and submitting superannuation payments and information.

## Use Cases

Each time you pay superannuation to your workers, send the payment and information with Superstream.

## Questions to Consider

Processing Frequency	You can run SuperStream in Workday for a single period, or for multiple periods. Consider how your organization processes superannuation payments, and the legislative requirements and deadlines that apply to you.
Clearing House processing	Consider how the customer clearing house processes payments. Can they process SAFF files and payment arrangements to clear funds?

## Recommendations

Workday Payroll for Australia and the Single Touch Payroll function is designed to assist you with the pay and tax reporting required by law. However, you should independently verify your obligations required by the Australian Taxation Office and other relevant authorities.

## Requirements

- A complete pay period.
- You've configured your tax details in the Edit AUS Company Tax Details task.
- You've configured the SuperStream integration system and an integration system user. See [Steps: Set Up SuperStream Integration](#).

## Limitations

Workday can't:

- Process negative amounts.
- Mark payments as Sent in Workday.

If you don't set up the SuperStream integration system and an integration system user, government ID masking may restrict the data that is sent in the SAFF file. Example: masked TFNs won't be sent.

## Tenant Setup

- Create an integration system with the SuperStream template.
- Enable the SAFF service in the SuperStream integration.

## Security

<i>Process: SuperStream (Run) - AUS</i>	Enables you to generate SuperStream data.
<i>Process: SuperStream (Reports) - AUS</i>	Enables you to review SuperStream data.
<i>Process: SuperStream (Approve) - AUS</i>	Enables you to select a SuperStream event in an integration system.

## Reporting

To preview a SuperStream report, run the Preview SuperStream report.

## Connections and Touchpoints

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.

## Other Impacts

### Create SuperStream Event (AUS)

#### Prerequisites

Security: *Process: SuperStream (Run)* - AUS domain in the AUS Payroll functional domain.

Set up an integration system and an integration system user. See [Steps: Set Up SuperStream Integration](#)

#### Context

Create a SuperStream event whenever a superannuation choice is created. Link superannuation choices to the fund so that the worker's superannuation is paid correctly.

#### Steps

1. Access the Create AUS SuperStream task.
2. Select the Company and the Contribution Types to report.
3. Enter the Pay Period Start and End dates and create the report. Workday will display you a summary of the workers and periods, and the SAFF file value.
4. Access the Preview AUS SuperStream task.
5. Select the SuperStream report that you created in step 3.
6. Review the contribution data to ensure it's correct.
7. Run the SuperStream integration system.
8. Select the SuperStream report that you created in step 3 and run the integration.

#### Result

The SAFF file is in the *Files* tab of the integration output.

Note: If you create a SuperStream event without setting up an integration system and an integration system user, government ID masking may mask data, including TFNs. Masked data won't be sent in the SAFF file.

#### Next Steps

If you enabled the validation report, review it after generating the SAFF file. Data that is modified or truncated to meet file output requirements is summarized in the validation report.

## Superannuation and Single Touch Payroll (AUS)

Workday delivered pay components are reported to the ATO using STP. Workday delivered pay components are mapped to the STP categories.

If you wish to create new pay components, make sure that you map them to the STP categories so that they're reported correctly. You can map pay components to these pay component groups:

<i>AUS Superannuation Employer Contributions [AUS]</i>	Used to report contributions to the Superannuation Liability STP category.
<i>AUS Regular Superannuation Employee Pre Tax Salary Sacrifice (SS) [AUS]</i>	Used to report contributions to the Sacrifice Type S STP category.
<i>AUS Bonus Superannuation Employee Pre Tax Salary Sacrifice (SS) [AUS]</i>	Used to report contributions to the Sacrifice Type S STP category.
<i>AUS Reportable Employer Superannuation Contributions (RESC) [AUS]</i>	Used to report contributions to the Reportable Employer Superannuation Contributions STP category.

Note: Map Employee paid salary sacrifice to:

- *AUS Superannuation Employee Pre Tax Salary Sacrifice (SS) [AUS]*
- *AUS Reportable Employer Superannuation Contributions (RESC) [AUS]*

Refer to ATO guidance for further information on mapping categories.

## Termination Pay (AUS)

### Steps: Set Up Termination Pay (AUS)

#### Prerequisites

Security: *Set Up: Payroll (Termination) - AUS* in the AUS Payroll functional area.

#### Context

You can use Workday to manage Employee Termination Payments (ETP) and the associated tax. Workday provides pay component groups for you to map to your termination payment earnings to calculate and report ETP taxes to the Australian Taxation Office (ATO).

#### Steps

1. [Map Termination Reasons to ATO Cessation Types \(AUS\)](#) on page 1840.
2. [Create Termination Payments \(AUS\)](#) on page 1841.
3. Edit run categories.

#### Next Steps

Related Information

#### Tasks

[Map Termination Reasons to ATO Cessation Types \(AUS\)](#) on page 1840

[Create Termination Payments \(AUS\)](#) on page 1841

## Map Termination Reasons to ATO Cessation Types (AUS)

#### Prerequisites

Security: *Set Up: Payroll (Termination) - AUS* in the AUS Payroll functional area.

## Context

Map the termination reasons that you use in Workday to the cessation reasons that the Australian Taxation Office (ATO) uses, so that terminations are correctly reported in the STP process.

Note: If you don't map termination reason to an ATO Cessation Type, the default cessation type will be used.

## Steps

1. Access the Maintain AUS Payroll Termination Configuration task.
2. Select the configuration period or effective date that you're setting up the termination configuration for.
3. Enter a default cessation type. The default type is used if an unmapped termination reason is used.
4. For each termination reason in the grid, select an ATO Cessation type.
5. If the termination reason is for Invalidity, select the Cessation Type: Invalidity checkbox. When this checkbox is selected, an additional tax-free portion is applied to the worker's termination pay.

## Next Steps

[Related Information](#)

### Tasks

[Steps: Set Up Termination Pay \(AUS\) on page 1840](#)

## Create Termination Payments (AUS)

### Prerequisites

[Security: Set Up: Payroll \(Calculations - Payroll Specific\) domain in the Core Payroll functional area.](#)

## Context

Set up the termination earnings and deductions so that they're linked to the correct pay component groups. Workday uses the worker's TFN declaration to determine the correct tax rate to apply to termination payments.

## Steps

1. Access the Edit Earning task for each earning or deduction that represents ETP or ETP tax.
2. On the Non-Effective Dated tab, select the pay component group that matches the earning or deduction.

Pay Component Group	Purpose
<i>AUS Genuine Redundancy and Early Retirement Scheme Payments</i>	For genuine redundancy and early retirement scheme payments that are to be treated as Lump Sum D if they are below the Lump Sum D limit. Otherwise to be taxed using the ETP cap.
<i>AUS ETP Excluded Payments (ETP Type R)</i>	For earnings that are to be treated as ETP excluded payments and reported to the ATO as ETP Type R payments. These payments are subject only to the ETP cap and taxed concessionally up to the cap.

Pay Component Group	Purpose
<i>AUS ETP Non-Excluded Payments (ETP Type O)</i>	For earnings that are to be treated as ETP non-excluded payments and reported to the ATO as ETP Type O payments. These payments are subject to the lesser of the Whole of Income cap or the ETP cap, and are taxed concessionally up to the cap.
<i>AUS Taxable Unused Leave Payments at Termination</i>	For unused leave payment earnings that are taxed at marginal rates and reported to the ATO as Unused Leave Payments.
<i>AUS Normal Gross for Marginal Tax</i>	For unused leave payment earnings that are to be treated as normal gross when calculating the marginal tax.
<i>AUS Lump Sum A Taxable - Type R</i>	For earnings that are taxed and reported to the ATO as Lump Sum A - Type R.
<i>AUS Lump Sum A Taxable - Type T</i>	For earnings that are taxed and reported to the ATO as Lump Sum A - Type T.
<i>AUS Lump Sum B Taxable</i>	For earnings that are taxed and reported to the ATO as Lump Sum B.

Note: Don't map the termination payment earnings and deductions to the *AUS PAYG Taxable Wages* pay component group.

If you need to manually override any amount, you can use the applicable pay component related calculations for ETP type R tax and ETP type O tax.

## Next Steps

Create a memo earning to identify 5% of Lump Sum B payments to add to the *AUS Lump Sum A Taxable - Type R* or *AUS Lump Sum A Taxable - Type T* pay component groups, depending on the termination reason.

You can use the View Payroll Tax/Allowance Data report to view tax data for termination payments.

### Related Information

#### Tasks

[Steps: Set Up Termination Pay \(AUS\) on page 1840](#)

[Steps: Create Earnings on page 229](#)

## Tax Setup (AUS)

### Steps: Set Up Taxes (AUS)

#### Prerequisites

- All workers have effective tax declaration details recorded in Workday.
- The company ABN is recorded in Workday in the Edit Company Tax Details task.

#### Context

Workday provides and maintains information on valid tax data and deductions, as required by the Australian Taxation Office (ATO). You need to enter company and worker-specific tax data for PAYG tax.

## Steps

1. Access the Edit AUS Company Tax Reporting task and enter your STP key identifiers and contact details.
2. If the organization is registered to employ Working Holiday Makers, fill in the details in the Working Holiday Maker Employer Registration Grid.

Option	Description
Election	
Effective Date	The date that the company registration is effective from.
Registered Working Holiday Maker Employer	Select if the organization is registered to employ working holiday makers.

3. [Set Up Worker Taxes \(AUS\)](#) on page 1843.

### Related Information

#### Reference

[Employer Registration for working holiday makers](#)

## Set Up Worker Taxes (AUS)

### Prerequisites

Obtain a worker's details from their:

- Tax file number declaration form (N3092).
- Online commencement form.
- Standard choice super form.
- Other employee tax documentation.
- (Optional) Withholding declaration form (N3093).

### Context

Enter these tax details for a worker to enable calculation of regular Pay As You Go (PAYG) withholding.

- Tax File Number.
- Residency Status.
- Tax Free Threshold.
- Study and Training Support Loans (STSL).

## Steps

1. Access the Add Worker AUS Tax Details task and select the worker to add details for.
2. Enter the Tax Declaration Details. As you complete the task, consider:

Option	Description
Effective Date	Enter the date that the tax declaration should take effect.
Declaration Type	Select the type of declaration that the worker submitted: <ul style="list-style-type: none"> <li>• TFN.</li> <li>• Withholding.</li> </ul>

Option	Description
	If the worker hasn't provided a declaration, ensure they've provided an Exemption Claimed reason.
TFN Provided	Select this check box if the worker has provided their Tax File Number.  Note: If the worker has provided a TFN and you don't select this check box, Workday calculates their tax as if they haven't provided any tax details.
Exemption Claimed	Select the reason that the worker is exempt from providing their Tax File Number.
Payment Basis	Select the basis that you employ the worker on.
Tax Residency	Select the worker's tax residency.
Country of Origin	Select the worker's country of origin if the worker is a Working Holiday Maker.
Tax Free Threshold	Select this check box if the worker has claimed the Tax Free Threshold.
Student and Training Support Loan (STSL) Debt	Select this check box if the worker has STSL debt.
Worker Signed Date	Enter the date that the worker signed the declaration.

3. Enter the Medicare Levy Variations details. As you complete the task, consider:

Option	Description
Effective Date	Enter the date that the Medicare Levy Variation should take effect.
Inactive	Select if the variation is inactive.
Additional Medicare Levy Surcharge Withholding %	Select the tier of withholding exemption for the worker.
Medicare Levy Exemption	Select the type of exemption the worker has: <ul style="list-style-type: none"> <li>• <i>Full</i></li> <li>• <i>Half</i></li> </ul>
Medicare Levy Reduction	Select if the worker is eligible for a Medicare Levy Reduction.
Spouse	Select if the worker has a spouse.
Combined Weekly Income Below Limit	Select if the worker and their spouse's weekly income is below the eligibility threshold for an exemption.
Number of Dependent Children	Enter the number of dependent children that the worker has.
Worker Signed Date	Enter the date that the worker signed the declaration.

4. Enter the PAYG Upward Variations details. As you complete the task, consider:

Option	Description
Effective Date	Enter the date that the Medicare Levy Variation should take effect.
Inactive	Select if the variation is inactive.
Additional PAYG Withholding per Pay	Enter the amount of additional PAYG to withhold.
Worker Signed Date	Enter the date that the worker signed the declaration.

5. Enter the ATO Issued PAYG Withholding Variation details, sometimes known as Downward Variations. As you complete the task, consider:

Option	Description
Effective Date	Enter the date that the ATO Issued PAYG variation should take effect.
End Date	Enter the date that the ATO Issued PAYG variation should stop taking effect.
Issued PAYG Rate (%)	Enter the PAYG Rate for the worker's Salaries and Wages, issued by the Australian Taxation Office (ATO).  If you leave this field blank, Workday will use a 0% PAYG withholding rate for the worker. To remove a PAYG variation, remove the row from the grid.
Date Received	Enter the date that you received the PAYG Withholding Variation from the ATO.

## Fringe Benefits Tax (AUS)

### Concept: Record Fringe Benefits Tax (AUS)

You can record Reportable Fringe Benefits Amounts (RFBA) for workers incrementally throughout the year, or as a one-off input at the end of the Fringe Benefit Tax (FBT) year. Workday reports your YTD Reportable Fringe Benefits Amounts to the ATO in every STP submission.

You can record RFBA by doing a pay input using the Workday delivered pay component: AUS Reportable Fringe Benefits (FBT). RFBA that you report in Workday doesn't impact a worker's gross-to-net pay.

Note: The FBT year runs from 1st April to the 31st March. Don't enter FBT accumulated between 1st April and the 30th June into Workday until the new tax year starts on the 1st July to avoid FBT being reported to the ATO in the incorrect period.

Workday reports the YTD sum of all the pay components in the pay component group to the ATO: All Reportable Fringe Benefits Amounts (FBT/RFBA). If you create your own FBT earnings, ensure that you add them to this pay component group so that they're reported to the ATO.

Workday delivers the pay balance: All AUS Reportable Fringe Benefits Amounts (FBT/RFBA) - YTD to sum all pay components in the pay component group for reporting purposes.

## Set Up Foreign Employment Income (FEI) and Inbound Assignees to Australia (IAA) Tax Reporting (AUS)

### Prerequisites

These domains in the AUS Payroll functional area:

- [Set Up: Payroll \(STP\) - AUS](#)
- [Set Up: Payroll](#)

### Context

Workday enables you to record and report workers' Foreign Employment Income (FEI) and the income of Inbound Assignees to Australia (IAA) to the Australian Taxation Office (ATO) using Single Touch Payroll (STP).

### Steps

1. Access the View AUS STP Reporting Categories task.
2. For these reporting categories, use the Edit button to add the calculation you want to use:

Reporting Category	Available Calculations
<i>Reportable Gross Amount</i>	<ul style="list-style-type: none"> <li>• AUS - FEI/IAA Reportable Gross for an AUS/Foreign Resident affecting GTN and STP</li> <li>• AUS - FEI/IAA Reportable Gross for an AUS/Foreign Resident affecting only STP</li> </ul>
<i>Overtime Amount</i>	<ul style="list-style-type: none"> <li>• AUS - FEI/IAA Overtime for an AUS/ Foreign Resident affecting GTN and STP</li> <li>• AUS - FEI/IAA Overtime for an AUS/ Foreign Resident affecting only STP</li> </ul>
<i>Bonuses and Commissions Amount</i>	<ul style="list-style-type: none"> <li>• AUS - FEI/IAA Bonus for an AUS/ Foreign Resident Affecting GTN and STP</li> <li>• AUS - FEI/IAA Bonus for an AUS/ Foreign Resident affecting only STP</li> </ul>
<i>Directors' Fees Amount</i>	<ul style="list-style-type: none"> <li>• AUS - FEI/IAA Directors Fees for an AUS/Foreign Resident affecting GTN and STP</li> <li>• AUS - FEI/IAA Directors Fees for an AUS/Foreign Resident affecting only STP</li> </ul>

3. Access the Edit Run Category task and select a run category.
4. Add the relevant FEI and IAA calculations to the Additional Pay Components to Calculate field.

### Result

#### Next Steps

Add pay inputs to the earnings and deductions for a worker. Add the amount in Australian dollars. Add the income stream code of FEI or IAA, and the worker's tax residency country code as worktags on the earnings and deductions.

Pay inputs that you add for the pay components that affect Gross to Net, will be shown on the worker's payslip. Pay inputs that you add for pay components that affect the STP report only won't be shown on the worker's payslip.

Note: Zero values aren't reported in STP reports. If the YTD value is zero, the value column will be empty.

## PAYG for Working Holiday Makers (AUS)

Workday enables you to tax workers who are working holiday makers using the Working Holiday Maker tax rate. The Working Holiday Maker status for workers and employers, and the workers' income type is reported to the Australian Taxation Office using Single Touch Payroll.

To use the Working Holiday Maker tax rate, ensure that:

- The workers have a TFN Declaration declaring themselves as a working holiday maker.
- The company's Working Holiday Maker Employer Registration status is recorded in the Edit AUS Company Tax Reporting task.

Note:

If the employer isn't registered as a working holiday maker employer, Workday will use the Foreign Resident tax rate for working holiday makers.

The pay calculation for working holiday makers requires a YTD taxable amount. When you begin using Workday Payroll for Australia, ensure that you include workers' YTD Taxable Amounts when uploading your pay history.

[Related Information](#)

[Reference](#)

[Employers of working holiday makers](#)

## Concept: ATO Issued PAYG Variation (AUS)

Workday enables you to process and apply Pay As You Go (PAYG) variations (commonly known as downward variations) issued by the Australian Taxation Office (ATO). PAYG variations change the amount of PAYG withholding tax deducted from a worker's payments.

When you add a PAYG variation, Workday uses a different tax deduction code: *AUS PAYG Withholding - ATO Issued Tax Withholding Variation*. This code is displayed on the worker's payslip and reported to the ATO through Single Touch Payroll (STP).

PAYG variations reduce the PAYG withholding amount as per the instructions from the ATO for a worker's Salaries and Wages pay component. Bonus and Termination payments are not affected. To apply PAYG variations to Bonus or Termination payments, use a [payroll input](#).

For more information about PAYG variations, see: [Withholding Variations](#)

[Related Information](#)

[Reference](#)

[Withholding Variations](#)

## Concept: TFN Exemptions (AUS)

Workday Payroll for Australia supports workers who have Tax File Number (TFN) exemptions. Workday can apply TFN exemption codes for workers who don't have a TFN recorded, or in some circumstances, use a TFN exemption code even where the worker does have a TFN recorded. The exemption code is used in the TFN field on the STP Report Payee Record, and Pay As You Go (PAYG) withholding tax is calculated accordingly.

Workday supports these TFN exemptions:

## No TFN Provided

Code: 000000000

If a worker doesn't provide a TFN, Workday uses this code.

## Application Pending

Code: 111111111

If a worker doesn't provide a TFN within 28 days of their start date, Workday uses the *No TFN Provided* exemption code.

## Worker Under 18

Code: 333333333

This code is used if a worker is under the age of 18.

If the worker under the age of 18 earns over the threshold set by the Australian Taxation Office (ATO), Workday uses the *No TFN Provided* exemption code.

Note: When the worker turns 18 years old, Workday automatically uses the TFN provided by the worker. If no TFN has been provided, Workday uses the *No TFN Provided* code.

## Pension

Code: 444444444

If a worker has claimed the pension exemption, Workday uses this code, even if they have a TFN recorded.

# Withholding Orders (AUS)

## Setup Considerations: Income Withholding Orders (AUS)

You can use this topic to help make decisions when planning your configuration and use of Australian income withholding orders. 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

Workday enables you to process income withholding orders using rules that follow Australian legislation. You can process:

- Child support.
- Court orders.
- Section 72A orders.
- 

## Business Benefits

Workday helps you to comply with withholding order requirements by:

- Determining the amount to withhold from the worker's earnings.
- Applying withholding limits and setting priorities for what to withhold.
- Override the withholding order calculation rules in accordance with legislative changes.
- Providing visibility into the calculation rules that Workday uses to calculate withholding orders.
- Providing Workday-delivered statutory pay components for each withholding type.
- Dynamically displaying the required fields for each type of withholding order you record.
- Beginning automatic deductions during payroll processing once you record a withholding order.
- Calculating multiple withholding orders based on the rules for each order type and state or territory.
- Aggregating withholding amounts to avoid exceeding limits for withholding orders.

## Use Cases

- Payroll administrators can view active and inactive withholding orders directly from the worker's profile.
- For workers who have multiple withholding orders, and the total amount to withhold exceeds the protected earnings limit, Workday uses statutory rules to calculate the amount to withhold per order. You can override the amount if required.
- You can override the applicable legislation for court orders.
- When a worker has multiple withholding orders, you can change the order in which they're processed.
- You can enter amended support orders with different dates. Workday creates a new record for the amended order, and retains the original order.

## Questions to Consider

Questions	Considerations
For workers with multiple withholding orders, which ones have higher priority?	When a worker has multiple withholding orders, Workday assigns the same processing priority to all orders of the same type. Workday uses the order date as the sorting method. Unless you override the priority, orders will be processed according to their dates.  By default, Workday will process section 72a and child support orders before court orders.
How will the money be disbursed?	Workday doesn't process disbursements during the pay run. You need to run a separate process. Consider when and how to run the settlement process.
Do you want workers to be able to see attachments and comments on their withholding orders?	The ability to view the withholding order, any attachments, and comments are controlled by different security domains.  The domain to view the withholding order is: <i>Worker Data: Payroll (Withholding Orders) - AUS</i> .  The domain to see attachments and comments on the withholding order is: <i>Worker Data: Payroll (Income Withholding Orders)</i> .

## Recommendations

Terminate withholding orders for workers who are terminated or transfer out of a company after their final pay in a company. This avoids unintentional deductions if the worker is rehired.

If the worker's employing company changes, contact the deduction recipient to inform them of the change.

## Requirements

Add earnings and deductions to the pay component groups that Workday uses to calculate disposable income.

## Limitations

You can't delete withholding orders that Workday has calculated as part of a payroll, even if the payroll isn't complete yet. You can deactivate the order instead.

## Tenant Setup

Define IDs for deduction recipients. Workday will use the IDs during processing and with integrations on the Edit Tenant Setup - Financials task.

## Security

Domains	Considerations
<i>Worker Data: Payroll (Withholding Orders) - AUS</i>	Enables you to record and view withholding orders.
<i>Worker Data: Payroll (Income Withholding Orders)</i>	Enables you to view attachments and comments on withholding orders.

## Business Processes

No impact.

## Reporting

Reports or Dashboards	Considerations
All Payroll Withholding Order Data	Displays the calculation rules of Workday for calculating withholding orders, by tax authority and order type. Includes information on: <ul style="list-style-type: none"> <li>Withholding limits.</li> <li>Calculation methods.</li> <li>Prioritization.</li> </ul>
View Payroll Withholding Order Data	Displays an overview of the withholding order information that Workday maintains, such as: <ul style="list-style-type: none"> <li>Calculation rules, as-of a date.</li> <li>Compliance updates by country and withholding order type.</li> </ul>
Pay Calculation Results - Deduction Register	View withholding order deductions in one or more periods, pay run groups, or pay groups.
Withholding Order Payments	View all withholding orders that were calculated during a pay period.
Withholding Orders for Worker	Enables you to edit, delete, change the processing priority, and view deduction history of a withholding order.

## Integrations

You can use these web services when creating a custom integration for withholding order processing to or from a third-party application:

- Get Australia Withholding Orders (Web Service)
- Put Australia Withholding Orders (Web Service)

## Connections and Touchpoints

Create and set up bank accounts to pay third-party deduction recipients.

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.

## Concept: Withholding Orders (AUS)

### Withholding Order Types

Workday provides rules for processing these types of withholding orders:

- Section 72A Orders.
- Child Support.
- Court Orders.

### Withholding Order Deductions Calculation

Based on state and federal rules, Workday:

- Determines the amount to withhold.
- Determines the applicable protected earnings.
- Applies the withholding limit to protected earnings.
- Sets the withholding order priority.
- Follows statutory rules to determine what to withhold for each order when:
  - A worker has multiple orders.
  - The amount to withhold exceeds the protected earnings amount.

Workday applies the applicable legislation to withholding orders. The applicable legislation manages these criteria:

- Protected earnings.
- Maximum amount to withhold.
- Deduction of a single or multiple orders in a single pay run.

You can view the details for each withholding order type and applicable legislation in the View Payroll Withholding Order Data report.

### Withholding Order Priority

When a worker has multiple withholding orders, the withholding order priority indicates the order that Workday processes them.

Workday delivers these withholding order priorities, with lower numbers indicating a higher priority:

- 200 - Section 72A Orders.
- 300 - Child Support.
- 400 - Court Orders.

You can override the delivered withholding order priorities using the Withholding Order > Override Priority related action on the withholding order.

## View Withholding Orders

You can view active and past withholding orders in the Pay > Withholding Orders tab on the worker profile.

## Steps: Set Up Withholding Orders (AUS)

### Prerequisites

Security: *Worker data (Garnishee Orders) - AUS*

### Context

Review the setup considerations for AUS withholding orders.

Set up withholding orders to begin automatic deductions during payroll processing.

### Steps

1. [Set Up Pay Component Groups to Calculate Disposable Income \(AUS\)](#)
2. [Create Deduction Recipient](#)
3. Record a withholding order:
  - [Record a Child Support or Section 72A Withholding Order \(AUS\).](#)
  - [Record a Court Order \(AUS\).](#)
4. (Optional) [Override Legislation Rule \(AUS\)](#)
5. (Optional) [Override Withholding Order Priority \(AUS\).](#)
6. (Optional) [Override Protected Earnings \(AUS\).](#)

### Next Steps

You can:

- Override the defaults for each withholding order type. See the All Payroll Withholding Order Data report for the limits on each type of withholding order.
- Override the processing order of withholding orders.
- Delete withholding orders that don't have any payroll input or completed results, using the related action. Withholding Order > Delete.

Use these web services to integrate with third-party vendors that manage withholding orders:

- Get Australia Withholding Orders (Web Service).
- Put Australia Withholding Orders (Web Service).

## Set Up Pay Component Groups to Calculate Disposable Earnings (AUS)

### Prerequisites

Security: *Set Up: Payroll (Calculations - Payroll Specific)*

Create the earnings and deductions that you use to calculate disposable income.

### Context

Workday uses disposable earnings to derive the income that withholding orders can be deducted from. Workday determines which pay component groups to resolve during processing based on:

- Applicable legislation.
- Order type.
- Any overrides that have been applied at the order level.

## Steps

1. Add earnings to the Workday provided pay component groups:
  - a) Access the Edit Earning task.
  - b) On the Non-Effective Dated tab, select the appropriate pay component groups in the Groups field.

Earnings	Pay Component Group
Earnings paid to employees regularly, such as base pay and hourly pay.	<i>AUS Adds to Gross [AUS]</i>
One-time or occasional earnings.	<i>AUS Adds to Gross [AUS]</i>

2. Add deductions to the Workday provided pay component groups:
  - a) Access the Edit Deduction task.
  - b) On the Non-Effective Dated tab, select the appropriate pay component groups in the Groups field.

Deductions	Pay Component Group
All pre-tax deductions.	<i>AUS Pre Tax Deductions [AUS]</i>
All pre-tax deductions that are deducted after child support deductions.	<i>AUS Excluded Pre Tax Deductions from Withholding Order [AUS]</i>

## Result

Workday subtracts a worker's protected earnings from their disposable earnings, to determine the maximum amount that can be withheld.

## Example

Disposable Earning Calculation:

- Disposable earnings - protected earnings = maximum amount for deductions.
- + Periodic earnings
- + One time payments or irregular earnings
- - All pre-tax deductions
- + Excluded deductions
- - PAYG taxes
- = Disposable income

Related Information

### Tasks

[Steps: Create Deductions](#) on page 234

[Steps: Create Earnings](#) on page 229

## Create Deduction Recipient

### Prerequisites

Set up the bank accounts to pay third-party deduction recipients.

Security: *Worker Data: Payroll (Income Withholding Orders)* domain in the Core Payroll functional area.

Security: (Optional) *Set Up: Payroll Third-Party Payments* domain in the Core Payroll functional area.

## Context

Record information for a third-party deduction recipient, including the:

- Recipient
- Contact information
- Method of payment
- Bank account details

Select a deduction recipient when creating:

- a withholding order or making an ad hoc payment (CAN, FRA, USA)
- a court order or making an ad hoc payment (UK)
- a withholding order (AUS)

Note: For Workday Payroll for Australia, Workday doesn't settle during the pay run process. Create a settlement run for payroll third-party payments to settle.

Workday delivers 2 web services that you can use when creating a custom integration for garnishment processing to or from a third-party application:

- *Put Deduction Recipients* loads deduction recipient information into Workday.
- *Get Deduction Recipients* retrieves information from Workday.

## Steps

1. Access the Create Deduction Recipient task.
2. Enter the recipient Name.
3. (Optional) For Payroll for the U.S., enter an Alternate Deduction Recipient Name.  
For national deduction recipients with multiple locations, such as the Internal Revenue Service (IRS), create an alternate deduction recipient to associate with a different address. When entering withholding orders, you can select the original or alternate deduction recipient and associated address.
4. (Optional) Enter an External Entity ID that helps you identify the recipient.  
Enter a payee ID for a withholding order.
5. (Optional) Define IDs for deduction recipients.  
The Deduction Recipient ID field displays when you've configured it on the Edit Tenant Setup - Financials task. Select an ID Definition from the ID Generator for Deduction Recipient field in the Business Entity Sequence ID section. Workday uses the ID during processing and with integrations.
6. Select the Payment Type.
7. Select the Country for the deduction recipient. This field isn't effective dated and is required, so you must update it when editing existing deduction recipients.
8. Add contact information for the recipient.  
Selecting the Visibility > Public check box makes the contact information visible in Workday.
9. Add a Settlement Bank Account and enter information for the receiving account.  
You can only have 1 active settlement bank account at a time.
- 10.(Optional) Select the Inactive option to deactivate a specific snapshot of a deduction recipient. To deactivate the entire deduction recipient, you must deactivate all snapshots.
- 11.(Optional) Select the Enable Payroll Third-Party Payments option to generate and settle payments for Involuntary Withholding Order or Court Order deductions. For more information, see: [Concept: Payroll Third-Party Payments](#).
- 12.(Optional) The Always Separate Payment option is enabled by default when you select Enable Payroll Third-Party Payments. This option generates a separate payment for each payable item in a settlement run. If the payable item and payment have a 1:1 relationship when you generate

an electronic payment for an Income Withholding Order or Court Order deduction recipient, we recommend you keep this option enabled.

13.(Optional) Select a Category. These categories are configured through the Maintain Payroll Third-Party Payments Categories task. You can reference these categories in bank routing rules, settlement filtering, and the Maintain Remittance Setup Rule task. Workday generates both a Workday ID and a Reference ID for each payroll third-party payment category. You can customize the Reference ID, but not the Workday ID. You can use Reference IDs when running the Put Payroll Deduction Recipient and Put Bank Routing Rules web services. You can't remove a category while it's assigned to a deduction recipient or referenced in bank routing rules.

## Next Steps

Access the View Deduction Recipient report. To see the Deduction Recipient ID, select Integration IDs > View IDs from the related actions menu of the deduction recipient.

When creating or editing a deduction recipient, you can view future, current, and previous deduction recipient snapshots. The section under the Effective Dated Details header represents the deduction recipient snapshot. Snapshots enable you to:

- Enter an effective date when creating or editing a deduction recipient.
- View the configuration as of a specific effective date of a deduction recipient.
- Make configuration changes as of a specific date without impacting prior configurations.
- Deactivate a deduction recipient.

You can add rows to a deduction recipient snapshot only if they're dated after the current effective snapshot. When you add a new snapshot, Workday copies the configuration of the prior snapshot to the newly added snapshot.

To remove a deduction recipient, access the Delete Deduction Recipient task. You can only delete deduction recipients that have never been in use.

Related Information

### Concepts

[Concept: Payroll Third-Party Payments on page 772](#)

### Examples

[Define Bank Accounts](#)

[Reference: Edit Tenant Setup - Financials](#)

## Record Withholding Orders (AUS)

### Record a Child Support or Section 72A Withholding Order (AUS)

#### Prerequisites

Security: *Worker Data: Payroll (Withholding Orders)* - AUS domain in the AUS Payroll functional area.

#### Context

Record a Child Support or Section 72A withholding order to begin deductions during payroll processing.

#### Steps

1. Access the Record AUS Withholding Order for Worker task.
2. Enter the worker name and select *Child Support Order (AUS)* or *Section 72A Order (AUS)*.

3. As you complete the task, consider:

Option	Description
Entry Type	<ul style="list-style-type: none"> <li><i>Original Order</i>: Select when you enter a withholding order for the first time.</li> <li><i>Amended</i>: Select when you are updating an existing withholding order.</li> <li><i>Terminate</i>: Select when you are ending a withholding order.</li> </ul>
Order Number	The number to identify the withholding order through its lifecycle. Once you have chosen an Order Number, you can't change it.
Order Date	Issue date of the withholding order.
Received Date	The date and time that your organization received the withholding order.
Effective Date	The date that deductions commence. The Effective Date must be on or after the Order Date.
Company	<p>Workday automatically fills the Company with the worker's company on the Date Received.</p> <p>You can't change the company once there are completed pay results that include the withholding order.</p>
Order Period Frequency	Frequency of the pay period amount as indicated on the order. Workday converts the amount to deduct in each pay period when the worker's pay frequency differs from the frequency on the withholding order.
Issued In	Child Support and Section 72A orders are issued at a Federal level.
Deduction Recipient	The recipient of the withholding deduction.

4. As you complete the Deductions Amount section, consider:

Option	Description
Amount Type	Select <i>Amount on Order</i> . The actual amount on the order aligned to the period frequency specified on the order will be deducted.
Pay Period Amount	The amount deducted per pay period.

5. As you complete the Protected Earnings section, consider:

Option	Description
Override Protected Earnings	Workday uses the legislated protected earnings based on the Applicable Legislation value.
Amount Type	Only available when you check the Override Protected Earnings check box.
Pay Period Amount	Only available when you check the Override Protected Earnings check box.

## Next Steps

Note: You can't edit or delete a withholding order that has been used in a calculation. Use the *Amend* or *Terminate* Entry Type instead.

- Run Pay Calculation and review the results to ensure that the correct amounts are deducted. You can use the related action View Deduction History on the withholding order to view the deduction amount for each pay period.
- View details for calculating withholding orders using View Payroll Withholding Order Data.
- To stop a withholding order, select the Terminate Order check box on the withholding order.

Related Information

### Tasks

[Set Child Support and Section 72A Deduction Recipients \(AUS\)](#)

[Override Protected Earnings \(AUS\) on page 1860](#)

## Record a Court Order (AUS)

### Prerequisites

Security: *Worker Data: Payroll (Withholding Orders)* - AUS domain in the AUS Payroll functional area.

### Context

Record a court order to begin deductions during payroll processing.

### Steps

1. Access the Record AUS Withholding Order for Worker task.
2. Enter the worker name and select *Court Order (AUS)*.
3. As you complete the task, consider:

Option	Description
Entry Type	<ul style="list-style-type: none"> <li>• <i>Original Order</i>: Select when you enter a withholding order for the first time.</li> <li>• <i>Amended</i>: Select when you are updating an existing withholding order.</li> <li>• <i>Terminate</i>: Select when you are ending a withholding order.</li> </ul>
Order Number	<p>Use the number on the order from the issuing authority.</p> <p>If there isn't a number from the issuing authority, enter a number.</p> <p>Once you choose an order number, you can't change it.</p>
Order Date	Issue date of the withholding order.
Received Date	The date and time that your organization received the withholding order from the issuing authority.
Effective Date	The date that deductions commence. The Effective Date must be on or after the Order Date.

Option	Description
Company	Workday automatically fills the Company with the company that the worker was in on the Received Date.  You can't change the company once there are completed pay results that include the withholding order.
Order Period Frequency	Frequency of the pay period amount as indicated on the order. Workday converts the amount to deduct in each pay period when the worker's pay frequency differs from the frequency on the withholding order.
Issued In	The state/territory that the withholding order has been issued in, or Federal for federal orders.
Deduction Recipient	The recipient of the withholding deduction.

4. As you complete the Deductions Amount section, consider:

Option	Description
Amount Type	Select <i>Amount on Order</i> . The actual amount on the order aligned to the period frequency specified on the order will be deducted.
Pay Period Amount	The amount deducted per pay period.

5. As you complete the Protected Earnings section, consider:

Option	Description
Override Protected Earnings	Workday uses the legislated protected earnings based on the Applicable Legislation value.
Amount Type	Displays when you check the Override Protected Earnings check box.
Pay Period Amount	Displays when Override Protected Earnings is checked.

## Next Steps

Note: You can't edit or delete a withholding order that has been used in a calculation. Use the *Amend* or *Terminate* Entry Type instead.

- Access the Run Pay Calculation task and review the results to ensure that the correct amounts are deducted. You can use the related action View Deduction History on the withholding order to view the deduction amount for each pay period.
- View details for calculating withholding orders on the View Payroll Withholding Order Data report.
- To stop a withholding order, select the Terminate Order check box on the withholding order.

## Related Information

### Tasks

[Override Protected Earnings \(AUS\)](#) on page 1860

## Override Legislation Rule (AUS)

### Prerequisites

Security: *Setup: Payroll (Withholding Orders) - AUS domain* in the AUS Payroll functional area.

### Context

You can manually override the Workday assigned default legislation rule for court orders.

Child Support and Section 72A orders default to *Federal*.

Note: You can't amend a withholding order once it has been processed in a payroll calculation.

If you want to change the legislation rule for only 1 withholding order, you can:

- Select the desired rule in the Legislation Rule field when you Initially record the withholding order.
- For an existing withholding order, select the related action *Withholding Order > Edit*, then select the desired rule in the Legislation field.

### Steps

1. When creating a withholding order, set the Issued In State to the state of the order, or to Federal for federal orders.
2. The Legislation Rule will default to the Issued State. You can change it to:

Option	Description
<i>Resident State</i>	The state that the residential address of the worker is in.
<i>Work State</i>	The address of the workplace of the primary position of the worker.
<i>Federal</i>	Workday ignores all addresses. The rules for a child support order are used.

### Result

Workday applies the legislation rule that you selected to this withholding order.

### Next Steps

Run the pay calculation.

If you have already calculated a pay result for the worker, run the pay calculation again.

## Override Withholding Order Priority (AUS)

### Prerequisites

Record multiple withholding orders for a worker.

### Context

When a worker has multiple withholding orders, Workday assigns a processing priority to each order, based on the rules of the issuing agencies. Workday delivers this priority:

- 200 - Section 72A Orders.
- 300 - Child Support.
- 400 - Court Orders.

If multiple withholding orders have the same priority, the Order Received Date determines the priority, with older orders having priority over newer ones.

You can override the default priority order assigned to any order type.

You can view the processing priorities for a worker's withholding orders on the Withholding Orders for Worker report.

## Steps

1. Access the Withholding Orders for Worker report.
2. Select Withholding Order > Override Priority from the related actions menu of a withholding order. The Override Withholding Order task displays.
3. Enter a number in the Priority Override field to replace the Priority Default. A lower number indicates a higher priority.

**Note:** When you override the withholding order priority, Workday doesn't update the priority order when you terminate a withholding order.

## Next Steps

You can access the Withholding Orders for Worker report to view all of a worker's withholding orders and the priority of them.

## Override Protected Earnings (AUS)

### Prerequisites

Security: *Setup: Payroll (Withholding Orders) - AUS domain* in the AUS Payroll functional area.

### Context

You can override the legislated protected earnings amount manually. Example, if the withholding order specifies specific protected earnings that might be different from the legislated values.

**Note:** When you override the protected earnings amount, Workday won't update the protected amount for the withholding order if there are any legislated adjustments to the amount. Manually make any adjustments to the protected earnings amount to ensure that you're compliant.

You can review the default protected earnings amounts that Workday uses by using the View Lookup Table (Workday Owned) report, search for AUS Withholding Order, and select the state or territory.

## Steps

1. When you record a withholding order, in the Protected Earnings section, check the Override Default Amount check box.
2. In the Amount Type field, select the applicable type.
3. Enter the new protected earnings amount in the Pay Period Amount field.

**Note:** The amount aligns with the withholding order frequency. Workday maintains the protected earnings rates for each state or territory. You can view the rates at these lookup tables:

- *AUS Withholding Order - ACT Court Order Protected Earnings*
- *AUS Withholding Order - Federal Child Support Protected Earnings*
- *AUS Withholding Order - NSW Court Order Protected Earnings*
- *AUS Withholding Order - WA Court Order Protected Earnings*

# Payroll for Ireland

## Payroll for Ireland

Use these quick links to view Payroll for Ireland features:

- [Tax Setup \(IRL\)](#)
- [MyFutureFund Auto-Enrolment Pensions \(IRL\)](#)
- [Gender Pay Gap \(IRL\)](#)
- [CSO Reporting \(IRL\)](#)

## Tax Setup (IRL)

### Steps: Set Up Payroll Taxes (IRL)

#### Context

Workday provides the data and deductions needed to process payroll taxes as required by Revenue. You provide the company and worker-specific data.

#### Steps

1. [Set Up Employer Registration Number \(IRL\)](#).  
Security: *Set Up: Payroll - IRL* domain in the IRL Payroll functional area.
2. [Set Up Worker Taxes \(IRL\)](#).  
Security: *Worker Data: Payroll (Company Specific) - IRL* domain in the IRL functional area.
3. (Optional) In exceptional circumstances, you may need to generate or add an employment identifier for a worker in Workday. Example: Web services loaded the identifier incorrectly.  
[See Assign Employment Identifier for Worker \(IRL\)](#).

#### Result

Workday uses these settings to calculate income tax, Local Property Tax, Pay Related Social Insurance, and the Universal Social Charge during payroll processing.

#### Related Information

#### Reference

[Reference: Payroll Configuration Reports](#)

### Set Up Employer Registration Number (IRL)

#### Prerequisites

Security: *Set Up: Payroll - IRL* domain in the IRL Payroll functional area.

#### Context

Record the identifiers and credentials Workday needs to send and receive payroll information from Revenue:

- Employer Registration Number (ERN).

- P12 Certification.
- Tax Advisor Identification Number (TAIN) for your third-party service provider, if applicable.

In Workday, you can add multiple companies under the same ERN. Linking companies by ERN enables you to ensure workers' year-to-date totals carry over in payroll when they transfer between any of those companies.

## Steps

1. Access the Create IRL Employer Registration Number task.
2. Complete the task:

Option	Description
Display Name	Since multiple companies may share 1 ERN, you can use a display name to reference them as a group. Example: <i>Global</i> as the display name for the ERN-linked companies GMS Ireland Ltd and Global Modern Services IRL.
Employer Registration Number	Enter the unique 7-digit number followed by 1 or 2 letters that Revenue assigned to your business.
Company	Select the companies associated with the ERN.
OK to Proceed	Select to confirm that the display name, ERN, and company details are correct.
P12 Certification	Select your company's P12 digital certificate to enable Workday to submit payroll information to Revenue Online Services (ROS).
Agent TAIN	When you use a third-party service provider to submit information to Revenue on your behalf, enter the agent's TAIN.

## Result

Workday can:

- Submit and receive payroll data from Revenue.
- Securely communicate with ROS.
- Facilitate payroll management by tax agents, if applicable.

## Next Steps

Access the Edit IRL Employer Registration Number task to update your employer identification details. Example: When you renew your P12 certification with Revenue.

## Set Up Worker Taxes (IRL)

### Prerequisites

- Obtain the most recent Revenue Payroll Notification (RPN) for the worker.
- Security: *Worker Data (Company Specific)* - IRL domain in the IRL functional area.

## Context

Workday records a worker's tax notification details automatically from each RPN, as well as details for these taxes:

- Local Property Tax (LPT).
- Pay As You Earn (PAYE).
- Universal Social Charge (USC).

You need to enter these tax details for a worker manually to enable the correct coding of deductions in payroll:

- Director details.
- Pay Related Social Insurance (PRSI).
- PAYE exclusion order.

Workday uses the most recently created tax election to calculate payroll. You can't delete tax elections, but you can add new elections. We don't recommend editing existing tax elections because you won't be able to see the previous tax election details on the View Worker IRL Tax Details report. Workday recommends adding new details instead.

When there's no RPN notification for the worker, Workday calculates their taxes on an emergency basis.

## Steps

1. To add details other than those Workday receives on the RPN, access the Add Worker IRL Tax Details task and select the worker you want to add details for.
2. Review the Taxation Notification Details for the worker:

Option	Description
Effective Date	Displays the issue date of the latest RPN for the worker.  When the worker has more than 1 tax election with the same effective date, Workday uses the latest created tax election for payroll calculation.
Calculation Basis	The basis on which the worker's taxes are calculated: <ul style="list-style-type: none"> <li>• Cumulative.</li> <li>• Emergency.</li> <li>• Week 1.</li> </ul>
Exclusion Order	Select the check box if Revenue has issued a PAYE exclusion order for the worker.  When the worker has an exclusion order that extends beyond 1 year, you need to add a row on the grid for each additional tax year.
RPN End Date	The end date for the RPN, not the exclusion order.

3. Review the Tax Details:

Option	Description
Previous Pay	Displays the pay from a previous employment for workers taxed on a cumulative basis.

Option	Description
Previous Tax Deducted	The tax deducted from the worker for workers taxed on a cumulative basis.

## 4. Review the USC Details:

Option	Description
Previous USC Deducted	Displays the USC paid in the worker's previous employment for workers taxed on a cumulative basis.  When a period schedule change causes a 53rd week, you need to adjust the worker's record manually to avoid recording contributions for the 53rd week.
Status	Displays as <i>Exempt</i> when the worker has income or payments that are exempt from USC. Otherwise, displays as <i>Ordinary</i> .

## 5. Review the LPT Details:

Option	Description
LPT to Be Deducted	The total amount of LPT to be deducted for the tax year. Workday deducts LPT in each pay period from the effective date, including for a 53rd week when it occurs.

## 6. Complete the PRSI Details section:

Option	Description
Exemption	Select if the worker is exempt from PRSI contributions. When you select the Exemption check box, Workday applies PRSI class M to the worker.
Exemption Reason	When you select the Exemption check box, select the reason.
PRSI Class	For workers who aren't exempt from PRSI, select the PRSI class that applies.
Override PRSI Subclass	When you select the check box, Workday applies PRSI at subclass: <ul style="list-style-type: none"> <li>• A8 or A9 for workers in PRSI class A.</li> <li>• J9 for workers in class J.</li> <li>• K9 for workers in class K.</li> </ul>

## 7. (Optional) Complete the Director Details section:

Option	Description
Director	Select when the worker is a company director.
Type	Specify whether the worker's directorship is proprietary or non-proprietary.

## 8. (Optional) If you don't have a worker's Personal Public Service Number (PPSN), access the Add Worker IRL Additional Details task. Enter a unique Override Employer Reference to use instead of the PPSN when submitting payroll details to Revenue.

## Result

The worker's tax details display on the Tax Details tab of the worker profile. At the beginning of a new tax year, Workday displays only the worker's PRSI and director details pending a new RPN from Revenue.

## Next Steps

Access the View Worker IRL Tax Details report, which displays any tax details for a worker for a tax year as received from an RPN or added on the Add Worker IRL Tax Details task. Workday only displays years for which tax details exist for the worker.

# Assign Employment Identifier for Worker (IRL)

## Prerequisites

Security: *Worker Data: Payroll (Company Specific)* - IRL domain in the IRL Payroll functional area.

## Context

Workday typically generates the employment identifier automatically for:

- New hires.
- Rehires.
- Transfers to a company with a different employer registration number (ERN) or from a company outside Ireland.

In some rare cases, Workday doesn't automatically assign the identifier, such as when you:

- Add workers to an Irish payroll pay group using the *Assign Pay Group* web service.
- Use the Assign Pay Group task and the effective date for the employment identifier is the same as the worker's hire, rehire, or transfer date, including when the worker transfers to a company with a different ERN.
- Migrate employment identifiers from a legacy system and use the Assign Pay Group task to add workers to Irish payroll pay groups.

In these cases, or when the identifier has loaded incorrectly, you can add an employment identifier using the Assign IRL Employment Identifier task, which enables you to:

- Generate an employment identifier automatically for a worker.
- Enter an existing employment identifier manually for the worker.

Note: Don't add a new employment identifier for a worker when one already exists for the employment, as Revenue may record it as a separate employment.

## Steps

1. Access the Assign IRL Employment Identifier for Worker task.
2. Complete the task:

Option	Description
Generate Employment Identifier	Select the check box to enable Workday to generate an employment identifier for the worker.
Employment Identifier	Enter a unique identifier that hasn't previously been assigned to the worker in Workday.
Effective Date	Enter the worker's: <ul style="list-style-type: none"> <li>• Hire date when you hire a new worker.</li> </ul>

Option	Description
	<ul style="list-style-type: none"> <li>• Rehire date when you rehire a former worker.</li> <li>• Transfer date when you transfer a worker to:           <ul style="list-style-type: none"> <li>• An Irish payroll pay group from a company outside of Ireland.</li> <li>• Another Irish company with a different ERN.</li> </ul> </li> </ul> <p>When you create an employment identifier using the Assign IRL Employment Identifier for Worker task, you can't edit the identifier's effective date.</p> <p>Note: Don't assign a new employment identifier when you transfer a worker to another company under the same ERN.</p>

## Result

The employment identifier displays on the:

- Tax Details tab of the worker profile.
- View IRL Employment Identifier for Worker report.
- View IRL Worker Tax Details report.

## Next Steps

You can edit the employment identifier before you calculate payroll results for the worker, but not afterwards. You can't delete employment identifiers, but you can correct and rescind them.

Workday automatically updates employment identifier information when you correct these details on a staffing business process event:

- Company.
- Effective date for hire or change of company.
- ERN.

See [Correct Staffing Events](#).

When you rescind these details on a business process event, Workday automatically deletes the associated employment identifier:

- Company.
- Organization.
- Pay group assignment.

Note: You can't correct or rescind staffing events once calculated payroll results exist for the worker.

Correcting or rescinding business process events that affect employment identifiers can deactivate identifiers. Examples: You rescind a hire event or a worker's transfer to another company under a different ERN. Access the View IRL Inactive Employment Identifiers report to find workers with inactive identifiers.

When an employment identifier becomes inactive, you may need to update Revenue Online Services with the worker's end date in order to deregister the worker under the ERN.

## Manage Taxes for Transferred Workers (IRL)

### Prerequisites

Security: *Worker Data: Payroll (Company Specific)* - IRL domain in the IRL Payroll functional area.

### Context

For transfers between companies with the same Employer Registration Number (ERN), when a worker transfers to:

- Another pay group with the same pay frequency, you can manage the transfer at the start of the period or midperiod.
- A pay group with a different pay frequency, Workday recommends that you only manage the transfer at the start of the pay period.

Workday prorates insurable weeks for workers transferred midperiod. When you transfer a worker from a monthly to weekly pay frequency midperiod, the worker receives an additional insurable week, which you need to adjust manually.

When you transfer a worker with a Local Property Tax (LPT) deduction midperiod to a different pay group in the same company or another company with the same ERN, Workday deducts LPT from all pay results for the worker.

For transfers to a company with a different ERN, Workday:

- Generates a new employment identifier for the worker.
- Records a termination date for the old employment identifier on the payroll submission to Revenue.
- Registers the worker under the new ERN as part of the RPN process.

Note: When you retrospectively transfer a worker to a company with a different ERN, you must report the end date of the previous employment manually on Revenue Online Services. See [Reference: Supported Retro Events](#).

When you transfer a worker internationally, Workday records the transfer date as the:

- Start date for workers transferring into the new pay group.
- Termination date, which is recorded as the day before the start date in the new pay group.

Workday recommends that you process off-cycle payments with a payment date within the pay period date range.

### Steps

1. Access the View Employment Identifier for Worker report to ensure that Workday has correctly assigned the worker's new employment identifier.

Note: When you transfer a worker from a third-party pay group into a Irish payroll pay group, Workday doesn't generate an employment identifier. You can use the Assign Employment Identifier for Worker task to add the worker's employment identifier. See [Assign Employment Identifier for Worker](#).

2. Access the Add Worker IRL Tax Details task to to add details for the worker's:

- Directorships, if applicable.
- PAYE exclusion orders.
- PRSI.

See [Set Up Worker Taxes \(IRL\)](#).

Related Information

### Concepts

[Concept: Worker Start Date Corrections](#)

## MyFutureFund Auto-Enrolment Pensions (IRL)

### Setup Considerations: MyFutureFund Auto-Enrolment Pensions (IRL)

You can use this topic to help make decisions when planning your configuration and use of MyFutureFund Auto-Enrolment Pensions. 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

Workday enables you to process employee and employer contributions to the national MyFutureFund auto-enrolment pensions scheme.

#### Business Benefits

Workday:

- Helps you remain compliant with the auto-enrolment pension system.
- Automates the process of receiving, matching, and submitting MyFutureFund data to the National Automatic Enrolment Retirement Savings Authority (NAERSA), reducing administrative burden and the potential for manual errors.
- Calculates contributions as part of your payroll calculation.
- Sends notifications to workers when their enrolment status changes. Example: When a worker is enrolled or opted out of contributions.

#### Use Cases

Payroll administrators can:

- Configure integrations to manage Automatic Enrolment Payroll Notification (AEPN) contribution submissions to NAERSA.
- Manually enter contribution details for a worker, if necessary.
- Process MyFutureFund deductions for on-cycle and off-cycle payroll runs.
- Manage arrears for workers with insufficient net pay to meet the required contribution.
- View a worker's updated and historical MyFutureFund contribution information on the tax details tab of the worker profile.

Workers can:

- Receive notifications from Workday about enrolment status changes.
- View their MyFutureFund contributions on their tax details tabs and payslips.

#### Questions to Consider

Questions	Considerations
How can I use integrations to share AEPN data with NAERSA?	Workday uses the same business processes and integrations to help you manage both Revenue and NAERSA notifications and submissions.

Questions	Considerations
	<ul style="list-style-type: none"> <li>• Configure these business processes:           <ul style="list-style-type: none"> <li>• <i>IRL Incoming Notification</i></li> <li>• <i>IRL Payroll Submission</i></li> </ul> </li> <li>• Create integration systems using these integration templates:           <ul style="list-style-type: none"> <li>• <i>IRL RPN Incoming Notification</i></li> <li>• <i>IRL Revenue Payroll Submission</i></li> </ul> </li> </ul> <p>Workday requests Revenue and NAERSA notifications simultaneously. Don't submit payroll data to Revenue and NAERSA at the same time.</p>
What deduction priority order applies to AEPN contributions?	<p>When a worker has Local Property Tax (LPT) deductions through payroll, Workday deducts the employee's MyFutureFund contributions before the LPT deduction.</p>
How can you process contribution arrears when a worker had insufficient net pay in a previous pay period?	<p>When a worker has insufficient net pay for Workday to deduct all or part of the employee contribution, we automatically cap the deduction at the net pay amount and report the shortfall to NAERSA using the code <i>INPA</i>.</p> <p>Workday then uses the IRL PEN AE Pay Adjustment deduction to recoup the shortfall automatically in a subsequent pay period.</p> <p>Workday only partially recoups shortfall amounts if the worker's net pay is insufficient to cover the full amount.</p> <p>You can configure the Payroll Register and use the Pay Calculation Results - Deduction Register report to view all workers with the IRL PEN AE Pay Adjustment deduction for a selected period and pay group or pay run group. See <a href="#">Setup Considerations: Payroll Register</a> on page 787.</p> <p>You can report pay adjustments to NAERSA on the MyFutureFund employer portal using the code <i>PAADJ</i>.</p>
How does Workday handle MyFutureFund contributions for retro hires and terminations?	<p>When you retroactively hire a worker, Workday brings the retro pay details into their current on-cycle pay and calculates the MyFutureFund employee and employer contributions based on the worker's gross income for that pay period.</p> <p>When you retroactively terminate a worker, Workday doesn't recalculate any change to the contributions, but does bring forward any differences and reports them to NAERSA.</p>
What do you need to do to submit data to NAERSA when an agent manages your company's payroll submissions?	<p>Workday stores your agent's Tax Agent Identification Number (TAIN) on the View IRL Employer Registration Number task. We include the TAIN when you run your company integrations with NAERSA.</p>

Questions	Considerations
	See <a href="#">Set Up Employer Registration Number (IRL)</a> on page 1861.

## Recommendations

- MyFutureFund contributions are calculated based on the employee's gross pay, as defined by Revenue, using the most recent AEPN data with an effective date before or on the payment date. Run the Run IRL Incoming Notifications task as close as possible to when you finalize payroll to ensure that the contribution rates are current and accurate.
- We recommend that you run the Run IRL Payroll Submission task separately for Revenue and NAERSA submissions. Don't select both the Submit to Revenue and Submit to NAERSA check boxes at the same time.

## Requirements

To submit AEPN data, the *Integration* step on the *IRL Payroll Submission* business process must contain the *Submit to NAERSA is true* condition step.

## Limitations

- Workday doesn't support these NAERSA APIs on the integration template you use to create an integration with Revenue and NAERSA:
  - *contributions/checkstatus*
  - *contributions/errordetails*
  - *contributions/recondetails*
  - *contributions/reconsummary*
- Workday doesn't support correcting or deleting AEPN data. You must make these changes directly on the MyFutureFund employer portal.
- Workday doesn't support removing a worker's termination date. You must do this on the MyFutureFund portal.
- Workday doesn't report pay adjustments to NAERSA. You need to log on to the MyFutureFund portal and record each pay adjustment.

## Tenant Setup

No impact.

## Security

Domains	Considerations
These domains in the Integration functional area: <ul style="list-style-type: none"> <li>• <i>Integration Build</i></li> <li>• <i>Integration Configure</i></li> </ul>	Enable you to create and configure integration systems using these integration templates: <ul style="list-style-type: none"> <li>• <i>IRL RPN Incoming Notification</i></li> <li>• <i>IRL Revenue Payroll Submission</i></li> </ul>
The <i>Worker Data: Payroll (Company Specific) - IRL</i> domain in the IRL Payroll functional area	Enables you to use the Add Worker IRL AEPN Details task to add auto-enrolment pension details for a worker manually.

## Business Processes

Business Processes	Considerations
<i>IRL Incoming Notification</i>	Enables you to receive MyFutureFund contribution data from NAERSA.
<i>IRL Payroll Submission</i>	Enables you to submit AEPN data to NAERSA.

## Reporting

Reports	Considerations
Pay Calculation Results - Deduction Register	Use for the IRL PEN AE Pay Adjustment deduction to identify workers with pay adjustments to their MyFutureFund contributions for a selected period and pay group or pay run group. You can use the results to update the workers' details on the MyFutureFund portal.
View IRL Incoming Notification	Use to view matched and unmatched AEPN details for workers.
View IRL Payroll Submission	View and preview payroll data for submission to NAERSA.

## Integrations

Integration Templates	Considerations
<i>IRL RPN Incoming Notification</i>	Use to create an integration to receive matched and unmatched AEPNs for workers.
<i>IRL Revenue Payroll Submission</i>	Use to create an integration to submit MyFutureFund contribution data to NAERSA.

## Connections and Touchpoints

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

### Concepts

[Concept: Business Processes](#)

[Concept: Integration Business Processes](#)

### Tasks

[Steps: Set Up Template-Based Integration](#)

## Process AEPN Data (IRL)

### Prerequisites

- Review setup considerations for MyFutureFund auto-enrolment pensions.

- Workday recommends that you edit your run categories to add the Workday-delivered IRL MyFutureFund EE [IRL] and IRL MyFutureFund ER [IRL] deductions as Pay Components to Calculate on these tabs:
  - Nonactive (On Cycle, On Demand Replacement)
 

You must also select:

    - *IRL Post Tax Deduction [IRL]* as the Pay Component Group to Calculate.
    - *Terminated* on the Status column.
  - Off Cycle (On Demand Additional, Manual)
 

You must also select:

    - *IRL Post Tax Deduction [IRL]* as the Pay Component Group to Calculate.
    - *Manual Payment* and *On Demand Payment* for Type of Run.
    - Both *Active* and *Terminated* on the Status column.
- Ensure you have configured the *IRL Incoming Notification* business process. When you previously used the integration for Revenue notifications alone, you need to update the *IRL RPN records to apply?* condition rule on the *Approval* step of the *IRL Incoming Notification* business process definition:
  - Change the condition for the IRL RPN submission event has applicable RPNs source external field from an *And* to an *Or* condition.
  - Add a new row with an *Or* condition. On the Source External Field or Condition Rule field, select the IRL AEPN submission event has applicable AEPNs report field. Select a Relational Operator of *is not empty* and a Comparison Type of *Value specified in this filter*.
- Note: If you don't configure the *IRL Incoming Notification* business process to exchange data with NAERSA, Workday may still receive AEPN data from NAERSA, but you won't be able to use them in off-cycle payroll or on-demand additional payment calculations.
- Ensure you have configured the *IRL Payroll Submission* business process.
  - When you previously used the integration for Revenue notifications alone, you need to update the *Submit to Revenue is true* business process condition on the *Integration* step of the business process definition:
    - Change the condition for the Submit to Revenue source external field from an *And* to an *Or* condition.
    - Add a new row with an *Or* condition. On the Source External Field or Condition Rule field, select the Submit to NAERSA report field. Select a Relational Operator of *is not blank* and a Comparison Type of *Value specified in this filter*.
  - You must also configure the *Integration* step to include a Value Type of *Determine Value at Runtime* for these fields:
    - Submit to Revenue
    - Submit to NAERSA
- Ensure you have created integration systems using these integration templates:
  - *IRL RPN Incoming Notification*
  - *IRL Revenue Payroll Submission*

Note: When you have previously implemented the *IRL Revenue Payroll Submission* integration to receive data from Revenue alone, you must update it to exchange data with NAERSA. From related actions on your integration system, select Integration System > Configure Integration Services . Select the Enable All Services check box.

See Steps: Set Up Irish Incoming Notifications Integration and Steps: Set Up Irish Payroll Submission Integration.

## Context

Workday enables you to use integrations to exchange Automatic Enrolment Payroll Notification (AEPN) data with the National Automatic Enrolment Retirement Savings Authority (NAERSA).

## Steps

1. Access the Run IRL Incoming Notifications task.

When you access the task to initiate the *IRL Incoming Notification* business process, Workday requests contribution rate information from NAERSA, matches it to worker profiles, and then displays the data on the Tax Details tab of the worker profile.

You can view Matched AEPNs and Unmatched AEPNs on the View IRL Incoming Notifications report.

When there are unmatched AEPNs, use the PPS number and employment identifier to match the AEPNs to workers.

See [Process Payroll Notifications \(IRL\)](#) on page 648.

2. Run payroll calculations when you have up-to-date AEPN data from NAERSA.

3. Access the Run IRL Payroll Submission task.

You can view and correct any validation errors before completing your payroll submission to Revenue or NAERSA by leaving the and Submit to NAERSA check boxes clear and selecting OK.

4. Complete payroll calculations. Access the Run IRL Payroll Submission task and select the Submit to NAERSA check box.

Note: Workday recommends that you run the task separately for Revenue and NAERSA submissions. Don't select both check boxes at once.

See [Process Payroll Submissions \(IRL\)](#) on page 661.

## Result

Access the NAERSA employer portal to verify the details of your contribution submission.

Note: Workday doesn't support deletions or corrections to contribution submissions. You must access the NAERSA employer portal to edit contribution submission data for a worker.

[Related Information](#)

**Concepts**

[Concept: Integration Step](#)

**Tasks**

[Edit Business Processes](#)

## Add AEPN Details for Workers (IRL)

### Prerequisites

Security: *Worker Data: Payroll (Company Specific)* - IRL domain in the IRL Payroll functional area.

### Context

Add Automatic Enrolment Payroll Notification (AEPN) details for Workday to display on the Tax Details tab of the worker profile and process in payroll calculations.

Workday recommends that you only add AEPN details manually for a worker in exceptional circumstances. Example: The National Automatic Enrolment Retirement Savings Authority (NAERSA) endpoint is unavailable and you need to run payroll.

## Steps

1. Access the Add Worker IRL AEPN Details task.  
Select the worker you want to add AEPN details for.
2. Add a new row on the AEPN Details grid.
3. Complete the task:

Option	Description
Effective Date	The enrolment date or issue date, whichever is the most recent.
AEPN Issue Date	The date Workday receives AEPN data from Workday.
AEPN Enrolment Date	The date the worker was initially enrolled in the MyFutureFund auto-enrolment pension scheme.
Enrolment Status	<p>Enter the worker's participation status in the MyFutureFund scheme as determined by NAERSA.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• <i>Enrolment</i>: The worker is an active participant in the scheme.</li> <li>• <i>Left Employment Initiation</i>: NAERSA has recorded a cessation of the employment for the worker.</li> <li>• <i>Opt In</i>: The worker wasn't automatically enrolled but voluntarily joined the scheme.</li> <li>• <i>Opt Out</i>: The worker was enrolled but chose to opt out during the permitted opt-out period.</li> </ul>
AEPN Number	<p>The sequential identifier for an AEPN issued by NAERSA. NAERSA increments the AEPN number with every AEPN change event.</p> <p>Example: Alice was enrolled to the MyFutureFund scheme in January and allocated an AEPN number of 1. In February, she opts out of the scheme. With the change event, NAERSA updates her AEPN number to 2.</p>
AEPN Change Event	Enter the action, status change, or eligibility review outcome that results in a change to the worker's auto-enrolment payroll contribution requirement. Examples: Initial enrolment, worker opt out.
EE Contribution Rate %	The employee's contribution rate.
ER Contribution Rate %	The employer's contribution rate.
Timestamp	Enter the same date as the AEPN Issue Date and Effective Date.

## Result

You can run payroll for the worker.

## Gender Pay Gap (IRL)

### Concept: Gender Pay Gap (IRL)

You can use these reports to collect and calculate worker pay and bonuses, enabling you to meet mandatory gender pay gap reporting requirements:

- View UK and IRL Gender Pay Gap Hourly Rate of Pay: Displays the average hourly and weekly pay on the Snapshot Date of the Snapshot Year.
- View UK and IRL Gender Bonus Gap Reporting: Displays the total bonus paid during the 12 months preceding the Snapshot Date of the Snapshot Year. The total includes any retro bonus payments.

To change the Snapshot Date, access the Maintain UK and IRL Company Gender Pay Gap Snapshot Date task.

Security: *Reports: Results for Worker (Pay Calculation) - IRL* domain in the IRL Payroll functional area.

### Troubleshooting: Gender Pay Gap Earnings Don't Appear in Correct Report (IRL)

Cause: Earnings are in the wrong pay component group.

Solution:

#### Steps

1. Access the Edit Earning task.

On the Non-Effective Dated tab, in the Groups area, identify which gender pay gap pay component group (PCG) the earning is in.

Ensure that the earning is in the correct PCG:

Earning Type	Pay Component Group
Non bonus-related	• IRL Gender Pay Gap Reporting [IRL]
Bonus related	• IRL Bonus for Gender Pay Gap Reporting [IRL] • IRL Gender Bonus Gap Reporting [IRL]

Security: *Set Up: Payroll (Calculations - Payroll Specific)* domain in the Core Payroll functional area.

2. Access the Edit Run Category task for all IRL run categories that contain gender pay information.

On the General tab, in the Additional Pay Components to Calculate area, ensure these earnings have been added:

- IRL Gender Bonus Gap - Total Amount [IRL]
- IRL Gender Pay Gap - Average Hourly Pay [IRL]

Security: *Set Up: Payroll - Pay Group Specific* domain in the Core Payroll functional area.

3. Rerun the gender pay and bonus reports.

Workday recalculates the figures for any earnings that you amended and displays them in the relevant report:

- View UK and IRL Gender Pay Gap Hourly Rate of Pay
- View UK and IRL Gender Bonus Gap Reporting

Security: *Reports: Results for Worker (Pay Calculation) - IRL* domain in the IRL Payroll functional area.

## CSO Reporting (IRL)

### Set Up Earnings, Hours and Employment Cost Survey for CSO Reporting (IRL)

#### Prerequisites

- Set Up Employer Registration Number (IRL) on page 1861.

Enter your company's details and enterprise number to enable Workday to categorize your information accurately for reporting to the Central Statistics Office (CSO).

- Complete the CSO Details section on the Add Worker IRL Additional Details task for workers to assign them to 1 of these CSO categories:

- Managers, Professionals and Associate Professionals.
- Clerical, Sales and Service Workers
- Production, Transport, Crafts, Trades, Other Manual Workers

If you don't do this, Workday won't be able to provide accurate details for reporting to the CSO.

Select the worker's hire or transfer date for the Effective Date in the CSO Details grid.

- Record these details in Workday:
  - Standard hours for each worker.
  - Whether the worker is employed full or part time.
- Add Earnings or Deductions to Pay Component Groups on page 241.

Add relevant pay components to the appropriate CSO pay component groups.

Example: You access the Edit Earning task and select the IRL Salary [IRL] earning. On the Groups prompt on the Non-Effective Dated tab, select the IRL CSO Regular Wages and Salaries [IRL] pay component group, and any other groups that should include this earning for CSO reporting.

- Security: *Reports: Results for Worker (Pay Calculation) - IRL domain* in the IRL Payroll functional area.

#### Context

When you record your enterprise details and core staffing data in Workday, and group your workers and pay components into CSO categories, Workday enables you to complete the Earnings, Hours and Employment Costs Survey (EHECS) for the CSO using an integration that generates the figures you need in XML format. You can view and validate the data before submitting it.

When generating the survey, Workday automatically rounds monetary values to the nearest euro.

Workday doesn't support the Job Vacancies field on the CSO's EHECS form.

Note: From Step 2c onward, we describe the CSO's reporting requirements. How accurately you meet those requirements depends on your configuration of earnings and deductions in the IRL CSO pay component groups that we use to calculate EHECS values. Workday recommends that you review your pay components with your CSO representative to ensure their configuration in the correct pay component groups for accurate reporting.

## Steps

1. Create an integration system to generate EHECS data in XML format.
  - a) Access the Create Integration System task. From the New using Template prompt, select Cloud Connect for Payroll > IRL CSO Reporting XML Generation.

Workday automatically enables these integration template services for the IRL CSO Reporting XML Generation integration template:

  - IRL CSO Reporting XML / IRL CSO Integration Service
  - IRL CSO Reporting XML / Integration Document Retention
  - IRL CSO Reporting XML / CSO XML

We recommend that you don't change these default settings.

See [Create Integration System](#).

Security: These domains in the Integration functional area:

- *Integration Build*
- *Integration Configure*

- b) (Optional) From related actions on your integration system, select Integration System > Configure Integration Attributes. Select the Override Default Values check box to update the number of days the integration output file should remain available in Workday.

Security: *Integration Configure* domain in the Integration functional area.

- c) Access the Create Integration System User task to create an integration system user (ISU) account to enable you to assign the ISU to a security group with permissions to access the integration. Don't change the default value of zero for Session Timeout Minutes.

Access the Create Security Group task and, for Type of Tenanted Security Group, select *Integration System Security Group (Unconstrained)*. Add your ISU to the group.

From related actions on your security group, select Security Group > Maintain Domain Permissions for Security Group.

On the Domain Security Policies permitting Put access and Domain Security Policies permitting Get access prompts, select the *Reports: Results for Worker (Pay Calculation) - IRL* domain.

Activate your pending security policy changes.

See [Steps: Grant Integration or External Endpoint Access to Workday](#).

- d) Access the Launch / Schedule Integration task. Select your integration and specify whether you want to run the integration now or later. See [Launch an Integration](#).

Specify the required launch parameter values on the Integration Criteria grid:

Option	Description
Employer Registration Number	<p>Specify the Employer Registration Number (ERN) of the company you're reporting EHECS data for.</p> <p>The ERN must correspond to the enterprise number you use for CSO reporting. See <a href="#">Set Up Employer Registration Number (IRL)</a> on page 1861.</p>
Reporting Quarter	Specify the calendar year and quarter for which you want to report EHECS data.

Option	Description
Type of Return	Specify whether the return contains original or amended data.

Security: *Integration Event* domain in the Integration functional area.

Note: Ensure the security group of the user you want to launch the integration has integration and task permissions on this domain.

- e) Access the Output Files tab of the Process Monitor report to download the XML file.
- 2. Access the View IRL CSO Earnings, Hours and Employment Cost Survey report to view and validate the EHECS data in the XML file before submitting it to the CSO.

Note: You must complete pay calculations for all pay periods in the quarter before running the report.

- a) Complete the prompt:

Option	Description
Employer Registration Number	Select the same ERN as you selected when launching the integration.
Reporting Quarter	Select the same tax year and quarter as you selected when launching the integration.

- b) Review the Persons Employed section:

Option	Description
As at the First Day of the Quarter	The number of full- and part-time employees engaged by the company on the first day of the quarter.
As at the Last Day of the Quarter	The number of full- and part-time employees engaged by the company on the last day of the quarter.
Hired During the Quarter	A count of employees hired between the second and second-last days of the quarter. Example: The quarter begins January 1 and ends March 31. This figure represents the number of employees hired between January 2 and March 30, inclusive.
Average Number of Apprentices or Trainees	The average number of apprentices or trainees, or both, employed by the company during the quarter.
Average Number of Other Persons Engaged	Average number of persons engaged in the company's activity who were not paid a regular wage or salary during the quarter.
National Minimum Wage Workers	The number of employees in receipt of the hourly national minimum wage, or a lower wage, at the end of the quarter.  The hourly national minimum wage doesn't apply to:

Option	Description
	<ul style="list-style-type: none"> <li>• Close relatives of the employer. Examples: Spouse, parent, sibling, child.</li> <li>• Apprentices, other than apprentice hairdressers.</li> <li>• Trainees.</li> </ul> <p>When a worker isn't paid an hourly wage, Workday determines a the hourly rate by dividing the worker's salary by the standard hours you recorded for them in Workday Human Capital Management. When the hourly wage is equal to or lower than the national minimum wage, Workday adds the worker to the count for this field.</p>

c) Review the Wages and Salaries section:

Option	Description
Regular Wages and Salaries	<p>The cost of payments, including maternity and sick pay, made regularly during the quarter to full- and part-time employees. Regular wages and salaries include:</p> <ul style="list-style-type: none"> <li>• Payments for shift work and work on Sundays or public holidays.</li> <li>• Bonuses and allowances paid in each pay period.</li> </ul>
Overtime	<p>The cost of payments for hours worked in excess of normal hours to full- and part-time employees.</p>
Irregular Bonuses and Allowances	<p>The cost of bonuses and allowances that aren't paid regularly in each pay period to full- and part-time employees. Examples:</p> <ul style="list-style-type: none"> <li>• Backdated pay awards.</li> <li>• End of quarter productivity bonuses.</li> </ul>
Total Wages and Salaries	<p>A combined total of the regular wages and salaries, overtime, and irregular bonuses and allowances paid to apprentices or trainees.</p>

d) Review the Hours Paid section:

Option	Description
Total Contracted Hours	<p>The number of regular hours for which full- and part-time employees, apprentices and trainees were paid.</p> <p>For weekly and monthly pay frequencies, Workday calculates the number of standard hours for a maximum of 13 weeks unless the worker was hired during the quarter.</p>

Option	Description
Overtime Hours	The total number of hours in excess of regular paid hours for which full- and part-time employees, apprentices or trainees were paid.

- e) Review the Employer Contributions to Pension Funds section, which displays total employer contributions for full- and part-time employees and apprentices and trainees.  
f) Review the Other Employer Contributions section:

Option	Description
Employer's statutory PRSI	Total Employer's Pay Related Social Insurance (PRSI) contributions for full- and part-time employees.
Income Continuance Insurance	The cost only to the employer for full- and part-time employees.
Redundancy Payments	Both statutory and non-statutory payments made to full- and part-time employees.
Other Employee-Related Payments	Cost of other payments to full- and part-time employees, such as study grants.
Total Social Security Contributions	Total cost of social security contributions for apprentices or trainees.

- g) Review the Other Employee Benefits section, which lists the cost to the employer of other benefits provided to employees. Examples: Use of company vehicles, voluntary sickness insurance.

The Other Free or Subsidised Benefits section include benefits such as parking, meals, mobile phone, creche.

- h) Review the Subsidies and Refunds Received section, which lists all amounts received that refund or part-refund the cost of wages, salaries, or training. Examples: Solas or Youth Employment Support Scheme training subsidies, refunds from the Department of Social Protection.

## Reference: XML Schema Elements for Earnings, Hours and Employment Cost Survey (IRL)

When you run the integration, the schema file is output in the file named:

- <Employer Registration Number>\_<Reporting Year\_Quarter>.xml

The EHECS element in the XML schema for the Central Statistics Office's Earnings, Hours and Employment Cost Survey (EHECS) includes these subelements:

Subelement	Description
Yr	The calendar year for the EHECS data submission.
Qtr	The calendar quarter for the EHECS data submission.
TypRt	Specifies whether the return is: <ul style="list-style-type: none"> <li>• Amended</li> <li>• Original</li> </ul>

Subelement	Description
SoftwareName	The software you're using to generate the EHECS data for submission, which is Workday.
SoftwareVersion	The version of the software you used when generating the data, such as the release version. Example: 20252, which is Workday's 2025R2 release version.
VendorName	Workday.
VendorPhone	Workday's phone number.

The Company element in the XML schema includes these subelements:

Subelement	Description
Name	Your company's name.
Addr[N]	Your company's address, recorded over 5 lines.
CBR	Your company's enterprise number.

The Declaration element in the XML schema includes these subelements:

Subelement	Description
Contact	The person contactable by the CSO.
Phone	Contact's phone number.
Email	Contact's email address.
Date	The date you generate the XML file.
Position	Contact's position in your company.

The Data element in the XML schema includes these subelements:

Subelement	Description
FstFtMg	Number of full-time managers, professionals and associate professionals employed as at the first day of the quarter.
FstFtCl	Number of full-time clerical, sales and service workers employed as at the first day of the quarter.
FstFtOt	Number of full-time production, transport workers, craft and tradespersons, and other manual workers employed as at the first day of the quarter.
LstFtMg	Number of full-time managers, professionals and associate professionals employed as at the last day of the quarter.
LstFtCl	Number of full-time clerical, sales and service workers employed as at the last day of the quarter.

Subelement	Description
LstFtOt	Number of full-time production, transport workers, craft and tradespersons, and other manual workers employed as at the last day of the quarter.
HireFtMg	Number of full-time managers, professionals and associate professionals hired during the quarter.
HireFtCl	Number of full-time clerical, sales and service workers hired during the quarter.
HireFtOt	Number of full-time production, transport workers, craft and tradespersons, and other manual workers hired during the quarter.
FstPtMg	Number of part-time managers, professionals and associate professionals employed as at the first day of the quarter.
FstPtCl	Number of part-time clerical, sales and service workers employed as at the first day of the quarter.
FstPtOt	Number of part-time production, transport workers, craft and tradespersons, and other manual workers employed as at the last day of the quarter.
LstPtMg	Number of part-time managers, professionals and associate professionals employed as at the last day of the quarter.
LstPtCl	Number of part-time clerical, sales and service workers employed as at the last day of the quarter.
LstPtOt	Number of part-time production, transport workers, craft and tradespersons, and other manual workers employed as at the last day of the quarter.
HirePtMg	Number of part-time managers, professionals and associate professionals hired during the quarter.
HirePtCl	Number of part-time clerical, sales and service workers hired during the quarter.
HirePtOt	Number of part-time production, transport workers, craft and tradespersons, and other manual workers hired during the quarter.
AppMg	Average number of apprentice or trainee managers, professionals and associate professionals engaged in the business during the quarter.
AppCl	Average number of apprentice or trainee clerical, sales and service workers engaged in the business during the quarter.

Subelement	Description
AppOt	Average number of apprentice or trainee production, transport workers, craft and tradespersons, and other manual workers engaged in the business during the quarter.
OtPerMg	Average number of other persons in the managers, professionals and associate professionals category engaged in the business but not paid a regular wage during the quarter.
OtPerCl	Average number of other persons in the clerical, sales and service workers category engaged in the business but not paid a regular wage during the quarter.
OtPerOt	Average number of other persons in the production, transport workers, craft and tradespersons, and other manual workers category engaged in the business but not paid a regular wage during the quarter.
NMWMg	The number of managers, professionals and associate professionals in receipt of the hourly national minimum wage, or a lower wage, at the end of the quarter.
NMWCI	The number of clerical, sales and service workers in receipt of the hourly national minimum wage, or a lower wage, at the end of the quarter.
NMWOT	The number of production, transport workers, craft and tradespersons, and other manual workers in receipt of the hourly national minimum wage, or a lower wage, at the end of the quarter.
RegWgFtMg	The cost of payments, including maternity and sick pay, made regularly during the quarter to full-time managers, professionals and associate professionals.
RegWgFtCl	The cost of payments, including maternity and sick pay, made regularly during the quarter to full-time clerical, sales and service workers.
RegWgFtOt	The cost of payments, including maternity and sick pay, made regularly during the quarter to full-time production, transport workers, craft and tradespersons, and other manual workers.
OvrtFtMg	The cost of payments for hours worked in excess of normal hours to full-time managers, professionals and associate professionals.
OvrtFtCl	The cost of payments for hours worked in excess of normal hours to full-time clerical, sales and service workers.
OvrtFtOt	The cost of payments for hours worked in excess of normal hours to full-time production, transport

Subelement	Description
	workers, craft and tradespersons, and other manual workers.
IrrBFtMg	The cost of bonuses and allowances that aren't paid regularly in each pay period to full-time managers, professionals and associate professionals.
IrrBFtCl	The cost of bonuses and allowances that aren't paid regularly in each pay period to full-time clerical, sales and service workers.
IrrBFtOt	The cost of bonuses and allowances that aren't paid regularly in each pay period to full-time production, transport workers, craft and tradespersons, and other manual workers.
RegWgPtMg	The cost of payments, including maternity and sick pay, made regularly during the quarter to part-time managers, professionals and associate professionals.
RegWgPtCl	The cost of payments, including maternity and sick pay, made regularly during the quarter to part-time clerical, sales and service workers.
RegWgPtOt	The cost of payments, including maternity and sick pay, made regularly during the quarter to part-time production, transport workers, craft and tradespersons, and other manual workers.
OvrtPtMg	The cost of payments for hours worked in excess of normal hours to part-time managers, professionals and associate professionals.
OvrtPtCl	The cost of payments for hours worked in excess of normal hours to part-time clerical, sales and service workers.
OvrtPtOt	The cost of payments for hours worked in excess of normal hours to part-time production, transport workers, craft and tradespersons, and other manual workers.
IrrBPtMg	The cost of bonuses and allowances that aren't paid regularly in each pay period to part-time managers, professionals and associate professionals.
IrrBPtCl	The cost of bonuses and allowances that aren't paid regularly in each pay period to part-time clerical, sales and service workers.
IrrBPtOt	The cost of bonuses and allowances that aren't paid regularly in each pay period to part-time production, transport workers, craft and tradespersons, and other manual workers.
AppWgMg	The combined total of the regular wages and salaries, overtime, and irregular bonuses

Subelement	Description
	and allowances paid to apprentice or trainee managers, professionals and associate professionals.
AppWgCl	The combined total of the regular wages and salaries, overtime, and irregular bonuses and allowances paid to apprentice or trainee clerical, sales and service workers.
AppWgOt	The combined total of the regular wages and salaries, overtime, and irregular bonuses and allowances paid to apprentice or trainee production, transport workers, craft and tradespersons, and other manual workers.
CHrsFtMg	The number of regular hours for which full-time managers, professionals and associate professionals were paid.
CHrsFtCl	The number of regular hours for which full-time clerical, sales and service workers were paid.
CHrsFtOt	The number of regular hours for which full-time production, transport workers, craft and tradespersons, and other manual workers were paid.
OTHrFtMg	The number of overtime hours for which full-time managers, professionals and associate professionals were paid.
OTHrFtCl	The number of overtime hours for which full-time clerical, sales and service workers were paid.
OTHrFtOt	The number of overtime hours for which full-time production, transport workers, craft and tradespersons, and other manual workers were paid.
CHrsPtMg	The number of regular hours for which part-time managers, professionals and associate professionals were paid.
CHrsPtCl	The number of regular hours for which part-time clerical, sales and service workers were paid.
CHrsPtOt	The number of regular hours for which part-time production, transport workers, craft and tradespersons, and other manual workers were paid.
OTHrPtMg	The number of overtime hours for which part-time managers, professionals and associate professionals were paid.
OTHrPtCl	The number of overtime hours for which part-time clerical, sales and service workers were paid.
OTHrPtOt	The number of overtime hours for which part-time production, transport workers, craft and

Subelement	Description
	tradespersons, and other manual workers were paid.
CHrsApMg	The number of regular hours for which apprentice or trainee managers, professionals and associate professionals were paid.
CHrsApCl	The number of regular hours for which apprentice or trainee clerical, sales and service workers were paid.
CHrsApOt	The number of regular hours for which apprentice or trainee production, transport workers, craft and tradespersons, and other manual workers were paid.
OTHrApMg	The number of overtime hours for which apprentice or trainee managers, professionals and associate professionals were paid.
OTHrApCl	The number of overtime hours for which apprentice or trainee clerical, sales and service workers were paid.
OTHrApOt	The number of overtime hours for which apprentice or trainee production, transport workers, craft and tradespersons, and other manual workers were paid.
PenMg	Employer contributions to the pension funds of managers, professionals and associate professionals.
PenCl	Employer contributions to the pension funds of clerical, sales and service workers.
PenOt	Employer contributions to the pension funds of production, transport workers, craft and tradespersons, and other manual workers.
PRSIMg	Employer's Pay Related Social Insurance (PRSI) contributions for full- and part-time managers, professionals and associate professionals.
PRSICI	Employer's PRSI contributions for full- and part-time clerical, sales and service workers.
PRSIOr	Employer's PRSI contributions for full- and part-time production, transport workers, craft and tradespersons, and other manual workers.
IncCtMg	Employer's income continuity insurance contributions for full- and part-time managers, professionals and associate professionals.
IncCtCl	Employer's income continuity insurance contributions for full- and part-time clerical, sales and service workers.
IncCtOt	Employer's income continuity insurance contributions for full- and part-time production,

Subelement	Description
	transport workers, craft and tradespersons, and other manual workers.
RedMg	Both statutory and non-statutory redundancy payments made to full- and part-time managers, professionals and associate professionals.
RedCl	Both statutory and non-statutory redundancy payments made to full- and part-time clerical, sales and service workers.
RedOt	Both statutory and non-statutory redundancy payments made to full- and part-time production, transport workers, craft and tradespersons, and other manual workers.
OtSocMg	Cost of other payments to full- and part-time managers, professionals and associate professionals. Example: Study grants.
OtSocCl	Cost of other payments to full- and part-time clerical, sales and service workers.
OtSocOt	Cost of other payments to full- and part-time production, transport workers, craft and tradespersons, and other manual workers.
SSecApMg	Total cost of social security contributions for apprentices or trainee managers, professionals and associate professionals.
SSecApCl	Total cost of social security contributions for apprentices or trainee clerical, sales and service workers.
SSecApOt	Total cost of social security contributions for apprentices or trainee production, transport workers, craft and tradespersons, and other manual workers.
CarMg	Cost to the employer of managers, professionals and associate professionals' private use of company vehicles.
CarCl	Cost to the employer of clerical, sales and service workers' private use of company vehicles.
CarOt	Cost to the employer of production, transport workers, craft and tradespersons, and other manual workers' private use of company vehicles.
StksMg	Cost to the employer of stock options and share purchase schemes for managers, professionals and associate professionals.
StksCl	Cost to the employer of stock options and share purchase schemes for clerical, sales and service workers.
StksOt	Cost to the employer of stock options and share purchase schemes for production, transport

Subelement	Description
	workers, craft and tradespersons, and other manual workers.
VHIMg	Cost to the employer of voluntary sickness insurance for managers, professionals and associate professionals.
VHICI	Cost to the employer of voluntary sickness insurance for clerical, sales and service workers.
VHIOt	Cost to the employer of voluntary sickness insurance for production, transport workers, craft and tradespersons, and other manual workers.
HseMg	Cost to the employer of staff housing for managers, professionals and associate professionals.
HseCl	Cost to the employer of staff housing for clerical, sales and service workers.
HseOt	Cost to the employer of staff housing for production, transport workers, craft and tradespersons, and other manual workers.
OtBenMg	Cost to the employer of other free and subsidised benefits for managers, professionals and associate professionals.
OtBenCl	Cost to the employer of other free and subsidised benefits for clerical, sales and service workers.
OtBenOt	Cost to the employer of other free and subsidised benefits for production, transport workers, craft and tradespersons, and other manual workers.
Rfund	All amounts received that refund or part-refund the cost of wages, salaries, or training for all employees.

- Workday doesn't return data on job vacancies (VacMg, VacCl, VacOt subelements) or company change of address (ChgAd).
- The XML file may contain these subelements, which are no longer required by the CSO and for which Workday doesn't return values:
  - ALFtMg, ALFtCl, ALFtOt, ALPtMg, ALPtCl, ALPtOt.
  - MatFtMg, MatFtCl, MatFtOt, MatPtMg, MatPtCl, MatPtOt.
  - SicFtMg, SicFtCl, SicFtOt, SicPtMg, SicPtCl, SicPtOt.
  - OtLFtMg, OtLFtCl, OtLFtOt , OtLPtMg, OtLPtCl, OtLPtOt.
  - LApMg, LApCl, LApOt.
  - LibIns subelement.
  - TrExp, OtExp, TrSub, OtSub.

# Glossary

## Full Glossary of Terms

A	B	C	D	E	F	G	H	I	J	K	L	M
N	O	P	Q	R	S	T	U	V	W	X	Y	Z

Was this helpful?

### A

Academic Date Range	The period of time associated with a student recruiting cycle.
Academic Level	<p>The level of an educational objective that a student can pursue at an institution, such as:</p> <ul style="list-style-type: none"> <li>Undergraduate, Graduate, or Professional at a university.</li> <li>Associates or Baccalaureate at a community college.</li> </ul>
Academic Unit	A Workday organization type that represents a school, college, university, or other unit of your institution. These units can recruit prospective students, admit students, offer programs of study or courses, or administer financial aid. Academic units are also used with academic appointments in Workday.
Academic Unit Hierarchy	A hierarchical grouping of academic units primarily used for roll-up reporting.
Accounting Cash	A group of cash ledger accounts that you can use to check cash balances against during settlement.
Accounting Cash Pool	One or more primary balancing worktag hierarchies that you can use to pool cash ledger balances for cash balance checks during settlement.
Active Candidate	A person with an application for a specific job requisition. Candidates must be linked to a job requisition for Workday to initiate a job application event.
All Ledgers Journal	An accounting journal that's not configured as a single ledger for the given company and is posted to both primary and alternate ledgers.
Applicant Pool	A subset of applications in an application grouping. Applicant pools enable you to control and adjust workload for application reviewers.
Application Grouping	A grouping of applications for the same admitting level of an academic unit and the same anticipated start date. Groupings can have 1 or more

Auto-fill	application pools, with an admissions counselor assigned to each pool.
Award	A time entry option that copies time blocks from a worker's schedule or from a previous week when entering time.
Award Costs Processing (ACP)	A contract agreement with your sponsor in the form of funding to perform an activity for a public purpose. It defines how to capture direct and facilities and administration costs, recognize revenue, and bill your sponsor.
Award Credits	Processing facilities and administration costs and revenue recognition related to spend transactions on awards.
Award Line	Percentage of award or award lines you allocate to specific worktags for reporting purposes.
Award Tasks	A line of authorized amount associated with a grant on an award. It includes information on the line's effective date, spend restrictions, basis limit, salary cap, and facilities and administration cost rates for expenditures charged to the grant.
Aggregation Security Group	Administrative tasks that you do or track for a sponsor to support the terms of your award contract. Example: Quarterly progress report, financial report.
Approve	A security group that grants access rights to members of an included set of security groups. Revokes access of members of any excluded security groups.
Assignable Roles	An action in a business process that designated participants select to progress the event to the next step.
<a href="#">Back to Top</a>	Positions you can assign to organization roles.
<b>B</b>	
Basis Limit	The maximum amount of direct costs you can use to calculate facilities and administration costs.
Base Pay Element	The compensation components that are included in the calculation of base pay for the purposes of determining the compa-ratio and target penetration.
Benefit Credit Bundle	Example: Include both base pay and bonuses in the base pay calculation for compa-ratio.
Benefit Defaulting Rule	A defined group of benefit credits that you can award together.
	A rule that identifies the benefit plans, coverage targets, and coverage amounts that employees

Benefit Event Rules	receive by default when they do not complete an enrollment event.
Benefit Event Type	These rules specify coverage increase limits, EOI requirements, waiting periods, and other rules and conditions of enrollment for benefits enrollment events.
Benefit Group	Identifies the events that trigger benefit enrollment, such as open enrollment, new hires, or the birth of a child. It also identifies the coverage types to make available to employees for when an event of this type occurs.
Business Object	A group of employees who qualify for benefits based on eligibility rules. Employees must be included in a benefit group to enroll in a benefit plan.
Business Process Definition	Objects used to store data in Workday (such as organizations or workers). A business object has <i>fields</i> and <i>instances</i> , which are analogous to rows and columns in a spreadsheet. Workday links related business objects: a worker is associated with a position, the position to a job profile, and so on.
Business Process Instance	The tasks that compose a business process, the order in which they must be done, and who can do them.
Business Process Security Policy	A business process that the initiator has started. The <i>Hire Employee for Organization X</i> business process definition becomes an instance when the initiator uses it to hire an employee.
	A business process security policy secures the steps and process-wide actions including view, rescind, cancel and correct. It specifies which security groups have access to each action.

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## C

Calculated Time	Result of applying time calculations to a worker's reported time. Automates application of company or regulatory rules.
Calendar-Based Time Entry	A time entry method that uses the time entry calendar as the focal point for entering, editing, and submitting time.
Cancel (business process)	Canceling a business process stops the workflow in progress and reverses changes made to data. You can't cancel a completed business process; you must rescind it. A securable action in a business process security policy.
Candidate	Candidates include both prospects and active candidates.

Candidate Pipeline	All active candidates.
Candidate Pool	Candidates grouped together based on specific criteria.
Cascading Leave	A sequence of related leave types that are linked together. When an employee meets the conditions defined for ending a leave, Workday generates a return from leave request and a separate request for the next leave.
Company	Companies are organizations within Workday that represent the internal business entities within your enterprise. In Workday Financial Management, companies are the primary organization for all business processes. A Company is considered the level at which one holds a balanced set of books and should reflect Legal Entities where possible.
Company Hierarchy	Defines a parent-child or reporting relationship between Companies in your organizations. The way that you structure your hierarchies influences many important Workday functions, especially role assignments, planning, and reporting.
Compensation Basis	A grouping of compensation components, such as salary, commission, and allowance plans, that define estimated earnings for an employee population.
Compensation Component	The umbrella term for compensation packages, grades, grade profiles, and plans that can be associated with compensation eligibility rules.
Compensation Defaulting Rule	A rule that establishes the criteria for how compensation components default to worker compensation during staffing transactions (such as hire or job change).
Compensation Element	Compensation elements link Compensation to 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.
Compensation Package	A grouping of compensation guidelines (grades, grade profiles, and their associated steps) and plans that you can assign to workers as a set. Packages provide a quick view of the eligible plans for a particular job or group of employees.
Compensation Rule	Guidelines for determining which workers are eligible for which components of compensation.
Compensation Step	A specific monetary amount within a grade or grade profile.
Compensation Target Rule	A rule used to segment your employee population for assignment of compensation plans.
Conditional Calculation	Time calculation that tags time blocks that meet certain conditions.

Conditions	Conditions are one or more logical matches that are resolved to True or False and used to decide if some action should be taken. You can add conditions to steps in a business process to determine if the step should run.
Connection Map	A tool on a customer profile that enables you to establish and manage the relationships between business entities and ship-to addresses.
Connector	A set of 1 or more integration templates that provide a framework for building integrations in a particular functional area. The integration can support a specific type of data, or can support a specific endpoint (example: Salesforce.com or Okta).
Consolidated Billing Schedule	A billing schedule type that allows you to combine all charges for multiple projects or services within a specific billing period into one invoice.
Contextual Custom Report	A custom report created from the related actions menu of a Workday object by selecting Reporting > Create Custom Report from Here. Simplifies choices of data and fields to those related to the context of the object.
Contract Rate Sheet	A document that outlines the contract billing hourly rates for roles such as the engineer, manager, or consultant, with the option to add billing rules for specific contract considerations.
Conversation Tag	A descriptor, such as Dietary Restrictions or Special Needs that you can assign to an engagement conversation to identify its topic. You can search for conversations by conversation tag.
Conversation Topic	A conversation tag or recruiting event name that you can associate with an engagement conversation to make conversations easier to find.
Correct (business process)	Correcting a business process changes a specification or data in the workflow while in progress. A securable action in a business process security policy.
Cost Reimbursable Spend	A billing item that Workday creates to help you bill your sponsor for award-related spending. The cost reimbursable spend amount includes both the original spend amount and any overhead costs Workday calculates based on your award costs configurations.
Coverage Target	Defines whether a specific health care plan or insurance plan applies only to the employee or also to the dependents, spouse, family, and so on.
Cross Plan Dependency	Limits the coverage options available to workers during an enrollment event based on their choice of other benefit plans and coverage amounts.

Custom Report	Example: You can limit coverage in a specific plan to a percentage of the total coverage in 1 or more other benefit plans.
Customer Payment Matching	Reports not delivered by Workday and built using the Workday Report Writer. Can be created new or by copying another standard or custom report.
Customer Refund Payments in Settlement Runs	A feature that uses historical payment applications to suggest customer invoices and adjustments that match customer payments with insufficient remittance advice.

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## D

Dashboard (landing pages)	A specialized landing page containing a set of pre-configured worklets for a functional area that you can copy or modify. You can add additional custom worklets to dashboards using the report writer.
Data Source	A data source defines a set of business object instances for reporting purposes. Allows reporting access to all business objects related to those in the data source.
Day Breaker	The time of day on which a worker's work day and work week begins. Defines the 24-hour period over which daily time calculations execute and the 168-hour period over which weekly time calculations execute. Unless otherwise specified, the default day breaker is 12am.
Deny (business process)	When you deny a business process, the business process is terminated and all Workday data is restored to its state before the business process started. To restart the business process, you need to submit the process again, and redo all previously completed steps.
Depreciation Profile	A configuration that determines how Workday depreciates assets by defining a depreciation method, convention, and useful life.
Designation	An attribute, such as Community Learning Partner, Honors, or STEM, that you can associate with educational institutions and external associations to make them easy to find and report on.
Discrete Composite Asset	A combination of related but distinct assets for which you can individually track cost, depreciation, and lifecycle events.
Disposition	Status of candidates that have been rejected for hire or declined a job during the job application event.

Domain	A collection of related securable items such as actions, reports, report data, report data sources, or custom report fields. Each domain is secured by a domain security policy.
Domain Security Policy	A collection of related securable elements of different types and user-specified security groups that have access to elements of each type.
Dynamic Period	A date that identifies the anticipated start date for a student of online education or other asynchronous learning.

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## E

Educational Taxonomy	A taxonomy scheme and set of codes you can assign to programs of study and their concentrations to meet state, local, or other classification requirements.
Effort Grant	The sponsor funded grant associated with the worker's certified effort.
Effort Recertification	The process you use to recertify an employee's effort in response to payroll accounting changes that occur after you last certified the effort.
Eligible Investigator	A type of role that you can use to assign individuals to awards, grants, and grant hierarchies, so that the role assignments remain intact even when the person's position or organization changes.
Engagement Action Item	Defines a requirement that must be met for an application for admission to be considered complete. Example: Submit transcripts.
Engagement Item	An engagement email or printed engagement item. You can include engagement items in engagement plans and use them to support student recruiting events.
Enrollment Event Rule	A rule that defines coverage start and end dates, waiting periods, coverage increase limits, Evidence of Insurability requirements, and other coverage rules and conditions. Rules ensure that the benefits process presents only the options that each employee is eligible for based on the event type.
Enterprise Interface Builder (EIB)	An integration tool that enables you to create simple, secure, and customizable integrations with Workday. Alternately, an EIB is a simple integration created by the integration tool. An EIB consists of an integration system, an integration data source, an integration transformation, and an integration transport protocol.
Estimate at Completion (EAC)	Includes all the hours logged and approved for the project, as well as the future hours the worker expects to complete.

**Estimate to Completion (ETC)**

Includes the future hours the worker expects to complete.

**Event**

A business process transaction that occurs within your organization, such as hiring or terminating an employee.

**External Association**

A nonprofit, community-based, or other noneducational organization that you can associate with student prospects or identify as a location for recruiting events.

**External Engagement Item**

Used to send and track third-party engagement items for recruiting events, communication plans, or ad hoc communications.

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**F****Fast Path**

A streamlined approach to moving applications for admission from submission to matriculation as quickly as possible.

**Field Overrides**

A tool that lets you customize integration systems that are based on a connector template. Field overrides are managed through an integration service. They use calculated fields or report fields to supply values to an integration system. Example: member IDs in benefit provider integrations.

**Financial Aid Period Record**

A record containing data such as academic unit, academic level, and program of study for a student that Workday uses to process financial aid for an academic period.

**Functional Area**

A collection of domain or business process security policies that are related to the same set of product features, for example, Benefits or Compensation.

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**G****Grade Profile**

A breakdown of a compensation grade by functional task, geographical region, or other categorization your business requires. A profile enables you to assign more granular compensation ranges to workers.

**Grant**

A worktag you use to charge award-related expenditures to an award line.

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**H****Headcount Plan**

Provides visibility into the number of workers necessary to achieve your business goals within a specified period of time.

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## I

Individual Target	An individual bonus or merit target for a worker during a compensation review process that overrides the target defined on the compensation plan.
Integration Attribute	An integration component that specifies the tenanted value of a data element in Workday. Example: Plan Sponsor Name is a type of attribute in benefit provider integrations.
Integration Data Source	Indicates the type of data that Workday receives from or exports to an external system and its location.
Integration Event	The record of an integration process. Every integration—current or past, involving the import or export of data, successful or not—gets recorded as an integration event. The integration event contains all the information about the integration process, including its status.
Integration Map	An integration component that specifies how values in Workday map to values in an external system. Example: Pay Rate Frequency is a type of map in third-party payroll integrations.
Integration Service	A group of related integration attributes, maps, and XSLT that provides a framework to transform Workday data into the format required by an external system.
Integration System	A tenanted definition of an integration between Workday and an external system based on a template that provides the methodology for communicating data.
Integration Template	A collection of integration services that enables communication between Workday and an external system. Workday provides integration templates in categories such as Benefits, Financials, HCM, Payroll, Payroll Interface, Procurement, Recruiting, Security, and Settlement. Many of the delivered templates contain default values for attributes, as well as prompt values for attributes and maps, to define the integration further.
Integration Transformation	Converts data into a format that Workday or a receiving external system can understand. Workday provides some delivered transformations, and you can also create custom transformations.
Integration Transport Protocol	Controls how Workday exports data to an external endpoint or service or imports the data from an external endpoint or service. Workday supports several types of transport protocols, including email,

[Intersection Security Group](#)

FTP and SFTP, HTTP/SSL, Workday attachments, and Workday Web Services.

[Initiation Step](#)

A security group whose members are other security groups. Members associated with all included security groups are granted access through an intersection security group.

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## J

[Job-Based Security Group](#)

A security group that includes one or more job-related attributes or objects including job profile, job family, job category, management level, or exempt/non-exempt status.

[Job Management Staffing Model](#)

A structure that defines 1 set of hiring restrictions for all jobs in a supervisory organization, with no specific limits on the number of jobs that can be filled.

[Job Profile](#)

The generic features and characteristics of a job or position, such as management level, pay rate type, compensation, skills, and other qualifications.

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## K

[Knowledge Article](#)

An article that is accessible to workers in your organization based on the assigned article audience. You can use these articles to document, share, and manage HR information specific to your organization.

[Knowledge Article Audience](#)

A group of employees that can view designated Knowledge articles. Their access to articles is determined by condition rules assigned to the audience.

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## L

[Landing Page](#)

Landing pages display a collection of worklets. Landing pages may have different display formats (grid or bubble) and support different functions. The Home landing page is intended for common worklets, such as self-service worklets.

[Leave Family](#)

A set of similar leave of absence types. Example: A company-specific family includes disability leave and bereavement leave, while a separate regulatory family includes jury duty and family medical leave.

[Leave of Absence Rule](#)

A rule that defines worker eligibility for leaves of absence.

**Line Tax Rate Application (LTRA)**

A collection of tax amounts that apply to a given transaction line or supplier invoice line split on a taxable document.

**Linked Customer Contracts**

Child customer contracts that you associate with a parent customer contract for revenue allocation purposes.

**Linked Leave**

A leave type that shares an entitlement with other leave types or time offs. Eligibility rules, validation rules, and supporting data reference the combined balance of the associated leave types and time offs. Also known as coordinated leaves and time off.

**Location Membership Security Group**

A security group whose members are any workers assigned to that location.

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**M**

**Match and Merge**

A process that helps eliminate duplicate student prospect information in Workday.

**Micro-edit**

The ability to edit existing time blocks or add time blocks directly to a day by clicking the time entry calendar.

**Multiplier-Based Coverage**

Insurance coverage based on multiples of salary, such as 1x, 2x, or 3x salary.

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**N**

**Nonbillable**

A nonbillable project is an internal project that you don't invoice customers for.

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**O**

**Object Class**

The spend categories that award sponsors agree to reimburse award recipients for maintaining their projects.

**On-Account Document**

A document that's generated when you place a payment amount on an existing customer account. You can apply on-account documents to future payments.

**Organization Security Group**

A security group whose members are any workers assigned to that organization.

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**P**

**Parent Customer Contract**

A customer contract that you associate with a child customer contract so you can add contract lines across contracts to the same schedule. When

Passive Event	you view the parent customer contract, Workday displays the child customer contracts as linked contracts.
Payment Group	Events that result from the passage of time rather than from a specific change to employee data.
Payment Tax Rate Application (PTR)	The payments that result from a settlement run.
Position Management Staffing Model	A collection of tax amounts that apply to a given payment on a taxable document.
Position Restrictions	A structure that defines different staffing rules and restrictions for each position in an organization.
Pre-Hire	The attributes and conditions that apply to an unfilled position in a supervisory organization that uses the position management staffing model. Example: Job profile, location, qualifications, and worker type.
Procurement Contract	In Staffing, an individual you're tracking before employment. In Recruiting, a candidate who is in the <i>Offer</i> , <i>Employment Agreement</i> , <i>Background Check</i> , or <i>Ready for Hire</i> stage.
Procurement Contract Type	Contracts enable your organization to define preferred suppliers, analyze spend for better control, and standardization. They also allow your organization to implement contractual spend to better negotiate and enforce discounts and other supplier terms.
Pro Forma Effort Certification	A procurement contract in Workday is always associated with a Contract Type that dictates how the contract can be used across the procure-to-pay chain. Example: when a Contract Type has the Scheduled Purchase Orders option set, Workday can use the contract to automatically create purchase orders based on a predefined schedule.
Project Advanced Labor Costing	A report you can run before you run effort certification to review estimated effort based on salaries and wages that payroll accounting attributes to grants. It allows you to take corrective action, such as payroll accounting adjustments, prior to certifying employee effort, to ensure a more seamless certification process.
Project Asset	Prorating project labor costs using standard or fully burdened costing.
Project Billing Rate Sheet	A container that captures separate, ongoing costs of a capital project in progress. You can associate multiple projects assets with a project to track costs over the life of a project.
	A document that outlines the hourly or daily rates charged per project role, with the option to be more specific based on defined categories such as Region, Skill Level, and Project Size.

Project Plan Phase	A phase in the project plan that represents a stage in the project work. Example: Plan and Strategize. A project plan organizes projects into sequenced phases and tasks. A project phase is generally project agnostic, but when you add that phase into a project plan, it becomes a project plan phase.
Project Plan Task	The work details in a project plan phase. Example: Define Project Objectives.
Project Transaction Source	The source of project billing transactions. Example: Supplier Invoice, Expense, or Time.
Prospect	Someone you are interested in tracking who isn't associated with a specific job. You can use tags, prospect types, and prospect statuses to help track these individuals.

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## Q

Quick Add	A time entry option that enables you to create a time block and copy it to multiple days in a week.
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## R

Recipient Threshold	The maximum number of prospects to whom you can send an engagement item at the same time without requiring approval.
Recruiting Cycle	A recruiting period for 1 or more academic levels of an academic unit. You associate recruiting cycles with campaigns to measure the effectiveness of each campaign per recruiting cycle.
Reference ID	A unique identifier used to look up data for integration purposes.
Reference Pay Range	A range of pay established for a compensation grade or grade profile.
Related Customer Contract	A customer contract that you associate with another customer contract for reporting purposes. When you create a customer contract, you can associate 1 related customer contract with it. The related customer contract must share the same company and sold-to customer.
Reported Time	A worker's time that has been entered, but has not had any time calculations applied.
Revenue Category	An attribute in customer contracts and billing used to search for and report on goods and services you sell. Also a dimension in account posting rule types for customer contracts, billing, and accounts receivable that drives accounting behavior.

Risk Insight	Provides the reason why Workday identifies an expense report with a High or Medium risk level. Reasons may include 1 or more of these: Amount Anomaly, Duplicate Expense, and Incorrect Expense Item.
Risk Level	The value (Low, Medium, and High) that Workday provides from risk evaluation. Workday provides default risk levels, which can also be configured based on Risk Score.
Risk Score	The numerical value (0 to 100) that Workday provides from risk evaluation. The score helps identify anomalous expense reports.

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## S

Salary Over the Cap Basis	A worktag type representing the effort grant on over-the-cap salaries when you have salary over the cap enabled on your tenant. For the portion of salary that's over the cap, the Salary Over the Cap Basis worktag identifies the effort grant, while the Grant worktag, if applied, identifies the grant on the salary over the cap suballocation.
Salary Over the Cap Suballocation	Worktags and their distribution percentages that you want to allocate on the portion of salary that's over the salary cap.
Single Ledger Journal	An accounting journal that's a single primary or alternate ledger currency for the given company.
Source	The duplicate record that you want to merge in the Duplicate Management Framework.
Spend Category	A logical grouping to search and report on acquired items and services. Also a dimension in account posting rules for procurement and spend that drives accounting behavior.
Staffing Model	A structure that defines how jobs and positions are created and filled in a supervisory organization. Workday supports 2 kinds of staffing models: <ul style="list-style-type: none"> <li>• Job management.</li> <li>• Position Management.</li> </ul>
Staffing Organization	An organization category that includes supervisory organizations, matrix organizations, or retiree organizations.
Stage	A value, such as Lead, Inquirer, or Applicant, that identifies where a student prospect is in the recruitment or admissions process.
Student Financials Period Record	A record containing data such as academic unit, academic level, and program of study for a student that Workday uses to process student financials transactions for an academic period.

Student Prospect Profile	A worklet that displays information for a prospective student, including contact information and recruitment details.
Student Prospect Type	A value, such as First Year or Adult Returning, that you can assign to prospective students and use to match student prospects to admissions counselors automatically.
Student Recruiting Region	Workday term for recruiting territory. A recruiting region can represent a geographical area, 1 or more schools, or schools in selected school districts.
Student Tags	An attribute, such as Veteran, Athlete, or Scholarship Recipient, that you can assign to student prospects. You can use tags to match student prospects to recruiters automatically, find prospects, and use as criteria for associating engagement plans with prospects.
Supplier Contract	Contracts enable your organization to define preferred suppliers, analyze spend for better control, and standardization. They also allow your organization to implement contractual spend to better negotiate and enforce discounts and other supplier terms.
Supplier Contract Type	A supplier contract in Workday is always associated with a Contract Type that dictates how the contract can be used across the procure-to-pay chain. Example: when a Contract Type has the Scheduled Purchase Orders option set, Workday can use the contract to automatically create purchase orders based on a predefined schedule.
System User	An account associated with and required to launch a Connector or Studio integration. Workday delivered integrations and custom integrations require a system user account for authentication and web service calls. A system user account is not associated with a person in Workday.
Staffing Organization	An organization category that includes supervisory organizations, matrix organizations, or retiree organizations.

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## T

Target	The record into which you want to merge the source in the Duplicate Management Framework.
Tax Code	A combination of tax rates that you select on transaction lines.
Tax Rate Application (TRA)	A collection of tax amounts across all lines on a taxable document with the same tax applicability,

Tax Recovery Pro Rata Factor Percentage	tax code, tax option, tax point date, tax rate, and tax recoverability.
Termination Adjustment	A company-specific percentage that modifies the tax recoverabilities that you configure for the tenant.
Time Block	A time off adjustment that automatically sets the remaining balance of a worker's time off plan to zero upon the worker's termination.
Time Calculation	A time block carries information about a portion of time, such as the number of hours worked or in/out times. Time blocks can be reported or calculated, but only calculated time blocks are pulled into Workday Payroll.
Time Calculation Tag	A set of rules to apply time calculation tags to calculated time blocks for Payroll or other purposes. Example: You could create a time calculation to convert regular hours into overtime hours automatically if a worker works more than 40 hours in a week.
Time Clock Event	Workday applies calculation tags to time blocks during time calculations. The tags map to payroll earnings to drive how time blocks are paid and can be included in time off and accrual calculations. You can also use them to display time and time off totals on the time entry calendar.
Time Code Group	A time clock event describes a worker's actions, such as a check-in or check-out, on the web time clock or an external time clock. Workday matches time clock events to form time blocks, which workers can edit and submit.
Time Entry Calendar	The primary use of a time code group is to determine which time entry codes a worker is eligible for. Time code groups are assigned to a worker or to a position through eligibility rules.
Time Entry Code	A set of self-service pages that workers use to enter, edit, and submit time, when using calendar-based time entry. When using high volume time entry, workers can view and submit time from the time entry calendar.
Time Entry Template	A time entry code describes the type of time a worker enters, such as worked time or meal allowance. To use time entry codes, you must attach them to time code groups, except for the default time entry code assigned to a time entry template.
Time Entry Validation	A template defines how a worker's time entry calendar is configured. Workers are matched to time entry templates through eligibility rules.
	Errors or warnings that prevent users from entering invalid time. Critical validations prevent a user from submitting time. Warnings display when entering

Time Off	time but don't prevent the worker from submitting time.
Time Off Plan	The rules that apply to a specific type of time off, including eligibility rules, whether adjustments are allowed, and limits that differ from the time off plan.
Time Period Schedule	The rules for entering and tracking 1 or more related time offs. Identifies the unit of time, eligibility requirements, whether to track balances, and if time offs are position-based or worker-based.
Time Proration Rule	A time period schedule defines which dates are available for entry at a given time and defines which dates are paid in which pay periods. They can line up with pay periods, or, in more complex scenarios, they can be paid on a lag.
Time Shift	A rule that prorates employees' target compensation in a bonus or merit increase compensation event according to time-based criteria, such as leave of absence or time since hire.

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## U

Unbillable	An unbillable transaction is a billing transaction that has an issue preventing it from being billed. You can't take action on the transaction until you resolve the issue.
Unnamed Resources	Placeholders for project resources that you can use to assign tasks and perform resource forecasting without specific resource assignments.

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## V

Value-Based Project	A customer contract line type that you use when your project billing installment values are not known at the time of contract creation.
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## W

Wave Picking	Enables you to group picking lists together in groups to better organize and prioritize your inventory picking process
Week Breaker	The day of the week on which a worker's work week begins. Defines the 7-day period over which weekly time calculations execute. Unless otherwise

Work Schedule Calendar	specified, the default week breaker is Sunday at 12am.
Workday Studio	A calendar that defines the days and hours that a worker is scheduled to work. In Time Tracking, work schedule calendars affect time entry options, calendar displays, and time calculations.
Workday Web Services	An Eclipse-based development environment that enables you to build more complex integrations with Workday.
Worker	Workday's public API. Based on open standards, Workday Web Services (WWS) provide the core method for integration with Workday.
Worklets	An employee or a contingent worker.
	Mini applications represented by clickable icons in Workday, providing quick and easy access to tasks and data that you access regularly. Example: the Inventory or Time Off worklets, or a worklet based on a report.

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## X

No Entries

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## Y

No Entries

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## Z

Zone Picking

A method of picking for orders from different zones at an inventory site. In Workday, you can split a stock request into multiple zone picking lists for more efficient picking and shipping. You can then ship the zone picking lists separately or merge them before shipment.

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