Payroll Argentina (PY-AR)

Release 4.6C

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Icons

Icon	Meaning
⚠	Caution
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Contents

Payroll Argentina (PY-AR)

Purpose

This component contains the functions and processes that enable you to run payroll for Argentina, in accordance with current legislation and regulations.

Functionality

These functions and processes contain, in general, the following steps:

1. Generation and valuation of the employee gross pay, including:

   a) Annual Statutory Bonus (SAC) [Page 16]

   b) Advance vacation payment [Page 42]

   c) Absences for industrial accidents and illnesses [Page 69]

   d) Other absences [Page 74]

   e) Family allowances [Page 94]

2. Generation and valuation of deductions and contributions; for example Social Insurance [Page 137]

3. Income Tax calculation [Page 178]

Gross

Purpose

This component allows you to calculate the employee gross pay in accordance with current legislation and regulations.

Functionality

The employee gross pay calculation includes, in addition to other functions, the calculation of:

1. Annual Extra Pay (SAC) [Page 16]
2. Advance vacation payment [Page 42]
3. Releases and industrial accidents and diseases [Page 69]
4. Other releases [Page 74]
5. Family allowances [Page 94]

Divisor 30

Definition

Some companies use "divisor 30" for all calculations related to payroll, that is, they take into account that each month has 30 days.

Use

A problem arises in those months that have more or less than 30 days. For months that have 31 days, for example, you must multiply the daily wage value by 31 to obtain the monthly wage. For months that have less than 30 days, you must multiply the daily wage value by 28 or 29. In both cases you obtain different results.

> The salary of an employee is $400 per month. To calculate the daily value of this salary you must divide the salary by the number of calendar days in the month. In January, the daily value for this salary is:
>
> $400 / 31 = $13 per day (rounded value)
>
> In February (supposing that February has 28 days), the daily value of the salary is:
>
> $400 / 28 = $14 per day (rounded value)

For February this means that, compared to months with 30 days, you pay one or two days more; and for months with 31 days, one working day less.

As such, if you consider that every month has 30 days you must "adjust" each month so that the same evaluation criteria apply to all of them.

Where there are absences in the current month you must decide whether this adjustment applies to all the days worked or only to the absences. For example, in January, you pay one working day less or one day of absence less. You must also decide whether to "adjust" the paid or unpaid leave for the month in question.

Where an employee has been certified unfit or fit to work in the middle of a month, you adjust the non-active days.

There is no adjustment for the case of vacations paid in advance: you pay this leave before an employee takes their vacation leave and the payment is neither reduced nor increased.

The payment of absences for industrial accidents or sickness is treated in the same way: there is no adjustment here either.

Integration

Parameter 30 was incorporated into the ARPRO function of the ARPR subschema to identify whether the company uses the divisor 30 for all of its calculations for the main schema of AR00 payroll.

For more information, see:

Divisor 30

How to use divisor 30

Procedure for using divisor 30

The standard SAP R/3 system is set to use the divisor 30 for all of the company calculations. As such, if you wish to use the divisor 30 for all of the company calculations, you only need to set the settings related to the specific use of the divisor 30.

For this, see:

Define relevant wage types for divisor 30 [Page 14]

Define all adjustment types by absence class [Page 15]

Procedure for not using divisor 30

If you do not want to use the divisor 30 you must set certain settings.

You set these settings using the implementation guide, in the section *Payroll Argentina → Basic settings → Payroll organization → Maintain payroll schema for divisor 30*.

Define relevant wage types for divisor 30

Use

It is necessary to identify which wage types the divisor 30 is applied in your Number field.

Procedure

You do this using the Implementation guide, in the section *Payroll Argentina → Absences → Divisor 30 → Define Cumulation According to Average for Divisor 30*.

Define all adjustment types by absence class

Use

Where there are absences, either paid or unpaid leave in the month, you must specify whether these absences or releases are "adjusted" (that is, whether they are to be taken into account in the calculation of averages) and for which type of month (that is, only for months with 31 days, only for February, or for both).

Procedure

You do this using the implementation guide, in the section *Payroll Argentina → Absences → Divisor 30 → Define type of adjustment by class of absence or presence.*

For months in which there is only vacation or industrial accidents or sickness, you do not make any adjustment, as these calculations are done on the basis of calendar days.

Annual Extra Pay (SAC)

Definition

The Annual Extra Pay (SAC), also called Annual Bonus, is a payment received by all full-time employees. This payment is made in two installments, at the end of the each calendar half-year, that is, at the end of June and the end of December.

The Annual Extra Payment (SAC) received in the course of one year is approximately equal to the salary or wages for one month.

Master data

To calculate the Annual Extra Payment (SAC) you must enter the following information:

1. Payments not taken into account for the SAC calculation [Page 18]
2. Time worked which is taken into account for the SAC calculation [Page 19]
3. Planned work time for the half year [Page 20]
4. Type of run used for calculating the SAC [Page 21]
5. Necessary data for off-cycle payroll run for SAC [Page 22]

Define Compensation for SAC Calculation

Procedure

You indicate both regular and irregular remuneration that is considered in the Annual Extra Payment (SAC) calculation to the system using the Implementation Guide, in section *Payroll → SAC → Define Compensation Cumulation for SAC.*

Define Time Worked for SAC Calculation

Procedure

To define the time worked that you want to consider in the Annual Extra Payment (SAC) calculation, you indicate absences that are not included in the calculation.

You do this using the Implementation Guide, in section *Payroll Argentina → Absences → Define Additional Data on Absences for ART and SAC.*

Planned Working Time for the Half-Year

Process

1. In the case of daily-paid employees, this information (expressed in hours) is imported from the internal table of the PSP run.

2. For monthly-paid employees:

   a) If you do not use divisor 30, then you use the end of the half year date, minus the date of entry in the company plus 1.

   b) If you use divisor 30, the system assumes the half year to have 180 days.

Define Payroll Type for SAC Calculations

Requirements

You must indicate whether you wish to use the regular payroll or the off-cycle payroll for calculating the Annual Extra Payment.

Procedure

You do this using the Implementation Guide *Payroll → Annual Extra Payment → Define Payroll Type for Annual Extra Payment in June/December.*

Define Data for Off-Cycle Payroll of the Annual Extra Payment.

Requirements

If you decide to calculate the Annual Extra Payment using off-cycle payroll, you must specify certain data relevant to this calculation. These data elements are the payment date, and the start and end dates for the half-year. You must enter them for each year and each payroll area.

Procedure

You have two options for this:

1. Using the Implementation Guide, in the section *Payroll → SAC → Define Off-Cycle Payroll Run Data.*

2. Using the menu *Payroll Argentina → Tools → Global Settings → Definition of Off-Cycle Payroll Data for Statutory Annual Bonus.*

Processes

The function that calculates the Annual Extra Payment (SAC) carries out the following steps:

1. Calculation of payment for Annual Statutory Bonus (SAC) [Page 25]

2. Calculation of payment for Annual Statutory Bonus (SAC) [Page 26]

3. Calculation of contributions on the basis of the Annual Statutory Bonus provisions [Page 27]

The system can calculate the Annual Extra Payment either from the regular payroll or by using the off-cycle payroll either from the regular payroll or by using the off-cycle payroll

For more details on the off-cycle payroll run for the Annual Statutory Bonus see Calculation of the Annual Statutory Bonus using the off-cycle payroll run [Page 28].

Formula for SAC Calculation Payment

Definition

To calculate the Annual Extra Payment (SAC), the system uses the following formula:

(Increased pay + Gratuities/6)X Time worked/Planned time X 0.5 = /S02.

Integration

To specify the increased pay and gratuities (irregular compensation) for the half year you use the relevant payments in the SAC calculation [Page 18].

The time worked refers to the time worked in the half year being considered for the SAC calculation [Page 19].

Working time refers to the planned work time for the half year [Page 20].

You store payment of Annual Extra Payment (SAC) in the SAC wage type (/S02).

SAC Payment Calculation

Process

During the Annual Extra Payment (SAC) payment calculation the system carries out the following steps:

1. The SAC Compensation wage type (/122) stores regular remuneration by month and compares it month to month in order to obtain the optimum SAC compensation.

> The regular employee remuneration (wage type /122) of an employee for January is $1,000. In February, the system stores the February remuneration in the internal table IT of wage type /122 for February and compares it with wage type /122 for January. If the January wage type is greater than that for February, the system continues working with it. If not, the system continues working with wage type /122 for February.

2. The irregular SAC Cumulation wage type (/222) cumulates irregular employee remuneration (gratuities) by half years and next calculates 1/6 of them.

3. Finally, you apply the SAC payment calculation formula [Page 24].

The payment of the Annual Extra Payment (SAC) is stored in the SAC wage type (/S02). This wage type represents payment of the Annual Extra Payment (SAC) at the moment of its calculation, that is, in June, December, or upon the ending of a work relationship (for example, in the case of dismissal, resignation, etc.).

SAC Provision Calculation

Process

The process carried out by the system for the SAC provision calculation is basically the same as that for SAC payment calculation [Page 25].

The only differences between these two processes are:

- The SAC provision calculates all of the months for the period of the half year already completed (including in June and December).

- The SAC provision calculation result is stored in wage type /S01.

The function that calculates the Annual Extra Payment always calculates the difference between the current provision and the one calculated previously, and stores it in the Provision difference wage type FI/CO (/S05).

This is done for accounting purposes.

In June and December the provision calculation (/S01) is the same as the SAC calculation (/S02), with which you check the accounting balance in FI/CO.

Calc.contributions on the basis of SAC provisions

Process

For calculating contributions on the basis of SAC provisions, the system carries out the following steps:

1. The function that calculates the Annual Extra Payment transfers the wage type (/S01) to the function responsible for calculating deductions and contributions.

2. On the basis of this transferred wage type , the function responsible for the calculation of deductions and contributions calculates the contributions appropriate for the SAC provisions at that time and transfers them to the function responsible for the SAC calculation.

3. This function then saves the wage types appropriate to the SAC provisions in the internal table IT. It also changes the name (for example, wage type /SC1 for contributions; wage type /SD1 for contribution differences).

Annual Stat.Bonus (SAC) Calc.via Off-Cycle Payroll Run

Two different situations can occur:

1. The Annual Statutory Bonus off-cycle payroll run is executed before the regular payroll run [Page 29]

2. The Annual Statutory Bonus off-cycle payroll run is executed after the regular payroll run [Page 30]

You can carry out the off cycle payroll run for the Annual Statutory Bonus from the following submenus in the menu Payroll Argentina:

1. *Payroll → Off-Cycle*

2. *Off-Cycle → Off-Cycle Workbench*

3. *Off-Cycle → OC Batch: Follow-Up for Payroll* (SAPARSAC process model)

Off-Cycle Payroll Run Before Regular Payroll Run

Process

If, when you define the payroll type for Annual Statutory Bonus calculation, [Page 21] you set this calculation using the off cycle payroll run and this calculation is carried out before the regular payroll run, the system, on executing the regular payroll run:

1. Calculates the Annual Extra Payment (SAC)

2. Compares this result with the result produced by the Annual Statutory Bonus off-cycle payroll run.

This comparison is carried out in order to:

- recognize changes that may eventually have occurred in the period between the two calculations, and to

- include the last regular payroll run in the largest pay calculation for six months.

  a) If the result for both calculations is the same, use this result.

  b) If the results are different, compare them and store the difference in the Annual Statutory Bonus payment difference wage type (/S06).

    ➡

    If, when you carry out the regular payroll run, the off-cycle payroll run for the Annual Statutory Bonus has not been executed, the regular payroll run issues a message warning that the Annual Statutory Bonus (SAC) should have been calculated previously using an off-cycle payroll run.

If you execute the SAC off cycle payroll run before the regular payroll run, this SAC off cycle run does not calculate the SAC provisions. In this case, these are calculated using the function contained in the regular payroll process.

The off-cycle payroll run payment date can only take place within the half year period.

Off-Cycle Payroll Run After Regular Payroll Run

Process

If, when defining the payroll type for SAC calculation [Page 21], you have set this to be calculated using a payroll run and this calculation is done after the regular payroll run:

1. The regular payroll only calculates the SAC provisions.

2. The SAC off cycle payroll run

    a) calculates the provisions up to that time

    b) compares these provisions with the provisions calculated by the regular payroll.

You carry out this comparison to note possible changes and, if necessary, to transfer them to FI/CO.

> Between the regular payroll and the off-cycle payroll for the SAC a leave has been produced that is included inside the SAC times.

3. The off cycle payroll calculates the SAC payment.

The off-cycle payroll payment date must take place within the half year period.

Payment of the Annual Statutory Bonus (SAC) within the first days of the following month is only possible within the regular payroll run.

Subsequent activities to the off-cycle payroll run

Requirements

If, after carrying out an off-cycle payroll run to calculate the Annual Statutory Bonus (SAC), you want to complete a bank transfer and/or a transfer to FI/CO or obtain a remuneration statement for the results produced, you can do this in two ways. Both options are to be found in the Payroll menu:

Procedure

- Using the menu *Payroll → Bank transfer*

- Through the menu *Off-cycle payroll run → LE Batch*: *Follow-up for payroll.* This option allows you to use the HR procedure. In this case, you must indicate the model identifier SAPAROC and the appropriate personnel number(s).

Vacations

Definition

Vacations are paid absences.

Gross vacation pay includes:

- Regular daily salary

- Payment of the average for variable forms of compensation

- For monthly employees, payment of the vacation bonus (= (Salary/25 - Salary/30)).

Acording to the local legislation, the number of days vacation that a worker can take per year according to their seniority in the company are:

- 14 consecutive days for less than 5 years with the company;

- 21 consecutive days for between 5 years and 10 years;

- 28 consecutive days for more than 5 years and less than 10 years;

- 35 consecutive days more than 20 years with the company.

The term consecutive days includes working and non-working days, and public holidays.

Workplace agreements may establish other rules in this respect.

Structure

For the payment of vacations in Argentina, three different types of vacation are recognized:

- Standard vacations [Page 33]

- Compensation for vacations not taken [Page 36]

- Paid vacations not taken [Page 38]

The gross pay for one day's vacation leave is the same for each of these three types. However, the net payment is different. For example, for compensation for leave not taken, no Social Insurance deductions are made.

See also:

Define the seniority of the employee for vacations [Page 40]

Vacation payment calculation [Page 41]

Standard Vacation

Definition

This is vacation that you enter into the system using the Absences infotype (2001). For the payment of this vacation, the employee must pay Social Insurance contributions.

Integration

For more details regarding the off-cycle payroll run for this type of vacation, see:

Processing of standard vacation [Page 34]

Processing of standard vacations

Use

You enter Standard vacations in the system using the Absences infotype (2001), Vacations subtype (0100).

Integration

As the employee receives payment for these vacations, their vacation entitlement simultaneously decrease. This is displayed in the vacations quota in the Vacation quota infotype (2006). Once the corresponding vacations quota has been taken, no more vacations can be entered into the Absences infotype (2001).

Functional features

In the standard SAP R/3 system the operation of the Absences quota infotype (2006) is automatic; that is, on entering vacations in the Absences infotype (2001) and running them, the system discounts these vacations automatically from the Absences quota infotype (2006).

Activities

- Before entering vacations using the Absences infotype (2001), you must generate the vacation quotas. To do this, you must define the settings indicated in the implementation guide, in the section *Payroll Argentina → Global settings → Payroll organization → Maintain evaluation times schema for vacations quota.*

- In the standard SAP R/3 system, the vacation quotas are set according to the country-specific of legislation.

  This setting can be displayed and eventually changed using the implementation guide, in the section *Time data recording and administration → Managing time accounts with attendance/absence quotas → Calculating absence quota entitlements → Rules for generating absence quotas → Define generation rules for quota selection.*

  The user can also change this standard setting for a specific employee. This is done by manually changing the run date in the Absence quota infotype (2006) for the corresponding employee.

- The statutory vacation period (from 1 October to 30 April) is registered within the system. This setting can be displayed and eventually changed using the implementation guide, in the section *Time data recording and administration → Managing time accounts with attendance/absence quotas → Calculating absence quota entitlements → Rules for generating absence quotas → Set base entitlements.*

  If you try to enter in the Absences infotype (2001) vacations outside this set vacation period, the system displays an error message.

See also:

Vacations [Page 32]

Compensation for vacations not taken

Definition

This is leave not taken doue to resignation or dismissal. The employer must compensate this leave not taken, for which the employee is not obliged to make any Social Insurance contribution.

Integration

For more details regarding the off-cycle payroll run for this type of vacation, see:

Processing of compensation for vacations not taken [Page 37]

Processing of vacation compensation

Use

This is used to process payment for leave not taken, due to resignation or dismissal.

Integration

The Compensation for absence quotas infotype (0416) is included within the leave action for Argentina.

Activities

In this case:

1. The user must enter the data relevant to this vacation type in the Compensation for absence quotas infotype (0416). To do this, you must:

    a. Enter the appropriate quota type,

    b. Enter the number of days to be compensated,

    c. Save the data.

       The vacation data that you enter in this infotype will be discounted from the corresponding quota of the Absences quota infotype (2006).

2. The user can indicate what time quotas compensation type from the Quotas compensation infotype (0416) are deducted from what quota type from the Absences quota infotype (2006). To do this:

    a. You must use the implementation guide, in the section *Time data recording and administration → Managing time accounts with attendance/absence quotas → Processing absence quotas in payroll → Time quota compensation → Define time quota compensation types*.

Paid vacations not taken

Definition

This vacation type arises when, for example, due to an agreement between the employee and the employer, a set amount of additional vacation days are paid to the employee. With the payment of these vacations, the employee is obliged to make Social Insurance contributions.

This case, although not mentioned in the legislation, is a normal practice in companies.

Integration

For more details regarding the off-cycle payroll run for this type of vacation, see:

Processing of paid vacations not taken [Page 39]

Processing of paid vacations not taken

Use

This processing is used for additional vacations that can subsequently be paid to the employee.

Requirements

In this case it is necessary to carry out a separate check on the leave that the employee has taken and the leave that the employee has not taken but which have been remunerated as such.

Functional features

For this purpose, the following has been caried out in the standard SAP R/3 system:

1. Two quota compensation types have been created with the following features:

   a. Both type discount from the same quota type.

   b. Each one of the quota compensation types generates different wage types, so that the compensation for leave not taken does not generate Social Insurance contributions.

   To the create quota compensation types, see the implementation guide, in the section *Time data recording and administration → Managing time accounts with attendance/absence quotas → Processing absence quotas in payroll → Time quota compensation → Assign wage types to the quotas to be compensated.*

2. The wage types that are generated for each one of the quota compensation types have been defined.

   For this setting, see the implementation guide, in the section *Time data recording and administration → Managing time accounts with attendance/absence quotas → Processing absence quotas in payroll → Time quota compensation → Assign wage types to the quotas to be compensated.*

Activities

1. The settings indicated previously have already been carried out in the standard SAP R/3 system. However, you customize them you your company.

2. You must enter the data corresponding to untaken paid vacations in the Quotas compensation infotype (0416). To do this, you must:

   a. Enter the appropriate quota compensation type,

   b. Enter the days to be compensated,

   c. Save the entries .

Define the seniority of the employee for vacations

Use

The seniority of the employee is checked using the hiring date in the system .

However, if you want to use a different entry date for considering another seniority and, in this way, changing the vacation entitlement, you can use the Date data (0041).

Procedure

To change the vacation seniority you set the new date in the Date data infotype (0041), as a technical entry date (01).

Result

The Time evaluation program (RPTIME00) then evaluates the technical entry date from the Date data infotype (0041), checks the absences quota according to this date, and reads the Quotas correction infotype (2013) to determine if there are any additional absences.

For more details about absence quotas, see the implementation guide, in the section *Time data recording and administration → Managing time accounts with attendance/absence quotas → Calculating absence quota entitlements → Rules for generating absence quotas → Define generation rules for quota selection.*

For more details about the vacation seniority of the employee, see also:

Vacations [Page 32]

Vacation payment calculation

Use

You can calculate vacation payments both by using the regular payroll run and the off cycle payroll run.

Functional features

- A regular payroll run only calculates vacation payment within the corresponding payroll period (even when the vacation extends beyond this payroll period).

- You use the off-cycle payroll run for vacation payment calculation to pay vacation in advance; that is, before the employee goes on vacation. This is the legal format.

    For more details regarding the off-cycle payroll run for the calculation of vacation payment, see:

    Vacation advance payment: Calculation tools [Page 43]

    Regular and off-cycle payroll run: Sequence to follow [Page 45]

Vacation advance payment

Legally, the employer must pay the employee his/her vacation on the last working day before the start of the vacation.

Calculation tools

Use

There are two possible ways to calculate advance vacation payment:

1. The off-cycle workbench

2. The Execution program for off-cycle payroll run for vacation payment (HARCVAC0)

Functional features

1. Off-cycle workbench

    The off-cycle workbench is accessed from the menu *Payroll Argentina → Off-cycle Payroll → Off-cycle Workbench.*

    Using the off-cycle workbench you can execute an off-cycle payroll run for a personnel number and indicate the reason for the off-cycle run. In the case of vacation payment, this allows you calculate payment for only one personnel number.

2. Off-cycle run execution program for vacation payment (HARCVAC0)

    You access this report from the menu *Payroll Argentina → Subsequent Activities → Period-independent → Evaluation → Leave Payment.*

    Using this report you can calculate the vacation payment for several personnel numbers, enter a reason for the off-cycle run and a payroll identifier. In this manner, when you relate the payroll identifier with the reason for off-cycle payroll, you can:

    a. Distinguish between several off-cycle payroll runs with the same date,

    b. Avoid the possibility of error if you assign the same payroll identifier to two different off-cycle payroll runs executed on the same day.

Activities

For vacation calculation using an off-cycle payroll run, we recommend the following:

*   If you want to pay an employee vacation pay on a different date to that calculated by the report Execution of off-cycle run for vacation payment (HARCVAC0), you must use the off-cycle workbench.

*   If you want to use the report Execution of Off-cycle run for Vacation payment (HARCVAC0), you must specify the payroll identifier "V" and the reason for the off-cycle payroll run "V001".

Integration

If, after calculating advance vacation payment, you want to complete a bank transfer and/or a transfer of results obtained to FI/CO, you have two ways of doing this. You can find both options in the Payroll menu:

*   Through the menu *Payroll → Bank Transfer*

*   Through the menu *Off-cycle payroll run → LE Batch: Follow-up for payroll.* This option allows you to use the HR procedure. In this case, you must specify the model identifier SAPAROC and the corresponding personnel number/s.

Regular and Off-Cycle Payroll Run: Sequence to Follow

Procedure

1. As with all payroll runs, you must carry out the off-cycle payroll run for vacation in accordance with the payment date.

```
        January            February
                        1/2
                         ┌───────┐
  ◄──────────────────────┼─██████─────────────►
                      31/1 -> 2/2
```
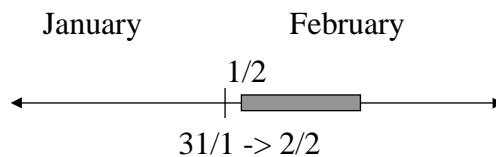
Vacation taken starting 1 February is paid on 29 January. You must calculate this using an off-cycle payroll run before the regular payroll run in January, which, in turn, is paid on 2 February.

2. The off-cycle payroll for vacation must be processed before the regular payroll of the period containing the first day of the vacation.

```
      January            February
                       ┌───────┐
  ◄──────────────┬─────┼─██████─────────────►
                 ╱      │
  28/1:                30/1: Start of
  Vacation pay         vacation
```
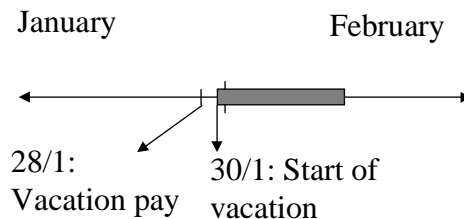
Vacation that begins 30 January and is paid on 28 January must be processed before the regular January payroll run with the same payment date.

Data to be entered

Procedure

1. You must determine which wage types flow into the evaluation basis in order to calculate vacation payment. You do this using the implementation guide, in the section *Payroll → Absences → Define cumulation according to valuation basis for monthly vacation.*

2. You must determine the wage types which are cumulated for the average calculation of the variable compensation for the last six months. You do this using the implementation guide, in the section *Payroll → Absences → Define cumulation according to average variable compensation of licenses.*

General description of calculation process

1. The off-cycle payroll run calculates the payment for the entire vacation, regardless of whether the vacation spans more than one payroll period.

> An employee takes vacation from 19 January to 9 February. The off-cycle payroll run for calculating payment is run on 16 January (= the last working day before vacation is taken).
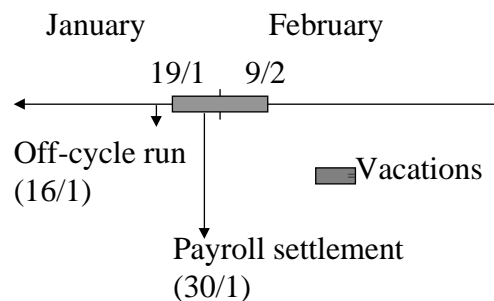
The off-cycle payroll run calculates the payment for all vacations, even if these are extended until 9 February.

2. The regular payroll run also calculates vacation payment, but only for that part of vacation that is within the payroll period.

3. When you do this, check, using table T554C, whether an off-cycle payroll run has already been carried out for this payment. If so, analyze the valuation basis that was used at the time the off-cycle payroll was run, and compare it with the valuation basis that you are now using, when you execute the regular payroll run. This is valid for employees paid both monthly and daily.

> An employee takes vacation from 19 January to 9 February. The off-cycle payroll run for calculating the payment is started 16 January (= the last working day before leave is taken).
>
> Starting 28 January, the employee receives an increase in salary.
>
> Run January payroll on 30 January

January   February

Increase (28/1)

19/1   9/2

Off-cycle
run (16/1)
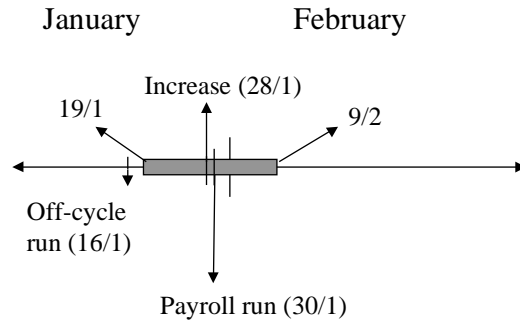
Payroll run (30/1)

The off-cycle payroll run calculates the complete vacation payment using a valuation basis valid on 16/1 (= date of off-cycle payroll run).

The payroll run for January only calculates vacation payment if it occurs between 19 January and 31 January. To do this, take the valuation basis that is valid on 31 January.

Afterwards, analyze the valuation basis that was used when carrying out the off-cycle payroll run on 16 January and apply this valuation basis to vacation payment.

Finally, calculate the difference between the vacation payment, calculated using the valuation basis valid at the time of executing the payroll run, and the vacation payment, calculated using the valuation basis valid at the time of carrying out the off-cycle payroll run.

These differences are paid to the employee in the form of a wage increase.

The off-cycle payroll run for advance vacation payment also calculates income tax and the contributions made to the social insurance contributions.

Calculation process for monthly employees

1. With the objective of paying the vacation bonus and its determination as irregular credit for the calculation of income tax, the *Wage/25* member of the calculation formula for monthly employee [Page 52] is calculated in the following way:

Salary/25 = Salary/30 + (Salary/25 - Salary/30)

Salary/25 = MT05　　　+　MT10

Wage type MT10 represents the vacation bonus.

The divisors 30 from the previous formula are replaced by calendar days if divisor 30 is not being used.

Regarding the use of divisor 30 for calculations in the Company, see:

Divisor 30 [Page 11]

2. The average variable compensation for the last six months is calculated taking into account the six months prior to the month in which the vacation payment is made (inclusive).

> An employee takes vacation from 19 January to 9 February. In order to calculate the average variable compensation in the last six months, the months from July to December from the previous year are taken into account.

The average variable compensation is stored in wage type MT15.

SAP provides a user exit that allows you to change the amount of months considered for the average variable compensation in the calculation of vacation payment. This user exit can be used by means of the Implementation Guide, in the section *Payroll Argentina → Customer Modifications Processing → Processes → Maintain Calculation of Averages.*

3. Finally, you run the calculation formula for monthly employees [Page 52].

Advance vacation: Generation of wage types in an off-cycle payroll run and a regular payroll run within the same period.

See General description of calculation process [Page 48]

Off-cycle payroll run	Regular payroll run	
	Valuated with valuation basis valid on regular payroll run date	Valuated with valuation basis valid on off-cycle payroll run date
MT05 Fixed salary for vacation	/V05	/V30
MT10 Vacation bonus	/V10	/V35

MT15 Var. compensation for vacation	/V15	/V40

Differences :

/V70 = Difference not including vacation bonus

/V70 = (V05 + /V15) - (/V30 + /V40)

/V75 = Vacation bonus difference

/V75 = /V10 - /V35

Formula: Vacation payment monthly paid employees

Definition

(Salary/25 + Monthly average of var. compensation over last 6 months/30) X Calendar days of vacation

Calculation process for daily employees

1. The daily vacation compensation for a daily employee is stored in wage type MT20. This wage type is evaluated using the valuation basis /004.

2. The variable compensation is included in the vacation payment calculation for daily employees. As in the case of monthly employees, this variable compensation is also stored in the wage type MT15.

3. Finally, you run the formula for the daily employee payment calculation [Page 54].

Advance vacation: Generation of wage types in an off-cycle payroll run and a regular payroll run within the same period.

See General description of calculation process [Page 48]

Off-cycle payroll run	Regular payroll run	
	Evaluated with valuation basis valid on regular payroll run date	Evaluated with valuation basis valid on off-cycle payroll run date
MT20 Fixed salary for vacation	/V20	/V16
MT15 Variable compensation for vacation	/V15	/V40

Difference :

/V70 = (/V20 + /V15) - (/V16 + /V40)

For daily employees you do not run the vacation bonus.

Formula: Vacation payment for daily employees

Definition

(Amount per hour X Amnt hours regular working day + Monthly average variable comepensation over last 6 months/30 X Amount of calendar days of vacation

Create vacation not taken

Requirements

These actions are performed when the employee is dismissed and their final settlement is calculated.

Procedure

You can enter vacation not taken in the infotype Time quota compensation (0416) using a wage type. For example, the wage type Leave not taken (MT95) . This is evaluated as vacation.

For further details, see also:

Compensation for vacation not taken [Page 36]

Create paid vacation

Procedure

In order to keep separate control of paid and taken vacation, you must do the following:

1. Deactivate the generation of payment wage types due to the new infotype feature Absences (2001).

2. Create two quotas of different types in the infotype Absence quota (2006): One of these quotas is discounted by using the infotype Absences (2001) in order to keep control of paid vacation.

3. Create a wage type in the infotype Time quota compensation (0416), for example MT65, in order to pay vacation and discount the other quota type

For further details, see also:

Vacation not taken but paid [Page 38]

Provision for Vacation

Definition

Provision for vacation is a calculation that you make to inform accounting of the amount of vacation pay the employee receives in a given month if the employee, in this month, takes all the accrued vacation entitlement. You must also inform accounting of the contribution amount paid for these provisions.

Integration

You calculate vacation provisions using the same formula as for vacation payments; that is:

For monthly paid employees:

(Salary/25+ Average variable pay last half-year/30) X Amount of days to be allocated

For daily paid employees

(Wages per hour X Amount of hours worked in a normal working day X Amount of days to be allocated)

For the vacation allowance:

Salary/25 = Salary/30 + (Salary/25 - Salary/30)

Amount of days to be allocated

Use

For the amount of days to be allocated, you can:

- calculate this automatically using RPTIME00 and the schema ZAT1,

- manually enter the quota in the absence quota infotype (2006).

The formula for calculating the days to be allocated is:

Number of days to be allocated = Proportional number X Proportional time

Proportional number = (Number of quota days – Total number of periods in a year) X Number of the period that is being settled

Proportional time = Time worked since beginning of the year/Work time since beginning of the year

Legally, if the employee has worked for more than six months in the company, the employee is entitled to all the corresponding vacation that year.

Once the employee has completed six months of employment in the company, you increase the calculated amount of vacations per month using the following formula:

(Number of quota days - Number of days already allocated in the previous period)/ Months that remain until the end of the year

Define generation of vacation quota

Use

Some companies grant an employee the entire vacation quota from the first period of the year, while other companies grant employees vacation proportionally; that is, in each period the employee can only take entitled vacations up to that period.

Procedure

You can check this using the Implementation Guide, in the section *Payroll Argentina → Vacation Provision → Define Generation of Vacation Quota.*

Calculation of provision for vacation Example

Employee registration date: 01/01/1998

Vacation entitlement up until 31/12/1998: 24 days

Regular salary: $3.000

Variable basis from April onwards (Variable average pay last 6 months/30): $50

Processing month	Amount of provision
January 1998	(100 + (120 - 100) + 0) X 2 = 240
February 1998	(100 + (120 - 100) + 0) X 4 = 480
March 1998	(100 + (120 - 100) + 0) X 6 = 720
April 1998	(100 + (120 - 100) + 50) X 8 = 1.360

Balance Between Entitlement and Paid Vacation

Use

When the employee takes vacation, you must balance the vacation payments with the amount of entitlement previously calculated.

There are two ways of doing this:

1. Always calculate vacation entitlement in the same way throughout the year and, and only when the employee takes vacation, you make up the balance between the entitlement amount previously calculated and the vacation payment made to the employee as advance payment.
   This method is used by some companies owing to their mode of accounting.

   For more details, see also: Case 1: Example [Page 62]

2. Calculate annual vacation entitlement according to the customary formula (see Vacation entitlement) up to the first period in which the employee takes vacation. From this period on, you calculate entitlement "correcting" the vacation days and using the following formula:

   ((Number of days to be allocated for the period - Total number of vacation days already taken) X value basis per day) + Total amount of vacation correction already calculated)

   For further details, see also:

   Case 2: Example [Page 64]

   How to use vacation "correction" [Page 66]

Case 1: Example

Value per day of vacation: Up to 19/7: $10

From 20/7 = $11

The employee takes the following vacation:

5 days from 18/7 to 22/7 and 7 days from 1/12 to 7/12

Month	Entry date: 01/01/1999		Entry date: 04/01/99	
	Entitlement	Vacation calculation	Entitlement	Vacation calculation
January	1 X $10 = $10		---	
February	2 X $10 = $20		---	
March	3 X $10 = $30		---	
April	4 X $10 = $40		1 X $10 = $10	
May	5 X $10 = $50		2 X $10 = $20	
June	6 X $10 = $60		3 X $10 = $30	
July	7 X $11 = $77	$20 + $33 = $53 (*)	4 X $11 = $44	$20 + $33 = $53 (*)
August	8 X $11 = $88		5 X $11 = $55	
September	9 X $11 = $99		6 X $11 = $66	
October	10 X $11 = $110		8 X $11 = $88	
November	11 X $11 = $121		10 X $11 = $110	
December	12 X $11 = $132	7 X $11 = $77	12 X $11 = $132	7 X $11 = $77

(*) Note:

In this example the (advance) vacation payment for July is:

5 X $10 = $50 (payment is made before 20/7)

In the regular July payroll run, the system calculates:

2 X $10 = $20 (the first two days of vacation are valuated with a basis of $10)

3 X $11 = $33 (the following days of vacation are valuated with a basis of $11)

Vacation pay after the regular July payroll totals, then:

$20 + $33 = $53

Case 2: Example

Formula: (Number of days to be allocated that correspond to the period - Number of vacation days already taken) X value basis) + Total amount of entitlement correction already settled)

Data:

Value per day of vacation: Up to 19/7: $10

From 20/7: $11

Vacation taken: In July the employee takes 5 days of vacation (from 18 to 22)

In December the employee takes 7 days of vacation (from 1 to 7)

Month	Entitlement	Vacation calculation
January	1 X $10 = $10	
February	2 X $10 = $20	
March	3 X $10 = $30	
April	4 X $10 = $40	
May	5 X $10 = $50	
June	6 X $10 = $60	
July	7 X $11 = $77	$20 + $33 = $53 (*)
August	((8 –5) X $11) + $53 = $86	
September	((9 –5) X $11) + $53 = $97	
October	((10 –5) X $11) + $53 = $108	
November	((11 –5) X $11) + $53 = $119	
December	((12 –5) X $11) + $53 = $130	7 X $11 = $77

(*) Note:

In this example the (advance) vacation payment for July is:

5 X $10 = $50 (payment is made before 20/7)

In the regular July payroll run, the system calculates:

2 X $10 = $20 (the first two days of vacation are valuated with a basis of $10)

3 X $11 = $33 (the following days of vacation are valuated with a basis of $11)

Vacation pay after the regular July payroll equals, then:

$20 + $33 = $53

In December you achieve a balance between paid vacation ($53 + $77 = $130) and calculated entitlement ($130).

How to use vacation "correction"

Procedure

To check if you want to use the correction of vacation days for the entitlement balance, you must use the Implementation Guide, in the section *Payroll Argentina → Vacations Entitlement → Maintain Payroll Schema for Vacations Entitlement Calculation*.

Define calculation of contributions on the basis of entitlements

Requirements

You need to know if the company only calculates contributions on the basis of wage type entitlements that represent non-regular payments or if the company calculates contributions on the basis of all wage type entitlements.

Procedure

You can check this using the Implementation Guide, in the section *Payroll Argentina → Vacation Entitlement → Define Generation of Contributions on the basis of Vacation Entitlement.*

Define vacation for entitlement for previous years

Use

Given that vacation entitlement from previous years is posted to different accounts than the current year, you must indicate which wage types belong to the vacation entitlement group for the current year and which wage types belong to the group for previous years

Procedure

You do this using the Implementation Guide, in the section *Payroll Argentina → Vacation Entitlement → Assign Vacation Entitlement Wage Type to Vacation Quota.*

Leave due to industrial illness or accident

Industrial illness and accidents are covered by a special type of insurance. The corresponding payment of this leave can be the responsibility of:

- The employer

- The employer on account of a Labor Risk Insurance Company (ART)

- The Labor Risk Insurance Company directly

Legally, if the employer has contracted the services of a Labor Risk Insurance Company (ART) the employer must pay the first 10 days of leave, in the event of leave resulting from an industrial illness or accident.

Starting from the eleventh day, leave payment is the responsibility of the contracted Labor Risk Insurance Company. There also exists the option that the employer pays leave from the eleventh day of leave on account of the ART.

There are, however, also agreements between the employer and the Labor Risk Insurance (ART) Company that lead to other situations, for example:

- The employer pays part of the leave and the Labor Risk Insurance Company (ART) pays the rest.

- The Labor Risk Insurance Company (ART) pays the complete amount of leave resulting from industrial illnesses or accidents.

The payment of leave due to industrial illness and accident includes:

- The leave payment itself

- The social insurance contributions made within the duration of leave

- The family allowances during leave

The corresponding leave payment for industrial illness and accident must figure in compensation statements and in the Legal Payroll Payments Book 20.744 Clauses 2.

General data and settings

Procedure

- 12 month period for IBD calculation You calculate the basic daily amount (IBD) as the average compensation for the last 12 months. To do this you need to specify how this 12 month period is determined. You do this using the implementation guide, in the section *Payroll → Global settings → Payroll organization → Maintain payroll schema for the IBD calculation.*

- Leave type: First, you must identify which type of industrial illness or accident leave is applicable. You do this using the implementation guide, in the section *Payroll Argentina → Absences → Define additional absence information for the ART and the SAC.*

- The absence is excluded from the SAC calculation: if within the compensation of the last 12 months (see Calculation formula [Page 73]) the SAC compensation is also included, you must specify that the leave is not taken into consideration for the SAC calculation. You do this using the implementation guide, in the section *Payroll → Absences → Define additional absence information for the ART and the SAC.*

- Compensation that is taken into consideration for the calculation of IBD (see Calculation formula [Page 73]): You do this identifying the wage types that are cumulated for this calculation. You perform this by using the implementation guide, in the section *Payroll → Absences → Define cumulation according to average IBD (ART).*

Create leave for industrial illness/accident

Procedure

When you enter leave of this type, you must consider the following:

- Determine whether it concerns the first 10 days or the subsequent days. You do this by entering the corresponding absence class in each case.

  If, for example, the first 10 days leave are entered as industrial **illness** and the subsequent days, as industrial **accident**, the system uses the same method to calculate payment of leave in both cases. As such, if you want to perform checks or statistical evaluations for this leave, it is important to correctly enter the absence types that correspond to each leave.

  ⚠️ If you enter the leave days from the 11th day without entering the first 10 days leave, payroll, and consequently, the leave payment payroll run issues an error message.

- Depending on the agreement made between the employer and the Labor Risk Insurance (ART) Company, you must select the set of absence types that correspond to this agreement.

- If the employee returns to work and later is absent a second time (due to relapse), you must inform the ART company of leave for the days following the first 10 days. The IBM (basic monthly amount) calculated when informing the ART company of the first 10 days leave is used for subsequent days and all of the relapses.

Result

In this way, you can use the additional absence data infotype (0082) to display the leave and relapse record and other additional data related to a single illness or industrial accident.

The Annual Statutory Bonus is included within the payment calculation for sickness leave: If an employee is absent for a total of six months, they will not receive an annual bonus.

General description of calculation process

1. Basic Daily Income (IBD) is calculated according to the total compensation of the last 12 months, without taking family allowances into consideration. If the average cannot be calculated for the last 12 months, it is calculated for the available months. You also have to reduce the amount of days correspondingly.

The Basic Daily Income value (IBD) must increase if there is a growth in the MOPRE value. Therefore, in order to facilitate the calculation, the Basic Monthly Earnings value is stored internally in MOPREs.

> The Basic Monthly Earnings of an employee is $2,400. The MOPRE value is $80. The Basic Monthly Earnings value is internally stored as 30 MOPREs.
>
> If the MOPRE value increases to $100, the Basic Monthly Earnings value will be $30 X $100 = $3,000.

2. In order to calculate Basic Monthly Earnings (IBM) the Basic Daily Earnings are multiplied by a constant established by law that specifies an average value of the amount of days in a month.

3. Finally, the valuation basis for each day of leave is calculated by dividing the Basic Monthly Earnings by the amount of calendar days in the month.

See also:

Calculation formula [Page 73]

Calculation formula

Definition

The payment of leave due to industrial illness or accidents is calculated in the following way:

Basic Daily Earnings = Total compensation for the last 12 months (without family allowances)/Calendar days corresponding to these 12 months

Basic Monthly Earnings = Basic Daily Earnings X 30.4

Valuation basis per day of leave = Basic Monthly Earnings/Calendar days in month

Other leave

Definition

This leave includes all leave except for vacation and leave due industrial illnesses or accidents.

 "Other leave" is:

- Special leave [Page 75]
- Leave due to non-industrial illness or accident [Page 78]
- Maternity leave [Page 81]
- Unpaid leave [Page 83]

Special leave

Definition

"Special leave" is all leave except vacation, non-industrial illnesses and accidents, maternity leave and unpaid leave.

> Special leave includes, for example, leave due to university examinations, leave to make a blood donation, matrimonial leave, leave due to bereavement, etc.

The right to take special leave is determined by the time-period or right-to-leave.

> For university examinations the employee has the right to take 10 days leave a year, but no more than two days per exam. For the birth of a child, the employee is entitled to two days leave per birth.

Special leave payment calculation

You cannot calculate special leave in advance; you calculate it by means of a regular payroll run.

Therefore, if a special leave extends further than one payroll period, the regular payroll run for a period calculates that part of the special leave that is contained within this period.

See also Calculation formula [Page 77]

Calculation Formula For Special Leave Payment

Definition

You calculate the payment of special leave using the same calculation formula as for vacation payment:

1. For monthly-paid employees:

    (Salary/25 + Average monthly compensation for the last 6 months/30) X Amount of leave in calendar days

2. For daily employees

    (Amount per hour X Amount of hours in normal working day + Monthly average of variable compensation for last 6 months/30) X Amount of leave in calendar days.

Leave due to non-industrial illness or accident

Definition

Non-industrial illness and accidents are all those illnesses and accidents that occur outside of the work sphere and having no connection with it.

See also:

Payment calculation for non-industrial illnesses and accidents [Page 79].

Payment calculation for non-industrial illnesses and accidents

Non-industrial illnesses and accidents are not paid in advance.

The payment calculation is made using the regular payroll run.

See also Calculation formula for payments due to illness and accidents [Page 80].

Calc.form.for payt due to non-ind.illn.and accid.

Definition

1. For monthly employees:

(Salary/Calendar days + Average monthly compensation for the last 6 months/30) X Amount of leave in calendar days

As salary divisor, you take calendar days or 30 days if you use calendar days or the divisor 30, respectively.

2. For daily employees

(Amount per hour X Amount of hours in normal working day + Monthly average of variable compensation for last 6 months/30) X Amount of leave in calendar days.

Maternity leave

Payment of maternity leave is calculated in the same way as the payment of <u>non-industrial illnesses and accidents [Page 78]</u>.

No deduction is made on calculating maternity leave.

Identify wage types for payment of maternity leave

Use

To calculate maternity leave payment, you must to specify which wage types are cumulated in order to make the total payment.

Procedure

You do this by using the implementation guide, in the section *Payroll → Absences → Define cumulation for maternity leave.*

Unpaid leave

For this leave, no payment type is calculated.

Employee salary is proportionate to the time worked over the month.

Guaranteed net amount

Definition

Some companies have agreements with certain employees (in general, executive employees) where the company is obliged to pay the employee a guaranteed net amount, regardless of the various deductions that should be made in the employee's salary (for example, social insurance contributions, income tax).

In these cases the company generally pays all the employee's deductions and pays the agreed net amount.

In other words: the company knows what the net amount is that it must pay the employee, but it must determine how much must be paid in terms of deductions so that the employee receives the guaranteed or agreed net salary.

The calculation process for obtaining the gross amount that corresponds to the guaranteed net amount (also known as "grossing up") can be summed up as a calculation that the employer makes to compensate the deductions that the employer must make in the employee salary.

Gross corresponding to guaranteed net amount: Calculation

Definition

The calculation of the gross amount corresponding to the guaranteed net amount (also called "grossing up") constitutes an additional part of payroll; that is, it is maintained automatically with each regular payroll run. You do this, for example, where there is a salary change.

You carry out this calculation using a series of iterative processes. These processes start from the basis of the guaranteed net amount and, considering the basis as a gross amount, they calculate the net amount.

In this step you add the deduction differences - referred to in the previous step – to the previous gross amount and calculate the net amount.

You repeat these steps until you obtain the required net amount or until reaching a previously set limit.

Integration

Where you need to divide the salary in proportions using a factoring calculation (for example, due to an unpaid absence or an entry in the middle of a month), you must carry out the gross calculation for the guaranteed net amount after doing so. In this way, the system uses the correct absence valuation bases.

Description of the iteration process

Process

You carry out the iterative processes using loops. In each loop, you increase the previous gross amount with the deduction difference from the two previous steps and calculate the corresponding net amount.

At the end of each loop the system checks whether or not it reached the preset objective.

You store increases of the gross amount in the internal table IT.

The following table represents an iterative process of the gross calculation corresponding to a guaranteed net amount of $3.000.

Step	Gross amount	Income Tax	Social Insurance	Net amount	Sum of deductions	Deduction differences regarding to previous step
1	$3.000 (*)	$340	$510	$2.150	$850	$850
2	$3.850	$493	$654,50	$2.702,50	$1.147,50	$297,50
3	$4.147,50	$546,55	$705,08	$2.895,88	$1.251,63	$104,13
4	$4.251,63	$565,29	$722,78	$2.963,56	$1.288,07	$36,44
5	$4.288,07	$571,85	$728,97	$2.987,24	$1.300,82	$12,97
6	$4.300,82	$574,15	$731,14	$2.995,54	$1.305,24	$4,47
7	$4.306,85	$575,23	$732,16	$2.999,45	$1.307,39	$0,54
8	$4.307,40	$575,33	$732,26	$2.999,81	$1.307,59	$0,2
9	$4.307,59	$575,37	$732,29	$2.999,93	$1.307,66	$0,07
10	$4.307,66	$575,38	$732,30	$2.999,98	$1.307,68	$0,02
11	$4.307,68	$575,38	$732,31	$2.999,99	$1.307,67	$0,01
12	$4.307,69	$575,38	$732,31	$3.000	$1.307,69	$0

Process details:

Step 1:

a) You treat the guaranteed net amount (*) as a gross amount.

b) The system calculates the deductions (in the example, Income Tax and Social Insurance contributions only).

c) You calculate the remainder net amount .

As this is the first step, the deductions calculated are no different to any previous deduction.

Step 2:

a) You add the deduction total from the previous step to the guaranteed net amount (= gross amount from the previous step), thereby obtaining the gross amount from this second step.

b) You calculate the deductions corresponding to this gross amount.

c) You calculate the remainder net amount.

Step 3:

a) You add the gross amount from step 2 to the difference between the deductions from step 2 and step 1, thereby obtaining the gross amount from step 3.

b) You calculate the deductions on this gross amount.

c) You calculate the net amount left over.

You carry out the following steps in the same way as in step 3.

Result

In this way you obtain the gross amount that corresponds to the guaranteed net amount and the deductions for compensation by the employer.

Settings to implement

Integration

To enable the system to calculate the gross amount that corresponds to a guaranteed net amount, you must do the following:

- Identify the amounts that correspond to the guaranteed net amount [Page 89]

- Define guaranteed net amount types [Page 90]

- Define the deductions to calculate [Page 91]

- Identify the differences by retroactive accounting [Page 92]

- Identify the vacation valuation base [Page 93]

Identify the amounts that correspond to the net amount

Requirements

Unlike the calculation of a regular salary, you make the gross calculation corresponding to the guaranteed net amount, starting from the net amount. Therefore you must identify this guaranteed net amount.

You do this using wage types that you enter in the corresponding infotypes. For example, for a contracted salary, you enter the wage type in the Basic Pay infotype (0008); for a contracted sales commission, you enter it in the Additional Payments infotype (0015).

Procedure

The standard SAP R/3 system provides guaranteed net amount wage types. However, if you want to create your own wage types, you can do this using the Implementation Guide, in the section *Payroll Argentina → Guaranteed Net Amount → Wage Types → Create Wage Type Catalog*.

Define guaranteed net amount types

Requirements

You carry out the gross amount calculation that corresponds to the guaranteed net amount by wage type. In this way, the system identifies in the corresponding infotype the wage type containing the guaranteed net amount and calculates the gross amount of this wage type.

If you have entered a wage type that corresponds to a guaranteed net amount commission in the Additional Payments infotype (0015), the system makes the gross calculation for this wage type, independently of all the other wage types entered for the employee in this or other infotypes.

Moreover, it is necessary to indicate when to exit the wage type iteration process.

You must exit the iteration process after x steps, or when the difference in the deductions is less than a specified number of currency units, or when less than a percentage indicated. You can also set a specific step as a limit: in this case, you exit the iteration with this step, regardless of the result obtained.

Procedure

To identify a wage type as belonging to a guaranteed net amount you must use the Implementation Guide, in the section *Payroll Argentina → Guaranteed Net Amount → Define Guaranteed Net Classes*. In this step, you also define the previously cited settings.

Define deductions for calculation

Use

You may not want to calculate the statutory deductions for a specific guaranteed net amount.

Procedure

To define which deductions you want to calculate, you should use the Implementation Guide, in the section *Payroll Argentina → Guaranteed Net Amount → Define Deductions for Calculation.*

Identify differences for retroactive accounting

Requirements

Retroactive changes in the gross amount do not affect the deduction for social insurance and income tax for the period recalculated.

You transfer the differences that may arise in the gross amount due to retroactive accounting from the recalculated period to the period you are recalculating. These differences affect the deductions for this later period.

Therefore, the gross calculation belonging to the net amount must also transfer the retroactive accounting differences to the current period.

Procedure

To transfer these differences you need to define the corresponding wage types. You do this using the Implementation Guide, in the section *Payroll Argentina → Guaranteed Net Amount → Define Difference Transfer Wage Types by Retroactive Accounting. →*

Identify the vacation valuation base

Use

As the gross calculation belonging to the guaranteed net amount must also calculate the vacation payment, you need to indicate which valuation base you want to use in this calculation.

Procedure

You do this using the Implementation Guide, in the section *Payroll Argentina* → *Guaranteed Net Amount* → *Define Correction of Valuation Bases.*

Family Allowances

Definition

Family allowance is the amount received by the employee in relation to dependency, according to specific circumstances.

Some family allowances are paid monthly, for example, child allowance; others, for example, special education allowance, are paid once a year.

There is also another group of family allowances that are paid once, such as, for example, a family allowance for adoption.

Family allowances have the following features:

- They are not subject to retirement contributions or discounts

- They are not taken into account for the Annual Extra Payment payroll run or for the payment of compensation due to dismissal or accident.

- The time worked is not proportionally accredited.

Master data

Definition

<u>Requirements</u>: In order to receive family allowances, the employee must have worked at least one day and have made the necessary contributions to the social insurance administration for that day.

<u>Exception</u>: During maternity leave you pay the family allowance independently from the social insurance contributions, depending on circumstances.

Therefore, when calculating family allowances, the system checks whether a gross amount exists for the social insurance for the month corresponding to the present payroll run. If this is the case, calculate family allowances for the employee accordingly. If this is not the case, check whether maternity leave exists.

If maternity leave exists, calculate family allowances. If there is no maternity allowance or gross social insurance amount, do not calculate family allowances.

Structure

Family allowances can be classified in the following way:

1. Regular allowances:

   a) Regular monthly allowances:

      i) Child allowance

      ii) Challenged child family allowance

   b) Regular yearly allowances:

      i) Special education assistance

2. Special allowances:

   a) Special single allowances

      i) Childbirth allowance

      ii) Adoption allowance

   b) Monthly special allowances

      i) Family allowance, prenatal

The family allowances calculated using the SAP R/3 system are: child allowances, challenged child allowances, special education assistance allowance, and pre-natal allowance.

Allowances for childbirth, adoption and marriage are accredited by the National Social Insurance Administration.

Integration

The system requires the following information to calculate family allowances:

Master data

Family Data Infotype: Special Schooling Assistance

Definition

In this infotype (0393) you record data regarding assignment of special education assistance. You use this data to determine the total assigned to each employee.

This infotype is not relevant for retroactive accounting.

Structure

Family Member

This field represents a Family infotype subtype, that is, a relative type. Therefore, the possible values in this field are defined in the Family infotype.

⚠️

> In order to enter data in this infotype, you need to create a
> family member in the Family infotype. If you do not do this, the system will not allow
> you to make entries in this infotype.

Child Number

This number represents a particular family member and also comes from the Family infotype data.

School Certificate

The field *Child name* is suggested directly by the system.

The field *School year* is also suggested by the system, but the field can be overwritten.

The field *Deadline for submission* is important in order to determine if the employee is to continue receiving special education assistance.

The fields *Current and previous year* determine whether the employee has submitted the school certificate for the current school year and the school certificate for the previous year, respectively. This data is necessary in order to determine the continuation of payment due to special education assistance.

For more information regarding payment of special education assistance for the current school year, see .

Family/Pers.ref.(IT 0021): National char.Argentina

Definition

In this infotype (0394) you register data related to employee family members that are relevant for family allowance runs and for the calculation of Social Insurance payments in Argentina. You can view and maintain this infotype only through the infotype family (0021)

Structure

Child allowance

In this field you enter data related to the child allowance If you check the box *Child allowance*, the system automatically calculates the date up to which the employee receives the child allowance.

If you view or maintain the data relating to a family member other than a child, you have available the fields in this box in which to make entries. In the case of children, all the data appearing in this box is important to determine the total of the family allowances.

For more data regarding the child allowance Enter data regarding child allowance [Page 100].

Other

The data appearing in this box refers to the spouse as well as to the children. The data in the fields *Work* and *Grade* are merely informative and do not affect any calculation.

The information regarding the registered family member is relevant for the calculation of the Welfare Fund amount. Other relevant information for the calculation of payments and contributions to Social Insurance is deposited in the infotype Social Insurance [Page 139] (0392).

⚠️

> To obtain the correct family allowance calculation, you must fix the retroactive accounting for the infotype Family/ Reference person (0021) so that you do not cause retroactive accounting. To do this, see Fix retroactive accounting in the infotype Family/Reference person (0021) [Page 106]

Data regarding the type of family allowance

Structure

- Type of family allowance by family member type: The SAP R/3 System needs to know what type of family allowance the employer must pay and for what type of family member. The employer must pay it. This information must be maintained in accordance with the current laws at all times. The customer cannot modify this information but must view it through the Implementation Guide, in the section *Payroll → Family allowances → Processes → Check system tables → Check relation between family member type and type of family allowance.*

- Family member type by subtype of infotype Family: You can indicate what type of family member you wish to assign by subtype in the infotype Family/Refer. person used. You assign this using the Implementation Guide, in the section *Payroll → Family allowances → Master data → Define additional information for the infotype Family/Refer. person*

Input data regarding child allowance

Procedure

You enter the following data into the system via the corresponding fields in the infotype Family/Reference person [Page 98] (0021).

- Employee entitlement to receive child allowance: If both parents work, generally the spouse with the lesser income is the one who receives the child family allowance. If the parents are divorced, the family allowance is paid to the person who has custody and care of the child.

In the infotype Family/Reference person (infotype view) you can specify whether the employee receives the child family allowance.

- Professional activity and marital status of child: This data is important for certain legal report outputs.

- Childbirth report to employer and presentation of birth certificate: The employee is entitled to receive the child allowance from the moment in which they inform the employer of the birth . However, the employee has a maximum period in which to present the birth certificate to the employer. If, at the end of this period, the employee has not presented this certificate, the employer can interrupt payment of this allowance. The data regarding the childbirth report and presentation of the birth certificate are entered in the system in the infotype Family/Reference person (0021).

For more information regarding the period for presenting the birth certificate of the child, see Number days for presentation of birth certificate [Page 109]

Enter data regarding special education assistance

Procedure

- <u>Type of education</u>: You must specify to the SAP R/3 System to which education level payment of the special education assistance is adjusted. You do this using the implementation guide, in the section *Payroll → Master data → Define relevant education types.*

- <u>Presentation of education certificates for current and previous school year</u>: In order to receive special education assistance, the employee must present the previous school year termination certificate for the child. From this moment on, the employee is entitled to receive special education assistance for the child for the current school year. However, the employee must present the education certificate for the current school year. For this purpose, the law dictates a specific period. If, on the completion of this period, the employee has not presented the education certificate for the current school year, the employer is entitled to deduct allowance already paid from the salary/wage of the employee. The information regarding whether the employee presented each one of these certificates is entered in the system using the <u>Family data infotype: Education assistance [Page 97]</u> (0393).

For more information regarding presentation periods for education certificates, see:

Input Data Regarding Prenatal Allowance

Procedure

You must specify in the SAP R/3 System when payment of prenatal allowance is to start.

You enter data in the system using infotype Family/Reference person [Page 98] (0021), specifying for family member "Prenatal".

Enter identification data for family member

Procedure

This data is used in certain legal report outputs and is entered in the system using the infotype Family/Reference person [Page 98] (0021).

Data regarding the area of family allowance

- <u>Family allowance areas</u>: These areas are established by law. The codes and corresponding texts can be viewed in the Implementation Guide, in the section *Payroll → Family allowances → Master data → Checking of system tables → Check family allowance area codes.*

- <u>Assignment of personnel subareas to family allowance areas</u>: To do this, see the Implementation Guide, in the section *Payroll → Family allowances → Master data → Define family allowance data for personnel subarea*.

- <u>Family allowance direct payment system through the National Social Insurance Administration</u>: You must specify which personnel area/subarea of your company participates in this system. To do this, see the Implementation Guide, in the section *Payroll → Family allowances → Master data → Define family allowance data for personnel subarea*.

Processes

The family allowance calculation function calculates the family allowances for child, prenatal and special education assistance.

To do this, the system needs the following information:

- Determination of retroactive accounting in infotype Family/Reference person (0021) [Page 106]

- Definition of wage types for family allowances [Page 107]

- Determination as to whether the last salary day of the month was paid by the employer or by a Labor risk Insurance company [Page 108]

- Maximum number of days for presenting the birth certificate of the child [Page 109]

- Last month for presenting the previous school year termination certificate [Page 110]

- Last month for presenting the current school year certificate [Page 111]

- Maximum age of child for family allowance entitlement [Page 112]

Fix retroact.acctg in IT Family/Ref.person (0021)

Use

Family allowances do not generate retroactive accounting

If any change in master data caused a family allowance payment in the current period corresponding to previous months, this payment is made in the current month and is evaluated according to information valid in the current month.

To avoid the generation of retroactive accounting in these cases, you must ensure that the changes in the infotype Family/Reference person (0021) do not generate retroactive accounting.

Procedure

You perform this using the implementation guide, in the section *Payroll → Family allowances → Processes → Set retroactive accounting for changes in family data.*

Define Wage Types for Family Allowances

Procedure

You must define in the system which wage types intervene in the family allowances averages calculation.

You do this using the implementation guide, in the section *Payroll → Family Allowances → Processes → Define Cumulation in Average Basis for Family Allowances*.

Specify salary payment last day of month

Use

You must specify whether the employer or the Labor Risk Insurance Company pays the last salary day of the month. This data determines who must pay the corresponding family allowance.

Procedure

The family allowance payments made by the employer and by the Labor Risk Insurance company are differentiated through wage types.

These wage types are defined by SAP in the Implementation Guide, in the section *Payroll* → *Family allowances* → *Processes* → *Checking of system tables* → *Check generation rules for family allowances.*

Number of Days for Presentation of Child's Birth Certificate

Use

This data is important for determining whether the employee will continue to receive child family allowance payments.

Integration

For more information regarding continuation of payment of child allowance, see Information regarding child allowance [Page 100].

This period is specified by law. You cannot modify this data but you can view it through the Implementation Guide, in the section *Payroll → Family Allowances → Processes → Check System Tables → Check Number of Days for Presenting Birth Certificate.*

Presentation Period for Previous School Year Certificate

Use

This data is important to determine whether the employee is entitled to receive special education assistance for the current school year.

Integration

For more information regarding payment of special education assistance for the current school year, see Information on assignment of current education assistance [Page 101].

This period is specified by law. You cannot modify this data but can view it through the Implementation Guide, in the section *Payroll → Family Allowances → Processes → Check System Tables → Check Month for Presentation of Education Certificates*.

Presentation Period for Current School Year Certificate

Use

This data is important in determining whether the employee does not lose entitlement to payment for special education assistance or, alternatively, whether he is not paid this benefit.

Integration

For more information regarding payment of special education assistance for the current school year, see Information on assignment of current education assistance [Page 101].

This period is specified by law. You cannot modify this data but can view it through the Implementation Guide, in the section *Payroll → Family Allowances → Processes → Check System Tables → Check Last Month for Presentation of Education Certificates*.

Max.age of child for family allowance entitl.

Use

This data is important for the calculation of the child family allowances.

Integration

This maximum age is specified by law. You cannot modify this data but can view it through the Implementation Guide, in the section *Payroll → Family allowances → Processes → Check system tables → Check maximum age for receiving family allowances*.

General description of calculation process

Calculation function for family allowances:

1. First check whether you are processing a regular payroll run, whether the gross amount for social insurance is greater than zero, or alternatively, whether the employee is on maternity leave during the entire month.

2. Then read the Family/Related Personsapurl link 0010 0001 0002 infotype [Page 98] (0021) and specify the family member for whom the employee receives family allowances. Also read the infotype Family data: education assistance [Page 97] (0393).

3. Finally specify the income average for family allowances and apply to this result to the family allowance generation rules.

Average calculation for family benefits

You use the average for family allowances to determine whether the employee is entitled to receive family allowances.

It is calculated as an average of employee earnings for 1st January - 30th June and 1st July - 31st December.

If the employee starts to work in the middle of a six-month period, then for this six-month period you take as average family allowance the salary corresponding to the month the employee started work, independently of the salaries the employee may receive until the end of the six-month period.

The income average for family allowances is stored in the wage type /F01 and is calculated using the following formula:

/F01 = Income from months worked in six-month period/Months worked in six-month period

or

/F01 = Income of entry month

The value of this wage type is calculated according to the wage type Cumulation for calculation of family allowances (/221).

Possible retroactive accounting that may appear for a specific month does not change the value of the wage type /F01 in the six-month period corresponding to this month, but in the month in which the family allowance average is calculated for the following six-month period.

Therefore, you must calculate the difference that appears from the retroactive accounting and import and cumulate it for the following six-month period.

An employee starts to work in the month of March. In this month they receive a salary of $800. In the month of May tehy receive a salary increase, for which, from May onwards (inclusive), theyr salary is $1,000. The value of the wage type /F01 for the six-month period January-June will be $800.

For family allowances, the retroactive accounting differences that appear in this six-month period are not reflected in the family allowance average of the January-June six-month period, but in the July-December six-month period.

If the employee starts to work in the middle of the month, for the family allowance calculation is considered as if the employee had worked for the whole month. Therefore it is necessary to calculate the salary that the employee would have received if they had worked the part of the month in which they did not and add it to the salary that they receive for the part of the month in which they worked.

When an employee changes company, the family allowance averages for this employee are re-started. That is, they are calculated as if they had never been calculated for this employee.

Termination of contract

Definition

The expiration or termination of a work contract may have different causes. These causes, together with the work contract type, the applicable legislation, the collective work agreements and the existence or otherwise of notice, determine the type and amount of severance pay.

Infotype (0551) Termination of contract

Definition

You enter in this infotype all data relevant to the expiration of the work contract.

This infotype is included within the personnel action Termination of contract.

⚠️The data in this infotype is necessary to calculate the severance pay. Therefore, if you do not enter data in this infotype, the system cancels the final employee payroll run.

Structure

Termination of contract type

The termination of contract type is a subtype of this infotype and represents the reason or action for the contract termination. This data is important for specifying the severance pay.

Notice

This indicator specifies whether or not the system calculates severance pay due to termination.

Data for determining severance pay

- **Seniority**

  Calculated seniority: This section of the screen displays the seniority calculated by the system according to the employee entry date or data from the Date Specifications infotype (0041), if it exists. You enter this seniority in years, months and/or days.

  Entered seniority: You can enter a different employee seniority to the one calculated by the system in this section of the user screen.

- **Work regime**

  Using two radio buttons, you can enter the law governing the calculation of employee severance pay.

- **Employee grouping for calculating severance pay**

  This field lets you group employees for calculating their severance pay.

Severance to pay

In this section of the screen you display and/or enter data relevant to the desired severance pay.

Off-cycle payroll data

In this section, you display stored employee data, where the severance pay has been calculated using an off-cycle payroll run (Off-cycle payroll execution report: Leaving employees – HARCTER0).

Pushbuttons

- Severance pay proposal: Using this pushbutton you can obtain an employee severance pay proposal. The system calculates this proposal according to the employee data already entered in the system and the data already entered for this infotype. For example, termination of contract type, contract type, seniority, etc.

Infotype (0551) Termination of contract

- Set seniority: Using this pushbutton, you can modify the seniority data proposed by the system.

- Set amount: Using this pushbutton, you can adopt the seniority data calculated by the system.

- Simulation: Using this pushbutton, you can create a simulation of the severance pay calculation indicated in this infotype.

Reasons for the work contract expiration

Definition

The SAP R/3 system explains the reasons for the work contract expiration with the termination of contract types.

Structure

The contract termination types make up the subtypes of the infotype Termination of contract (0551) [Page 117]. The SAP R/3 system provides the following termination of work contract types:

- Employee resignation

- Dismissal with justified cause

- Dismissal without justified cause

- Dismissal due to "force majeure", or lack or reduction of work

- Work contract expiration due to death of worker

- Work contract expiration due to expiration of fixed term contract

- Termination due to pregnancy

- Termination due to marriage

- Worker resignation on completing maternity leave

- Work contract expiration due to impossibility of reincorporation of the worker on completing parental leave

- Discriminate dismissal

Integration

Each one of these contract termination types starts the payment of a specific type of severance pay.

You can create your own contract termination types: To do this, see:

Create your own contract termination types

For further details, see also:

Severance pay types [Page 125]

Create contract termination types

Requirements

Before creating your own contract termination types, check whether the ones provided by SAP satisfy the needs of your company.

For further details, see also: <u>Reasons for the work contract expiration [Page 119]</u>

Procedure

To create your own contract termination types, follow the instructions detailed in the Implementation Guide, in the section *Personnel Management → Personnel Administration → Payroll Data → Termination of Contract → Define Contract Termination Type*

Contract type

Definition

The different types of work contracts defined by the work contract legislation, employment legislation and their changes specify different procedures for calculating severance pay and other compensatory items due to contract expiration.

Integration

For more information about the types of legal contracts in Argentina, see Assign types of legal contracts [Page 157]

Work Regime

Definition

On October 3 1998, Act 25.013 came into force, creating some changes to the work regime in force up to that time.

You only apply Act 25.013 to employment contracts in force from October 3 1998. Hence, employment contracts originating prior to the enforcement of this law are controlled by the previous work regime.

The standard SAP system considers current legislation in each of the following regimes.

For further details, see also:

Termination of contract Infotype (0551) [Page 117]

Notice

Definition

According to law, neither party in a work contract can, willfully, dissolve the contract without giving prior notice or, in its absence, severance pay. The value of this severance pay is the equivalent of the pay due to the employee during the notice period.

If the employee resigns without giving the period of legal notice, the employee must pay the employer a substitutional severance pay for the notice not given. However, the usual practice is that the employer does not demand the payment of this severance.

The employment legislation prior to 3 October 1998 and Law 25,013, after that date, establish different notice periods and dates for when these periods begin.

There is an indicator in the Infotype Termination of contract (0551) [Page 117] that checks whether you want the system to calculate the severance pay due to notice.

Severance pay

Definition

Severance pay is a non-remunerative item (that is, it is not subject to the payment of social insurance contributions and payments) that the employee receives on the expiration of the work contract.

On expiration of the contract, you also pay other items, subject to social insurance contributions. For example, normal working time for the expiration month, and the annual bonus paid up to the time of expiration.

For further details, see also:

Severance pay types

Definition

The different severance pay types depend on the reason for the contract expiration; that is, the contract termination type within the SAP R/3 system as well as the different types of contracts.

The severance pay types also differ according to the different work regimes mentioned above.

Some severance pay types are subject to income tax, while others are not:

Severance pay type	Income Tax
Vacation not taken	Subject (*)
Severance pay due to seniority	Exempt
Severance pay due to "force majeure"	Exempt
Severance pay due to incapacity or death of the worker	Exempt
Severance pay due to expiration of fixed period contract	Exempt
Severance pay in substitution of notice	Subject (*)
Severance pay due to integration of the dismissal month	Subject (*)
Severance pay for termination due to marriage	Subject
Severance pay for termination due to pregnancy	Subject
Severance pay as compensation for length of service	Subject

(*) In these cases the proportional Annual Extra Payment (SAC) is also subject to income tax.

For further details, see also:

Settings

Definition

To define severance pay types and their payment within the SAP R/3 system, you need to make different settings:

- General settings [Page 127]
- Settings by severance pay type [Page 128]

General settings

Procedure

To define the different types of severance pay, you need to modify the following settings:

- Define severance pay codes: The severance pay codes identify the severance pay types. The standard severance pay types provided by SAP have their own severance pay codes. However, if you want to create your own severance pay types, you can do this using the Implementation Guide, in the section *Payroll Argentina → Severance Pay → General Settings → Severance Pay Definition → Define Severance Pay Codes*.

- Define severance pay calculation: You calculate the severance pay using function modules. The standard SAP R/3 system provides already defined function modules for the calculation of severance pay types. However, if you want to create your own function modules for the calculation of your own severance payments, you can do this using the Implementation Guide, in the section *Payroll Argentina → Severance Pay → General Settings → Severance Pay Definition → Define Severance Pay Calculation*.

- Define severance pay wage type: The standard SAP R/3 system provides guaranteed net amount wage types that are already set. However, if you want to create your own wage types and corresponding settings, you can do this using the Implementation Guide, in the section *Payroll Argentina → Severance Pay → General Settings → Severance Pay Definition → Define Severance Pay Wage Type*.

It is also necessary to:

- Assign severance pay codes to the corresponding employment regime:You do this using the Implementation Guide, in the section *Payroll Argentina → Severance Pay → General Settings → Assign Severance Pay Codes to Work Regime.*

- Define rules for severance pay calculation: You can define these rules using the Implementation Guide, in the section *Payroll Argentina → Severance Pay → General Settings → Define Rules for Severance Pay Calculation.*

Settings by severance pay type

Procedure

For severance pay type, you need to modify the following settings:

- Define whether your wage types cumulate in the valuation bases for the employee work schedule salary: You do this using the Implementation Guide, in the section *Payroll Argentina → Severance Pay → Settings by Severance Pay Type → Define Cumulation according to Salary/Wage*.

- Define whether your wage types cumulate for the normal and regular salary: You do this using the Implementation Guide, in the section *Payroll Argentina → Severance Pay → Settings by Severance Pay Type → Form Cumulation Wage Type for Normal and Regular Salary*.

See also:

Severance pay due to seniority: Settings [Page 129]

Severance pay due to seniority: Settings

Requirements

To determine the payment of severance due to seniority, you need to take into account modalities foreseen in the collective work agreements. Therefore, you need to modify some special settings for:

- defining collective work agreements,

- assigning collective work agreements to agreement types,

- defining the average monthly wage and limit from the base wage.

Procedure

You make these settings using the Implementation Guide, in the section *Payroll Argentina → Severance Pay → Settings by Severance Pay Type → Severance Pay for Seniority*.

General description of the calculation process

Process

1. The system checks first whether the employee is recorded as having left during the period.

   If the employee is not recorded as having left during the period, read the Termination of Contract infotype (0551) and specify the following data:

   Employee entry and leaving date in the company

   Recognized entry date

   Legal regime to use for the calculation of severance pay

   Type of work contract

2. Following this, the system specifies the seniority of the employee in the company, according to the entry date, the date of the Date Specifications infotype (0041) or according to the data in the Termination of Contract infotype (0551).

3. The system then calculates the severance payment to the employee, according to the severance pay list stored in the Termination of Contract infotype (0551). To do this, the system:

   − Identifies the severance pay wage type and the corresponding function module, in accordance with the setting in the Implementation Guide, in the section *Payroll Argentina → Severance Pay → General Settings → Severance Pay Definition → Assign Severance Pay Codes to Work Regime*

   − If there is an amount entered in the field Amount entered for payment of the severance in the selection screen of the Termination of Contract infotype (0551), you store the payment wage type in the internal table IT with the amount entered.

   − If there is no amount entered in the screen of this infotype, you calculate the severance payment according to the function module entered in the Implementation Guide.

4. Once you have calculated the severance pay amount, you apply the appropriate adjustments (where entered) following the field Percentage entered in the Implementation Guide, in the section *Payroll Argentina → Severance Pay → General Settings → Severance Pay Definition → Define Rules for Severance Pay Calculation*.

Advance payments

Use

The employer can pay the employee an advance on their pay.

Functional features

There are two ways of calculating advances:

1. Without presentation of receipt:

    In this case the worker is generally given a coupon to cash at the cash office. For this type of advance, neither contributions nor deductions are made.

    For more details regarding the calculation of this type of advance, see:

    Generate advances without receipt [Page 132]

2. With presentation of receipt:

    For this type of advance, contributions and deductions are made and income tax can be calculated, if desired.

    For more details regarding the calculation of this type of advance, see:

    Generate advances with receipt [Page 133]

Generate advances without receipt

Procedure

To generate an advance without receipt, you must:

1. Enter a personalized wage type in the Additional Payments infotype (0015).

    This wage type only represents a deduction of the net amount and is used for the payment of the advance as well as for the deduction within payroll.

    🖥️ Wage type Advance coupon (MX10)

2. Run the report Previous Program Data Medium Exchange Separate payment process (HARCDTB0).

    You reach this report from the menu *Payroll Argentina → Subsequent activities → Period-independent → Evaluation → Advance payments. → Previous program DME:* Advance.

Result

- The report Previous Program Data Medium Exchange Separate payment process (HARCDTB0) reads the Additional Payments infotype (0015) and the Bank Details infotype (0009) and locks the Additional Payments infotype (0015) so that no record in this infotype may be deleted.

- The regular payroll run, on being carried out, reads the Additional Payments infotype (0015) and calculates the net amount corresponding to the wage type entered in it.

- This advance is not recorded in the cluster AR.

Generate advances with receipt

Procedure

To generate an advance with receipt, you must:

1. Create wage types for advance payments with receipt.

   The standard SAP system contains model wage types for advance payments with receipt. However, where necessary, you can create your own wage types.

   To do this, follow the instructions in the Implementation Guide in the section *Payroll Argentina → Automatic Discount of Advance Payments → Copy Model Wage Type for Advance Payments*.

2. Identify whether or not the advance payment wage types represent social insurance deductible credits.

   To do this, follow the instructions in the Implementation Guide in the section *Payroll Argentina → Automatic Discount of Advance Payments → Define Advance Payment Wage Type*.

3. Enter a wage type in the One-time Payments Off-cycle infotype (0267) that represents the payment of this advance with contributions and deductions.

   Wage type advance (MX11)

   This wage type only represents payment of the advance

4. Run an off-cycle payroll

   You can do this using any of the three following possibilities:

   a. The Off-cycle workbench,

   b. The payroll program (HARCALC0), or

   c. The SAPARSAC processes model.

   ⚠️You must run the off-cycle payroll for the payment of advances before the regular payroll for the period of the advance payments. Where this is not the case, the system cancels the off-cycle payroll run.

   For this off-cycle payroll run there are two payroll reasons: the advance payment with tax calculation (A001) and the advance payment without tax calculation (ASRT). For each of these reasons you must use a different wage type:

- For the off-cycle payroll calculation with tax calculation (A001), you must use the Advance pay (MX13) wage type, or copy it as this wage type represents a social insurance deductible credit.

- For the off-cycle payroll calculation without tax calculation (ASRT), you must use the Advance payment (MX11) wage type, or copy it as this wage type represents a social insurance non-deductible credit.

   ⚠️If the off-cycle payroll reason does not correspond with the wage type, the system cancels the payroll run.

Generate advances with receipt

Result

The off-cycle payroll run identifies this advance payment and calculates contributions and deductions, as well as income tax where appropriate.

The regular payroll run, at the end of the period, discounts this advance payment already paid from the employee pay, together with the corresponding contributions, deductions and income tax.

You store the advance payment in the cluster AR.

For further details, see also:

Dicount of advance payments: General description of the process [Page 135]

Discount of advance payments: General description of the process

Process

In regular payroll runs, the system:

Checks whether the employee has received advance payments using off-cycle payroll runs during the current payroll period.

> If so, the system:

- reads the off-cycle payroll results,

- identifies wage types for advance payments. For more details, see: Generate advances with receipts [Page 133]

- cumulates in the internal table IT, in the Deduction of advance pay (/D02) wage type, the amounts of the wage types for advance payments that represent social insurance deductible credits,

- cumulates in the internal table IT, in the Deduction of advance payments (/D01) wage type, the amount of the wage types for advance payments that represent social insurance non-deductible credits,

- cumulates these wage types in the corresponding cumulation wage types and stores them in the internal table RT.

> If you have not carried out advance payments for the employee using off-cycle payroll runs during the current period, the system does not locate a corresponding off-cycle payroll result and, as such, does not make any discounts.

In off-cycle payroll runs for advance payments, the system:

1. Identifies the wage types for advance payments according to the value of processing class 77.

2. Cumulates the amounts of the wage types for deductible advance payments (with contributions).

3. Cumulates the amounts of the wage types for non-deductible advance payments (without contributions).

4. Checks the off-cycle payroll reason that corresponds with the wage types for advance payments.

5. Checks that on the date of the off-cycle payroll run for advance payments, regular payroll has not already been run.

Net

Purpose

This component allows you to calculate the employee net income in accordance with current legislation and regulations.

Functionality

The employee net income calculation includes, in addition to other functions:

1. Calculation of deductions and contributions to <u>Social Insurance [Page 137]</u>

2. Calculation of <u>Income Tax [Page 178]</u>.

Social Insurance

Definition

The Social Insurance Unified Contribution (CUSS) consists of the following deductions and contributions:

- Deductions and contributions to National Retirement and Pension Regime

- Deductions and contributions to National Retired and Pensioners Social Services Institute (INSSJP).

- Deductions and contributions to National Health Insurance Administration (ANSSal)

- Deductions and contributions to constitution of National Employment fund (FNE)

- Deductions and contributions to Welfare Fund National Category.

- Contributions by employers to Family allowance and Benefit Funds

The payment and control of the CUSS is the responsibility of Social Insurance System (SUSS)

Master data

Definition

In accordance with the legal and system requirements, the following data is necessary for the calculation of deductions and contributions in Argentina:

- Information referring to the Integrated System of Retirements and Pensions (SIJP) [Page 141]

- Information referring to Welfare Funds [Page 147]

- Information referring to percentages of contribution reductions to Social Insurance [Page 153]

- Information referring to the registered family member [Page 158]

This information is entered in the system through the infotype Social Insurance [Page 139] (0392), as well as through the Implementation Guide.

For more information, see the Implementation Guide *Payroll-> Social Insurance*.

Infotype Social Insurance (0392)

Definition

In this infotype (0392) you record data referring to Social Insurance in Argentina. This data is used to determine the deductions and contributions to Social Insurance and in certain legal reports.

⚠️

> To run payroll you must maintain the employee Social Insurance data in this infotype. Where this is not the case, you reject the employee in payroll run.

Structure

Welfare Fund

In this section you specify the data referring to the Welfare Fund the employee is affiliated to.

The possible Welfare Fund codes are defined in Customizing. To do this, see section *Payroll Argentina -> Social Insurance -> Master Data -> Define Welfare Fund Codes*.

If the employee has chosen a welfare fund different to the corresponding company fund, you must also specify the "original" welfare fund code, that is, the welfare fund that corresponds to the employee in accordance with the agreement established between the company and the respective union.

Retirement and Pension System

- **Type of Retirement System**

In this section, you specify whether the employee participates in the capitalization system or distribution scheme.

- **AFJP Code (Retirement and Pension Fund Administrator)**

The following data must be specified only if the employee participates in the capitalization system.

The possible AFJP codes are defined in the Implementation Guide. To do this, see the section *Payroll Argentina -> Social Insurance -> Master Data -> Define AFJP*.

D.G.I. (Internal Revenue Service)

- **Employee Activity**

In this field you specify the employee activity code provided by the Internal Revenue Service (DGI).

The possible DGI activity codes are defined in the Implementation Guide. To do this, see section *Payroll Argentina -> Social Insurance -> Master Data -> Define DGI Activity Codes*.

This data must appear in certain legal reports.

- **Social Insurance Employee Grouping**

Enter an item that assigns a set of specified contribution percentages to each employee.

Infotype Social Insurance (0392)

Integrated System of Retirement and Pensions

To calculate deductions and contributions to the Integrated System of Retirement and Pensions, you must:

- Define Retirement and Pension Fund Administrator (AFJP) [Page 142]
- Assign AFJP codes to the employee [Page 143]
- Define employee activity codes [Page 144]
- Assign AFJP codes to the employee [Page 145]
- Define voluntary retirement deduction [Page 146]

Def.Retirement and Pension Fund Administr.(AFJP)

Procedure

To enter the different Retirement and Pension Fund Administrators with which your company works in the system, you must use the Implementation Guide in the section *Payroll → Social Insurance → Master data → Define AFJP.*

Assign AFJP codes to the employee

Procedure

The AFJP code is assigned to the employee by making an entry in the corresponding field of the infotype Social Insurance [Page 139] (0392).

Define employee activity codes

Requirements

The employee activity code is provided by the DGI.

Procedure

The DGI activity codes used in your company are entered in the system through the Implementation Guide in the section *Payroll → Social Insurance → Master data → Define DGI activity codes.*

Use

The employee activity code must appear in certain legal report outputs.

Assign activity code to the employee

Procedure

The DGI activity code is assigned to the employee by making an entry in the corresponding field of the infotype Social Insurance [Page 139] (0392).

Define voluntary retirement deduction

Payment of retirement deduction through the company

Procedure

If the employee pays the voluntary retirement deduction through the company, the corresponding amount is paid through a wage type in the Recurring Payments/Deductions infotype (0014), or in the Aditionnal Payments infotype (0015), depending on whether they are regular payments (for example, monthly) or aditionnal payments, respectively.

Result

These deductions are considered during the payroll run and, in consequence, also in the social insurance deduction and income tax runs.

Payment of retirement deduction directly to the AFJP

Procedure

If the employee makes the payment of this deduction directly to the AFJP, this amount is entered in the system using a wage type in the infotype Income Tax: Deductions [Page 181] (0390).

Result

In this case, this deduction is taken into account only in the income tax calculation.

Welfare Fund

To calculate Welfare fund contributions it is necessary to:

1. <u>Define Welfare funds [Page 148]</u>
2. <u>Assign a Welfare fund to the employee [Page 149]</u>
3. <u>Assign an unlocked Welfare fund to the employee [Page 150]</u>
4. <u>Define Welfare fund plans [Page 151]</u>
5. <u>Define the contribution value of the Welfare fund plan [Page 152]</u>

Define Welfare Funds

Procedure

To define the Welfare fund codes and texts with which your company works, use the Implementation Guide, in the section *Payroll → Social Insurance → Master data → Define Welfare funds.*

Assign a Welfare fund to the employee

Procedure

To assign a Welfare fund to an employee, enter a Welfare fund plan and their registration number is performed by making entries in the appropriate fields of the Social Insurance infotype [Page 139] (0392).

Assign an original Welfare fund to the employee

Requirements

An employee can affiliate themselves to a different Welfare fund that belongs to the same branch of the industry in which they work. To differentiate between these Welfare funds, the Welfare fund that corresponds to their activity within a determined branch of the industry is considered as the "original" welfare fund.

Procedure

To assign an employee to an "original" Welfare fund, you must make an entry in the corresponding field of the Social Insurance infotype [Page 139] (0392).

Define Welfare Fund Plans

Procedure

You can enter the different plans offered by the specified Welfare funds using the Implementation Guide, in the *Payroll → Social Insurance → Master Data → Define Welfare Fund Plans.*

⚠️

You enter the employee Welfare fund data using the Social Insurance infotype [Page 139] (0392). This does not affect the Welfare fund deduction and contribution calculation.

Define Welfare Fund Contribution Value

Procedure

If the employee chooses a Welfare fund different to that of the company, the contribution value for this plan must be entered manually using a wage type in the Recurring payments/deductions infotype (0014).

Result

The system calculates by default the difference between the Welfare fund contributions that correspond to the company plan and those that the employee makes to a specified Welfare fund plan of their own choice. This difference is stored in a wage type that you use as an employee deduction. That is, the employee is responsible for this difference.

If the company policy differs from the above, you can change this standard setting using a user exit. To do this, see the Implementation Guide, in section *Payroll → Customer Modifications Processing → Procedures → Maintain Calculation of Difference Between Welfare Fund Contribution and Plan.*

Contribution percentages

Definition

The Social Insurance contribution percentages depend on:

- The company location. These areas are established by the Internal Revenue (DGI)

- The area category established by Internal Revenue (DGI)

- The company activity type (for example, companies in primary production or manufacturing)

- The type of social insurance contribution

- The employee activity type

You make reductions to these percentages according to:

- The work contract type of the employee

- Employee subgroup grouping for the employee's social insurance.

These percentages have been established by law.

SAP provides the valid percentages at any given time.

You cannot change these percentages, but you can display them. To do this, see the Implementation Guide, in the section *Payroll → Social insurance → Master Data → System Tables Check.*

Integration

To apply the social insurance contribution reduction percentages to the deductions and contributions calculation it is necessary to:

Define Eligibility of Company for Reductions

Requirements

Before defining Social Insurance reduction percentages you must know if the company is eligible for these reductions, regardless of whether or not the company has paid their taxes.

Procedure

You can enter this using the Implementation Guide, in section *Payroll → Social Insurance → Master Data → Define Indicator of Social Insurance Contribution Reduction.*

Employee SG grouping for Social Insurance

Requirements

Within your company you can treat various employee subgroups in the same way with regard to their Social Insurance. The "Social Insurance employee subgroup grouping" item has been created to group employee subgroups under a common name.

Procedure

These groupings are defined using the Implementation Guide, in the section *Payroll → Social Insurance → Master Data → Assign Employee Subgroup Grouping for Social Insurance.*

Assign reduction areas

Requirements

The Social Insurance contribution reduction areas are provided by the Internal Revenue Service (DGI). The user must assign these zones to the personnel areas and subareas of their company.

Procedure

To do this, see the Implementation Guide, in the section *Payroll → Social Insurance → Master Data → Assign Areas for the Rdctn of Social Insurance Contributions.*

Assign legal contract types

Procedure

The contract types that originate reduction in the contributions must be assigned to the SAP R/3 system contract types using the Implementation Guide, in the section *Payroll → Social Insurance → Master Data → Assign Legal Contract Types to Contract Classes.*

The contract type is assigned to the employee using the Contract elements infotype (0016).

⚠️

Given that the different contract types offer different Social Insurance contribution reduction percentages, it is mandatory to maintain the Contract elements infotype (0016). Where employee details are not entered in this infotype, the employee is rejected in payroll.

Designated family member

Definition

The employee must pay an additional contribution of 1.5% to the Welfare fund for each family member that they designate.

To calculate the contributions for designated family members, you must:

1. Identify the family members belonging to the primary family group of the employee [Page 159]

2. Identify designated family members of the employee [Page 160]

Identify family members of primary family grp

Procedure

You can identify family members belonging to the primary family group of the employee using the Implementation Guide, in the section *Payroll → Social Insurance → Master Data → Define Family Member Attributes for Social Insurance.*

Identify designated family members

Procedure

You can identify a family member of the employee as a designated family member in the Family member/Related person [Page 98] (0021), along with the Family details infotype: Additional information (0394) as displayed in the infotype.

Enter details of the last payt of welfare pmnts

Use

In the compensation statement you must have the date, year, month and bank in to which the last employee Social Insurance contributions were deposited.

Requirements

You must maintain this data on a monthly basis.

Procedure

There are two options for entering this data in the system:

1. Using the Implementation Guide, in the section *Payroll → Social Insurance → Master Data → Define Last Date of Social Insurance Contributions.*

2. From the menu *Payroll Argentina → Tools → Current Settings → Definition*

Processes

Purpose

The Social Insurance function calculates the compensation deductions and contributions.

- The deductions are:

  - Deduction for the Integrated System of Retirements and Pensions (SIJP)

  - Deduction for the National Retired and Pensioners Social Services Institute (INSSJP).

  - Deduction for the Welfare fund

  - Deduction for the Welfare fund for a designated family member

  - Voluntary retirement deduction

- The contributions are:

  - Contribution to the Integrated System of Retirements and Pensions (SIJP)

  - Contribution to the National Retired and Pensioners Social Services Institute (INSSJP).

  - Welfare fund contribution

  - National Employment Fund contribution

  - Family allowance contribution

  - Tickets contribution

  - Fixed and variable part of the Labor Risk Insurance Company (ART) contribution

The MOPRE limit is applied to all of these deductions and contributions, with the exception of "tickets".

These deductions and contributions and their respective percentages can be checked using the Implementation Guide, in the section *Payroll → Social Insurance → Processes → System Tables Check → Check Social Insurance Contributions* .

Data specified during the calculation

During the Social Insurance deductions and contributions calculation, the system uses previously stored data.

This data is classified in:

- General data [Page 164], stored in internal tables
- Data relevant to the compensation base [Page 165], stored in wage types

General data

The system extracts general information stored in the following internal tables of the payroll run:

- <u>Deductions already calculated in the same month</u>: This information is already stored in the internal table VORT.

- <u>Employee information</u>: This information is already stored in the internal table ARSES, which you can fill using the ARSES function from the payroll schema AR00.

- <u>Information about possible changes to remuneration and the contract type</u>: This information is already stored in the internal table WPBP.

- <u>Absences information:</u> This information is already stored in the internal table AB.

- <u>Possible corrections in the absence duration where divisor 30 is used</u>: This information is already stored in the internal table ARDIV.

Data relevant to the compensation base

The data relevant to the compensation base includes:

- Social Insurance gross amounts [Page 166]
- MOPRE limits [Page 167]

This data is already stored in wage types.

Social Insurance gross amounts

The following gross amounts are used for the calculation of Social Insurance deductions and contributions:

- Gross salary amount for Social Insurance (Wage type /102)

- Gross vacations amount for Social Insurance (Wage type /104)

- Gross tickets amount for Social Insurance (Wage type /103)

- Gross amount for leave due to industrial accidents and/or illness (Wage type /105)

- Portion of the Annual Extra Payment (SAC) for Social Insurance (Wage type /115)

To identify the wage types of the customer that are involved in the Social Insurance deductions and contributions calculation, you must cumulate them in the wage types mentioned above.

The wage types of the customer that correspond to the gross compensative items are cumulated in the Gross amount for Social Insurance wage type (/102).

This assignment of customer wage types to cumulation wage types is carried out using the Implementation Guide, in the section *Payroll → Social Insurance → Procedures.*

MOPRE limits

The following MOPRE limits are used for the calculation of Social Insurance deductions and contributions:

- MOPRE limit for salaries:

    Monthly value = MOPRE value X Number of MOPREs (SESLA constant)

    Value limit = Monthly value X Time worked/Work time (Wage type /300)

- MOPRE limit for the Annual Extra Pay (SAC)

    Value limit = 0.5 Monthly value X Time worked/Work time (Wage type /303)

- MOPRE limit for vacations:

    Daily value = MOPRE value X Number of MOPREs (SESLC constant)

    Value limit = Daily value X Vacation days (Wage type /302)

- MOPRE limit for industrial accidents and illnesses

    Monthly value = MOPRE value X Number of MOPREs (SESLA constant)

    Value limit = Monthly value X Leave days/Work time (Wage type /301)

Both the MOPRE value as well the number of MOPREs to be applied in calculating the daily and monthly values are set by legislation. SAP provides the current values in each case. You cannot change the value of these MOPRE limits, but can display them. To do this, see the Implementation Guide, in the section *Payroll → Social Insurance → Procedures → System Tables Check.*

Deductions and contributions calculation

Process

1. After specifiying the cumulation wage types that contain the social insurance gross amounts and the MOPRE limits that correspond to these gross amounts, these MOPRE limits are applied to the corresponding cumulation wage types.

   > You apply the MOPRE limit for vacations (Wage type /302) to the cumulation wage type Gross amount for vacations (/104).

   See also:

   Application of the MOPRE limit to the Gross amount for salaries [Page 169]

   Application of the MOPRE limit for vacations [Page 170]

   Application of the MOPRE limit for industrial accidents and illnesses [Page 171]

   Application of the MOPRE limit to the SAC gross amount [Page 172]

2. You apply the Contribution percentages [Page 153] to the results obtained from applying the MOPRE limits

3. Finally, you include in this calculation some special deductions and contributions.

   See also Final steps in the calculation [Page 174]

Appl.MOPRE limit to Gross amount for salaries

Process

1. You analyze all previous compensation found in the current month.

2. These compensations are added to the current compensation.

3. You apply the MOPRE limit for salaries to the result of this sum.

4. If this result is greater than the MOPRE limit, you cut the MOPRE limit value; if it is less, it remains the same.

5. You subtract the sum of all the previous compensations already deducted from the current month from the result of applying (or not) the MOPRE limit.

6. This result is in turn stored in the Standard compensation for deductions wage type (/380).
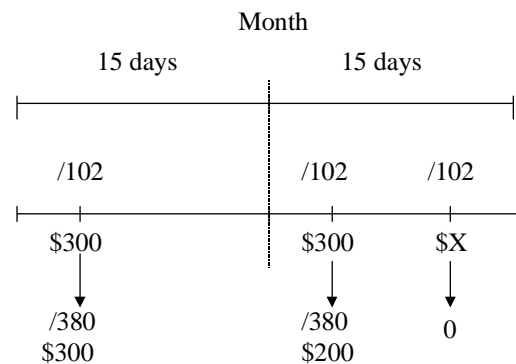
During the first 15 days of the month the employee receives a compensation (Wage type /102) of $300.
The MOPRE limit for this compensation is $500. As the compensation is less than the MOPRE limit, it remains unchanged.

During the second 15 days of the month the employee receives a new compensation (Wage type /102 for these second 15 days) of $300.
You add the previous compensation to the current compensation ($300 + $300 = $600). As the sum is greater than the MOPRE limit, it is reduced to the MOPRE limit; that is, to $500. You subtract from this result the previous compensation for the month; that is $300. The result of this ($200) is stored in the wage type /380.

Application of MOPRE limit for vacations

Process

You apply the daily MOPRE limit to each leave, independent of any other leave that may exist in the month.

Month

5 vacation days   5 vacation days

Daily MOPRE limit X 5 = /302

Daily MOPRE limit X 5 = /302
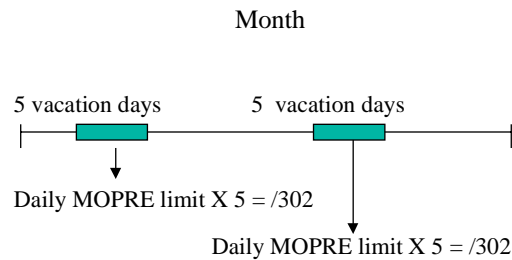
If the value of the Gross amount for vacations (Wage type /104) for each vacation time segment is greater than the MOPRE limit that corresponds to this time segment, the wage type value is limited to the value of the MOPRE limit.

The result of applying the MOPRE limit (Wage type /302) to the Gross amount for vacations (Wage type /104) is stored in the Compensation of vacations subject to deductions wage type (381).

MOPRE limit application to industrial illnesses

Process

This is the same process as in application of the MOPRE limit for vacations [Page 170].

The result of applying the MOPRE limit for industrial accidents and illnesses (Wage type /301) to the Social Insurance gross amount for industrial accidents and illnesses (Wage type /105) is stored in the ART compensation subject to deductions wage type (/382).

MOPRE limit application to the SAC gross amount

Process

You apply the MOPRE limit for Annual Extra Payment (SAC) (Wage type /303) to the Social Insurance gross amount that corresponds to the SAC (Wage type /115).

The result is stored in the Compensation subject to deductions for the SAC wage type (/383).

Application of the reduction percentages

Process

You calculate the social insurance deductions and contributions for each compensation subject to the deductions wage type.

For this calculation you specify the corresponding Contribution percentages, [Page 153] and subsequently apply them to the compensation subject to deductions.

See also:

Application of the MOPRE limit to Gross amount for salaries [Page 169]

Application of the MOPRE limit for vacations [Page 170]

Application of the MOPRE limit to industrial illnesses [Page 171]

Application of the MOPRE limit to the SAC gross amount [Page 172]

Final steps of the calculation

Process

In the final calculation of deductions and contributions you aggregate:

1. The contribution to be paid to the Labor Risk Insurance Company (ART):

   This contribution consists of:

   a) A set value for each employee

   b) A percentage of the total of compensation items

   You indicate both parts in the system using the Implementation Guide, in the section *Payroll → Organization Data → Assign ART to the Company.*

2. Voluntary retirement contributions to the Retirement and Pension Fund Administrators (AFJP)

   These deductions are also represented by a wage type that you can generate once a month. For more information, see Integrated System of Retirements and Pensions (SIJP) [Page 141]

3. Contribution by ticket

   This contribution represents a total percentage of paid tickets. The Gross amount for Social Insurance tickets is stored in wage type /103. No MOPRE limit is applied to this cumulation wage type.

4. Percentage for designated family member

   This percentage is set for designated family members and no reductions are applicable. For more information, see Designated family member [Page 158].

Unions

Definition

In some cases, the employee must pay a contribution or dues to the union with which they are affiliated.

This payment should be made automatically through the company, which deducts the appropriate contribution amount from the employee. That is, the employer acts as a deduction agent for union dues.

In the majority of cases, union dues are defined as a percentage of the employee's total pay. This percentage may vary according to the union. The compensation base against which this percentage is applied may differ according to the specific circumstances of each company.

Alternatively, this amount is represented by a set amount that is paid according to an established timetable (for example, once a month).

For more details, see also:

Required Settings [Page 177]

Create union dues [Page 176]

Create Union Dues

Procedure

After making the Required settings [Page 177] for calculating the union dues, you can create the union dues in the system. You do this by means of the Membership Fees infotype (0057):

1. Select the corresponding union (subtype).

2. Select the wage type that corresponds to the union.

3. Make all of the other entries.

4. Save your entries.

Result

When running payroll, the system calculates the corresponding union dues, according to the data indicated, and deducts them from employee pay.

Required settings

Procedure

Before entering the union dues deducted by your company, you must carry out the following settings:

1. Specify the unions that your company works with.

2. Specify the percentage or set amount that each union determines for its union dues.

3. Create a subtype of the Membership Fees infotype (0057) for each union. To do this, see the Implementation Guide, in the section *Personnel Management → Personnel Administration → Payroll Data → Membership Fees → Define Types*.

4. Create a wage type for each union. This wage type must contain, in the Amount field, the amount of union dues, and in the Quantity field, the percentage to be applied. This wage type must be stored in the RT internal table.

5. Define these wage types as admissible for the Membership Fees wage type (0057). To do this, see the Implementation Guide, in the section *Personnel Management → Personnel Administration → Payroll Data → Membership Fees → Wage Types.*

6. The standard SAP R/3 system uses the compensation credit total as the base total for calculating union dues. If you want to use another base amount, carry out the settings indicated in the Implementation Guide, in the section *Payroll Argentina → Unions → Update Rule for Determining the Basic Value.*

7. The standard SAP R/3 system uses 1% as the base value for calculating union dues. If you want to use (an)other percentage(s), implement the settings indicated in the Implementation Guide, in the section *Payroll Argentina → Unions → Set Percentage for Union Dues.*

8. Adapt the calculation of union dues to the needs of your company. To do this, see the Implementation Guide, in the section *Payroll Argentina → Unions → Update Rule for Calculating Union Dues.*

Income Tax

The salary or wage of the employee is subject to Income Tax. It is considered fourth category income.

The persons (employees or legal persons) that act as employers can also act as a tax collection agent.

If a person receives two or more payments from different employees, the employer who pays a greater sum is considered as the collection agent.

On starting a new working relationship, the average subject payment for the previous year is determined, as paid by the previous employer.

This average is compared with the payment to be paid by the new employer. In this way you decide which employer will act as tax collection agent.

Master data

Before performing the Income Tax calculation it is necessary to do the following:

1. Define the basis for the Income Tax calculation [Page 185]
2. Enter general data for the Income Tax calculation [Page 186]
3. Enter data on Income Tax deductions [Page 186]
4. Enter data from other employers [Page 188]

Income Tax Infotype (0389)

Definition

In this infotype (0389) you enter relevant data in order to calculate Income Tax.

⚠️

The data in this infotype is necessary to calculate Income Tax. If you do not maintain this data, the employee is rejected in payroll.

Structure

Collection Agent

In this field you indicate whether the employer acts as the income tax collection agent.

Allocation

In this field you indicate if the employer has decided to apportion extra earnings to the employee for income tax calculation.

Employee has CUIT (Taxpayer Identification Number)

The CUIT or CUIL number must figure in the Annual Income Tax Declaration. For this reason you must determine if the employee possesses a CUIT or not.

Limit 30%

In this field you indicate if the employee has decided to establish a 30% limit or not for the deduction originating from the calculation of income tax.

DGI Agency (Internal Revenue Service)

If the employee has a CUIT number, the entry in this field is important for the Annual Income Tax Declaration (Form 649).

Income Tax Infotype: Deductions (0390)

Definition

In this infotype (0390) you enter the data referring to deductions to be made in the income tax calculation. This data is used both in the payroll run and in various legal reports.

⚠️

If you do not enter data in this infotype, you will not to be able to carry out the income tax calculation.

Structure

Legal person

The data referring to both the name and the address of the legal person must figure in the Employee Annual Declaration.

Deduction amount

This data refers to the concept of the deduction.

The *wage type* field contains the wage type that corresponds to the particular deduction. The default values are defined in the Implementation Guide. For further details, see the Implementation Guide section *Personnel Management → PersonnelAadministration → Payroll Data → Employee Payment Information → Wage Types → Create Wage Type Catalog.*

The *Amount* field contains the amount to be declared.

These two pieces of data are mandatory.

Deduction frequency

The fields *First month of deduction* and *First date (of deduction)* are exclusive; that is, you must only make an entry in one of them and not simultaneously in both.

In the fields *Frequency of deduction* and *Frequency Unit,* you can only make entries if you have made an entry in one of the previous fields.

See also:

Enter data on deductions [Page 187]

Income Tax Infotype: Other employer (0391)

Definition

In this infotype (0391), you register data referring to other employers or previous employers for whom the employee has worked during the current tax year. This data is used for income tax calculation.

⚠️

> If there are other employers within the same tax year, you must enter this data in this infotype. If not, the income tax calculation and therefore the payroll run will not be correct.

Structure

Other employer: Data

Both the *Name* and the *Company address* must figure in some legal report outputs.

Wage types for taxes

These wage types represent the concepts referring to payments made by the "other" employer (that is, the employer that is not the collection agent) and that are used in income tax calculation.

These wage types are defined using the Implementation Guide. For further details, see the Implementation Guide section *Personnel Management → Personnel Administration → Payroll Data → Employee Payment Information → Wage Types → Create Wage Type Catalog.*

➡️

> The validity date for this record is the date for which the information it contains is valid. This is necessary to determine which tax settlement the information corresponds to.

See also:

Enter data from other employers [Page 188]

IT Personal data (0002): National char.Argentina

CUIL/CUIT

On entering the CUIT or the CUIL for the employer the system checks:

1. If the CUIT/CUIL has been correctly entered. If this not, the system issues an error message.

2. If the CUIT/CUIL already exists for another/other employee(s). If not, the system issues an error message.

For more information on this type of CUIL/CUIT check, see the Implementation Guide section *Payroll → Customer modifications processing → Master data → Update CUIT/CUIL monitoring in personal data.*

IT Org.assgmt (0001): National char.Argentina

Company/Legal person

If an employee changes company, the data referring to employee Income Tax corresponding to the previous company is processed as if it came from another employer.

For this change in the Company of the employee to be correctly recognized by the Payroll, you must assign a Legal Person of the same name to the company.

If the name of the company is not the same as the name of the Legal Person, the payroll process is canceled.

Define Tax calculation base

Procedure

For the calculation of income tax, you need to specify whether you use the payment date or the payroll run date as a base. This is done using the Implementation Guide, in the section *Payroll → Income Tax → Master Data → Define Relevant Data for Tax Calculation.*

Enter general data on Income Tax

Procedure

The data that is specified below is entered into the system using the corresponding infotype fields Income Tax [Page 180] (0389).

- Withholding agent. It is essential to specify if your company acts as an income tax whithholding agent for the employee in question.

- Allocation You need to specify for the system if the employer has decided to allocate monthly the non-regular earnings of the employee in question.

- The employee has a CUIT. Although this piece of data does not affect the Income Tax run, it is, however, necessary to indicate this in the Employee Annual Declaration.

- Limit of 30% for deductions: It is also necessary to specify whether the employee in question must have the 30% limit applied to the payment of Income Tax deductions.

- DGI agency code: This data does not affect the Income Tax run either, but you must specify it in the Employee Annual Declaration (Form 649).

Enter data in deductions

Procedure

The data specified below is entered into the system using the corresponding fields for Income Tax infotype Deductions [Page 181] (0390).

- Wage types corresponding to the deduction: The wage types that are suggested in this infotype are created using the Implementation Guide, in the section *Personnel management → Personnel administration → Payroll data → Income Tax deductions.*

  These wage types must be assigned to the Income Tax items.

  For further details on this assignment , see:

  Assign wage types to Income Tax items [Page 196]

- The deduction amount is located in the corresponding wage type.

- Deduction frequency: This frequency indicates from which date or month the deduction is being made, and how regularly. That is, for how many frequency units (days, weeks, months or years) is the deduction made.

  If no frequency is specified, the system assumes a frequency of once a month.

- Data on the unit that the deductions go to: The name, address and CUIT of the recipient unit for the deduction do not affect the Income Tax run but are mandatory data for the Employer Annual Declaration (Form 649). This data is defined in the Implementation Guide, in the section *Payroll → Income Tax → Master data → Define entities receiving deductions.*

  The deductions are applied within the validity date range for this infotype.

Enter data from other employers

Procedure

The data that is specified below is entered into the system using the corresponding fields for the Income Tax infotype Other employer [Page 182] (0391).

- Wage types, You must enter the wage types that reflect both the non-regular credit and the regular credit, contributions and taxes, possibly deducted by another employer.

  The wage types that are suggested in this infotype are created using the Implementation Guide in the section *Personnel management → Personnel administration → Payroll data → Information from other employers for Income Tax.*

  These wage types must be assigned to the Income Tax items.

  For further details on this assignment , see:

  Assign wage types to Income Tax items [Page 196]

- Data on the other employer: The name and address of the other employer do not affect the Income Tax calculation but must be data to be entered in the Employee Annual Declaration (Form 649).

  ⚠️

  The CUIT number for the other employer is essential for the Income Tax run. This calculation differentiates between employer processes.

  ➡️

  For this infotype you make one entry for each payment made. This record can contain several wage types (maximum 20). If a previous job exists, you enter one single register with the annual payment.

Processes

During the Income Tax calculation the system needs the following data:

1. Differentiation between non-regular credit and regular credit [Page 190]

2. Earnings scale range table [Page 191]

3. Maximum limits and fixed values per Income Tax item [Page 192]

4. Deduction limit [Page 193]

5. Percentage in order to limit the allocation of non-regular income [Page 194]

6. Data specified during the calculation [Page 195]

7. Assign wage types to Income Tax items [Page 196]

For the final Income Tax run [Page 199] the system also needs final Income Tax run data. [Page 200].

Differentiate Between Regular and Non-Regular Credit

Procedure

This differentiation is made for the allocation of non-regular income. You do so using the Implementation Guide in Section *Payroll → Income Tax → Processes → Define Cumulation of Credits for Income Tax.*

Result

You do not only allocate the non-regular income but also the contributions originating from non-regular income. These contributions are calculated as a proportion of contributions in a month. This is equal to the proportion of regular credit to non-regular credit.

Pay Scale Range Table

Definition

This table contains a fixed value, a maximum and minimum limit and a percentage to be used.

These values, limits and percentages are established by law.

SAP always provides the corresponding values.

You must not change these values but can display them in the Implementation Guide, in the section *Payroll → Income Tax → Processes → Systems Tables Check → Check Percentage for Income Tax.*

Maximum Limits and Fixed Values per Item

Definition

Each Income Tax item has a maximum limit or fixed monthly or yearly value.

These values are determined by law.

SAP always provides the current values.

You cannot modify these values but can view them using the Implementation Guide, in the section *Payroll → Income Tax → Processes → System Tables Check→ Check Maximum and Default Values by Tax Item.*

Deduction limit

Definition

Legally, the total of Income Tax deductions plus the total employee contributions cannot exceed a certain percentage.

This percentage is determined by law.

You cannot modify this percentage within the SAP R/3 system but can display it using the Implementation Guide, in the section *Payroll → Income Tax → Processes → System tables check → Check percentage to limit withholding tax*.

Percentage for Limiting Apportionment of Non-Regular Income

Definition

Legally, non-regular payment can be allocated between the month of payment and the remaining months until the end of the year, except where the amount exceeds a certain percentage.

If the amount of payment exceeds the percentage established by law, apportionment is mandatory.

You cannot modify this percentage in the SAP R/3 system but can view it using the Implementation Guide, in the section *Payroll → Income Tax → Processes → System Tables Check → Check Percentage of Credits for Limiting Apportionment.*

Data determined during calculation

Definition

During income tax calculation, the system uses previously stored data.

- Data on income (regular and non-regular) and contributions from the current payroll run: This data is stored in the internal table IT.

- General data on income tax: This data can be located and stored in the internal table ARIMP.

- Data on income tax from previous calculations: This data can be located and stored in the internal table ARCIMP. This table also contains data that will be edited in some legal reports.

- Data on deductions for that part of the year already completed: This data can be located and stored in the internal table P0390.

  - Data on other employers for that part of the year already completed: This data can be located stored in the internal table P0391.

- Data on pay in the current payroll run (for example, pay changes): This data can be located and stored in the internal table WPBP.

Assign wage types to Income Tax items

Use

The Income Tax items are defined in the system and you can be displayed using the Implementation Guide in the section *Payroll Argentina → Income Tax → Processes → System tables check → Check Income Tax category codes.*

When entering the wage types for the Income Tax calculation, these must be assigned to an Income Tax item.

Basically it is the new wage types that are created for entering into the Income Tax infotypes: Deductions (0390) and Income Tax: Other employer (0391).

Procedure

The assignment of wage types to Income Tax items is made using the Implementation Guide, in section *Payroll calculation Argentina → Income Tax → Processes → Assign wage type to Income Tax category.*

General description of calculation process

Process

1. The internal table ARDIMP contains information on deductions from the Income Tax infotype: Deductions [Page 181] (0390) or from the internal table ARCIMP from the previous run.

2. You apply the limits provided for by law to this information on deductions

3. As a result an amount is obtained that is the total to be deducted per Income Tax item which is then transferred to the internal table ARCIMP.

4. The internal table ARCIMP also contains information on deposits, contributions and other deductions (for example, insurance premiums) from the previous run.

5. You total all this information contained in this internal table ARCIMP and the result (Income subject to tax) is stored in the Taxable credit wage type (/414).

6. You apply to the Taxable credit wage type (/414) the Earnings scale table [Page 191].

7. The result of this calculation is stored in the determined tax wage type (/416)

8. The value of the determined tax wage type from the previous run is subtracted from the Determined tax wage type (/416).

9. The result is stored in the Paid/refunded tax wage type (/417) for the current run in the internal table ARCIMP and in the internal table IT.

Another important table for the calculation of income tax is the internal table AROIMP. This table contains the name, address and CUIT of other employers. This information is needed for statutory reports.

See also:

Graph: Flow of wage types between internal tables [Page 198]

Graph: Flow of wage types bet.internal tables
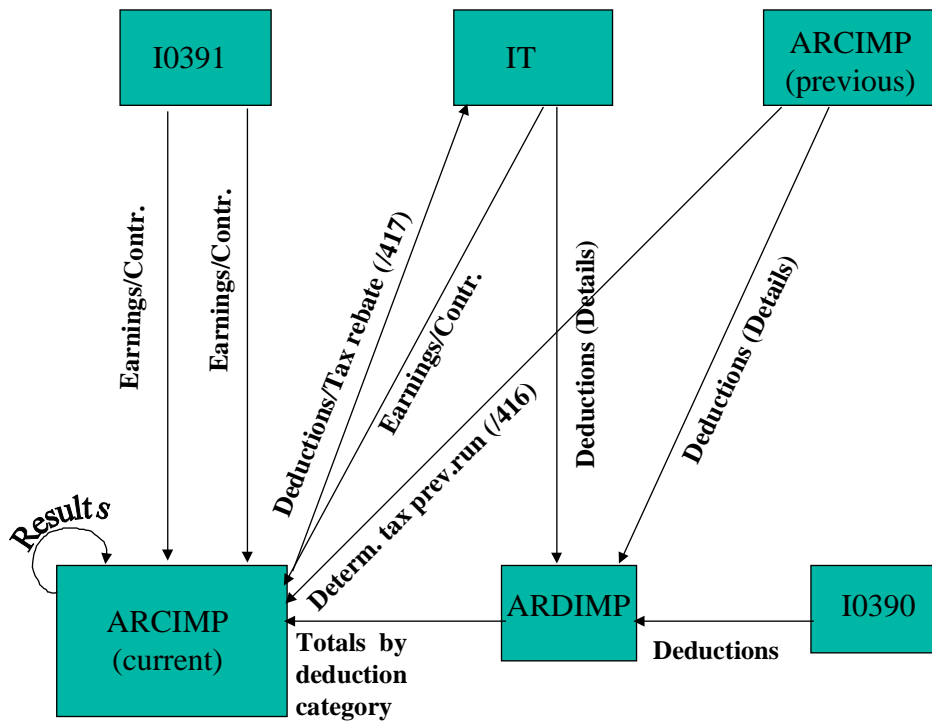
The tables ARIMP and AROIMP are not included in this graph because these tables do not contain wage types. The table ARIMP contains general information on each employee at a company level that affects the whole income tax calculation process. The AROIMP table contains reference data on other employers (such as name, address, CUIT, etc.).

Final Income Tax run

Use

The final income tax run is carried out annually.

Functional features

The final income tax run is performed using a report that is accessed from the menu *Payroll Argentina → Subsequent activities → Annual → Evaluation → Taxes → Final run.*

This report also allows you to generate a batch input session. If you execute this batch input session, the information it contains is also stored in the Extra payment infotype (0015) using the Earnings deduction/rebate annual run wage type (M510). This wage type contains the data on the final Income Tax deductions/rebates.

The system stores the results from the final Income Tax run obtained for this report from cluster A2.

Activities

To perform the final income tax run, you must complete this report.

For more information on these activities, see:

Define date for final tax run [Page 200]

Define date for final Income Tax run

Requirements

This date is the mandatory deadline determined by the DGI for the final Income Tax run.

Procedure

You specify this dte according to personnel area using the Implementation Guide, in the section
Payroll → Income Tax → Processes → Define date for definitive calculation of tax.

Application of 30% limit to tax deduction

Purpose

Legally, the total of income tax deductions plus total employee contributions cannot exceed a certain percentage of the gross income of the employee.

In some cases (for example, executive employees), the employee opts for establishing this limit to the income tax deductions.

To do this, the employee must register with the DGI and make an mandatory personal income tax declaration.

Process

Here, the system carries out following:

1. The percentage specified by law is applied to the gross income amount in the current payroll run period (Limit to tax deductions cumulation wage type /470).

2. The Social insurance contributions from the current payroll run period (limit to tax deductions cumulation wage type /471).are subtracted from this result

3. This result is stored in the Maximum limit to tax deductions wage type (/472).

4. This result (Maximum limit to tax deductions wage type (/472) is taken away from the tax paid/refunded (/417)

5. The result of this calculation is stored in the Tax deduction limit wage type (/473).

6. The tax determined (originally stored in the wage type (416) is now stored in the wage type /474 (Copy of wage type /416).

7. From here there are two options:

   a) If the amount of the Tax deduction limit wage type (/473) is greater than zero, you subtract it from the Determined tax wage type (/416).

   b) If the amount of the Paid/refunded tax wage type (/417) is greater than the amount of the Maximum limit to tax deductions wage type (/472), it is the same as the wage type amount /472.

Subsequent activities

Purpose

This component contains activities that you must complete after executing the payroll.

Bank details IT (0009): National char.Argentina

Bank control key

Use this field only as an account type.

> If this field is used with another purpose different to that mentioned, it will not be possible to perform the bank transfer.

Other evaluations

Purpose

This component enables you to generate different evaluations, reports and statistics according to previously determined criteria.

Evaluating the Payroll Results Using Infotypes or the Logical Database

Use

The following options are available in the SAP system for evaluating the payroll results.

- The payroll infotypes [Page 209] and the InfoSet Query [Ext.]

   For detailed information on the InfoSet Query, see the SAP Library under *Human Resources → Reporting in Human Resources Management → HR Reporting Tools → SAP Query (BC-ERV-Que) → InfoSet Query.*

- Logical Database [Ext.]

- Standard reports

   You can evaluate the payroll results in direct access with the standard reports.

   – Remuneration statement [Ext.]

   – Payroll journal [Ext.]

   – Payroll account [Ext.]

   – Wage type reporter [Ext.]

   For detailed information on the standard reports, see the SAP Library under *Payroll → Other Countries → Subsequent Activities*.

- *Business Warehouse*

   You can also evaluate the payroll results in the *SAP Business Warehouse* environment. For detailed information on this, see the Business Warehouse in the SAP Library.

Evaluating the Payroll Results Using Infotypes or the Logical Database

Ways of Evaluating the Payroll Results
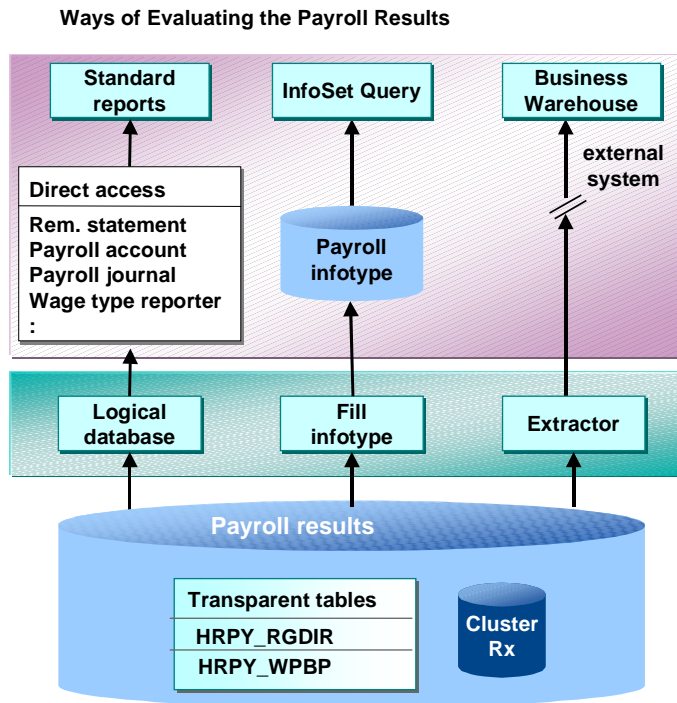
Scope of Function

Inform yourself of the evaluation options before you evaluate the payroll results.

Comparison of the Evaluation Options using Payroll Infotypes or using the Logical Database PNP with the Enhancements for the Payroll Results

General criteria for the evaluation	Payroll infotypes for the evaluation with the InfoSet Query	Enhancement of the logical database PNP for Payroll for direct evaluation with reports
Evaluation path	If you want to evaluate the payroll results using the InfoSet Query [Ext.], use the relevant payroll infotype (for example, *Monthly Cumulation* (0458)). You use the payroll infotype to provide the InfoSet Query with the payroll results for evaluation.	If you want to use **reports** to evaluate the payroll results, you use the logical database for Payroll. The reports call the **logical database** to evaluate the payroll results. The InfoSet Query does not use the logical database for Payroll to evaluate the payroll results.

Storing the data	The SAP system stores the data in the transparent tables for the payroll infotypes. Special wage types called evaluation wage types [Ext.] are available for this purpose.	The payroll driver stores the data for the logical database redundantly, in transparent form, in the following tables: • *Directory information* from the CU cluster is stored in the transparent table HRPY_RGDIR. The cluster remains in the system. • Data for the *Work Center/Basic Pay* (Table WPBP) from the RX cluster is stored in the transparent table HRPY_WPBP. The RX cluster remains in the system.
Calling the data	The SAP system only calls the **current** payroll results. You can select the evaluation data with the help of wage types.	The SAP system calls **all** the payroll results from the evaluation period for processing.
Data Selection	You get a quick selection of the payroll results with the help of the wage types that are provided in the payroll infotype.	You get a high-performance selection of the payroll results with the help of selected fields from the *Period* group box and the organizational fields from the *Selections* group box (for example, personnel number, payroll area or company code). Example in report: EXAMPLE_PNP_GET_PAYR OLL [Page 225]
Programming	You should not change the programming of the payroll infotypes and use (read) them in other programs.	You can use the existing reports to evaluate or write evaluation reports using program examples [Page 225]
Validity for the countries	As well as payroll infotypes [Page 209], that are valid internationally (for example, payroll results: *Periodical Values* (0402), *Monthly Cumulation* (0458) there are payroll infotypes that are valid for one country.	In the SAP system, there is one logical database for all countries. Country-specific features are provided by standardizing the node **PAYROLL** (for example, NODES: **PAYROLL TYPE PAYUS_RESULT**)

Evaluating the Payroll Results Using Infotypes or the Logical Database

Prerequisites

Description	Payroll infotypes	Enhancement of the PNP logical database for Payroll
Customizing	In Customizing for Personnel Management under Human Resources Information System → Payroll Results [Ext.] you have: • defined the evaluation wage types • assigned the wage types • set up the payroll infotype • assigned the payroll infotype to Payroll	In the attributes for the evaluation report, you have specified the following: • Logical database: **PNP** • Selection screen version: **900** selection screen for the payroll results • HR report class for *Payroll* (for example, the standard value **PY_DEF**) and the function *Payroll report class* selected.

Infotypes for Evaluating Payroll Results

Use

In addition to master data, applicant data, and personnel planning data, you can also evaluate payroll results using a query and InfoSet query.

A number of predefined infotypes are available for the evaluation. The wage types required for the evaluation are entered in these infotypes:

Infotype	Meaning
0402	Payroll Results: Period Values
0403	Payroll Results: Period Values (not required at present)
0458	Monthly Cumulation of Payroll Results
0459	Quarterly Cumulation of Payroll Results
0460	Annual Cumulation of Payroll Results

You can either activate these predefined infotypes or create your own infotypes using the same structures. You can enhance these infotypes by using additional wage types and then activating the infotypes. This makes the necessary data, from the payroll results, available on the PNP logical database.

> If an error occurs when filling the payroll infotype, refer to the note *Problems when Filling the Payroll Infotype* (note number 0125921).
>
> Furthermore, we recommend that you create your own payroll infotypes in the customer name range 9* and do not modify the payroll infotypes *Payroll Results: Period Values (0402 or 0403)*.

USA: Infotypes for Tax Reporting

The pre-defined infotypes 0446 and 0457 are also used for tax reporting. These infotypes have been created specifically for the USA. For more information, see US Tax Payroll Infotypes (0446 -0457) [Ext.].

Prerequisites

You have performed the following activities before you set up the evaluation of payroll results using a query or InfoSet Query:

1. In Customizing for *Personnel Management* under *Human Resources Information System →
   Payroll Results →* Set Up Payroll Infotypes [Ext.]*,* you have activated the payroll infotypes you require. You can create new payroll infotypes based on pre-defined payroll infotypes and then enhance these to meet your requirements.

2. The infotype was filled out with the information from a payroll result. You have two options:

   – As long as Customizing has been set up accordingly, data is automatically transferred to the infotype in each payroll run. You do this in Customizing for *Personnel Management*

Infotypes for Evaluating Payroll Results

under *Human Resources Information System → Payroll Results →* Set Up Assignment for Payroll [Ext.].

– You can enter data in the infotype without a payroll run using report RPABRI00.

Activities

For information on evaluations using a query or InfoSet query, see BC - SAP Query [Ext.]. For information on evaluations in Human Resources, see Maintaining Queries in the HR Application [Ext.].

Payroll Results Infotypes: Period Values (0402 and 0403)

Definition

The *Payroll Results: Period Values* infotype (0402) contains information from the payroll results of the regular payroll run. Infotype 0403 is identical and is currently not required.

The start and end dates for the infotype correspond to the payroll period.

Structure

You define the structure of the infotype in Customizing for *Personnel Management* under Payroll Results [Ext.].

You cannot maintain the infotype on-line. You can maintain the infotype using one of the following methods:

- The data is automatically updated when the payroll run has been completed successfully, however, this must be set up accordingly in Customizing for *Personnel Management* under *Human Resources Information System → Payroll Results →* Set Up Assignment for Payroll [Ext.]. We recommend that you use this procedure as the data in the payroll infotype is automatically updated by the system (also in the case of retroactive accounting).

- You can update the data at any time using report RPABRI00. We recommend that you use this procedure if existing payroll results should be evaluated.

Using this infotype as a basis, you can evaluate the results of a regular payroll run using the query and the InfoSet Query.

Monthly Cumulations (Infotype 0458)

Definition

In the standard system, the *Monthly Cumulation of Payroll Results* infotype (0458) contains general information from the payroll results and cumulation wage types [Ext.] referring to one month. This can be useful if the periods for your payroll run are weekly and not monthly, or if payroll is run using a different frequency.

The start and end dates for the infotype correspond to the cumulation period. If your employee, for example, leaves the company in the middle of a cumulation period, you can still access the cumulated values.

Structure

You define the structure of the infotype in Customizing for *Personnel Management* under *Payroll Results.*

You cannot maintain the infotype on-line. You can maintain the infotype using one of the following methods:

- The data is automatically updated when the payroll run has been completed successfully, however, this must be set up accordingly in Customizing for *Personnel Management* under *Human Resources Information System* → *Payroll Results* → Set Up Assignment for Payroll [Ext.].

- You can update the data at any time using report RPABRI00.

Using this infotype as a basis, you can evaluate payroll results using the query and the InfoSet Query.

Quarterly Cumulations (Infotype 0459)

Definition

In the standard system, the *Quarterly Cumulation of Payroll Results* infotype (0459) contains general information from the payroll results, as well as cumulation wage types [Ext.] that refer to quarterly values.

The start and end dates for the infotype correspond to the cumulation period. If your employee, for example, leaves the company in the middle of a cumulation period, you can still access the cumulated values.

Structure

You define the structure of the infotype in Customizing for *Personnel Management* under *Payroll Results.*

You cannot maintain the infotype on-line. You can maintain the infotype using one of the following methods:

- The data is automatically updated when the payroll run has been completed successfully, however, this must be set up accordingly in Customizing for *Personnel Management* under *Human Resources Information System → Payroll Results →* Set Up Assignment for Payroll [Ext.]*.

- You can update the data at any time using report RPABRI00.

Using this infotype as a basis, you can evaluate payroll results using the query and the InfoSet Query.

Annual Cumulations (Infotype 0460)

Definition

In the standard system, the infotype *Annual Cumulation of Payroll Results* (0460) contains general information from the payroll results as well as cumulation wage types [Ext.] for annual values.

The start and end dates for the infotype correspond to the cumulation period. If your employee, for example, leaves the company in the middle of a cumulation period, you can still access the cumulated values.

Structure

You define the structure of the infotype in Customizing for *Personnel Management* under *Payroll Results.*

You cannot maintain the infotype on-line. You can maintain the infotype using one of the following methods:

- The data is automatically updated when the payroll run has been completed successfully, however, this must be set up accordingly in Customizing for *Personnel Management* under *Human Resources Information System* → *Payroll Results* → Set Up Assignment for Payroll [Ext.]*.

- You can update the data at any time using report RPABRI00.

Using this infotype as a basis, you can evaluate payroll results using the query and the InfoSet Query.

Using the Logical Database for Payroll

Use

From Release 4.6A, the evaluation of payroll results is supported by a logical database that is integrated in the logical database PNP for HR master data [Ext.]. This tool enables you to create programs for the evaluation of payroll results both simply and quickly.

Mode of Operation of the Logical Database PNP with the Enhancements for Evaluation of the Payroll Results
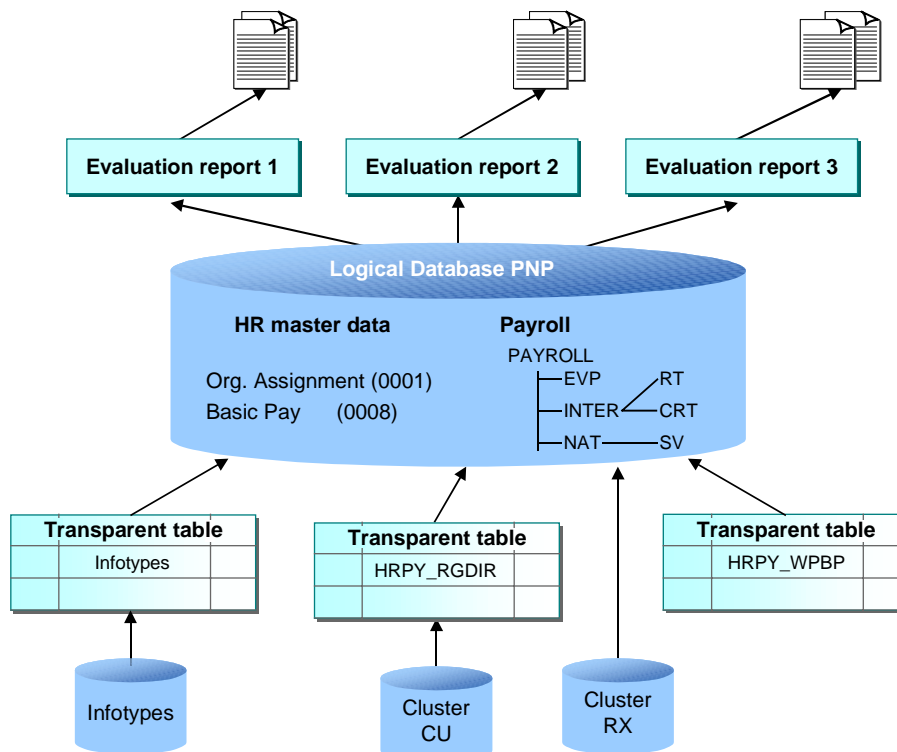
Using the logical database for payroll results has the following advantages for the user:

- You can access the payroll results faster and more easily.

- It is a simple and standardized way of evaluating the payroll results.

- Evaluation reports use this standardized interface and have a standard appearance.

- The performance of the evaluation reports is improved by using transparent tables for data selection.

- The number of coding lines in the evaluation programs (reports) is reduced by up to 60 percent.

- An evaluation report can be created in less time.

- The logical database supports use of the HR process workbench [Ext.]. This improves integration in the whole payroll process.

Using the Logical Database for Payroll

- The selection screen can be customized. To do this, you use the new report categories [Page 230]

- Different sort variants (all the fields for WPBP and RGDIR can currently be sorted)

- It is not necessary to customize the payroll infotypes.

> Use the logical database for payroll for new reports that evaluate the payroll results.

Scope of Function

The most important functions are:

- Data Retrieval

  The logical database [Ext.] consists of special ABAP programs that also provide the programs in *Payroll* with the evaluation data. All the data in a payroll record is provided in the subobjects for a complex structure [Page 220] at a selected time. To evaluate the payroll results, you can use reports from the standard system or create your own reports.

- Data Selection

  The logical database provides a particular view of the database tables for *Personnel Administration* (PA-PA) or *Payroll* (PY) and enables you to select and evaluate payroll results according to particular criteria.

  > Employees can now be selected on the selection screen of the evaluation report according to organizational criteria, for example, you can select all employees in a payroll area, however, the selection is made using exclusively the payroll results.
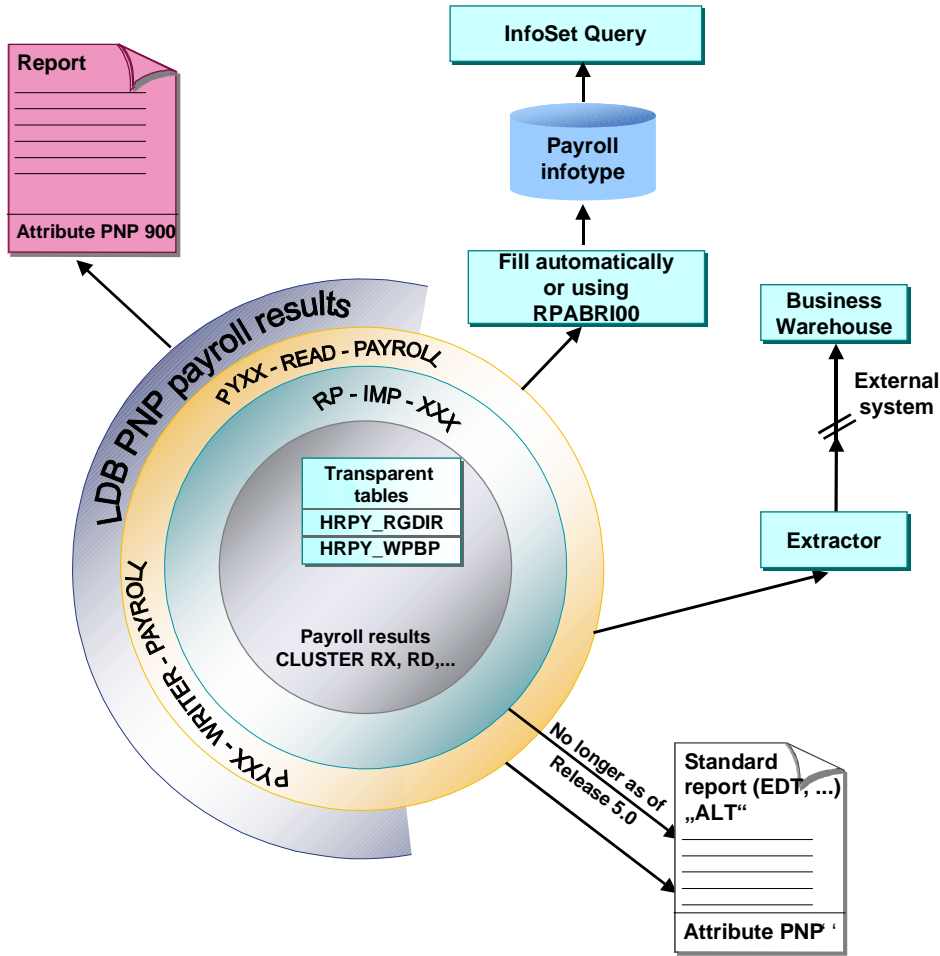
- Authorization

  The system checks whether the user who started the evaluation has the correct authorization for this evaluation. The authorization concept corresponds to the concept of the previous PNP report.

Technical Realization of the Evaluation Options for Payroll Results

Comparison of the Logical Database for HR Master Data and the Logical Database for Payroll

Technical Criteria or Enhancements	Logical Database for HR Master Data (PNP)	Logical Database for Payroll (PNP with Screen 900)

Using the Logical Database for Payroll

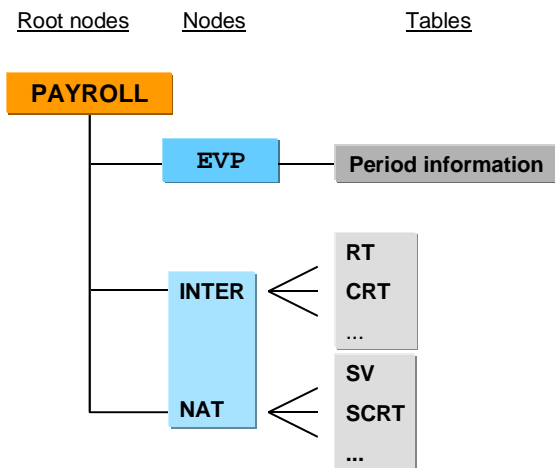|		
Time of data retrieval	There is only one date available for data retrieval: • At the time of GET PERNR, all infotype records are placed in an internal table for one personnel number	Several data retrieval events exist: • At the time of GET PERNR, all the infotype records are made available in an internal table (infotype table) for one personnel number • At the time of GET PAYROLL, the payroll results for a personnel number are made available in a complex structure • If all GET PAYROLL events have run for a personnel number, the event GET PERNR LATE is triggered
Retrieval of payroll data for the evaluation programs	Each internal table and field string (for example, RT, BT, SV, and so on) must be sorted and processed individually	A complex structure containing all tables (WPBP, SV, BT, and so on) for each country
Selection	• According to infotypes • Extends to the HR master data	• According to payroll results • Extends to the HR master data and payroll results
Evaluation report	• Uses import macros (for example, RP-IMP-C2-RX) • Sorting required	• Uses complex structures [Page 220] • You can use all fields in the internal tables HRPY_RGDIR and HRPY_WPBP and sort them as required • Selection of required sort sequence using the *Sort* function in the report

| Modifying the selection screen | In Customizing for Personnel Management under *Human Resources Information System → Reporting* using:

Report categories (selection criteria [Ext.]) | In Customizing (when creating a report) using:

Report categories

The fields on the selection screen for the evaluation report are controlled using the new report categories. The main procedure for customizing the selection screen corresponds to the familiar procedure for customizing the PNP report categories. |

Structure of Logical Database for Payroll

The logical database for payroll transfers the payroll results to the evaluation reports in a complex structure. This structure contains an international and a national node that are subordinate to the root nodes:

- International node

  The international node contains international (non-country-dependent) tables (for example, RT, CRT). The appropriate international tables are filled at runtime and retrieved using the complex structures.

- National node

  The national node contains the national tables (for example, SV) The corresponding national tables are determined and filled at runtime using the type assignment.

Root nodes	Nodes	Tables

```
PAYROLL
   ├── EVP ──── Period information
   │
   ├── INTER ◁── RT
   │            CRT
   │            ...
   │
   └── NAT ◁── SV
              SCRT
              ...
```

Conversion of Evaluation Reports

How Do You Convert an Existing Evaluation Report to the Logical Database for Payroll?

In Release 4.6C, we recommend that you first convert any reports (standard reports and customer reports) that are not used by any other report. You should not convert reports that are called using function modules or other reports (for example, the remuneration statement or the payroll account) in this release.

> See the release note *Using the Logical Database for Payroll* for Release 4.6C.

To convert a report to the logical database for payroll, proceed as follows:

- Enter the following in the report attributes:

    - Logical database: **PNP**

    - Selection screen version: **900** selection screen for the payroll results

    - HR report category for payroll: **PY_DEF** of a customer report category

        Select *Payroll report category.*

- Change the following in the coding:

    - The evaluation report is assigned to a country when the coding line **NODES: PAYROLL TYPE PAY99_RESULT** is inserted.

    - Switch the **RP-IMP-C2-xx** macro to the event **GET PAYROLL.** We recommend that you no longer use the macro **RP-IMP-C2-xx**.

Report before conversion		Report after conversion
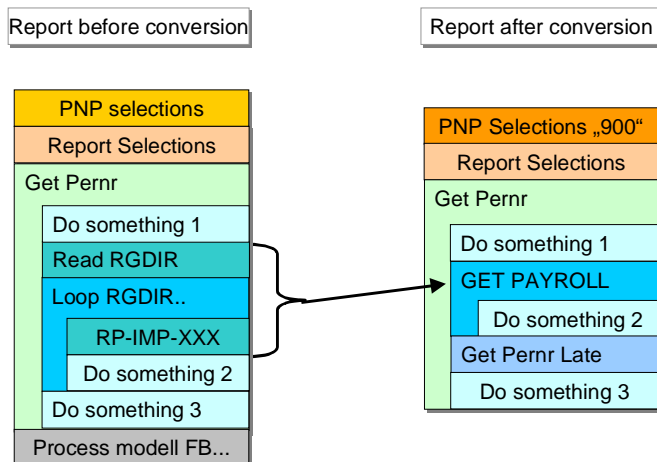
> SAP provides the report EXAMPLE_PNP_GET_PAYROLL [Page 225] as an example.

Conversion of Evaluation Reports

To convert old evaluation reports, use the utility macros [Page 226], which are contained in the standard system, and one of the listed variants.

- If you only want to make minor changes to the coding of the report, we recommend that you use **variant A** for the conversion. With this variant, the conversion effort required is minimal.

    - Example: Old coding [Page 227]

    - Example: Variant A – New coding [Page 228]

- We recommend that you use **variant B** for the conversion if the report is not very large and you want it to be compatible for further developments.

    Switch macro **RP-IMP-C2-xx** to the event **GET PAYROLL.**

    - Example: Old coding [Page 227]

    - Example: Variant B – New coding [Page 229]

See also:

ABAP Coding: Read International Payroll Results

The system reads the international part of the payroll results for all clusters. The **GET PAYROLL** event is triggered for all personnel numbers and not just for the international country grouping (99).

```
Segment from coding


NODES: payroll TYPE pay99_result.

DATA:  wa LIKE LINE OF .  . payroll-inter-rt.

GET PERNR.

...

GET PAYROLL.
  LOOP AT payroll-inter-rt
          INTO wa.
    WRITE:  wa-lgart.
  ENDLOOP.
```

ABAP Coding: Read National Payroll Results

The system reads country-specific payroll results (for example, for Germany). The **GET PAYROLL** event is only triggered for personnel numbers for the specified country.

```
Segment from coding


REPORT EXAMPLE_ ...

NODES: payroll TYPE payde_result.

...

GET PERNR.

...

GET PAYROLL.
  LOOP AT payroll-inter-rt INTO wa1.
    WRITE:  wa1-lgart.
  ENDLOOP.
  LOOP AT payroll-nat-sv INTO wa2.
    WRITE:  wa2-rvnum.
  ENDLOOP.
```

ABAP Coding: Report EXAMPLE_PNP_GET_PAYROLL for Evaluation of Payroll Results

This report uses the logical database PNP to evaluate the payroll results.

Example: Short version of report `EXAMPLE_PNP_GET_PAYROLL`

REPORT EXAMPLE_PNP_GET_PAYROLL.

`* You find an extended version`

* of this report in your R/3 system !

TABLES: pernr, pyorgscreen, pytimescreen.

NODES: payroll TYPE pay99_result.

Data: g_result_counter type i.

GET pernr.

WRITE: / 'Currently working on:', pernr-pernr.

GET pernr LATE.

`WRITE: / 'Found', g_result_counter,`

     'results for #', pernr-pernr.

ULINE.

GET payroll.

g_result_counter = g_result_counter + 1.

WRITE: / 'Seq No. = ',   payroll-evp-seqnr,

     'In period =', payroll-inter-versc-inper,

     'In period =', `payroll-inter-versc-inper,`

     'Pay date =', payroll-inter-versc-paydt.

Utility Macros for Report Conversion

Segment from Coding

```
REPORT

INCLUDE h99paytransmac.

NODES: payroll TYPE payDE_result.

...

GET PERNR.

...

GET PAYROLL.

Copytodata payroll.

LOOP AT rt INTO wa.
    WRITE:  wa-lgart.
ENDLOOP.
...
```

```
RT[] = &1-INTER-RT.
CRT[] = &1-INTER-CRT.
BT[] = &1-INTER-BT.
C0[] = &1-INTER-C0.
C1[] = &1-INTER-C1.
...
```

The SAP system contains generated macros for easy conversion of old reports. The coding for this report is based on the individual payroll tables (for example, RT, CRT).

- For the O tables (for example, ORT), use `copytodata_o`.

- To transfer the contents of the single tables (for example, RT) to the complex structure, use `copytostruc(_o)`.

- The macro `copystruc_o` works in the same way as `copystruc` but for O tables.

Example – Old Coding

```
Segment from coding


INCLUDE: RPC2RX00.

INCLUDE: RPC2RXX0.

INCLUDE: RPPPXD00.

DATA: BEGIN OF COMMON PART BUFFER.

   INCLUDE RPPPXD10.

DATA: END OF COMMON PART BUFFER.

INCLUDE: RPPPXM00.

...

START-OF-SELECTION.

GET PERNR.

RP-IMP-C2-RX.
LOOP AT RT.
...
```

Example: Variant A: New Coding

```
Segment from coding


INCLUDE: RPC2RX00.

INCLUDE: RPC2RXX0.

NODES: payroll type pay99_result.

...

START-OF-SELECTION.

GET PERNR.

GET PAYROLL.

COPYTODATA PAYROLL.

LOOP AT RT.
...
```

Advantage

Parts of the coding that refer to the single tables (for example, RT, CRT, and so on) need not be changed since the single tables are filled by the macro `copytodate.`

Example: Variant B: New Coding

```
Segment from coding

NODES: PAYROLL TYPE PAY99_RESULT.

DATA: RT_HEADER TYPE LINE OF HRPAY99_RT.

...

START-OF-SELECTION.

...

GET PERNR.

GET PAYROLL.

LOOP AT PAYROLL-INTER-RT INTO RT_HEADER.

...
```

Advantage

The use of the complex structure simplifies the layout of the report. This variant does not require the macros. Instead, it uses the new complex structure **PAYROLL**. You do not need to use an INCLUDE as in the .

Disadvantage

You must replace the link to the single tables (for example, RT, CRT) by a link to the complex structure.

Report Category

Definition

The report category specifies which fields are displayed on the selection screens of evaluation reports in *Human Resources.*

Use

Report Categories for HR Master Data

The report categories for *HR Master Data* define which master data fields are displayed on the standard selection screens for standard evaluation reports. Report categories are already assigned to the standard reports.

In Customizing for *Personnel Management*, you can create report categories [Ext.] and assign a report category to an evaluation report [Ext.].

> ⚠️
>
>   Only change the report categories for the standard SAP reports, if the selection screen for the SAP standard system does not meet your requirements and you are aware of the effect this will have on the selection screen.

Report Categories for Payroll

The report categories for the evaluation of payroll results define which master data fields are displayed on the standard selection screens for evaluation reports.

If you want to create a new evaluation report to evaluate the payroll results using the logical database for payroll, use either report category **PY_DEF**, or create your own report category and assign it to the new report.

See also:

Creating a Report and Report Category [Page 231]

Creating a Report and Report Category

Use

You want to create a new report to evaluate the payroll results.

Prerequisites

You are in the *ABAP Editor* in the *Change Program Attributes* `<name report>` screen.

Procedure

1. Enter the required values in the fields you are already familiar with.

2. In the *Logical database* field, enter `PNP` and in the *Selection screen version* field, enter `900` for the logical database for payroll.

3. Choose *HR report categories.*

    The *Report Category Assignment* dialog box appears.

4. Select *Payroll results (Cluster)* and enter the name of the new report category.

5. Choose ☐ *Create report category.*

    The *View Change "Time Selection Definition" Overview:* screen appears.

6. To develop the report further, define the time and organizational selections.

7. Save your entries.

Result

You can use the report to evaluate payroll results.