
PeopleSoft HCM 9.2: Human Resources Administer Salary Packaging

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PeopleSoft HCM 9.2: Human Resources Administer Salary Packaging
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Preface

Understanding the PeopleSoft Online Help and PeopleBooks

The PeopleSoft Online Help is a website that enables you to view all help content for PeopleSoft Applications and PeopleTools. The help provides standard navigation and full-text searching, as well as context-sensitive online help for PeopleSoft users.

PeopleSoft Hosted Documentation

You access the PeopleSoft Online Help on Oracle's PeopleSoft Hosted Documentation website, which enables you to access the full help website and context-sensitive help directly from an Oracle hosted server. The hosted documentation is updated on a regular schedule, ensuring that you have access to the most current documentation. This reduces the need to view separate documentation posts for application maintenance on My Oracle Support, because that documentation is now incorporated into the hosted website content. The Hosted Documentation website is available in English only.

Locally Installed Help

If your organization has firewall restrictions that prevent you from using the Hosted Documentation website, you can install the PeopleSoft Online Help locally. If you install the help locally, you have more control over which documents users can access and you can include links to your organization's custom documentation on help pages.

In addition, if you locally install the PeopleSoft Online Help, you can use any search engine for full-text searching. Your installation documentation includes instructions about how to set up Oracle Secure Enterprise Search for full-text searching.

See *PeopleTools 8.53 Installation* for your database platform, "Installing PeopleSoft Online Help." If you do not use Secure Enterprise Search, see the documentation for your chosen search engine.

Note: Before users can access the search engine on a locally installed help website, you must enable the Search portlet and link. Click the Help link on any page in the PeopleSoft Online Help for instructions.

Downloadable PeopleBook PDF Files

You can access downloadable PDF versions of the help content in the traditional PeopleBook format. The content in the PeopleBook PDFs is the same as the content in the PeopleSoft Online Help, but it has a different structure and it does not include the interactive navigation features that are available in the online help.

Common Help Documentation

Common help documentation contains information that applies to multiple applications. The two main types of common help are:

- Application Fundamentals

- Using PeopleSoft Applications

Most product lines provide a set of application fundamentals help topics that discuss essential information about the setup and design of your system. This information applies to many or all applications in the PeopleSoft product line. Whether you are implementing a single application, some combination of applications within the product line, or the entire product line, you should be familiar with the contents of the appropriate application fundamentals help. They provide the starting points for fundamental implementation tasks.

In addition, the *PeopleTools: PeopleSoft Applications User's Guide* introduces you to the various elements of the PeopleSoft Pure Internet Architecture. It also explains how to use the navigational hierarchy, components, and pages to perform basic functions as you navigate through the system. While your application or implementation may differ, the topics in this user's guide provide general information about using PeopleSoft Applications.

Field and Control Definitions

PeopleSoft documentation includes definitions for most fields and controls that appear on application pages. These definitions describe how to use a field or control, where populated values come from, the effects of selecting certain values, and so on. If a field or control is not defined, then it either requires no additional explanation or is documented in a common elements section earlier in the documentation. For example, the Date field rarely requires additional explanation and may not be defined in the documentation for some pages.

Typographical Conventions

The following table describes the typographical conventions that are used in the online help.

<i>Typographical Convention</i>	<i>Description</i>
Bold	Highlights PeopleCode function names, business function names, event names, system function names, method names, language constructs, and PeopleCode reserved words that must be included literally in the function call.
<i>Italics</i>	Highlights field values, emphasis, and PeopleSoft or other book-length publication titles. In PeopleCode syntax, italic items are placeholders for arguments that your program must supply. Italics also highlight references to words or letters, as in the following example: Enter the letter <i>O</i> .
Key+Key	Indicates a key combination action. For example, a plus sign (+) between keys means that you must hold down the first key while you press the second key. For Alt+W, hold down the Alt key while you press the W key.
Monospace font	Highlights a PeopleCode program or other code example.
... (ellipses)	Indicate that the preceding item or series can be repeated any number of times in PeopleCode syntax.

<i>Typographical Convention</i>	<i>Description</i>
{ } (curly braces)	Indicate a choice between two options in PeopleCode syntax. Options are separated by a pipe ().
[] (square brackets)	Indicate optional items in PeopleCode syntax.
& (ampersand)	When placed before a parameter in PeopleCode syntax, an ampersand indicates that the parameter is an already instantiated object. Ampersands also precede all PeopleCode variables.
⇒	This continuation character has been inserted at the end of a line of code that has been wrapped at the page margin. The code should be viewed or entered as a single, continuous line of code without the continuation character.

ISO Country and Currency Codes

PeopleSoft Online Help topics use International Organization for Standardization (ISO) country and currency codes to identify country-specific information and monetary amounts.

ISO country codes may appear as country identifiers, and ISO currency codes may appear as currency identifiers in your PeopleSoft documentation. Reference to an ISO country code in your documentation does not imply that your application includes every ISO country code. The following example is a country-specific heading: "(FRA) Hiring an Employee."

The PeopleSoft Currency Code table (CURRENCY_CD_TBL) contains sample currency code data. The Currency Code table is based on ISO Standard 4217, "Codes for the representation of currencies," and also relies on ISO country codes in the Country table (COUNTRY_TBL). The navigation to the pages where you maintain currency code and country information depends on which PeopleSoft applications you are using. To access the pages for maintaining the Currency Code and Country tables, consult the online help for your applications for more information.

Region and Industry Identifiers

Information that applies only to a specific region or industry is preceded by a standard identifier in parentheses. This identifier typically appears at the beginning of a section heading, but it may also appear at the beginning of a note or other text.

Example of a region-specific heading: "(Latin America) Setting Up Depreciation"

Region Identifiers

Regions are identified by the region name. The following region identifiers may appear in the PeopleSoft Online Help:

- Asia Pacific
- Europe
- Latin America

- North America

Industry Identifiers

Industries are identified by the industry name or by an abbreviation for that industry. The following industry identifiers may appear in the PeopleSoft Online Help:

- USF (U.S. Federal)
- E&G (Education and Government)

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Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc>.

Using and Managing the PeopleSoft Online Help

Click the Help link in the universal navigation header of any page in the PeopleSoft Online Help to see information on the following topics:

- What's new in the PeopleSoft Online Help.
- PeopleSoft Online Help accessibility.
- Accessing, navigating, and searching the PeopleSoft Online Help.
- Managing a locally installed PeopleSoft Online Help website.

PeopleSoft HCM Related Links

[PeopleSoft Information Portal on Oracle.com](#)

[My Oracle Support](#)

[PeopleSoft Training from Oracle University](#)

[PeopleSoft Video Feature Overviews on YouTube](#)

[HCM Abbreviations](#)

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Send us your suggestions Please include release numbers for the PeopleTools and applications that you are using.

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Getting Started with Administer Salary Packaging

Administer Salary Packaging Overview

The Administer Salary Packaging business process relies on information you define in PeopleSoft Global Payroll and Human Resources to ensure accurate payroll processing and to facilitate package expenditure monitoring. When setting up salary packaging, you can identify the different forms of remuneration and define the components you use in your salary packages. You can also set up the calendars you use to process your salary-packaged employees. Administer Salary Packaging tables enable you to set up components, additional components, package rules, and package templates. You define the components that employees can include in their remuneration packages, as well as the tax liabilities on those components.

You can also define the rules associated with components and then group components into templates. Salary package modelling then enables you to explore different package scenarios by combining any number or type of components to find satisfactory solutions and alternatives for employee salary packages. After you confirm the employee's selected package and run the package enrolment process, the system enrolls the rate codes onto the Compensation page of the employee's job record. This step establishes the employee's entitlements for processing through payroll.

Administer Salary Packaging Business Processes

Administer Salary Packaging supports the following business processes:

- Modelling Salary Packages for Employees.

Salary package modelling enables you to explore different package scenarios to find satisfactory solutions and alternatives for employee salary packages. You can save and report on any number of package variations during the modelling process.

- Modelling Salary Packages for Applicants.

If you have been tracking and administering job applicants using PeopleSoft Recruiting Solutions, you don't have to re-enter all of the information you have already entered in the system when you hire an applicant. After the applicant is hired and you have created the applicants, the system can copy the applicant's information into the applicant's employee record.

- Reviewing Salary Packages.

Salary packages are generally effective for a year and subsequently subject to annual review. Regardless of the period of the package, it is necessary to review the package near the end of its effective period and establish a new package. Reviewing a package involves:

- Reconciling the expenditure against the package.
 - Remodelling where necessary.
 - Confirming and enrolling the new package for payment.
-
- Enrolling in Salary Packages.

The package enrolment process creates compensation rates on the Job Data - Compensation page for all employees with a confirmed package. This process saves you the administrative overhead of updating each of the employee's records after a package has been confirmed. You can run the package enrolment process for individual employees or for a pay group. Regardless of the selection criteria, enrolments are only completed for confirmed packages with a status of *proposed*. When enrolling employees, the system identifies the relevant payroll information from the component definitions. Each component and additional component has a compensation rate code attached. The system uses this information to enrol employees.

Related Links

[Modelling Salary Packages for Employees](#)

[Modelling Salary Packages for Applicants](#)

[Reviewing Salary Packages](#)

[Enrolling in Salary Packages](#)

Administer Salary Packaging Integration

Administer Salary Packaging integrates with all the PeopleSoft HCM applications, with other PeopleSoft applications, and with third-party applications. While salary packaging is closely tied to payroll, it is regarded as a human resource function and has many integration points between PeopleSoft Global Payroll for Australia and Human Resources.

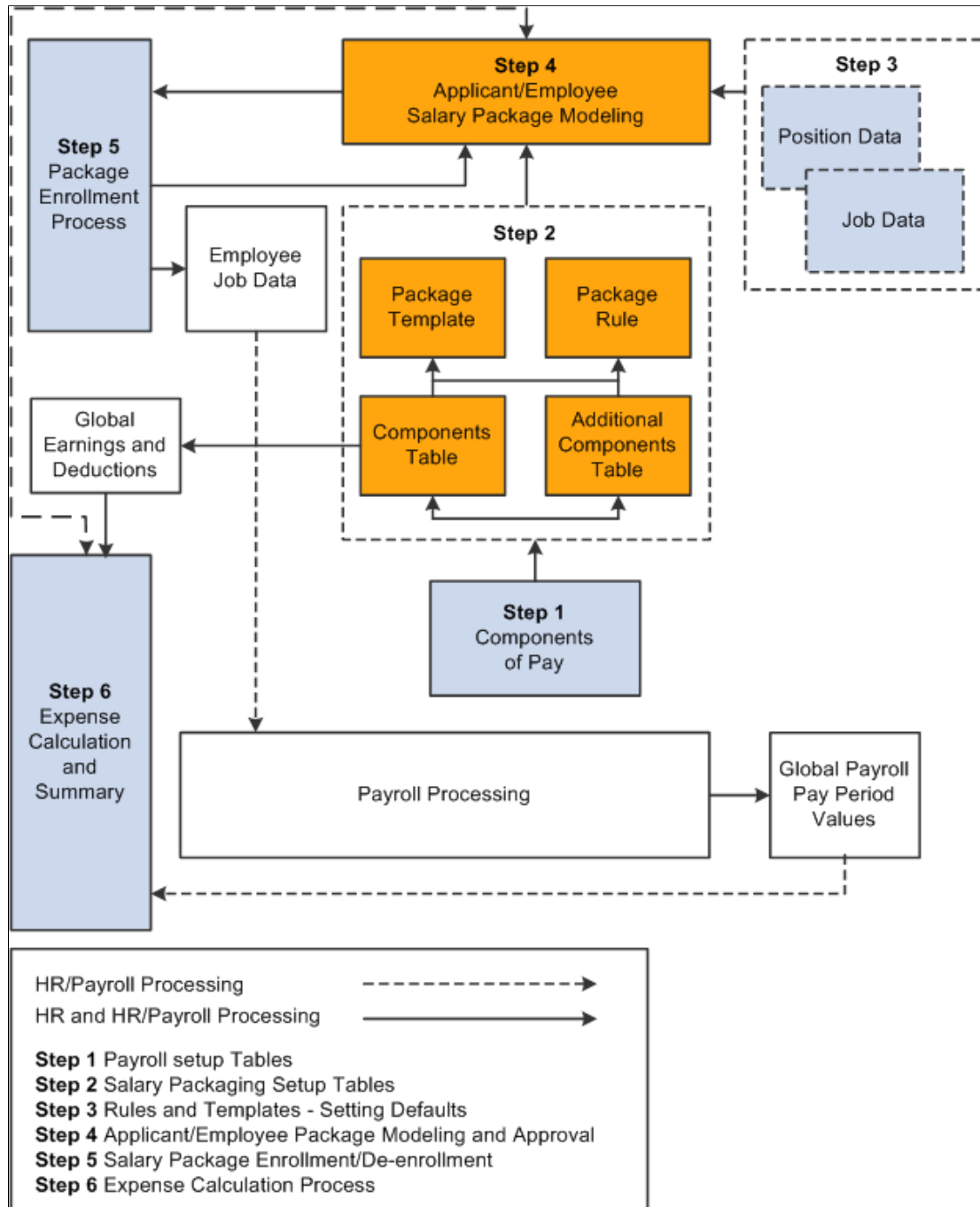
Salary packaging requires base table data definition in two parts:

- General Human Resources and Global Payroll information.

- Salary packaging components and additional components.

Image: Salary Packaging, Human Resources, and Payroll Integration

The following diagram provides you with an overview of the different processes and tables required by Human Resources and Global Payroll as part of the Salary Packaging application:



The salary packaging integration between Human Resources and Global Payroll serves two valuable purposes:

- To facilitate the maintenance of payroll data through the package enrolment process.
- To track expenditure against components in the package expense summary processes.

Human Resources shared tables are available to many HRMS applications. In addition, data in many HR tables is available to any PeopleSoft application that is set up to subscribe to the published messages.

Related Links

PeopleSoft HCM 9.2: Global Payroll for Australia

PeopleSoft HCM 9.2: Global Payroll

Administer Salary Packaging Implementation

PeopleSoft Setup Manager enables you to generate a list of setup tasks for your organization based on the features that you are implementing. The setup tasks include the components that you must set up, listed in the order in which you must enter data into the component tables, and links to the corresponding PeopleBook documentation.

Other Sources of Information

In the planning phase of your implementation, take advantage of all PeopleSoft sources of information, including the installation guides, data models, business process maps, and troubleshooting guidelines.

Chapter 2

Understanding Administer Salary Packaging

Designing Your Salary Packaging Program

The Administer Salary Packaging business process in Human Resources offers salary packaging functionality for Australia.

The core of Administer Salary Packaging includes six main phases of operation:

- Set up your Global Payroll and Human Resources tables.
- Set up your salary packaging tables.
- Set up your default rules and templates.
- Model and approve your applicant/employee packages.
- Enrol/de-enrol employees into salary packages.
- Run the expense calculation process (Global Payroll).

Setting Up Support Tables and Salary Packages

When implementing Administer Salary Packaging, you set up the following tables. These tables are the building blocks for your salary packages.

Table	Definition
Pay Calendar Table (GP) or Pay Calendar Table (HR)	Create and schedule payroll cycles for your salary packaged employees in specific pay groups.
Earning Elements (GP)	Define different earning elements you use to pay your salary packaged employees through Global Payroll. Used for expense tracking.
Deduction Elements (GP)	Set up the way the system processes deductions, including the priority of the deduction and how the deduction affects taxes. Used for expense tracking.

Table	Definition
Comp Rate Code Table - Comp Rate Code Table (HR) (compensation rate code table)	Select the <i>Maintained via Package Only</i> check box in the Australian Salary Packaging group box to define and review your compensation rate codes. Rate codes are attached to salary package components and are enrolled on the employee's Job Data - Compensation page. If the rate code is managed by salary packaging, the rate matrix functionality cannot be used.
Ern/Ded Included (GP) (included earnings/deductions)	Select the nonpackaged earnings and deductions elements that appear on the Package Summary component after you run the expense calculation process.
Business Expenses (GP)	Enter actuals for salary packaging components defined as an expense payroll type. You must have a unique expense code for each package component to facilitate reconciliation of package expenditure.
Position Data - Description page and Job Code Table - Job Code Profile	Attach the default package rule and template that you use when modelling your packages to a job code or a position. The defaults on the position override the defaults on the job code.
Company Table — Default Settings	To specify a default compensation rate code for TPV and TEC for a specific company to use when modelling applicant/employee packages, use the Company Table - Default Settings page.
Pay Groups AUS	When you are defining calendars for salary packaged employees, the pay frequency comes from the value you enter in the Pay Frequency field in the Salary Packaging group box. This group box enables you set up default pay frequencies for the pay groups you use as part of Salary Packaging. The frequency you select is also retrieved by the Package Calendar Table page, which enables the budgeting capabilities in the actual salary package because the system needs to know over what type of frequency to divide the component totals.
FBT/GST Rate Table	View the FBT and GST rates for Australia. The GST percentage and rate for the calculation of Fringe Benefits Tax (FBT) appear.
FBT Stat Interest	View FBT statutory interest rates. The statutory percentage rate used in the calculation of interest payments for depreciation of motor vehicles and low interest loans appear.
FBT Vehicle Rates	Review FBT motor vehicle statutory percentage information. The kilometer thresholds and the corresponding statutory percentages used in determining the taxable value of a motor vehicle appear.
PAYG State Payroll Tax	Specify the payroll tax percent rate for all states where employees in a specific company are located. This page provides maintenance functions for the State Payroll Tax tables. These percentages are used in the notional calculation of tax during package modelling.

Table	Definition
Tax Scales	Maintain tax scales used in package calculations. Set up and view the thresholds and the percentage of tax for each threshold. Use if you have Human Resources only installed.
Additional Components	Define the liabilities associated with each of your salary packaging components. Determine the level of package remuneration in which to include these liabilities—Total Package Value (TPV) or Total Employment Cost (TEC).
Package Components — Base Component	Set up basic information about the salary package component.
Package Components — Additional Component	Associate additional components with a salary package component.
Package Components — Calculated Component	Define contributing components. To assist in the accurate calculation of components dependent on the value of other components, define the calculation starting point and the other components that affect the value on the Expense Data page.
Expense Data	If you are planning on tracking expenditure (the package expense calculation) and you have Global Payroll installed, specify package component expenses information for each component. Enter the details and identify the payroll types and related data to track expenditures against package components.
Package Template	Define salary package templates. Define a standard collection of package components that are automatically defaulted into package model records for employees or applicants.
Package Rule	Create salary package rules. PeopleSoft applies package rules to validate the package models when you save them.
Pay Groups AUS	<p>When you are defining calendars for salary packaged employees, the pay frequency comes from the value you enter in the Pay Frequency field in the Salary Packaging group box.</p> <p>This group box enables you set up default pay frequencies for the pay groups you use as part of Salary Packaging. The frequency you select is also retrieved by the Package Calendar Table page, which enables the budgeting capabilities in the actual salary package because the system needs to know over what type of frequency to divide the component totals.</p>

Setting Up Salary Packaging

Setting Up Salary Packaging Human Resources and Global Payroll Tables

To set up salary packaging payroll components, use the Pay Calendar-GP (PKG_CALENDAR_GP), Pay Calendar-HR (PKG_CALENDAR_TBL), the Comp Rate Code Table (COMP_RATECD_TBL), and the Included Earnings/Deductions (PKG_ERN_DED_INCL) components.

This section provides an overview of salary packaging setup and discusses how to:

- Define calendars for salary packaged employees.
- Set up Administer Salary Packaging compensation rate codes.
- Define non-salary packaged earnings and deductions elements.
- Define pay frequencies for salary packaging.

Understanding Global Payroll and Human Resources Data Used in Salary Packaging

Administer Salary Packaging relies on information defined in Global Payroll and Human Resources to ensure accurate payroll processing and to facilitate expenditure monitoring. When setting up your Administer Salary Packaging business process, identify the different forms of remuneration and define the Global Payroll and Human Resources components that you'll use in your salary packages.

Understanding Salary Packaged Earnings and Deductions

Set up the earnings and deductions elements that represent the different forms of remuneration in your organization. Although you establish these tables as part of your Global Payroll system, review them for use with Salary Packaging. Attach earnings and deductions elements to your package components using the Package Components - Expense Data page. These elements are used in the expense calculation process.

Note: Assign a unique earnings or deductions element for all package components, which enables you to track expenditure for each individual component. If you don't define and link different elements for each earning or deduction component, the system aggregates your salary packaging expenditures when it calculates them. As a result, you can't identify expenditures against individual components.

Related Links

"Understanding Earning and Deduction Elements (*PeopleSoft HCM 9.2: Global Payroll*)"
[Included Earnings/Deductions Page](#)

Package Components - Expense Data Page

"Understanding Monitoring Salary Package Expenditure (*PeopleSoft HCM 9.2: Global Payroll for Australia*)"

Understanding Salary Packaging Business Expense Codes

When defining your salary package components, you can link them to business expenses to help you track expenditures against the appropriate components. You must have a unique code for each package component (identified as an expense payroll type) to facilitate reconciliation of package expenditure.

Note: Monitoring expenditure for Administer Salary Packaging is possible only if you are using Global Payroll.

Related Links

Administer Salary Packaging Integration

"Understanding Monitoring Salary Package Expenditure (*PeopleSoft HCM 9.2: Global Payroll for Australia*)"

"Business Expenses Page (*PeopleSoft HCM 9.2: Human Resources Administer Workforce*)"

Pages Used to Set Up Salary Packaging Human Resources and Global Payroll Tables

Page Name	Definition Name	Navigation	Usage
Pay Calendar GP	PKG_CALENDAR_TABLE	Compensation, Salary Packaging AUS, Define Salary Packaging, Pay Calendar GP, Pay Calendar GP	Create pay calendars for your salary packaged employees in specific pay groups. Used for package modelling so that it can determine the budget values on the employee's package. Use only if you have <i>both</i> Global Payroll and Human Resources installed.
Pay Calendar-HR - Pay Calendar Table	PKG_CALENDAR	Compensation, Salary Packaging AUS, Define Salary Packaging, Pay Calendar-HR, Pay Calendar Table	Create and schedule pay calendars for your salary packaged employees in specific pay groups. Used for package modelling so that it can determine the budget values on the employee's package. Use if you have Human Resources installed.
Comp Rate Code Table (compensation rate code table)	COMP_RATECD_TBL	Set Up HCM, Foundation Tables, Compensation Rules, Comp Rate Code Table, Comp Rate Code Table	Define compensation rate codes.

Page Name	Definition Name	Navigation	Usage
Included Earnings/Deductions	PKG_ERN_DED_INCL	Compensation, Salary Packaging AUS, Define Salary Packaging, Included Earnings/Deductions, Included Earnings/Deductions	Specify the non-packaged earnings and deductions elements that appear on the Package Summary component after you run the expense calculation process.
Pay Groups AUS	GPAU_PYGRP_EXT	Set Up HCM, Product Related, Global Payroll & Absence Mgmt, Framework, Organizational, Pay Groups AUS, Pay Groups AUS, AUS, Pay Groups AUS	Define additional information specific to Australian pay groups, such as the pay frequency for salary packaging. The frequency you select enables the budgeting capabilities in the actual salary package, selecting the frequency lets the system know the type of frequency to divide the component totals
Earnings and Deduction	GPAU_PSLP1	Set Up HCM, Product Related, Global Payroll & Absence Mgmt, Payslips, Templates AUS, Earnings and Deduction	Create sections of earnings and deductions, select description options, and set the element components that the payslip displays. This information interrelates to salary packaging setup as well.

Related Links

Administer Salary Packaging Integration

"Viewing Worker Ranking (*PeopleSoft HCM 9.2: Human Resources Manage Base Compensation and Budgeting*)"

"Understanding Earning and Deduction Elements (*PeopleSoft HCM 9.2: Global Payroll*)"
PeopleSoft HCM 9.2: Global Payroll

Pay Calendar GP Page

Use the Pay Calendar GP page (PKG_CALENDAR_TABLE) to create pay calendars for your salary packaged employees in specific pay groups. This information is used for package modelling so that the system can determine the budget values on the employee's package.

Note: Use only if you have *both* Global Payroll and Human Resources installed.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Pay Calendar GP, Pay Calendar GP

Image: Pay Calendar GP page

This example illustrates the Pay Calendar GP page.

Calendar Generation Parameters

Pay Frequency

Value comes from the Pay Frequency field on the Pay Groups AUS page in Global Payroll—Set Up HCM, Product Related, Global Payroll & Absence Mgmt, Framework, Organizational, Pay Groups AUS. This group box enables you to set up default pay frequencies for the pay groups you use as part of Salary Packaging. The Package Calendar Table page also retrieves the frequency you selected.

Generate Calendar

Click this button to build a pay calendar.

Note: The calendars that you generate on this page are used to determine the periods for budgeting purposes only. You must set up calendars before you can use the Administer Salary Packaging budgeting feature.

Use the Pay Calendar GP page if you have both Global Payroll and Human Resources installed. If you have only Human Resources installed, use the Pay Calendar GP page. Both pages have the same functionality, except Global Payroll uses the pay group key and Human Resources uses the company/pay group key.

Related Links

"Entering Additional Pay Group Information (*PeopleSoft HCM 9.2: Global Payroll for Australia*)"

Comp Rate Code Table Page

Use the Comp Rate Code Table (compensation rate code table) page (COMP_RATECD_TBL) to define compensation rate codes.

Navigation

Set Up HCM, Foundation Tables, Compensation Rules, Comp Rate Code Table, Comp Rate Code Table

When implementing Administer Salary Packaging, define and review the compensation rate codes for your salary packages on this page. When defining your salary package components and additional components, you can link them to compensation rate codes. After the employee is enrolled in the package, these are stored on the employee's Job Data - Compensation page (Workforce Administration, Job Information, Job Data).

Maintained Via Package Only

If you are going to use pay components with Administer Salary Packaging, select the Maintained via Package Only check box in the Australian Salary Packaging group box on the Comp Rate Code Table page. This check box, combined with other information on the employee's job record, works to maintain salary package integrity.

Selecting this check box prompts a warning message when a salary packaged employee's compensation rate codes are changed manually. The following warning message appears if you update or change an employee who has these rate codes assigned to them: "Salary Packaging Compensation Rate Code fields should be changed through Salary Packaging menu."

Note: Set up your Administer Salary Packaging rate codes with a rate code type of *flat amount* and a frequency of *A* (annual).

Rate codes are attached to salary package components and are enrolled on the employee's Job Data - Compensation page. If the rate code is managed by salary packaging, the rate matrix functionality can not be used.

Included Earnings/Deductions Page

Use the Included Earnings/Deductions page (PKG_ERN_DED_INCL) to specify the non-packaged earnings and deductions elements that appear on the Package Summary component after you run the expense calculation process.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Included Earnings/Deductions, Included Earnings/Deductions

Image: Included Earnings/Deductions page

This example illustrates the Included Earnings/Deductions page.

Included Earnings/Deductions		
Earnings/Deductions Included in Sal Packaging Calculation		
		Find View All
		First 1-3 of 3 Last
Element Name		
<input type="text" value="SOCIAL"/>	Social Club	<input type="button" value="+"/> <input type="button" value="-"/>
<input type="text" value="PRDBON"/>	Product Bonus	<input type="button" value="+"/> <input type="button" value="-"/>
<input type="text" value="BONUS"/>	Bonus	<input type="button" value="+"/> <input type="button" value="-"/>

Element Name

Specify the non-packaged earnings and deductions elements that you want to appear on the Package Summary page after you run the expense calculation process. You can then view the total value of any deductions, earnings, and expenses that are not included as a packaged component but have been paid out to the employee in the payroll.

You can see if expenditure outside the package has occurred for the employee and quickly respond to the non-packaged payments. These types of payments may prompt you to perform a package review or some other corrective action.

See "Reviewing Salary Package Expenditures (*PeopleSoft HCM 9.2: Global Payroll for Australia*)".

Pay Groups AUS Page

Use the Pay Groups AUS page (GPAU_PYGRP_EXT) to define additional information specific to Australian pay groups, such as the pay frequency for salary packaging.

The frequency you select enables the budgeting capabilities in the actual salary package, selecting the frequency lets the system know the type of frequency to divide the component totals

Navigation

Set Up HCM, Product Related, Global Payroll & Absence Mgmt, Framework, Organizational, Pay Groups AUS, Pay Groups AUS, AUS, Pay Groups AUS

Image: Pay Groups AUS page

This example illustrates the Pay Groups AUS page.

Pay Groups AUS

Pay Group GNPFWK901 Pay Group GNPFWK901

Pay Entity GN9PYENT09 Pay Entity GN9PYENT09

Definition Find | View All First 1 of 1 Last

*Effective Date 01/01/2006

Templates

Payslip KAAUS001 Base Pay Slip

Salary Packaging

Pay Frequency M Monthly

Leave Paid in Advance

Regular Run Type GXHRYPAY

Salary Packaging

The pay frequency is used as the default value for the pay groups that are used as part of the administer salary packaging. The defined value is also retrieved by the package calendar table to divide the component totals that budgeting uses in salary packages.

Setting Up and Viewing Salary Packaging Tax Options

To set up and view salary packaging tax options, use the FBT/GST (PKG_FBT_TBL), FBT Stat Interest (PKG_FBT_INT_TBL), FBT Vehicle Rates (PKG_FBT_VEH_TBL), State Payroll Tax (PKG_PYTX_TBL), and the Tax Scales (PKG_TAX_SCALES_AUS) components.

PeopleSoft delivers and maintains the Fringe Benefits Tax (FBT) and Goods and Services Tax (GST) tables in the system. Because you can create salary package components to represent fringe benefits, such as a car allowance or a housing allowance, review the FBT and GST table information as part of your salary package setup. The system uses these tables when it calculates salary package FBT and GST liabilities for package components. Link the tax liability information to a salary package component using the Additional Comp page.

In this section, we discuss how to:

- View Salary Packaging FBT and GST tax details.

- View Salary Packaging FBT statutory interest rates.
- Review Salary Packaging FBT motor vehicle statutory percentage information.
- Set Up Salary Packaging State Payroll tax options.
- Maintain PAYG tax scales used in salary package calculations.

Pages Used to Define and View Salary Packaging Tax Options

Page Name	Definition Name	Navigation	Usage
Review FBT/GST Rate Table	PKG_FBT_TBL	Compensation, Salary Packaging AUS, Define Salary Packaging, Review FBT/GST Rate Table, Review FBT/GST Rate Table	View the FBT and GST rates for Australia. The GST percentage and rate for the calculation of Fringe Benefits Tax (FBT) appear.
Review FBT Stat Interest Rate	PKG_FBT_INT_TBL	Compensation, Salary Packaging AUS, Define Salary Packaging, Review FBT Stat Interest Rate, Review FBT Stat Interest Rate	View FBT statutory interest rates. The statutory percentage rate used in the calculation of interest payments for depreciation of motor vehicles and low interest loans appear.
Review FBT Stat Vehicle Rate	PKG_FBT_VEH_TBL	Compensation, Salary Packaging AUS, Define Salary Packaging, Review FBT Stat Vehicle Rate, Review FBT Stat Vehicle Rate	Review FBT motor vehicle statutory percentage information. The kilometer thresholds and the corresponding statutory percentages used in determining the taxable value of a motor vehicle appear.
Sal Pkg Payroll Tax Rates AUS	PKG_PYTX_RT_TBL	Compensation, Salary Packaging AUS, Define Salary Packaging, State Payroll Tax Rates, Sal Pkg Payroll Tax Rates AUS	Specify the payroll tax percent rate for all states where employees in a specific company are located. This page provides maintenance functions for the State Payroll Tax tables. These percentages are used in the notional calculation of tax during package modelling.
PAYG Tax Scales	PKG_TAX_SCALES_AUS	Compensation, Salary Packaging AUS, Define Salary Packaging, PAYG Tax Scales, PAYG Tax Scales	Maintain tax scales used in package calculations. Set up and view the thresholds and the percentage of tax for each threshold. Use only if you have Human Resources and not Global Payroll installed. If Global Payroll is installed, the Global Payroll PAYG Tax Scales are used by Salary Packaging.

Review FBT/GST Rate Table Page

Use the Review FBT/GST Rate Table page (PKG_FBT_TBL) to view the FBT and GST rates for Australia.

The GST percentage and rate for the calculation of Fringe Benefits Tax (FBT) appear.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Review FBT/GST Rate Table, Review FBT/GST Rate Table

Image: Review FBT/GST Rate Table page

This example illustrates the Review FBT/GST Rate Table page.

Review FBT/GST Rate Table

Country AUS Australia

FBT and GST Rates Find | View All First 1 of 6 Last

Effective Date 04/01/2007 Status Active

Description FBT Tax Rate

FBT Percent 46.500

Min reportable FBT liable ern 2000.00

GST Rate 10.000

FBT and GST Rates

FBT Percent (Fringe Benefits Tax percentage)

The rates are set by the Australian Taxation Office, with any changes generally effective in line with the FBT year of April 1 to March 31.

Min reportable FBT liable ern (minimum reportable Fringe Benefits Tax liable earning)

When producing payment summaries, the system has to determine if an employee has received, in the FBT year, fringe benefits with a total taxable value exceeding 1,000 AUD. A collection process totals the FBT liable earnings and, if they exceed 1,000 AUD, reports the grossed-up taxable value on the payment summary.

GST Rate

The GST on your package components is calculated using this rate.

Related Links

[Review FBT Stat Interest Rate Page](#)

[Review FBT Stat Vehicle Rate Page](#)

[Sal Pkg Payroll Tax Rates AUS Page](#)

[PAYG Tax Scales Page](#)

Review FBT Stat Interest Rate Page

Use the Review FBT Stat Interest Rate page (PKG_FBT_INT_TBL) to view FBT statutory interest rates.

The statutory percentage rate used in the calculation of interest payments for depreciation of motor vehicles and low interest loans appear.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Review FBT Stat Interest Rate, Review FBT Stat Interest Rate

Image: Review FBT Stat Interest Rate page

This example illustrates the Review FBT Stat Interest Rate page.

Review FBT Stat Interest Rate

Country AUS Australia

FBT Statutory Interest Rate Find | View All First 1 of 11 Last

Effective Date 04/01/2012 Status Active

Description FBT Statutory Interest Rate

Statutory Percent 7.400

FBT Statutory Interest Rate

Statutory Percent

Used in the calculation of interest payments for depreciation of motor vehicles and low interest loans.

Related Links

[Review FBT Stat Vehicle Rate Page](#)

[Sal Pkg Payroll Tax Rates AUS Page](#)

[PAYG Tax Scales Page](#)

[Review FBT/GST Rate Table Page](#)

Review FBT Stat Vehicle Rate Page

Use the Review FBT Stat Vehicle Rate page (PKG_FBT_VEH_TBL) to review FBT motor vehicle statutory percentage information.

The kilometer thresholds and the corresponding statutory percentages used in determining the taxable value of a motor vehicle appear.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Review FBT Stat Vehicle Rate, Review FBT Stat Vehicle Rate

Image: Review FBT Stat Vehicle Rate page

This example illustrates the Review FBT Stat Vehicle Rate page.

Review FBT Stat Vehicle Rate

Country AUS Australia

FBT Vehicle Rates View All First 1 of 2 Last

Effective Date 05/23/2001 Status Active

Description FBT Statutory Factor

GST Gross up Pct 10.000

Vehicle Statutory Percentage	
Mileage Limit (Km)	Statutory Percent
14,999	26.000
24,999	20.000
40,000	11.000

FBT Vehicle Rates

GST Gross up Pct

Used in the calculation of GST on vehicles.

Vehicle Statutory Percentage

Mileage Limit (Km) / Statutory Percent (mileage limit [kilometer/ statutory percentage])

Determine the taxable value of a motor vehicle.

The statutory percentage rate is used in the calculation of interest payments for depreciation of motor vehicles and in the calculation of FBT for components with a component type of motor vehicle.

Related Links

[Review FBT Stat Interest Rate Page](#)

[Sal Pkg Payroll Tax Rates AUS Page](#)

[PAYG Tax Scales Page](#)

[Review FBT/GST Rate Table Page](#)

Sal Pkg Payroll Tax Rates AUS Page

Use the Sal Pkg Payroll Tax Rates AUS page (PKG_PYTX_RT_TBL) to specify the payroll tax percent rate for all states where employees in a specific company are located.

This page provides maintenance functions for the State Payroll Tax tables. These percentages are used in the notional calculation of tax during package modelling.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, State Payroll Tax Rates, Sal Pkg Payroll Tax Rates AUS

Image: Sal Pkg Payroll Tax Rates AUS page

This example illustrates the Sal Pkg Payroll Tax Rates AUS page.

Sal Pkg Payroll Tax Rates AUS

Company KAB Australian Business Institute

State Payroll Tax Find | View All First 1 of 1 Last

*Effective Date 01/01/2001

State	Description	Tax Percent	Basis of Value
ACT	Austl. Cap. Terr.	6.850	
NSW	New South Wales	6.400	
NT	Northern Territory	6.600	
QLD	Queensland	4.900	

State Payroll Tax

State/Tax Percent

If you want the notional payroll tax liability to be calculated during salary package modelling, enter the tax percent for each state in which you pay employees. If you don't enter these details, the system does not calculate liability for payroll tax for employees when you model salary packages. The tax percentage rates you enter are *only* used in salary packaging calculations.

For most Australian states, the tax rate varies based on the value of your company payroll. To obtain an even more accurate notional tax calculation, specify the percentage rate of tax for each state. To do so, enter a rate based on your knowledge of your company payroll.

For example, if you know the amount of your total wages bill in a given state, and you know that the threshold you are allowed to take effectively reduces your true net payroll tax rate from 7 percent to 6.75 percent, then enter the 6.75 percent here. Then your true net rate is used in package modelling, so your notional calculations in Administer Salary Packaging are more accurate.

Note: Specify company payroll tax liability on the Company Table.

Related Links

[Review FBT Stat Interest Rate Page](#)

[Review FBT Stat Vehicle Rate Page](#)

[PAYG Tax Scales Page](#)

[Review FBT/GST Rate Table Page](#)

PAYG Tax Scales Page

Use the PAYG Tax Scales page (PKG_TAX_SCALES_AUS) to maintain tax scales used in package calculations by setting up and viewing the thresholds and the percentage of tax for each threshold.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, PAYG Tax Scales, PAYG Tax Scales

Image: PAYG Tax Scales page

This example illustrates the PAYG Tax Scales page.

PAYG Tax Scales

Tax Scale 1

Tax Scale Details View All First 1 of 1 Last

*Effective Date 02/25/2013 Status Active

*Description

Threshold Details		
*Weekly Threshold Amount	A Percent	B Amt

Threshold Details

Weekly Threshold Amount / A Percent / B Amt (weekly threshold amount and a percentage and B amount)

Set up and view the thresholds and the percentage of tax for each threshold.

These values correspond to the information on the "Statement of Formulae for Calculating Income Tax Installments," issued by the Australian Taxation Office (ATO). In addition to the tax scales on that document, PeopleSoft has introduced tax scales A, B, and L for processing annual leave, long service leave, and leave bonus payments.

The system identifies the top threshold and then works down, checking the weekly amounts and using its logic to calculate the tax installment.

Note: If you need to apply special tax rates, create your own tax scales using the PAYG Tax Scales page. For example, you might choose to establish a Tax Scale E where no tax applies for tax exempt employees or for those employees who you keep on a flat amount or percentage of tax due to instructions that you've received from the ATO.

This page is used if you use Administer Salary Packaging without Global Payroll. If Global Payroll is used, then salary packaging uses the Global Payroll PAYG Tax Scales.

Related Links

[Review FBT Stat Interest Rate Page](#)

[Review FBT Stat Vehicle Rate Page](#)

[Sal Pkg Payroll Tax Rates AUS Page](#)

[Review FBT/GST Rate Table Page](#)

[Review FBT Stat Interest Rate Page](#)

Setting Up Additional Salary Package Components

To set up additional salary package components, use the Additional Components (PKG_ADD_CMP_TBL) component.

This section discusses how to define salary package component liabilities.

Many components that make up your salary package might incur additional liabilities, such as FBT, GST, or payroll tax. The cost of these liabilities can be borne by either the employer or the employee. Define the cost liability and who will carry it—the employee or the employer—as *additional components*.

Note: Additional component codes must be unique. You cannot associate an additional component with a component of the same name. Consider this carefully when defining codes for both components and additional components. The system warns you when you use a duplicate component code.

Page Used to Define Additional Salary Packaging Components

Page Name	Definition Name	Navigation	Usage
Additional Components	PKG_ADD_CMP_TBL	Compensation, Salary Packaging AUS, Define Salary Packaging, Additional Components, Additional Components	Define the liabilities associated with each of your salary packaging components. Determine the level of package remuneration in which to include these liabilities Total Package Value (TPV) or Total Employment Cost (TEC).

Related Links

[Setting Up Salary Packaging Human Resources and Global Payroll Tables](#)

Additional Components Page

Use the Additional Components page (PKG_ADD_CMP_TBL) to define the liabilities associated with each of your salary packaging components.

Determine the level of package remuneration in which to include these liabilities Total Package Value (TPV) or Total Employment Cost (TEC).

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Additional Components, Additional Components

Image: Additional Components page

This example illustrates the Additional Components page.

Additional Components

Additional Component CARFBT

Additional Component Definition Find | View All First 1 of 1 Last

*Effective Date 01/07/1986 *Status Active

*Description Car FBT

Short Description Car FBT

*Additional Component Type Fringe Benefits Tax

*Package Level Total Pkg Value

Comp Rate Code KAFB02 SP Car FBT

Additional Component Definition

Additional Component Type

The type of liability the additional component represents. Your choice determines the tax tables and rates the system references when it calculates the salary package component liability. Select *Fringe Benefits Tax*, *Goods & Services Tax*, or *Payroll Tax*.

The value you select here controls the display of the Gross Up Calculation field.

Package Level

Enables you to set how this additional component affects the employee's package. Select:

No Effect: Has no effect on the employee's package either in total employee cost or total package value. Typically used where you select *Goods & Services Tax* in the Addl Component Type field.

Total Empl Cost: Usually relates to the cost or oncost that is borne by the employer as a result of employing the employee. If you select this option, you could be indicating that the employer will pay the cost of the liability.

Total Pkg Value: Typically used where the cost or oncost is borne by the employee. An example of this would be FBT. The value of this additional component forms part of the employees overall package. Selecting this could indicate that the employee will pay the liability.

Gross up Calculation

This field appears only when you select *Goods & Services Tax* in the Additional Component Type field. The type of component this additional component relates to determines the calculation method. There are, however, no set rules for components and calculation rules. You must select one of the following options:

- *Type 1 – Tax Credit Claimed*

Note: If you select this option, the Amount field on the Employee Salary Package - Additional Components page includes the GST gross-up amount in the FBT package value.

- *Type 2 – No Input Tax Credit*

Note: If you select this option, the Amount field on the Employee Salary Package - Additional Components page does not include the GST gross-up amount in the FBT package value.

See [Employee Salary Package - Additional Comp Page](#).

Input tax credits are tax credits that a company can claim back for the GST paid on the supply of a good or service. Where that good or service forms part of an employee's salary package, the

calculation of the total value of the package item changes if the company is claiming part of the cost back as an input tax credit.

Comp Rate Code (compensation rate code) Enables you to utilize the multiple components of pay functionality for your salary packaging. The Enrolment process creates the compensation rates on the employee's Job Data - Compensation page. If you are using Global Payroll, you can link salary package components and additional components to different types of PeopleSoft payroll entities to facilitate the payment of earnings and deductions through your payroll system.

Note: Only compensation rate codes with the Salary Packaging check box selected on the Comp Rate Code Table can be assigned to package components and additional components. You must also define the rate code as a flat amount rate code type.

Related Links

[Setting Up Salary Packaging Human Resources and Global Payroll Tables](#)

Setting Up Package Components

To set up package components, use the Package Components (PKG_CMPNT_TBL) component.

Package components identify the different forms of remuneration that can be included in salary packages in your organization. When defining components, identify different attributes that determine the value of the component and any associated liabilities (additional components), the information to be enrolled to payroll, and the detail required to track expenditures against this component.

Note: Package components are reusable—you can include them in any number of packages or templates, so you don't need to define components more than once.

This section discuss how to:

- Set up base salary package components.
- Link additional components to package components.
- Define contributing salary package components.
- Define expense details for salary packaged components.

Pages Used to Set Up Salary Package Components

Page Name	Definition Name	Navigation	Usage
Package Components - Base Component	PKG_BSE_CMP_TBL	Compensation, Salary Packaging AUS, Define Salary Packaging, Package Components, Base Component	Set up basic information about the salary package component.
Package Components - Additional Comp	PKG_BSE_CMP_ADD	Compensation, Salary Packaging AUS, Define Salary Packaging, Package Components, Additional Comp	Associate additional components with a salary package component.
Package Components - Calculated Comp	PKG_BSE_CMP_CAL	Compensation, Salary Packaging AUS, Define Salary Packaging, Package Components, Calculated Comp	Define contributing components. To assist in the accurate calculation of components dependent on the value of other components, define the calculation starting point and the other components that affect the value on the Expense Data page.
Package Components - Expense Data	PKG_BSE_CMP_EXP	Compensation, Salary Packaging AUS, Define Salary Packaging, Package Components, Expense Data	If you are planning to track expenditure (the package expense calculation) and you have Global Payroll installed, specify package component expenses information for each component. Enter the details and identify the payroll types and related data to track expenditures against package components.

Package Components - Base Component Page

Use the Package Components - Base Component page (PKG_BSE_CMP_TBL) to set up basic information about the salary package component.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Package Components, Base Component

Image: Package Components - Base Component page

This example illustrates the Package Components - Base Component page.

The screenshot displays the 'Base Component Definition' page. At the top, there are tabs: 'Base Component' (selected), 'Additional Comp', 'Calculated Comp', and 'Expense Data'. Below the tabs, the 'Component' is set to 'CAR'. The main section is titled 'Base Component Definition' and includes a search bar with 'Find | View All' and a pagination indicator 'First 1 of 1 Last'. The form contains the following fields and options:

- *Effective Date: 01/07/1986
- *Status: Active
- *Description: Car
- Short Description: Car
- *Component Type: Motor Vehicle
- *Package Level: Total Pkg Value
- *Projection Type: Regular
- Comp Rate Code: KASP02
- ☐ Add to Gross Pay
- ☐ Enrol Benefits Base
- SPCar
- Benefit Base Comp Rate Code

Base Component Definition

Component Type

Determines the data the system needs when you are modelling your packages.

The component definition drives more than the Fringe Benefits Tax calculation. It drives the enrolment, expense, and component calculations for all components — regardless of whether they are subject to FBT. Component definition is essential to the accurate calculation and administration of each package component.

Package Level

PeopleSoft can represent the value of remuneration at several different levels—*Total Empl* (total employment), *Cost* (TEC), *Total Pkg* (total package), and *Value* (TPV). By selecting the level for each component, you identify the level of remuneration of the component value that should be included.

Projection Type

Used during package expense calculation. It's possible to project the expenditure to the end of the package based on the actual expenditure of the component to date. The method of projection can differ for different types of components. Select:

Ad Hoc: This does no calculation. The value of projected expenditure at period end reflects the actual expenditure of the component.

Regular: Projection is based on the actual expenditure to date.

The rate of expenditure is assumed to be the same for the remainder of the effective period of the component. Calculation of the projected period end expenditure looks at the actual expenditure against the period to date and calculates for the remaining effective period expenditure at the same rate.

Budget: During modelling you can identify an expenditure budget. This gives you the ability to identify known expenditure expectations for components spent on an irregular basis. The information entered during modelling is used to reflect the projected expenditure at period end.

Note: Regardless of which option you select, if the component start date is in the future, the system uses the budgeted component amount when calculating the impact of the component on an employee salary package.

Comp Rate Code (compensation rate code) Enables you to use the multiple components of pay functionality for your salary packaging. If you are using Global Payroll, link salary package components and additional components to different types of rate codes to facilitate the payment of earnings and deductions through your payroll system.

Add to Gross Pay Enables you to identify components to include in the notional calculation of PAYG tax liabilities.

Select this check box for components that represent cash payments. At the time of modelling, the value of components with this check box selected are aggregated and the PAYG tax liability is calculated on the total (such as salary and allowances).

**Enrol Benefits Base / Benefit Base
Comp Rate Code (enrolment
benefits base/benefit base
compensation rate code)** Select this check box and a specific rate code to update the annual benefits base rate at the time of package enrolment. This field is available only when you have selected a component type of *Percentage of Benefits Base* or *Pct of Contributing Components* on the Base Component page.

Some of your benefits, such as superannuation, might be calculated using the Annual Benefits Base Rate. When this is the case, it is possible to also maintain the value of the annual benefits base rate from within Salary Packaging.

Related Links

[Package Components - Additional Comp Page](#)

[Package Components - Calculated Comp Page](#)

[Package Components - Expense Data Page](#)

Package Components - Additional Comp Page

Use the Package Components - Additional Comp page (PKG_BSE_CMP_ADD) to associate additional components with a salary package component.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Package Components, Additional Comp

Image: Package Components - Additional Comp page

This example illustrates the Package Components - Additional Comp page.

The screenshot shows the 'Additional Comp' page for component 'CAR'. The page has tabs for 'Base Component', 'Additional Comp', 'Calculated Comp', and 'Expense Data'. The 'Additional Comp' tab is active. Below the tabs, there is a section for 'Additional Components for Component' with a search bar and navigation links. The main table lists the following components:

Component	Effective Date	Status
CARFBT	01/07/1986	Active
CARGST		
CARPRT		

Each component row has a search icon, a description (Car FBT, Car GST, Car PRT), and a status indicator (FBT, GST, Payroll Tx). There are also '+' and '-' buttons for each component.

Additional Components for Component

Additional Components

Many components attract additional liabilities, such as FBT, payroll tax, or GST. PeopleSoft defines these liabilities as additional components.

Select additional components to include in the Package Component Table for this component. You can attach multiple additional components.

Additional components vary from component to component. For example, a car component might attract FBT, payroll tax, and GST. A salary component only payroll tax and some components such as superannuation might be exempt from all tax.

Note: You must first define your additional components on the Additional Component page.

Related Links

[Package Components - Base Component Page](#)

[Package Components - Calculated Comp Page](#)

[Package Components - Expense Data Page](#)

Package Components - Calculated Comp Page

Use the Package Components - Calculated Comp page (PKG_BSE_CMP_CAL) to define contributing components.

To assist in the accurate calculation of components dependent on the value of other components, define the calculation starting point and the other components that affect the value on the Expense Data page.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Package Components, Calculated Comp

Image: Package Components - Calculated Comp page

This example illustrates the Package Components - Calculated Comp page.

Component Calculation Definition

Calculation Starting Value

If you select a component type of *Pct of Contributing Components* and a Package Level of *Total Empl Coston* the Base Component page, determine the calculation starting value for this component. Select: *None* or *TPV* (total package value).

None: If you accept this default value, the system calculates the value of the component as a percentage of the specified contributing components.

Total Pkg Value: If you use this value, the system uses this value as the starting point for the value of this component in the package that you are modelling. Any components that are then specified as contributing components add or subtract from the total package value before the component is calculated.

Note: If you don't enter any contributing components, and the value is *Total Pkg Value*, the system calculates the value of the component to be a percentage of the total package value. Enter the percentage value during modelling.
If you indicate a component type of *Pct of Contributing Components*, indicate a value of *Total Pkg Value* or enter at least one contributing component. If you do not do either (or both) of these, an error message appears and you must modify the component definition before saving.

Contributing Components

Component

Select components you have also set up using the Package Component Table pages. These components are dependent on the value of the component you are setting up.

Effect on Component

Specify whether the contributing component *Adds to* or *Subtracts From* the total value of the contributing components (if there is a special effect on the component).

Related Links

[Package Components - Base Component Page](#)

[Package Components - Additional Comp Page](#)

[Package Components - Expense Data Page](#)

Package Components - Expense Data Page

Use the Package Components - Expense Data page (PKG_BSE_CMP_EXP) to if you are planning to track expenditure (the package expense calculation) and you have Global Payroll installed, specify package component expenses information for each component.

Enter the details and identify the payroll types and related data to track expenditures against package components.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Package Components, Expense Data

Image: Package Components - Expense Data page

This example illustrates the Package Components - Expense Data page.

The screenshot shows the 'Expense Data' tab selected. The main form area is titled 'Component CAR' and 'Car'. Below this, there's a sub-section 'Expense Details' with the following fields and values:

- Effective Date:** 01/07/1986
- Status:** Active
- *GST Calculation:** GST Not Applicable (dropdown menu)
- *Payroll Type:** Deduction (dropdown menu)
- Earnings:** (empty field)
- Deduction:** SP CAR (text field with a magnifying glass icon)
- Expense Code:** (empty field)

Navigation controls at the top right of the 'Expense Details' section include 'Find | View All', 'First', '1 of 1', and 'Last'.

GST Calculation

Defines how GST is tracked as an expense. Select:

GST Included: Indicates that the component has GST included in the value of the component. For example, if the expense amount picked up is 100 AUD, this option treats it as 91 AUD base and 9 AUD GST.

GST Excluded: Indicates that the expense calculation will include the GST on top of the component value. For example, if the expense amount picked up is 100 AUD, this option treats it as 100 AUD base and 10 AUD GST.

GST Only: Indicates that the expense calculation should calculate only the GST. For example, if the expense amount picked up is 100 AUD, this option treats it as 0 AUD base and 100 AUD GST.

The GST is calculated using the GST rate from the Review FBT/GST Rate Table page.

Payroll Type, Earnings, Deduction, and Expense Code

The Payroll Type field identifies which payroll (GP) or expense (HR) type to reference to track expenditure against this component for the employee during the package expense calculation. Select *Deduction*, *Earning*, or *Expenses*.

Your selection enables or disables the Earnings, Deductions, and Business Expenses fields.

During the expense calculation process, the actual amounts used are the values recorded against the earnings and deductions through payroll. However, if using the Expense Code field, the values entered on the Business Expenses page in Administer Workforce are used as the actual amounts.

This enables you to track expenditure through both earnings and deductions, or deductions and expense accounts, or even multiple earnings elements. This gives you the flexibility to administer payments in any way you prefer, but still have the expenditure accurately reflected against the employee's package.

It is possible to enter more than one Payroll Type when tracking expenditure, which is necessary for some components where the expenditure is not always made against a consistent payroll entity. For example, the salary component might have multiple entries to reflect the different earnings elements that are used to make payments that should be reflected as salary.

Note: If you are not using Global Payroll, you do not need to complete the Expense Data page.

Related Links

[Package Components - Base Component Page](#)

[Package Components - Additional Comp Page](#)

[Package Components - Calculated Comp Page](#)

[Setting Up Additional Salary Package Components](#)

[Review FBT/GST Rate Table Page](#)

[Enrolling in Salary Packages](#)

"Understanding Monitoring Salary Package Expenditure (*PeopleSoft HCM 9.2: Global Payroll for Australia*)"

Setting Up Salary Package Templates

To set up salary package templates, use the Package Template (PKG_TMPLT_TBL) component.

This section discusses how to define salary package templates.

Use package templates to define groups of components to use as defaults for employees that qualify for similar salary packages. For example, you can define one salary package template for executives, another for sales managers, and another for administrative assistants.

Note: Associate salary package templates with jobs on the Job Code Table - Job Code Profile page —Set Up HCM, Foundation Tables, Job Attributes, Job Code Table— and positions on the Position Data - Description page —Set Up HCM, Product Related, Organizational Development, Position Data— so that the employee in the job or position is automatically associated with the right salary package option.

Page Used to Set Up Salary Package Templates

Page Name	Definition Name	Navigation	Usage
Package Template	PKG_TMP_TBL	Compensation, Salary Packaging AUS, Define Salary Packaging, Package Template, Package Template	Define salary package templates. Define a standard collection of components that are automatically defaulted into package model records for employees or applicants.

Package Template Page

Use the Package Template page (PKG_TMP_TBL) to define salary package templates.

Define a standard collection of components that are automatically defaulted into package model records for employees or applicants.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Package Template, Package Template

Image: Package Template page

This example illustrates the Package Template page.

Package Template

Template ID KAMIDDLE

Template Details Find | View All First 1 of 1 Last

*Effective Date 01/07/1986 *Status Active

*Description Middle Management Template

Short Description Mid Mgmt

Package Components Personalize | Find | View All First 1-2 of 2 Last

*Package Component	Description		
SALARY	Salary Component	+	-
SUPSGC	SGC Superannuation	+	-

Package Components

Package Component

Enter the package components for this template that are automatically assigned to your employees as defaults when modelling their packages on the Employee Salary Package - Base Components page.

The number and type of components you enter depend on your organization's salary package business requirements. Define components using the Package Components component.

Note: While we recommend that you make your templates as complete as possible, you can modify any template to fit the exact requirements for that employee after the template is included in an employee's salary package model.

Related Links

[Setting Up Salary Packaging Human Resources and Global Payroll Tables](#)

"Classifying Jobs (*PeopleSoft HCM 9.2: Application Fundamentals*)"

"Creating Positions (*PeopleSoft HCM 9.2: Human Resources Manage Positions*)"

Setting Up Salary Package Rules

To set up salary package rules, use the Package Rules (PKG_RULE_TBL) component.

This section discusses how to create salary package rules.

Define rules to ensure that salary packages meet legislative requirements for remuneration, to meet company policy, or to maintain data integrity and standards. Define as many rules, or sets of rules, as you need to use when modelling packages.

PeopleSoft applies package rules to validate the package models when you save them. If the components of a package model do not comply with all the rules, the system issues an error message and prevents you from saving the package until you have modified the components so that they comply.

Associate package rules with package templates, use package rules only, use templates only, or use neither templates nor rules when you model salary packages. Also associate default rules with job codes or positions.

Page Used to Set Up Salary Package Rules

Page Name	Definition Name	Navigation	Usage
Package Rules	PKG_RULE_TBL	Compensation, Salary Packaging AUS, Define Salary Packaging, Package Rules, Package Rules	Create salary package rules. PeopleSoft applies package rules to validate the package models when you save them.

Package Rules Page

Use the Package Rules page (PKG_RULE_TBL) to create salary package rules.

PeopleSoft applies package rules to validate the package models when you save them.

Navigation

Compensation, Salary Packaging AUS, Define Salary Packaging, Package Rules, Package Rules

Image: Package Rules page

This example illustrates the Package Rules page.

Package Rules

Package Rule ID KAMIDDLE

Rule Definition Find | View All First 1 of 1 Last

*Effective Date 01/07/1986 *Status Active

*Description Middle Management Rule Short Description Mid Mgmt

Component Rules Personalize | Find | View All First 1-3 of 3 Last

*Package Component	*Operator	Comparison Value	*Amt or Pct	*Comparing Component	Required
SALARY	>		Amt	Component Value	<input checked="" type="checkbox"/>
SALARY	<	75,000.00	Amt	Component Value	<input checked="" type="checkbox"/>
SUPSGC	>=	9.00	Pct	Component Value	<input type="checkbox"/>

Component Rules

Package Component

Select the package component to which you want to apply some type of rule.

Operator

The mathematical values used in the application of this rule.

Comparison Value

Enter a figure that is defined as an amount (*Amt*) or a percent (*Pct*). This figure is used in the application of the rule.

Amt or Pct (amount or percent)

Select whether the figure in the Comparison Value field is either an amount or a percent.

Comparing Component

Indicates what the component is compared to when validating that the rule has been satisfied. This field prompts for the final part of the rule. If selecting *Pct*, select what it is a percent of: *Total Package Value*, *Component Value*, or *Total Employment Cost*.

If selecting an amount, select *Component Value*.

Note: When defining rules with a comparing component of *Component Value*, ensure that the amount or percent option is consistent with the component type. For a component type of *Pct* of Contributing Components, the *Amt* or *Pct* value must be *Pct*. If the component type is *Flat Amount*, the value must be *Amt*.

Required

Select to indicate whether individual components must be included in the salary package. If a component is identified in the package rule as *Required*, the system checks that the component exists at the package begin and end dates.

If the components of a package model do not comply with all the rules, the system issues an error message and prevents you from saving the package until you have modified the components so that they comply.

Note: It is possible for a component that is required to exist at the begin and end dates of the package, but to not be effective for the entire package period. Take care when modelling mandatory components to ensure that they are effective for the entire package period.

Related Links

[Setting Up Salary Packaging Human Resources and Global Payroll Tables](#)

[Understanding Salary Package Modelling](#)

Setting Up Salary Packaging Defaults

Within PeopleSoft, there are specific pages you use to define defaults in the employee salary packaging modelling. Specify various salary packaging default values using the following pages in PeopleSoft HCM:

- Company Table - Default Settings—Set Up HCM, Foundation Tables, Organization, Company.
- Job Code Table - Job Code Profile—Set Up HCM, Foundation Tables, Job Attributes, Job Code Table.
- Position Data - Description—Set Up HCM, Product Related, Organizational Development, Position Management, Maintain Positions/Budgets, Add/Update Position Info.

These default values assist you in setting up consistent employee salary packages when you model packages as part of your salary packaging business process. They streamline your modelling time per employee and ensure consistent application of salary packages for employees in the same jobs or positions in your organization.

In this section, we discuss how to:

- Set up your organization's TPV and TEC compensation rate codes.
- Set up default package templates and rules for jobs and positions.
- Set up default salary packaging pay frequencies.

Setting Up Your Organization's TPV and TEC Compensation Rate Codes

To establish default TPV and TEC compensation rate codes for a specific company to use when modelling employee packages, use the Company Table - Default Settings page—Set Up HCM, Foundation Tables, Organization, Company. Select a salary packaging compensation rate code from among the valid codes set up on the Comp Rate Code Table. These companies are then enrolled into compensation containing TPV and TEC amounts.

You can also specify whether the company is liable for Payroll Tax.

Note: You must enter a TPV. This compensation rate code is referenced in the rules used when processing terminations for packaged employees (unused leave is paid out at the packaged rate).

Related Links

"Default Settings Page (*PeopleSoft HCM 9.2: Application Fundamentals*)"

Setting Up Default Package Templates and Rules for Jobs and Positions

To set up default package templates and rules for jobs and positions, use the Job Code Profile (JOB_CODE_TABL) component.

Salary packaging is completed on an individual basis. Each employee may require different components and the overall value of the package may be unique to that employee. Therefore, a package is always modelled for a single employee.

However, if you structure your organization using positions or base your remuneration structures on jobs, set up defaults for package templates and rules that administer salary packages by default standards or minimum levels of remuneration to employees based on their positions and jobs.

To specify a default package template and package rule ID for a job code, access the Job Code Table - Job Code Profile page (Set Up HCM, Foundation Tables, Job Attributes, Job Code Table) and select the job code to which you are assigning salary packaging defaults. Access the Australian group box and select values for the Package Template ID and the Package Rule ID.

To update position data to use the salary packaging defaults, access the Australian group box on the Position Data - Description page: Set Up HCM, Product Related, Organizational Development, Position Data, Description.

Related Links

"Classifying Jobs (*PeopleSoft HCM 9.2: Application Fundamentals*)"

"Understanding Positions (*PeopleSoft HCM 9.2: Human Resources Manage Positions*)"

Setting Up Default Salary Packaging Pay Frequencies

When you are defining calendars for salary packaged employees, the pay frequency comes from the value you enter in the Pay Frequency field in the Salary Packaging group box on the Pay Groups AUS page in Global Payroll (Set Up HCM, Product Related, Global Payroll & Absence Mgmt, Framework, Organizational, Pay Groups AUS).

This group box enables you set up default pay frequencies for the pay groups you use as part of Administer Salary Packaging. The frequency you select is also retrieved by the Package Calendar Table page, which enables the budgeting capabilities in the actual salary package because the system needs to know over what type of frequency to divide the component totals.

Related Links

"Entering Additional Pay Group Information (*PeopleSoft HCM 9.2: Global Payroll for Australia*)"

Chapter 4

Modelling Salary Packages

Understanding Salary Package Modelling

Salary package modelling enables you to explore different package scenarios to find satisfactory solutions and alternatives for employee salary packages. You can save and report on any number of package variations during the modelling process.

Modelling occurs at the employee level and is an employee-specific process. If you're modelling packages for employees, use the Employee Salary Package pages. If you're using PeopleSoft Talent Acquisition Manager, you can also model salary packages for applicants using the Applicant Model pages.

After you decide on one model that works best for both employer and employee, confirm and enrol that package.

Note: You cannot begin modelling with Administer Salary Packaging until you have defined all of the different base components and additional components that support your remuneration offerings. Before you start the modelling process, review your components and additional components on the Employee Salary Packaging component to understand the different calculations that occur during the modelling process.

Related Links

[Setting Up Salary Packaging Human Resources and Global Payroll Tables](#)

[Setting Up Additional Salary Package Components](#)

[Modelling Salary Packages for Employees](#)

[Modelling Salary Packages for Applicants](#)

Common Elements Used for Salary Package Modelling

Total Employment Cost (TEC)	Displays the value of salary packages at two different levels. This level represents the cost to the employer.
Total Package Value (TPV)	Displays the value of salary packages at two different levels. This level represents the value to the employee.
Model Number	Enables you to model several packages and package scenarios that share the same effective date. Set a unique increment for the model number to number each package modelled with the same effective date. When you use the same effective date, the model number automatically increments.
Package Status	Indicates whether you are working with a salary package that is proposed (planned), current (existing), or history (finalized). When you first begin modelling a package for an employee, the system automatically sets the status to proposed. After you've

confirmed and enrolled a package for an employee, the system changes the status to current. When the status is history, you're looking at an employee package that has been confirmed and enrolled, but is no longer in effect.

Modelling Salary Packages for Employees

When modelling salary packages for employees, combine any number or type of components into a package to suit both the organization and employee.

The Employee Salary Package component includes two sets of pages for tracking base and additional component values for the employee package model. The annual amount pages display values on an annual basis, while the period pages display component and additional component amounts calculated for the effective period of the package component. Regardless of which page set you use, you always enter annual amounts for components and additional components, but you can enter them on either page.

At the end of the process, confirm only one package—the package on which the payment is based.

Note: Entering the same amounts and dates results in different TPV and TEC amounts appearing on the two sets of pages. One represents values for a year (from the package start date) and the other the period of the package component.

This section discusses how to:

- Define employee salary package details.
- Set up annual base components for employees.
- Enter package component details.
- Enter salary package component budget details for employees.
- View annual additional salary package components for employees.
- Set up period base components for employees.
- View additional period components for employees.
- View package component PAYG tax liabilities for employees.

Pages Used to Model Salary Packages for Employees

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Employee Salary Package - Package Model	PKG_MDL_TBL	Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Package Model	Establish the salary package and specify options that drive the calculation of package values for modelling purposes.

Page Name	Definition Name	Navigation	Usage
Employee Salary Package - Base Components	PKG_MDL_BSE_CMP	Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Base Components	Enter base component details that drive package value calculations on an annual basis. Components, effective for only part of the year, have a full year equivalent amount that appears on this page.
Employee Salary Package - Budget Entry	PKG_CNF_BUDGETS	Click the Bud (component budgets) button on the Employee Salary Package - Base Components page.	Set up a budget for the planned expenditure of a component.
Employee Salary Package - Additional Comp (additional compensation)	PKG_MDL_ADD_CMP	Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Additional Comp	View the additional component values (expressed as an annual value) associated with the Base Components page. For each component, view the associated additional components as well as component totals.
Employee Salary Package - Base Comp (Per) (base compensation [per])	PKG_MDL_BSE_CMP_PE	Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Base Comp (Per)	Enter base component details that drive package value calculations on an annual basis. Components, effective for only part of the year, have a prorated amount that appears on this page.
Employee Salary Package - Addtnl Comp (Per) (additional compensation [per])	PKG_MDL_ADD_CMP_PE	Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Addtnl Comp (Per)	View the additional component values (expressed as part year values, depending on the start and end dates of the components) associated with the Base Comp (Per) page.
Employee Salary Package - Salary/Tax	PKG_MDL_SAL_NET	Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Salary/Tax	View the impact to the employee's salary and tax obligations based on the package model.

Employee Salary Package - Package Model Page

Use the Employee Salary Package - Package Model page (PKG_MDL_TBL) to establish the salary package and specify options that drive the calculation of package values for modelling purposes.

Navigation

Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Package Model

Image: Employee Salary Package - Package Model page

This example illustrates the Employee Salary Package - Package Model page.

Package Model	Base Components	Additional Comp	Base Comp (Per)	Addtl Comp (Per)	Salary/Tax
Justin Whitford ID KA0014 Empl Record 0					
Package Definition Find View All First 1 of 1 Last					
Effective Date 01/01/2004 Model Number 0 Package Start Date 01/01/2004 Package End Date 12/31/2004 Review Date 12/31/2004			Package Status Current Department 25000 Job Code 620000 <input checked="" type="checkbox"/> Confirmed <input type="checkbox"/> De-enrolled		
Salary Package Details					
Currency Code AUD Australian Dollar		Payroll Tax State NSW			
Tax Scale 7 Tax Free Threshold (No Loading)					
Template ID KASENIOR Senior Management Template					
Rule ID KASENIOR Senior Management Rule					
Package Method Middle Out		Target TPV 170000.00			

Package Definition

Package Start Date and Package End Date Define the period for which the individual package is effective. For a new package, the default start date is the effective date.

The default package end date is a year after the package start date.

If your remuneration is effective for periods other than a year, override the end date to reflect the appropriate period of the package. When modelling packages for periods other than a year, enter all values as annual values. This is also true when entering component values—all amounts are annual amounts.

When determining the default end date, the system identifies the employee's pay frequency—from the pay group on the employee's job record—and determines the end date based on a year. For example, a package for a fortnightly employee has an end date 26 fortnights after the package start date. This provides different results in a leap year than in a non-leap year. A package for a fortnightly employee who starts April 1, 2000, has a default end date of March 31, 2001, but a package for the same employee that starts April 1, 2001, has a default end date of March 30, 2002. Twenty-six fortnights is consistently 364 days, but the year 2002 has 366 days, so there is a difference.

This means that when defaulting the package period it may not always appear to be the annual anniversary exactly.

Confirmed

Select when a modelled package has been approved and the employee is ready to be enrolled into it.

Note: The package enrolment process establishes compensation rate codes on the employee's job record based on the details included in the employee's confirmed package. Global Payroll then uses this information to facilitate payments to the employee. Confirming a package does not automatically enrol the employee in the package. The status of the package remains *Proposed* until after you run the package enrolment process.

De-enrolled

Select to de-enrol an employee from a confirmed package. The check box is unavailable for entry during modelling because it is used only when managing enrolled packages.

Review Date

Indicates when the employee's salary package is due for review. The default date is the package end date. To flag this package for review at an earlier date, override the default.

Salary Package Details

Tax Scale

Part of the modelling process is the calculation of the employee's Pay As You Go (PAYG) tax liability. The tax scale is used in the notional online calculation of the gross to net value of the package.

The default is the value you set up on the PAYG Tax Scales page, but you can override it while modelling an employee's salary package.

Note: The system warns you when you try to save the package if there is a difference between the package tax scale and the default tax scale on the PAYG Tax Scales page. If you want the tax scale used in packaging to be reflected through payroll, update the payee tax scales.

Payroll Tax State

Defaults from the employee's job record. You can override this value during modelling. Set up payroll tax state values on the Sal Pkg Payroll Tax Rates AUS page.

During modelling, you may need to calculate an oncost of payroll tax. To calculate the value for payroll tax, the process looks at the payroll tax state and obtains the values set on the State Payroll Tax table. A warning message appears if the state entered is different from the employees Job Data record. You can ignore this message if necessary.

Note: Payroll tax liabilities are reported based on the payroll tax state on the employee's Job record. If you want the value used during packaging to be used when reporting payroll tax liabilities, update the employee's Job Data record.

Template ID and Rule ID

Select a template ID to default components or groups of components into the employee's package model. If you've already defined templates using the Package Template page, specifying an ID saves you from entering the same components repeatedly for different employees who qualify for the same salary packages.

Select a rule ID to specify the rules that the system uses to validate the employee's salary package when the package is saved. Use package rules to ensure that the modelled package complies with legislative requirements and company policies.

Note: If you have associated a template ID or rule ID with job codes or positions in your organization, the system populates the IDs based on the employee's job code or position. You can override the default value during package modelling.

Package Method

The method of packaging used when modelling. Select:

Top Down (starting at the TEC): Enter the total (target) employment cost into the Target TEC field. As components are added or values changed, regardless of whether they are paid by the employee or employer, the cash component is reduced.

Middle Out (starting at the TPV): This approach enables you to enter the total package amount you want to achieve. The employer payments (oncosts) are not taken into account with the TPV.

Bottom Up (starting with an individual component): The Package Method controls the display of the Target TPV and Target TEC fields.

Target TPV or Target TEC

If you select *Top Down* or *Middle Out* as the package method, specify a Target TEC or Target TPV.

When modelling using these methods, a package balance is calculated based on the value of components and the specified target value. When entering the package details, select a component to assume the value of the balance by selecting the Bal (balance) check box for that component on the Base Components page (annual) and Base Comp (Per) (period) page. This saves you the time and effort required to manipulate component values to reach a zero balance.

Related Links

[PAYG Tax Scales Page](#)

[Setting Up Salary Package Templates](#)

[Setting Up Salary Package Rules](#)

[Confirming Salary Packages](#)

[Modelling Salary Packages for Applicants](#)

Employee Salary Package - Base Components Page

Use the Employee Salary Package - Base Components page (PKG_MDL_BSE_CMP) to enter base component details that drive package value calculations on an annual basis.

Components, effective for only part of the year, have a full year equivalent amount that appears on this page.

Navigation

Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Base Components

Image: Employee Salary Package - Base Components page

This example illustrates the Employee Salary Package - Base Components page.

Package Model	Base Components	Additional Comp	Base Comp (Per)	Addnl Comp (Per)	Salary/Tax			
Justin Whitford		ID KA0014	Empl Record 0					
Package Base Components		Find View All First 1 of 1 Last						
Effective Date 01/01/2004		Package Status Current						
Model Number 0								
Package Components		Find View All First 1-4 of 4 Last						
		From	To	TPV	TEC	Bal	Dtls	Bud
BONUS	Bonus	01/01/2004	12/31/2004	18858.69	20065.65			
CAR	Car	01/01/2004	12/31/2004	10958.42	11659.76			
SALARY	Salary	01/01/2004	12/31/2004	125724.56	133770.93			
SUPSGC	SGC Super	01/01/2004	12/31/2004	14458.33	15383.66			
Package Annual Total								
Target Total TPV/TEC				170000.00				
Current TPV/TEC				170000.00	180880.00			
C/F Target TPV/TEC								
Balance Total TPV/TEC				0.00				

Package Base Components

Package Components

As part of the package template you specify for this employee on the Employee Salary Package - Package Model page, all of the components that you defined on the Package Template page appear by default. Add new components or remove any default components from the package model for the employee.

Create components using the Package Components pages.

From and To (dates)

Indicates the period for which the component is effective.

These dates appear by default from the Package Start Date and the Package End Date fields you entered on the Employee Salary Package - Package Model page; you can change them to reflect the correct effective period. The dates for a component must be within or equal to the package start and end dates.

When you are modelling packages for employees, you might need to indicate that components are not effective for the entire period of the package. This could be because one of the attributes or details of the component changed during the course of the package or simply because the component no longer exists. Use the component from and to dates to represent either scenario.

To reflect the change of details, modify the To date for the existing component. The component to date should be the day before the effective-dated change. You can then insert another component into the package. Select the same component, modify the dates to reflect the effective dates of the new details, and enter the component details.

TPV and TEC

These amounts are automatically updated based on the values entered for the components, the additional components, and the calculation method that apply to the component.

Bal (balance)

If you have selected a Package Method of *Top Down* or *Middle Out*, identify a component that should be the default package balance by selecting this check box for the appropriate component. Select only one component to be the balance; it must have a component type of flat amount.

The salary component is the most common component to select as the balance. By selecting this check box for the salary component, the current TPV and TEC are calculated in the Package Annual Totals group box. The Balance Total TPV/TEC starts at 0 or as close to 0 as rounding allows.

The system calculates the values for the component. For each component, you can see the value of TPV and TEC. These values include values of any additional components. For example, for a salary component, 90,000 AUD might add to TPV and 96,300 AUD might add to TEC. The difference in values is the additional component of payroll tax specified for this component.

Note: You don't have to select a component to be the balance for the package. By not selecting a component, the balance is calculated and appears as the detail for each component added.

Manually adjust the value of the package components to try to reach a package balance as close to zero as possible.

Dtls (details)

Whether you identify a default balance for the package, enter the component details for all components that have not been calculated.

To enter the component details, click the Dtls button for the component. This accesses a corresponding details page for each component that enables you to enter component details. The details that appear in each details page are determined by the component type you define on the Package Component Table page.

Most of the details are required to support the calculation of the Fringe Benefits Tax (FBT) and Goods and Services Tax (GST) liability, and subsequently, the component value.

The method for calculating the FBT and GST varies based on the tax category, identified by the component type.

Note: Consult the Australian Taxation Office (ATO) for more information regarding the terms or requirements for calculating tax.

Bud (budget)

Click to enter budget information on the Budget Entry page for each component.

Note: Before you can access the Budget Entry page, enter the component value details in the corresponding details page for each component. If you don't enter any values for a component, the budget amounts are all zero. You must also create a pay calendar on the (Salary Packaging) Pay Calendar GP page.

Package Annual Total

This group box enables you to automatically track your package totals based on what you enter in the component details pages.

Current TPV/TEC and C/F Target TPV/TEC

The Package Annual Total group box displays the target total TPV/TEC, the current TPV/TEC, and the balance total TPV/TEC. The C/F (carry forward) target TPV/TEC also appears, but it is only relevant when making effective-dated changes to a confirmed package.

As you enter or change figures, the current TPV/TEC values update, and if you have selected the top down or middle out option on the Package Model page, subtract this value from the C/F target TPV/TEC value.

For example, if you selected a package method of TPV on the Employee Salary Package - Package Model page and entered a target TPV of 90,000 AUD, this amount appears on the Target TPV/TEC and the Balance Total TPV/TEC for the package annual totals. The balance is 90,000 AUD if you have not entered any component details.

The C/F Target TPV/TEC field populates when an employee changes packages mid-package period. Because package amounts are calculated from the start to end dates, a change midway through that period results in a carry forward amount.

Related Links

[Setting Up Package Components](#)

[Modelling Salary Packages for Applicants](#)

[Understanding Salary Packaging Setup](#)

[Modelling Salary Packages for Applicants](#)

[Employee Salary Package - Budget Entry Page](#)

[Entering Package Component Details](#)

Entering Package Component Details

When you click the Dtl button for each corresponding component on the Base Components page, you are presented with one or more pages that enable you to enter component details. Most of the details are required to support the calculation of the FBT and GST liability, and subsequently, the component value. Other pages are used for informational purposes only. The details that appear depend on the component type you select. Different component types require different information, which is reflected in the fields available for entry on each details page.

Note: The details pages that appear when you are entering component details vary. However, if you are familiar with the requirements of the ATO for the details required in the calculation of FBT and GST liabilities, then the fields should be self-explanatory. However, there are a number of component types for which the details are not driven by the calculation of FBT. These component types are Home Office Lease, Flat Amount, Percentage of Contributing Components, and Percentage of Benefits Base.

Salary Packaging Details Fields

The following detail fields are consistent across all (or a number of component types) Details pages:

Tax Exemption Amount

Some component types are eligible for a tax exemption based on the rules defined by the ATO. For different component types, a tax-free threshold applies, whereby the taxable value can be reduced before the calculation of the FBT liability. If you are packaging a component that is eligible for the tax free threshold, enter the amount of the tax-free threshold in the Tax Exemption Amount (Annual) field to enable accurate calculation of the FBT liability and the component value.

Tax Adjustment Amount

This is almost the reverse of the tax exemption amount. Where the tax exemption amount reduces the taxable value before the calculation of the FBT liability, the tax adjustment amount increases the component value after the calculation of the FBT liability.

Employee Contribution

Like the Tax Exemption Amount and the Tax Adjustment Amount fields, the Employee Contribution field appears on most of the Details pages for component details, especially where the

component type dictates the calculation of an FBT liability. The employee contribution is an amount paid by the employee to the employer as a contribution toward the cost of the benefit. The taxable value of the benefit is reduced by the amount of the contribution.

GST Amount

In the majority of cases, if you have defined GST for the component in the GST Calculation field on the Expense Data page, an additional GST field appears on each of the Details pages. The value you select on the Expense Data page defines how the GST, if any, can be tracked as an expense.

Note: The Details pages prompt for the entry of details to support the calculation of FBT and GST. However, this doesn't mean that FBT and GST liabilities are calculated for the component. For tax liabilities to be calculated for a component, associate an additional component with a type of FBT or GST with the component.

Entering Motor Vehicle General Details

The system uses the following fields on the Motor Vehicle General Details page, Motor Vehicle FBT Operating Cost Details page, and Motor Vehicle FBT Statutory Method Details page in the calculation of FBT tax liabilities:

FBT Calculation Method

Drives the calculation of FBT. There are two methods of calculating FBT for a motor vehicle:

Statutory Formula: The Motor Vehicle FBT Statutory Method Details page appears.

Operating Cost: The Motor Vehicle FBT Operating Cost Details page appears.

Capital Cost

Enter the original value of the vehicle for calculation of FBT.

Estimated Kilometres

To accurately calculate the FBT liability, enter the estimated distance the motor vehicle will travel.

Note: All other fields on this page are for information only.

Entering Car Parking FBT Details

The system uses the following fields on the Car Parking FBT Details page, the Car Parking FBT Market Value Method Details, and Car Parking FBT Commercial Station Method Details pages in the calculation of FBT liabilities:

FBT Calculation Method

There are two different methods of calculation for the FBT liability on a car parking benefit:

Market Value: The Car Parking FBT Market Value Method Details page appears, enabling you to enter and calculate FBT details according to the market value of the car park, when

the car parking is leased on the employee's behalf or on the employer's site.

Commercial Parking Station: The Car Parking FBT Commercial Station Method Details page appears, enabling you to enter and calculate FBT details when the car parking is paid for as an ongoing, daily benefit through a parking station for the employee.

After you select a method and click OK, another page appears and prompts for other details related to the component.

Market Value (annual)

Enter the estimated market value of the car parking. For example, an employer pays Star's Property Management 3,000 AUD per year for the leasing of the car park on the employee's behalf. An independent evaluation of the market value of the car park has been quoted at 2,200 AUD. The employer wants to pass on the total cost of the car park to the employee.

When calculating the FBT on the car park component, tax is payable only on the market value of the car park—in this case 2,200 AUD. The employee makes no contribution for the benefit and no tax exemption applies.

In the Tax Adjustment Amount (Annual) field, enter 800 AUD, which is the difference between the market value and the cost to the employer.

When the value of the component and additional components are calculated, the value of the 2,200 AUD is used in the calculation of tax, but the value of the base component (not including additional component values) is 3,000 AUD. By using the tax adjustment amount, you can accurately calculate the tax on the car park and ensure that the full cost of the car park is passed on to the employee in the form of an increased component value.

Related Links

[Setting Up Package Components](#)

[Employee Salary Package - Budget Entry Page](#)

Employee Salary Package - Budget Entry Page

Use the Employee Salary Package - Budget Entry page (PKG_CNF_BUDGETS) to set up a budget for the planned expenditure of a component.

Navigation

Click the Bud (component budgets) button on the Employee Salary Package - Base Components page.

Image: Employee Salary Package - Budget Entry page

This example illustrates the Employee Salary Package - Budget Entry page.

The screenshot shows the 'Budget Entry' window. At the top, there are tabs for 'Confirmed Budget' (selected), 'Personalize', and 'Find'. To the right, there are navigation controls: 'First', '1-12 of 12', and 'Last'. The main table has three columns: 'Period End', 'Budget', and 'Actual'. Each row represents a month in 2004. The 'Budget' column contains the value 10477.050 for all months except December, which is 10477.010. The 'Actual' column is empty for all months. To the right of the 'Actual' column are two columns of buttons: '+' and '-'. At the bottom, there is a 'Current Total' of 125724.56 and two buttons: 'OK' and 'Cancel'.

Period End	Budget	Actual	+	-
<input type="checkbox"/> 01/31/2004	10477.050	10477.050	+	-
<input type="checkbox"/> 02/29/2004	10477.050	10477.050	+	-
<input type="checkbox"/> 03/31/2004	10477.050	10477.050	+	-
<input type="checkbox"/> 04/30/2004	10477.050	10477.050	+	-
<input type="checkbox"/> 05/31/2004	10477.050		+	-
<input type="checkbox"/> 06/30/2004	10477.050		+	-
<input type="checkbox"/> 07/31/2004	10477.050		+	-
<input type="checkbox"/> 08/31/2004	10477.050		+	-
<input type="checkbox"/> 09/30/2004	10477.050		+	-
<input type="checkbox"/> 10/31/2004	10477.050		+	-
<input type="checkbox"/> 11/30/2004	10477.050		+	-
<input type="checkbox"/> 12/31/2004	10477.010		+	-

Current Total 125724.56

OK Cancel

Period End

The default budget assumes a regular rate of expenditure for each period end (pay period) in the package period. The pay periods are determined using the employee's pay group and the applicable salary packaging pay calendar records in Global Payroll. For any partial periods, the amount budgeted is prorated to reflect the value applicable for the partial period.

Budget and Actual

You can update and modify budget values by pay period. You cannot insert or delete budget period rows. All pay periods within the effective period of the component appear. To budget into further pay periods, change the component from and to dates for the component on the Employee Salary Package component.

The page also displays actual expenditure against the component. This information is available only after you run the Package Expense process.

Note: Before you open the Budget Entry page, enter the component value details in the corresponding details page. If you haven't entered any values for a component, the budget amounts are all zero.

You can set up a budget for the planned expenditure of a component. If you don't enter specific budget information, the system assumes that the expenditures will be made on a regular basis—calculating an equal amount to expend for each pay period.

Current Total, Total Req'd (total required), and Remainder

Track your progress against the budget throughout the package year by referring to the Current Total, Total Req'd, and Remainder fields that appear at the bottom of the page.

While the system defaults the budget amounts so that they are evenly spread across the budget period, you can change the values for each period. However, all of the periods must add up to the totals. If they do not, and you attempt to close the page, the system displays a warning message and you cannot close the page until you correct the error.

The budget total is automatically updated and appears after every entry on the Budget Entry page.

Related Links

[Employee Salary Package - Base Components Page](#)

Employee Salary Package - Additional Comp Page

Use the Employee Salary Package - Additional Comp (additional compensation) page (PKG_MDL_ADD_CMP) to view the additional component values (expressed as an annual value) associated with the Base Components page.

For each component, view the associated additional components as well as component totals.

Navigation

Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Additional Comp

Image: Employee Salary Package - Additional Comp page

This example illustrates the Employee Salary Package - Additional Comp page.

Package Model	Base Components	Additional Comp	Base Comp (Per)	Addnl Comp (Per)	Salary/Tax																																															
Justin Whitford			ID KA0014	Empl Record	0																																															
Package Definition			Find View All	First 1 of 1 Last																																																
Effective Date 01/01/2004			Package Status Current																																																	
Model Number 0																																																				
Package Components			Find View All	First 3 of 4 Last																																																
<table border="1"> <thead> <tr> <th>Component</th> <th>SALARY</th> <th>Salary Component</th> <th colspan="3"><input checked="" type="checkbox"/> Add to Gross Pay</th> </tr> </thead> <tbody> <tr> <td colspan="6">Additional Components</td> </tr> <tr> <td></td> <td></td> <td>Type</td> <td>Amount</td> <td>Enroll Amount</td> <td>Adds To TPV</td> <td>Adds To TEC</td> </tr> <tr> <td>SALPRT</td> <td>Sal PRT</td> <td>Payroll Tx</td> <td>8046.37</td> <td>8046.37</td> <td></td> <td>8046.37</td> </tr> <tr> <td colspan="3"></td> <td colspan="2"></td> <td><input type="button" value="+"/></td> <td><input type="button" value="-"/></td> </tr> <tr> <td colspan="3"></td> <td colspan="2">Base Component Amount TPV/TEC</td> <td>125724.56</td> <td>125724.56</td> </tr> <tr> <td colspan="3"></td> <td colspan="2">Component Total TPV/TEC</td> <td>125724.56</td> <td>133770.93</td> </tr> </tbody> </table>			Component	SALARY	Salary Component	<input checked="" type="checkbox"/> Add to Gross Pay			Additional Components								Type	Amount	Enroll Amount	Adds To TPV	Adds To TEC	SALPRT	Sal PRT	Payroll Tx	8046.37	8046.37		8046.37						<input type="button" value="+"/>	<input type="button" value="-"/>				Base Component Amount TPV/TEC		125724.56	125724.56				Component Total TPV/TEC		125724.56	133770.93			
Component	SALARY	Salary Component	<input checked="" type="checkbox"/> Add to Gross Pay																																																	
Additional Components																																																				
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SALPRT	Sal PRT	Payroll Tx	8046.37	8046.37		8046.37																																														
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			Base Component Amount TPV/TEC		125724.56	125724.56																																														
			Component Total TPV/TEC		125724.56	133770.93																																														
Package Total																																																				
			Target Total TPV/TEC	170000.00																																																
			Current TPV/TEC	170000.00	180880.00																																															
					C/F																																															
			Balance Total TPV/TEC	0.00	Target TPV/TEC																																															

Package Components

Add To Gross Pay

This check box is selected if you also selected it on the Base Component page. It enables you to identify components to include in the notional calculation of PAYG tax liabilities. At the time of modelling, the value of components with the Add to Gross Pay check box selected are aggregated and the PAYG tax liability is calculated on the total. Typically select this check box for components representing cash payments (such as salary and allowances).

**Base Component Amount TPV/TEC
and Component Total TPV/TEC**

Totals appear for the base component amount for both TPV and TEC, the amount entered on the Base Components page, and the component total, which is the base plus additional components.

The base component amount represents the value of the component independent of any additional liabilities.

The component total TPV/TEC adds the additional component values and the base component amount to give a total cost of the component as it effects TPV and TEC.

Additional Components

This group box displays all the additional components and amounts that have been calculated for each of the components. There are three totals available for individual additional components.

Type For each component, additional components may exist for FBT, GST, and payroll tax. This information appears here.

Amount Displays amount calculated for component.

For FBT, displays the FBT package value with or without including the GST gross-up value if the Gross Up Calculation method is set to *Type 1 - Tax Credit Claimed* on the Additional Components - Additional Comp page (Compensation, Salary Packaging AUS, Define Salary Packaging, Additional Components). If the Gross Up Calculation method is set to *Type 2 - No Input Tax Credit* on this page, the GST gross-up amount is not included.

Enroll Amount This amount is the amount passed to the employee's compensation record when the Salary Packaging enrolment process is run.

For FBT, displays the FBT package value but does not include the GST gross-up amount.

Note: The Enroll Salary Packaging process uses the Enroll Amount value when it creates the employee's compensation record. The payroll process as well as the Collect FBT Earnings AUS and Payment Summary processes use this value when calculating the FBT reportable earnings for the employee's Payment Summary Certificate.

Note: The Enroll Amount field may or may not be the same as the amount displayed in the Amount field. If the Gross Up Calculation method is set to *Type 2 - No Input Tax Credit* on the Additional Components page (Compensation, Salary Packaging AUS, Define Salary Packaging, Additional Components) the GST gross-up is not included in the Amount field and there is therefore no difference between the Amount and the Enroll Amount.

Adds To TPV and Adds To TEC

Controlled by the setup of the additional component, where you specify if the additional component Adds To TPV or TEC.

For example, the calculated FBT liability for a car parking component might be 2,216.94 AUD. This appears in both the Adds to TPV and Adds to TEC fields. All values adding to TPV add to TEC (the TEC is inclusive of all TPV values).

The payroll tax liability might be calculated as 164.78 AUD. This value appears only under the Adds to TEC field because the component definition indicates the package level for this

additional component to be TEC (which means it has no effect on TPV).

Package Total

Target Total TPV/TEC, Current TPV/TEC, C/F Target TPV/TEC, and Balance Total TPV/TEC

These totals are consistent with those shown on the Base Components page, identifying the target, current, and balance totals for TPV and TEC.

Related Links

[Setting Up Additional Salary Package Components](#)

[Setting Up Package Components](#)

Employee Salary Package - Base Comp (Per) Page

Use the Employee Salary Package - Base Comp (Per) (base compensation [per]) page (PKG_MDL_BSE_CMP_PE) to enter base component details that drive package value calculations on an annual basis.

Components, effective for only part of the year, have a prorated amount that appears on this page.

Navigation

Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Base Comp (Per)

Image: Employee Salary Package - Base Comp (Per) page

This example illustrates the Employee Salary Package - Base Comp (Per) page.

Package Model	Base Components	Additional Comp	Base Comp (Per)	Addtl Comp (Per)	Salary/Tax			
Justin Whitford		ID KA0014	Empl Record 0					
Package Base Components		View All First 1 of 1 Last						
Effective Date 01/01/2004		Package Status Current						
Model Number 0								
Package Components		Find View All First 1-4 of 4 Last						
		From	To	TPV	TEC	Bal	Dtls	Bud
BONUS	Bonus	01/01/2004	12/31/2004	18858.69	20065.65			
CAR	Car	01/01/2004	12/31/2004	10958.42	11659.76			
SALARY	Salary	01/01/2004	12/31/2004	125724.56	133770.93			
SUPSGC	SGC Super	01/01/2004	12/31/2004	14458.33	15383.66			
Package Effective Period Total								
Target Total TPV/TEC				170000.00				
Current Total TPV/TEC				170000.00	180880.00			
C/F Target TPV/TEC								
Balance Total TPV/TEC				0.00				

The Base Comp (Per) page operates almost the same as the Base Components page. These pages enable you to enter the components and the component details for the employee's package. There is, however, one important difference.

On the Base Components page, the value of the individual components and the package indicate annual amounts, while the Base Comp (Per) page indicates the values for the effective period of the package or component.

For example, if an employee receives a salary of 50,000 AUD per year, but is only employed for three months, that employee's remuneration is generally described as 50,000 AUD per annum, not 12,500 AUD for three months. In the Base Components page, this amount is reflected as 50,000 AUD. In the Base Comp (Per) page, the value appears as 12,500 AUD for the package or component period reflecting the three-month period.

Note: Because the process of entering components and component details is the same in the Base Components page, all common fields and functionality are discussed in the Base Components page discussion.

Related Links

[Employee Salary Package - Base Components Page](#)

Employee Salary Package - Addtnl Comp (Per) Page

Use the Employee Salary Package - Addtnl Comp (Per) (additional compensation [per]) page (PKG_MDL_ADD_CMP_PE) to view the additional component values (expressed as part year values, depending on the start and end dates of the components) associated with the Base Comp (Per) page.

Navigation

Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Addtntl Comp (Per)

Image: Employee Salary Package - Addtntl Comp (Per) page

This example illustrates the Employee Salary Package - Addtntl Comp (Per) page.

Package Model	Base Components	Additional Comp	Base Comp (Per)	Addtntl Comp (Per)	Salary/Tax
Justin Whitford		ID KA0014	Empl Record 0		
Package Definition		Find View All First 1 of 1 Last			
Effective Date 01/01/2004		Package Status Current			
Model Number 0					
Package Components		Find View All First 3 of 4 Last			
Component SALARY Salary Component		<input checked="" type="checkbox"/> Add to Gross Pay			
Additional Components		Find View All First 1 of 1 Last			
	Type	Amount	Adds To TPV	Adds to TEC	
SALPRT	Sal PRT	Payroll Tx	8046.37	8046.37	+ -
Base Component Amount TPV/TEC			125724.56	125724.56	
Component Total TPV/TEC			125724.56	133770.93	
Package Total					
Target Total TPV/TEC			170000.00		
Current Total TPV/TEC			170000.00	180880.00	
C/F Target TPV/TEC					
Balance Total TPV/TEC			0.00		

The Addtntl Comp (Per) page appears and operates almost the same as the Additional Components page. The difference is that the Addtntl Comp (Per) page displays the additional component values (expressed as part year values, depending on the start and end dates of the components when the salary package period is not an annual period). The values that appear reflect the amounts for the effective period of the package or component.

Note: Because the fields are identical in the Additional Comp page, all common fields and functionality are discussed in the Additional Comp page discussion.

Related Links

[Employee Salary Package - Additional Comp Page](#)

Employee Salary Package - Salary/Tax Page

Use the Employee Salary Package - Salary/Tax page (PKG_MDL_SAL_NET) to view the impact to the employee's salary and tax obligations based on the package model.

Navigation

Compensation, Salary Packaging AUS, Create Salary Packaging, Employee Salary Package, Salary/Tax

Image: Employee Salary Package - Salary/Tax page

This example illustrates the Employee Salary Package - Salary/Tax page.

Package Model	Base Components	Additional Comp	Base Comp (Per)	Addnl Comp (Per)	Salary/Tax
Justin Whitford			ID KA0014	Empl Record 0	
Salary Details Find View All First 1 of 1 Last					
Effective Date 01/01/2004			Package Status Current		
Model Number 0					
Tax Scale 7					
Salary					
	Gross Salary	Tax	Net Salary		
Yearly	144583.25	56973.44	87609.81		
Monthly	12048.60	4747.79	7300.82		
Semi-monthly	6024.30	2373.89	3650.41		
Fortnightly	5560.89	2191.29	3369.61		
Weekly	2780.45	1095.64	1684.81		

Salary Details

Salary

Based on the package tax scale that you selected on the Package Model page, the system calculates the employee's gross salary, tax (liability), and take-home pay (net salary) for each of the following pay frequencies:

- *Yearly*
- *Monthly*
- *Semi-monthly*
- *Fortnightly*
- *Weekly*

Note: This tax calculation does not take into account any tax rebates or rounding in calculating the tax liability and is used only as an estimate of the eventual tax liability. Because it is possible to vary payments through the payroll, and the payments might alter either the gross salary or the tax amounts, these figures are not regarded as an exact reflection of payments that are made through Global Payroll.

Related Links

[Employee Salary Package - Package Model Page](#)

Modelling Salary Packages for Applicants

If you use PeopleSoft Recruiting Solutions to track and administer applicants, you can create a salary package for applicants before you hire them.

After you hire the applicant, Recruiting Solutions can copy the applicant salary package information into their employee record.

Note: The Applicant Salary Package component is similar to the Employee Salary Package component. The functions are the same with some exceptions: the checking against any employee job and employee tax records doesn't occur. Because the person is an applicant, these records do not yet exist. One difference is the start date. In applicant package modelling, the start date defaults to the package model effective date. Variation exists when defining the packaging options because an applicant does not have a job record from which to default package and tax information.

Set up salary package model information for applicants using the Applicant Salary Package component in the same way that you set up salary package model information for employees (using the Employee Salary Package component). All of the information on this page is identical to the information on the corresponding page for employees.

In this section, we discuss how to define applicant salary packages.

Pages Used to Model Salary Packages for Applicants

Page Name	Definition Name	Navigation	Usage
Applicant Salary Package - Applicant Model	HRS_PKG_MDL_APP	Perform the <i>Create Salary Package</i> action on the "Manage Applicant page: Applicant Activity Tab: Current Status Section (<i>PeopleSoft HCM 9.2: Talent Acquisition Manager</i>)" or on various other Talent Acquisition Manager pages.	Record applicant salary packages.
Applicant Salary Package - Base Components	HRS_MDL_BSE_CM_APP	From the Applicant Salary Package - Applicant Model page, select the Base Components page.	Enter base component details that drive package value calculations on an annual basis for applicants.
Applicant Salary Package - Budget Entry	PKG_MDL_BUDGET_APP	From the Applicant Salary Package - Base Components page, click the Bud button.	Set up a budget for the planned expenditure of a component for applicants.
Applicant Salary Package - Additional Components	HRS_MDL_ADD_CM_APP	From the Applicant Salary Package - Applicant Model page, select the Additional Components page.	View the additional component values for applicants, expressed as an annual value, associated with the prior page.

Page Name	Definition Name	Navigation	Usage
Applicant Salary Package - Period Base Components	HRS_MDL_BSE_PE_APP	From the Applicant Salary Package - Applicant Model page, select the Period Base Components page.	Enter base component details (for applicants) that drive package value calculations on a prorated basis—in other words, the actual value of the component for the period for which it is effective.
Applicant Salary Package - Period Additional Components	HRS_MDL_ADD_PE_APP	From the Applicant Salary Package - Applicant Model page, select the Period Additional Components page.	View the additional component values (for applicants) (expressed as an annual value) associated with the prior page.
Applicant Salary Package - Salary and Taxes	HRS_MDL_SAL_NT_APP	From the Applicant Salary Package - Applicant Model page, select the Salary and Taxes page.	View the impact to the applicant's salary and tax obligations based on the package model.

Related Links

[Modelling Salary Packages for Employees](#)

[Confirming Salary Packages for Applicants on Hire](#)

[Setting Up Package Components](#)

[Entering Package Component Details](#)

Applicant Salary Package - Applicant Model Page

Use the Applicant Salary Package - Applicant Model page (HRS_PKG_MDL_APP) to record applicant salary packages.

Navigation

Perform the *Create Salary Package* action on the "Manage Applicant page: Applicant Activity Tab: Current Status Section (*PeopleSoft HCM 9.2: Talent Acquisition Manager*)" or on various other Talent Acquisition Manager pages.

Image: Applicant Salary Package - Applicant Model page

This example illustrates the Applicant Salary Package - Applicant Model page.

Note: Most of the information on this page is identical to the information on the Employee Salary Package pages. This discussion highlights only the differences. No job record or payroll data exists for information to default from, so you need to enter data.

Package Definition

Package Status

Displays *Proposed* for applicants. You can't confirm or enrol packages for applicants. The applicant would need to be hired, and then have the package confirmed and enrolled through the Employee Packaging pages.

Company

Select the company with the vacant position or job.

Job Code

The job code from the job requisition, which ensures that when modelling you are using the same defaults and rules that apply to the job for employees. The job code is not saved with the applicant model. It is used only to initialize the Template and Rule ID fields.

Tax Scale and Payroll Tax State

These values are used in the calculation of gross to net income figures and payroll tax liabilities. However, if the applicant is not an employee, enter these values or select from the list of values.

Related Links

[Employee Salary Package - Package Model Page](#)

[Modelling Salary Packages for Employees](#)

[Confirming Salary Packages for Applicants on Hire](#)

Copying Applicant Salary Packages to the Employee Salary Package Component

After you have hired an applicant and created the applicant's salary package, you copy the salary package and applicant ID over to the Employee Salary Package component using the Copy Salary Package action (*PeopleSoft HCM 9.2: Talent Acquisition Manager*) in Talent Acquisition Manager. This enables you to then view and confirm the applicant's package details as an employee.

This section lists the page used to copy applicant salary packages to the Employee Salary Package component.

Page Used to Copy Applicant Salary Packages to the Employee Salary Package Component

Page Name	Definition Name	Navigation	Usage
Copy Applicant to Employee	HRS_PKG_APP_CPY	Perform the <i>Copy Salary Package</i> action on various Talent Acquisition Manager pages, including the Manage Applicant page, the Manage Job Opening page, the Manage Application page, or the Search Applications page.	Copy applicant salary packages over to the Employee Salary Package component. The Copy to Employee ID is the ID you created when the applicant was hired. When you select the Confirm Copy check box, the applicant's ID and salary package are copied over to the Employee Salary Package component. This enables you to then view and confirm the applicant's package details as an employee.

Managing Salary Packages

Understanding Managing Salary Packages

After modelling a salary package for an employee, confirm and enrol the package to facilitate payments through PeopleSoft Global Payroll.

This simple, two-step process establishes all compensation records for an employee's confirmed package. If details of an employee's package change during the package year, you can change either the components or the component details in the package by making effective-dated changes to the package.

Note: If you are not using Global Payroll, you can still enrol salary packages to track compensation. Enrolment creates compensation records for the employee on the employee's Job Data Compensation page based on the components in the employee's confirmed package. This information facilitates payments and expense tracking. If you are not using Global Payroll, you can't track expenditure against the package using the Package Expense Summary page.

Related Links

[Confirming Salary Packages](#)

[Enrolling in Salary Packages](#)

"Reviewing Salary Package Expenditures (*PeopleSoft HCM 9.2: Global Payroll for Australia*)"

Common Elements for Managing Salary Packages

Package Enrolment

This process enrolls compensation rates on the Job Data Compensation page for all employees with a confirmed package. This process saves you the administrative overhead of updating each of the employee's records after a package has been confirmed.

De-enrolment

The process of removing an employee from a salary package.

Confirming Salary Packages

This section discusses how to:

- Confirm salary packages for employees.
- Confirm salary packages for applicants on hire.

Confirming Salary Packages for Employees

When you have completed the modelling process and the employee has selected a package, confirm the selection online to identify the package against which payments should be made. Approving or confirming a modelled package is the last phase prior to enrolling the employee into the salary package.

As each employee chooses a package, identify the selected package by selecting the Confirmed check box on the Package Model page in the Salary Package component. After the package is confirmed, run the Package Enrolment process to enrol the employee based on the components in the package —Compensation, Salary Packaging AUS, Create Salary Packaging, Enroll Salary Package.

Note: After a package has been confirmed, the package status remains as *proposed*. This means that the employee has made a selection but has not yet been enrolled into the package. After the enrolment process is complete, the package status is updated to *current* and payments are made in accordance with the package components.

Related Links

[Understanding Salary Package Modelling](#)

[Enrolling in Salary Packages](#)

[De-enrolling from Salary Packages](#)

Confirming Salary Packages for Applicants on Hire

If you have been tracking and administering job applicants using Recruiting Solutions, you don't have to re-enter all of the information you have already entered in the system when you hire an applicant. After the applicant is hired and you have created the applicants, the system can copy the applicant's information into the applicant's employee record.

Because you can't confirm applicant package models, you must confirm the employee's selected package at the time of hire and then complete the Package Enrolment process as you would for other employees.

To model salary packages for job applicants that you are tracking in the Recruitment process, use the Applicant Salary Pkg Model AUS component.

Note: You can't confirm salary packages in the Recruiting menu. You must first hire the applicant, copy the applicant's package to the Employee Salary Package component, and then confirm the package in the Salary Packaging AUS menu.

Related Links

[Copying Applicant Salary Packages to the Employee Salary Package Component](#)

[Modelling Salary Packages for Applicants](#)

Enrolling in Salary Packages

This section provides an overview of salary packages and discusses how to enroll in salary packages.

Understanding Salary Packages

The Package Enrolment process creates compensation rates on the Job Data - Compensation page for all employees with a confirmed package. This process saves you the administrative overhead of updating each of the employee's records after a package has been confirmed.

You can run the package enrolment process for individual employees or for a pay group. Regardless of the selection criteria, enrolments are only completed for confirmed packages with a status of *proposed*.

When enrolling employees, the system identifies the relevant payroll information from the component definitions. Each component and additional component has a compensation rate code attached. The system uses this information to enrol employees.

Enrolling Employees in Salary Packages

When enrolling an employee through salary packaging for the first time, the rate codes on the employee's Job Data - Compensation page are replaced with all of the salary packaging rate codes (unless the original rate code is *not* flagged as Maintained by Salary Packaging).

If the employee has been packaged before, and you are enrolling a package because of review or an amendment, then the enrolment process treats the package as a new package. All salary packaged flagged compensation rate codes are deleted and new codes inserted.

Note: Regardless of the selection criteria, the package enrolment process is completed for only *confirmed* packages.

You can see the result of the package enrolment process by viewing the impacted employee's job data record before and after running the enrolment process.

The Job Data - Compensation page displays the employee's compensation rate. It also indicates the source of the record with the Salary Packaged check box. If the record was not created by the package enrolment process, the Salary Packaged check box clears.

After you have run the package enrolment process, both the action/reason code and the Salary Packaged check box indicate that a salary packaging process inserted this record.

Page Used to Enrol in Salary Packages

Page Name	Definition Name	Navigation	Usage
Enroll Salary Package	RUNCTL_PKG001	Compensation, Salary Packaging AUS, Create Salary Packaging, Enroll Salary Package, Enroll Salary Package	<p>Run the Salary Package Enrolment PSJob process (HRAU_SPE) to enrol an employee or pay group in a salary package.</p> <p>To run the Package De-enrolment process, navigate to Compensation, Salary Packaging AUS, Create Salary Packaging, De-Enroll Salary Package, Package De-enrollment. The two pages are identical.</p>

Enroll Salary Package Page: Enrolling

Use the Enroll Salary Package page (RUNCTL_PKG001) to run the Salary Package Enrolment PSJob process (HRAU_SPE) to enrol an employee or pay group in a salary package.

Navigation

Compensation, Salary Packaging AUS, Create Salary Packaging, Enroll Salary Package, Enroll Salary Package

Image: Enroll Salary Package page

This example illustrates the Enroll Salary Package page.



Enroll Salary Package

Run Control ID PS Report Manager Process Monitor Run

Report Request Parameters

☒ By Employee ID ☐ By Pay Group

Selection Criteria

Empl ID  Empl Record 

Pay Group

By Employee ID

Select to enroll an employee in a salary package. When this option is selected, the EmplID (employee identification) and Empl Record (employee record number) fields are activated.

By Pay Group

Select to enroll a pay group in a salary package. When this option is selected, the Pay Group field is activated.

Reviewing Salary Packages

In this section provides an overview of salary package reviews and discusses how to:

- Identify salary packages due for review.
- Remodel the employee's salary package.

Understanding Salary Package Reviews

Salary packages are generally effective for a year and subsequently subject to annual review. Regardless of the period of the package, it is necessary to review the package near the end of its effective period and establish a new package. Reviewing a package involves:

- Reconciling the expenditure against the package.
- Remodelling where necessary.
- Confirming and enrolling the new package for payment.

Most organizations align their employee package reviews with the calendar using the calendar year, the tax year, or the financial year to determine the review cycle. This makes it easy to remember when employee packages are due for review.

However, you might align an employee's package with the employee's service or some other anniversary. This could mean that review periods are not consistent across your employee population. To handle this situation, run the Packages Due for Review report to identify any employee whose package is due for review in a specified period.

Identifying Salary Packages Due for Review

View the review date for each employee package on the Package Model Table page in the Employee Salary Package component. The review date defaults when modelling the package. The default is for the review date to equal the package end date. Override this value if necessary. You can run the Packages Due for Review report to identify all employees who have salary packages due for review.

Related Links

"Administer Salary Packaging Reports (*PeopleSoft HCM 9.2: Application Fundamentals*)"

Remodelling the Employee's Salary Package

Before you can remodel an employee's package, reconcile the expenditure against the existing package. In this section, we discuss both processes:

- Reconciling expenditure.
- Remodelling the salary package.

Reconciling Expenditure

You should understand the expense calculation process and the package summary information before attempting to reconcile a package. At the package period end date, employees may have overspent or underspent their budgeted package entitlements. Before modelling a subsequent package, reconcile the differences.

When reconciling a package, you can deal with the differences in a number of ways. For a package that is overspent, you recover the difference as an overpayment or reduce the value of the subsequent package. Similarly, you can pay out underspent components or include the value in the subsequent package. The method of reconciling the differences varies from organization to organization.

Any action taken to pay or recover differences at the end of the package year should be made through the payroll system. Any adjustment to subsequent packages can be in the form of adjusted values for existing components or by defining a separate component to track the adjustment.

Remodelling the Salary Package

When you have identified the employees requiring package review, remodel their packages. This process can be as simple as inserting a new effective- dated package and confirming and enrolling the package, or it can be far more complex. The complexity depends on the changes to the employee's package.

To remodel a salary package for an employee:

1. Open the current salary package and insert a new row.

When you insert a new package, all of the current details from the current package appear by default, including the component details. The component from and to dates populate the package start and end dates. Components with an end date in the current package, which is prior to the start date of the new package, do not default from the current package because they are already ended.

2. To remodel for the employee, ensure that the effective date of the package is outside the package start and end dates for the existing package.

If the effective date is between the package start and end dates, it is regarded as an effective-dated change to the existing package rather than a new package model.

A new package model resets package expenditure and re-initializes the component from and to dates (to match the package start and end dates). An effective-dated change does not reset package expenditure or re-initialize the from and to dates.

3. Change any of the package details at the package or component level.

The package balance is recalculated based on the changes you make. If, however, you change the template ID used for the package, all package details are cleared and you must repackage all of the details for the employee.

If you have not modified the template ID for the employee, all of the package details are retained. Because changes are likely to be minor (such as an increase in the salary component or minor adjustment to other components), using the details of the employee's current package is the most efficient method of repackaging.

Check some package component details when repackaging on review. These details include estimated distance travelled for a motor vehicle component or other component, as well as details that can change year to year that are not evident in the package display.

4. After you enter the new package details, confirm and enrol the package.

Note: If you are tracking expenditures for packages, run the package expense calculation before remodelling the package. This ensures that the final expenses have been recorded against the package.

Related Links

"Understanding Monitoring Salary Package Expenditure (*PeopleSoft HCM 9.2: Global Payroll for Australia*)"

[Enrolling in Salary Packages](#)

De-enrolling from Salary Packages

Sometimes it is necessary to de-enrol employees from salary packaging. You might have areas of your organization that are administered through salary packaging and other areas that have salary- or hourly-based employees with no other packaged benefits. If this is the case, employees are likely to move from one area of the organization to another.

To remove an employee from a salary package, update the employee's salary package record with a package end date and de-enrol the package. Review the employee's job data to ensure accurate payments under the conditions of the new position.

You might need to reconcile expenditure against the package before completing the de-enrolment and adjust any components over or underspent.

Note: Always run the expense calculation process before de-enrolling the employee from the package.

De-enrolling Employees from Salary Packages

Before you can run the Package De-enrolment process, indicate that the package is to be de-enrolled and review the package end date on the Package Model page.

The package de-enrolment process updates the job record with a new effective-dated row. The new Job Data record has an effective date that is the day after the package end date. The action/reason indicates that it is a De-enrol Salary Package record.

No change is made to the compensation rate when de-enrolling an employee from salary packaging. Review the job data details, especially the compensation rate, to ensure that the details of the new job or conditions are accurate.

Note: Regardless of the selection criteria, the system de-enrolls only those packages with the De-enrolment check box selected and a current package end date on the Package Model page in the Salary Package component.

Page Used to De-enroll from Salary Packages

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Enroll Salary Package	RUNCTL_PKG001	Compensation, Salary Packaging AUS, Create Salary Packaging, De-Enroll Salary Package, Enroll Salary Package	<p>Run the Enroll Salary Package PSJob process (HRAU_SPD) to de-enroll an employee or a pay group from a salary package.</p> <p>To run the Package Enrollment process navigate to Compensation, Salary Packaging AUS, Create Salary Packaging, Enroll Salary Package, Enroll Salary Package . The two pages are identical.</p>

Related Links

"Understanding Monitoring Salary Package Expenditure (*PeopleSoft HCM 9.2: Global Payroll for Australia*)"

[Enrolling in Salary Packages](#)

[Employee Salary Package - Package Model Page](#)

Enroll Salary Package Page: De-Enrolling

Use the Enroll Salary Package page (RUNCTL_PKG001) to run the Enroll Salary Package PSJob process (HRAU_SPD) to de-enroll an employee or a pay group from a salary package.

Navigation

Compensation, Salary Packaging AUS, Create Salary Packaging, De-Enroll Salary Package, Enroll Salary Package

Image: Enroll Salary Package page

This example illustrates the Enroll Salary Package page.

The screenshot shows the 'Enroll Salary Package' page. At the top, there's a title bar with 'Enroll Salary Package'. Below it, there are three links: 'Run Control ID PS', 'Report Manager', and 'Process Monitor', followed by a yellow 'Run' button. A section titled 'Report Request Parameters' contains two radio buttons: 'By Employee ID' (which is selected) and 'By Pay Group'. Below this is a 'Selection Criteria' section. It contains three fields: 'Empl ID' with a search icon, 'Empl Record' with a value of '0' and a search icon, and 'Pay Group'.

By Employee ID

Select to de-enrol an employee in a salary package. When this option is selected, the EmplID and Empl Record fields are activated.

By Pay Group

Select to de-enrol a pay group in a salary package. When this option is selected, the Pay Group field is activated.

Making Effective-Dated Changes to Confirmed Salary Packages

This section discusses how to:

- Change existing packages and model new packages.

- Work with budgets and the carry forward amounts.

Details in a package may change during the course of the package period. The employee might choose to discontinue a package component, or the details of a component might change because of legislation or company policy. You can reflect these changes as effective-dated changes to a package.

If you know of these changes at the time of modelling the package for the employee, it is possible to use the component from and to dates to reflect the changes.

If you do model the package to reflect changes in component details during the course of the package, the package enrolment process recognizes these changes and inserts multiple records for the respective benefit, deduction, or payroll data. This ensures that accurate payments can be made without further intervention.

If, however, you do not know about changes immediately, and you have to change details later in the year, you can simply enter an effective-dated change. After you confirm and enrol the change, it is administered through payroll, in accordance with the new package details.

To make an effective-dated change to an employee package:

1. Access the current salary package by using the Package Model page in the Employee Salary Package component.
2. Insert a new effective-dated row.
3. Modify the effective date to indicate the effective date of the change you are making.

The effective date controls whether you are making a change to an existing package or model a new package.

4. If you are making an effective-dated change to an existing package, the effective date must be between the package start and end dates of the existing package.
5. If you make an effective-dated change where the effective date is equal to the effective date of a package that is already confirmed, use the model number to show that this is a later change.

By increasing the model number to any number higher than the confirmed model, the new record is recognized as a later change for that effective date.

Changing Existing Packages and Modelling New Packages

The difference in process between remodelling for an employee and making an effective-dated change in a package is subtle. Essentially, the only difference is whether the new effective date is within or outside the package period for the existing package.

Despite the subtlety in process, the business impact is more dramatic. Modelling a new package for an employee, on review or for any other reason, means that all expenditure values are reset. This means that when you next look at the Expense Summary process, it reflects only expenditures since the new model was enrolled and payments were made against that package.

When you make an effective-dated change to a package, the expenditure details for the package to date are retained. If you are viewing details of this package through the Expense Summary pages, you can see expenditure information for all components within the package period—regardless of whether they

were before or after the effective-dated change. This enables you to see a complete history of the package, including the detail changes.

All of the package and component details default from the previous package, except for components that had an end date earlier than the effective date of the current package. Now you can change any of the component details, including the component dates, or add new components to fit your needs.

Related Links

"Understanding Monitoring Salary Package Expenditure (*PeopleSoft HCM 9.2: Global Payroll for Australia*)"

Working with Budgets and the Carry Forward Amounts

The Base Components and Base Comp (Per) pages include a carry forward (C/F) amount C/F TPV/TEC that you use to ensure the accuracy of the package values when making effective-dated changes to the package. The adjustment amount ensures that the package total is correct, regardless of the timing and the type of effective-dated changes to the package.

The carry forward amount is important if you have used the budget capabilities to calculate the expected expenditure of components. The amount represents the difference between the prorated value of the package (up to the effective date of the change) and the budgeted value of the package for the period.

For example, you package a component that represents an employee's bonus payment. The calculated value of the component is 10,000 AUD. You know that you pay bonuses only once a year in February. When budgeting this component, you can identify that the 10,000 AUD is attributable to the February pay period. To ensure data integrity, you must ensure that the amount budgeted and the component value are equal.

When you define the budget, it has no effect on the expenditure of the component. Expenditure is controlled through the payroll enrolments (which assume a regular rate of expenditure) and any overrides done through payroll.

If you then make an effective-dated change to the package, recognize the budget you have set and adjust the package values accordingly.

For example, an employee has a package that is effective for a year, from July 7, 2000, to June 6, 2001. The package was modelled from the top down with the Total Employment Cost (TEC) set to 120,000 AUD. The Total Package Value (TPV) was calculated to be 85,000 AUD.

Without budgeting, you would have assumed a regular rate of expenditure of 10,000 AUD per month, based on the TEC of 120,000 AUD. In this situation, any effective-dated change that is made two months into the package would assume 20,000 AUD has been expended and calculate the package values accordingly. This means that for the remainder of the package, the employee has 100,000 AUD left to expend.

By using budgeting, you can ensure that the package better reflects the real world. Because of putting money aside for holidays, bonuses paid only annually, and any other possible variables, it is likely that the rate of expenditure will be irregular. In the real world, it may be that 75,000 AUD of the TEC is budgeted in the first six months of the package and 45,000 AUD in the last six months.

In this situation, it is necessary to adjust the package value to reflect any irregularities in expenditure.

Taking the example a little further, we created a package with values of 120,000 AUD TEC and 85,000 AUD TPV. We budgeted to spend 75,000 AUD evenly over the first six months and 45,000 AUD in the last six months. We make an effective-dated change to the package after two months. This change does not alter the TEC or the TPV but rather modifies various component details. Based on the budget, we want the employee to spend only 95,000 AUD over the remaining 10 months of the package. This is because the employee was budgeted to have spent 25,000 AUD in the first two months.

When calculating the package values, we need to adjust the package by 5,000 AUD. This amount is the difference between the prorated value of the package (up to the effective date of the change) and the budgeted value of the package for the period.

Here is the calculation of the prorated value of the example package:

$$120,000 \text{ AUD} / 12 \text{ (months in year)} \times 2 \text{ (months elapsed)} = 20,000 \text{ AUD}$$

The budgeted value of the package for the period is 25,000 AUD (assuming a regular rate of expenditure on the 75,000 AUD budgeted in the first six months). This value is extracted from the details stored against the package.

The difference between the two is 5,000 AUD. This value represents the amount of the package that was budgeted before it would have been entitled, or in arrears if the package was budgeted to spend less early in the year and spend more later in the year. This amount can be seen as the carry forward amount (C/F TPV/TEC) on the effective-dated change to the package.

Note: The adjustment amount doesn't consider actual expenditure. It looks at the value of the package, the period of the package that has already elapsed, and the details entered by the user for the budgeted expenditure for the package.

Related Links

[Employee Salary Package - Budget Entry Page](#)

[Modelling Salary Packages for Applicants](#)

[Employee Salary Package - Base Components Page](#)

[Employee Salary Package - Base Comp \(Per\) Page](#)

Running Salary Packaging Reports

Throughout the entire Salary Packaging process there are a number of reports that you can run to help with your package modelling, package reviews, and reporting on package details. Human Resources supplies a group of four standard reports to help you manage Salary Packaging.

Pages Used to Run the Salary Packaging Reports

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Packages Due For Review	RUNCTL_PKG003	Compensation, Salary Packaging AUS, Create Packaging Reports, Packages Due for Review, Packages Due for Review	Generate the Salary Packaging - Models Due for Review report which displays all employees with packages ready for review.

Page Name	Definition Name	Navigation	Usage
Package Models	RUNCTL_PKG004	Compensation, Salary Packaging AUS, Create Packaging Reports, Package Models, Package Models	Generate the Salary Package Model report which enables you to report on an applicant or an employee's salary package.
Package Details	RUNCTL_PKG007	Compensation, Salary Packaging AUS, Create Packaging Reports, Package Details, Package Details	Generate the Salary Packaging Package Details report which reports on the amounts budgeted for each component of a package in each pay period.
FBT Reconciliation	RUNCTL_PKG006	Compensation, Salary Packaging AUS, Create Packaging Reports, FBT Reconciliation, FBT Reconciliation	Generate the Salary Packaging FBT Reconciliation report which assists in the reporting of benefits and liabilities to the Australian Taxation Office at the end of the Fringe Benefits Tax Year— March 31. The report includes values calculated during the Package Expense Calculation. To ensure that you get accurate totals included in the FBT Reconciliation report, you must execute the Package Expense Calculation at the end of the FBT Year for which to run the FBT Reconciliation report. You must complete this before running the report.