Unicorn HRO

Activating Employees On Payroll

The following functions are used to activate an employee on payroll. Information in the Misc. Payroll function is automatically created when you add an employee using either the New Hire or Payroll Activation function. Data may be added to additional functions as needed.

Function	**Requirements**	**Purpose**
New Hire Or Add Employee and Payroll Activation	Required; must be performed first	An employee must be "activated" on payroll. Payroll Activation automatically handles entry of the following information: Misc. Payroll, Payroll Status and Tax Elections. The Misc. Payroll record is set up for the year of the Effective Date.
Misc. Payroll	This function and all following functions can be run in any order after the employee has been activated.	Enter additional employee information if necessary.
Direct Deposit Accounts	Required if employee has chosen direct deposit.	
Deductions		If employee has been enrolled in benefits and/or FSAs and there is an employee contribution, and a deduction has been linked to the benefit, the deduction will automatically be created as part of Payroll Activation. If any deductions have been set up as "Assign on Activation" for the employee's deduction group in Deduction Definition, these deductions are automatically assigned to the employee as part of Payroll Activation. For other deductions, such as 401(k), you must enter them in this function.
Employer Deductions		Where there is an employer "match" set up in Employer Deduction Contributions, it is automatically added when the deduction is created.
Tax Elections		Payroll Activation automatically assigns federal and state taxes. SUI and SDI are assigned to the employee's work state. SIT is automatically assigned based on the employee's active mailing address in Address, unless that state's value in the State Codes COD (HR) has a "yes" in the "Allow SIT Assignment to Work State" field. If employees withhold additional amounts or have claimed an exemption from withholding, the information must be entered in this function.
Account Distribution		This function would only be used if the

Function	Requirements	Purpose
		employee's time is regularly split between departments or cost centers, and therefore has more than one G/L number. If G/L numbers are entered here, the Home G/L number in the Misc. Payroll function is ignored.
Lump Sums		This function is used to enter commissions, special payments, etc.

PROCESSING PAYROLL

Shown here are the functions that are typically used when processing a payroll, in the order in which they are used.

Function	Purpose
Time and Attendance	Employee's time card data is entered here. Time card exempt employees, as defined in Misc. Payroll, will automatically receive the number of Pay Scheduled Hours. Time card data must be entered before the Payroll Feeder can calculate pay, taxes and deductions.
Time and Attendance Report	Report prints data that was entered in Time and Attendance functions. It can be printed before or after the Payroll Feeder has been run. If you need to review entitlement hours used during this pay cycle, print the report after all employees have been processed through the Payroll Feeder.
Payroll Feeder	For each pay cycle, select the population you wish to process, such as Legal Entity and Pay Period End Date. Employees will appear in the list box. By clicking on Select All, then Send to Queue, the employees will be sent into the Payroll Feeder. This is a continually running process that calculates employees' pay, taxes and deductions. The results of the calculations can be viewed on-line in the "Pending" section of the following functions: Pay Distribution, Deduction Accumulators and Tax Accumulators. The results can be printed using the Combined Register. See the next section of this document for a detailed description of the Payroll Feeder.
Combined Register	Report prints data for the pending payroll date, as well as month-to-date and year-to-date information. The employees can be selected by organization structure or legal entity. Sort criteria can be specified. In order to see the current payroll's information, it must be run after employees have been processed through the Payroll Feeder.
Entitlement Report	Report prints pending entitlements and balances.
Pending Payments	After any changes have been made to time card data and all amounts are correct, use this function to "close" the payroll. Select the legal entity and payment date that you are processing, and then click on Select All. When all employees are highlighted, click on Release Payments. This will move the "Pending" amounts for pay, taxes and deductions into the month-to-date, quarter-to-date, year-to-date, fiscal and total accumulators. "Pending" amounts will be reduced by the amounts from this payroll cycle.
Check Print	After the payroll cycle is closed, checks and direct deposit vouchers can be printed. The Print Checks function only prints

Function	Purpose
	checks; see the next two functions for printing vouchers. This function will create a print file, which can be released to the printer at any time. If you run checks interactively, you can print from that function. If you run them in batch mode, they can be printed from the Report Master Listing.
Direct Deposit File Creation	This function creates a file containing employees' direct deposit information. It must be created before vouchers are printed and the information is transferred to the bank.
Voucher Print	After the voucher file has been created, this function is run to print employees' direct deposit vouchers. They are printed in the same format as checks, except that the check portion has "void" printed on it. A print file is created, which can be released to the printer at any time.
Payment Register	This report can be run at any time. If run after Pending Payments, choose the Payment History option. If run before Pending Payments, choose the Pending Payments option. Detailed information about each payment is given, including pay, tax and deduction amounts.
Tax Frequency Report	This report can be run at any time. If you print it before the payroll has been closed, you will see "pending" amounts containing the payroll being processed. If you print it after the close, all accumulator buckets (MTD, YTD, etc.) will include the last payroll's amounts. It is sorted by tax type within Federal, State and Local taxes.
G/L Report By Date	Run this function to print a General Ledger report. Information in tables created by Pending Payments (GL_JE and GL_Detail) can then be transferred to your financial system. To accrue amounts for a partial pay period at the end of a month, use G/L Interface Estimate Generation. To reverse the accrual, use G/L Interface Reversal Generation.

PAYROLL FEEDER SPECIFICATIONS

The Payroll Feeder submits employees to the server for gross to net payroll calculations. It will calculate pay, taxes and deductions, and puts this information into “Pending” buckets. These amounts can be viewed in Pay Distribution, Tax Accumulators and Deduction Accumulators.

Only one of the “select” options can be used (they cannot be combined).

The system searches for all employees who meet the selection criteria.

If selection is made by organization, the system retrieves all employees in that organization as entered in Work Profile. It retrieves each employee’s Legal Entity from level two in Organization Setup. It then gets their Payroll Processing Group from the associated legal entity in Misc. Payroll, and continues processing for employees whose group includes the selected Pay Period End Date in the Pay Calendar function.

The system also checks the Payroll Status record for the closest record equal to or prior to the payment date. The value in Payroll Statuses COD must have Process Time and Attendance = Yes to process non-exempt employees (as defined in Misc. Payroll), or Process Standard Payment = Yes for exempt employees. Please note that exempt employees are only given standard hours if their Compensation Method is “Standard.” If Process Lump Sums = Yes, Employee Lump Sum Earnings with a Check Print Option of separate check or blank (combine with regular payment) will be included. In order to be paid, a lump sum must be Active, with the scheduled date falling within the range of Start Date and End Date.

Employees must also have an active (“A”) mailing address (value “01”) in Address, an Compensation Method record and a Salary Change record, each with an effective date less than or equal to the payment date.

The system gets the most recent Compensation Method. Within that method, the most recent Salary Change record is used. For standard pay (where pay is expressed per hour) and job-based pay: the system annualizes pay, then divides by the number of pay periods stored in the Pay Frequencies COD table to determine the employee’s hourly rate. It checks the Pay Code Definition function to see if any Additional Amount or Factor exists. If so, it will apply the Additional Amount first, then multiply by the Factor. For non-exempt employees whose time card record includes a Shift, if the “Use Shift to Calculate Pay” checkbox is “yes” in Pay Process Control for the pay type, the system checks the Shift COD table for any Additional Amount or Factor.

For employees paid by rate index, the system will use the corresponding hourly rate from the Rate Indexes function. If a shift or special rate is entered, the additional amount will be added to the hourly rate and then the factor will be applied.

The system calculates the employee’s gross pay per the above methods. It gets current taxes from the Tax Elections function. It calculates the taxable wage base for both regular and supplemental wages (as defined in Pay Code Definition). It uses Pay Taxation Exemptions to reduce gross wages by any non-taxable pay types.

It then calculates deductions, from regular and supplemental pay, using the most current definitions in Deductions and Employer Deductions. It checks any entries in Deduction Pay Exclusions to see if deductions should not be taken from certain pay types. If any of the deductions have been exempted from taxation in the Deduction Taxation Exemptions function, the appropriate tax bases will be reduced. The system then calculates taxes based on the taxable wages, utilizing the current rates in Tax Manager.

To calculate taxes, the system annualizes taxable wages, calculates the tax, and then divides by the number of pay periods in Pay Frequency to determine the tax amount for this payment.

If there is not enough pay to take all deductions, the system will prioritize them. It gets the Priority from Deductions. Zero is the highest priority; 999 is the lowest.

General Ledger account numbers are determined in the following hierarchy:

1) Account Distribution if it exists - OR – Misc. Payroll

2) If some or all segments exist in Pay Code Definition, they override the above.

3) If some or all segments exist in Time and Attendance functions or Lump Sums, they override the above.

4) If entries exist in G/L Account Organization Setup, they will be used.