Wage Type Valuation

Release 4.6C

SAP
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## Icons

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<thead>
<tr>
<th>Icon</th>
<th>Meaning</th>
</tr>
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<tbody>
<tr>
<td><img src="image" alt="Caution Icon" /></td>
<td>Caution</td>
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<tr>
<td><img src="image" alt="Example Icon" /></td>
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<td><img src="image" alt="Note Icon" /></td>
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<td><img src="image" alt="Recommendation Icon" /></td>
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<tr>
<td><img src="image" alt="Syntax Icon" /></td>
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Wage Type Valuation

Use

The R/3 system uses primary and secondary wage types. Secondary wage types [Ext.] are formed during the payroll run. The primary wage types must be entered with values, which can be used again during the payroll run. In Customizing for Payroll under Incentive Wage Types → Payroll → Wage Types → Check Wage Type Catalog → Check Wage Type Characteristics you determine how the wage types should be valuated. The Valuation of dialog wage types [Page 6] is different from the Valuation of time wage types [Page 7].
Dialog Wage Types Valuation

Use
You need this function to assign a value to wage types entered in master data maintenance. The dialog wage types can be valued directly in different ways.

- **Direct**
  Enter the amount used for wage type valuation in the appropriate infotype.

  An employee receives a special payment of 500. In the Additional Payments infotype (0015), enter the Special Payment wage type with an amount of $500 and directly valuate the Special Payment.

- **Indirectly**
  The system calculates the amount the wage type should be valued with, on the basis of certain employee characteristics, with a module that contains all the data necessary for calculation.

  Your employees receive standard pay. This standard salary should be calculated using the pay scale type, pay scale area, pay scale group, and pay scale level entered in the Basic Pay infotype (0008). Assign the TARIF module to the appropriate wage type in Customizing for Personnel Management under Personnel Administration → Payroll data → Basic Pay → Check Wage Type Catalog → Check Wage Type Characteristics. The modules included in the standard system for indirect valuation are described in the view Change Wage Type Characteristics. Details

  - According to the principle of averages [Page 24]
Time Wage Types Valuation

Use

You need this function to valuate time wage types.

During the payroll run, the system reads various time wage types from tables. These time wage types contain only one number. To calculate the amount (AMT) of the time wage type, the number must be multiplied by a rate (RTE). The system calculates the rate for each unit

- using averages

  An employee has 14 days leave. The vacation allowance should be made up of the pay and 10% of all overtime bonuses from the last six months. To do this the system must calculate an average value.

- using a valuation basis

  Your employee works overtime between 5 p.m. and 7 p.m. In accordance with the company agreement, these two hours of overtime entitle the employee to an overtime bonus in addition to his or her basic remuneration.

  Your Time Management system provides you with a Bonus for overtime wage type, which only contains the number of hours of overtime (2 hours in this example). The payroll program requires a rate by which to multiply the number in the Bonus for overtime wage type. To do this, you must define a valuation basis.
Valuating Wage Types Using Valuation Bases

Use

Time wage types are evaluated above all using the valuation bases. In this way bonuses or overtime remuneration is valuated.

You can define different valuation bases.

- Constant valuation bases
  You can define constant valuation bases that are dependent on the wage type to be valued [Page 13], or on a collective agreement [Page 17].

- Employee-related valuation bases
  You can calculate employee-related valuation bases [Page 20] that are dependent on an employee’s payments.
Technical Procedure for Wage Type Valuation using Valuation Bases

Purpose
For more information on the purpose of this process, see Valuation Using Valuation Bases [Page 8].

Process Flow

The X sign appears in the following text in a number of schemas, functions, and personnel calculation rules. This abbreviation represents the country indicator and the international versions of the schemas, functions, and personnel calculation rules. You should only use this if schemas, functions, and personnel calculation rules have not been set up specifically for your country or if you do not want to use the country-specific functions that are available.

1. The system determines the work center and basic pay data.
   In personnel calculation schema X000 (Determine gross wage and transfer), subschema XBD0 (Edit basic data) is called up. This subschema contains the WPBP function (Workplace Basic Pay), which causes the following:
   - The system enters the wage types from the Basic Pay infotype (0008) in the input table (IT).
   - The system enters the work center and basic pay data for an employee in the internal table WPBP.
   - The system determines whether several partial periods arise within a payroll period. Partial periods can arise for the following reasons:
     - Because an employee joined or left the company during the period.
     - Because of changes in basic pay, changes in organizational assignment, and changes in the personal work schedule.
     - Because payments are divided for cost accounting into paid and unpaid attendance and absence.
   For more information on the calculation of partial periods see Factoring [Ext.].

2. For every partial period the system forms Employee-related valuation bases [Page 20].
   Subschema XT00 (Processing of Time Data) is accessed by personnel calculation schema X000. The personnel calculation rule X010 (Form valuation bases (Addition)) is queried in this subschema. This personnel calculation rule valuates processing class 01 for the basic pay wage types in the input table. Depending on the specification of the processing class, the system writes the basic pay wage types to one of the secondary wage types that are used as the valuation bases.
Calculation rule X010 is queried depending on the employee subgroup. In the standard system, the processing steps within personnel calculation rule X010 are the same for all employee subgroup groupings. If you want to set up special processing features for an employee subgroup grouping, you must enter your changes for the correct employee subgroup grouping for personnel calculation rules.

Personnel calculation rule X013 (Form valuation bases(Division)) is accessed immediately afterwards. This personnel calculation rule is also queried depending on the employee subgroup. Personnel calculation rule X013 queries the processing class 01 according to specification 5. This query has the following results:

- By means of specification 5 the system recognizes the valuation bases.
- By means of the employee subgroup the system recognizes whether the employee receives an hourly wage or a period-related salary. The entries in the valuation bases for all employees who do not receive an hourly wage are divided by the average number of hours for the period. This result is written as a valuation basis to the Rate (RTE) field of wage types /001 and/or /002.

3. The system forms the valuation bases for partial periods that must be paid differently.

In subschema XT00 function PALP (Process alternative payments) is queried. In this function the personnel calculation rule X012 (Calculate valuation bases for alternative payment) is queried. This personnel calculation rule checks whether a partial period must be paid differently. The following cases are taken into account:

- The employee works at a work center that is not assigned to them. The valuation bases for this period are determined using data for the work center at which the substitution occurs.
- The collective agreement provisions of a different wage group / wage level apply to the employee. The valuation bases are determined using the wage group or wage level that is valid for this period.

4. The system determines the wage types that are valuated using a valuation basis.

The personnel calculation rule X015 (Valuation of time wage types) is queried in subschema XT00. This personnel calculation rule is queried depending on the employee subgroup. The personnel calculation rule X015 checks whether the input table (IT) contains time wage types that should be valuated using valuation bases.

Using operations AMT?0, NUM?0 and RTE?0 the system checks the contents of the AMT (Amount), NUM (Number) and RTE (Rate) fields. The following cases are distinguished between:

- If the AMT (Amount) field contains a value, the wage type will be transferred to the output table OT using operation ADDWT.
- If the NUM (Number) and RTE (Rate) fields contain values these are multiplied by each other. The result is entered in the Total Amount field and the wage type is transferred to the output table OT using operation ADDWT.
- If only the Number field (NUM) field contains a value, the operation VALBS determines whether a valuation basis has been entered in the Wage Type Valuation table T512W for the wage type. If a valuation basis has been specified, the wage type is valuated...
Technical Procedure for Wage Type Valuation using Valuation Bases

accordingly. If no valuation basis has been specified, the wage type is valuated using the principle of averages, in accordance with the specification in processing class 15.

The query of personnel calculation rule X015 is identical for all subareas, in other words, the queries described above are effected at the same time for all employee subgroup groupings (hourly wage earners, monthly wage earners, salaried employees, and so on).

The wage type valuation using a valuation basis is different for wage earners and salaried employees; that is, the wage type valuation depends on the employee subgroup grouping. If no valuation basis exists the wage type is valuated using the principle of averages.

Using personnel calculation rule X015 the system valuates all the determined wage types using the valuation bases. In so doing it distinguishes between the employee subgroup grouping:

- For hourly wage earners (employee subgroup grouping with specification 1):
  a) The base wage type is valuated using operation VALBS0
  b) The first derived wage type is valuated using operation VALBS1
  c) The second derived wage type is valuated using operation VALBS2
  d) Operation ADDNA cumulates the values in the NUM and AMT fields. The RTE field remains unchanged.

- For monthly wage earners and salaried employees (employee subgroup grouping with all other specifications):
  a) The system accesses the personnel calculation rule X115 (Valuation of time wage types) and carries out the following steps:
  b) The system uses this indicator to determine whether the existing wage type must also be paid differently. The alternative payment depends on the specification in processing class 18 (Processing for Work Center-Related Payments):

<table>
<thead>
<tr>
<th>Specification of processing class 18</th>
<th>Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0, BLANK</td>
<td>Remuneration with higher valuation basis</td>
</tr>
<tr>
<td>1</td>
<td>Remuneration with difference</td>
</tr>
</tbody>
</table>

c) The base wage type is valuated in accordance with processing class 18 using operation VALBS0.
d) The first derived wage type is valuated using operation VALBS1
e) The second derived wage type is valuated using operation VALBS2
f) Operation ADDNA cumulates the values in the NUM and AMT fields. The RTE field remains unchanged.

Result
All wage types are allocated with an amount that can be processed during the payroll run.
Wage Type-Dependent Constant Valuation Bases

Definition

Values for bonuses dependent on the bonus wage type.

Use

The valuation of a time wage type with wage type-dependent constants is often dependent on certain conditions being met. You can define different, wage type dependent constants that depend on a modifier. Different conditions are represented with different modifiers. The value of these modifiers is queried with the function RAB (Read Absences) or the operation VALBS (Valuation bases).

Further conditions can be defined within the personnel calculation rule to determine whether a time wage type is valuated using a wage type-dependent constant valuation basis. In the standard system, the modifier MODIF 2 is used. You set the modifiers in personnel calculation rule XMOD [Page 16] (Modifiers for Payroll).

Prerequisites

In Customizing for Payroll under Time Wage Type Valuation → Valuation Bases → Assign Valuation Bases you have determined which wage type should be calculated with a wage type dependent constant.

In Customizing for Payroll under Time Wage Type Valuation → Valuation Bases → Constant Valuation Bases → Define Wage Type-Dependent Constants you define the amount with which a wage type should be valuated depending on the wage type constant. The wage type-dependent constants are defined as dependent on a payroll modifier.

The modifier value is set as MODIF 2 within personnel calculation rule XMOD [Page 16] (employee grouping for payroll). In the personnel calculation rule XMOD, you can define customer-specific conditions depending on this modifier.

For further information on system settings, see the Implementation Guide (IMG) for Payroll <country> under Time Wage Type Valuation → Valuation Bases → Constant Valuation Bases.

Please take particular care with the Employee Remuneration Information infotype (2010). This infotype allows you to enter manually calculated wage types, for example, bonuses for hazardous or unpleasant work, and premiums. This is also the case for time wage types, for example, for overtime.

If you enter the Bonus for overtime wage type with an Amount in the Employee Remuneration Information infotype (2010), the wage type is included in the payroll run with its amount. In this case, the valuation basis is not used to valuate the wage type. By entering a wage type using the EE Remuneration Information infotype (2010), you can override time wage type valuation using a valuation basis.

The Customizing system enables you to specify the wage types that can be entered in the Employee Remuneration Information infotype (2010). For more information, see the IMG for Personnel Management under Personnel Administration → Payroll Data → Employee Remuneration Information.
Wage Type-Dependent Constant Valuation Bases
Wage Type- Dependent Constant Valuation Bases Example

Initial Situation

The Overtime on Sunday wage type is valued at your company with a constant, wage type-dependent valuation basis. The value of the constant valuation basis is 25 for the hourly paid, and 30 for all other employees.

Procedure

In Customizing for Payroll under Time Wage Type Valuation → Valuation Bases → Assign Valuation Bases you determine which time wage type is calculated with which valuation basis. You create entries for the modifier values 01 and 02 in the following way:

<table>
<thead>
<tr>
<th>Modifier value</th>
<th>Wage type</th>
<th>Valuation basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Overtime on Sunday</td>
<td>25</td>
</tr>
<tr>
<td>02</td>
<td>Overtime on Sunday</td>
<td>30</td>
</tr>
</tbody>
</table>

Calculation rule XMOD (Employee grouping for payroll) is called in calculation schema XT00 (Processing of time data for Payroll), and is dependent on the employee subgroup grouping for the personnel calculation rule.

Only the entries for modifier 01 in the Constant Valuations table (T510J) should be read for the employee subgroup grouping for personnel calculation rule with specification 1 (hourly wage earners). The entries for modifier 02 should be read for all other employee subgroup groupings for personnel calculation rules.

The modifier used to read the Constant valuations table (T510J) is modifier 2 (MODIF 2). You must set modifier 2 to modifier value 01 for the employee subgroup grouping for personnel calculation rule with the specification 1 (hourly paid): MODIF 2 = 01. You must set modifier 2 to modifier value 02 for all other employee subgroup groupings: MODIF 2 = 02

Result

The entry for modifier 01 is read in the Constant valuations table (T510J) for the hourly-wage earners. Hourly wage earners are assigned the Overtime on Sunday constant with a constant valuation of 25 per hour.

The entry for modifier 02 is read in the Constant valuations table (T510J) for all other employees. Overtime worked on Sundays by employees who are not hourly wage earners is valued at 30.

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In personnel calculation rule XMOD (Employee grouping for Payroll), other modifiers are set in addition to modifier 2, which reads the Constant valuations table (T510J). For information on which modifiers you can use in the standard system, refer to the documentation on the MODIF operation.
Personnel Calculation Rule XMOD

Definition

Personnel calculation rule XMOD (Employee Grouping for Payroll) is used to set modifiers for reading tables relevant to payroll.
Constant Valuation Bases that Depend on the Collective Agreement

Definition

Values for bonuses dependent on pay scale group and pay group level.
Constant Valuation Bases that Depend on the Collective Agreement Example

Initial Situation

In accordance with the collective agreement, overtime on public holidays should always be remunerated with $50 for every overtime hour, for all employees in pay scale group 1 and pay scale level 2. In other words, the overtime on public holidays wage type is always valuated using a constant valuation basis, that depends on the pay scale group and pay scale level. An employee with this pay scale group and level has worked two hours overtime, on a public holiday, which should be remunerated.

In Customizing for Personnel Administration under Check wage type characteristics, you have determined which module should be used to valuate the wage types.

In Payroll Customizing, under Time Wage Type Valuation → Valuation Bases → Constant Valuation Bases → Define Wage Type-Dependent Constants, you have defined the amount a wage type should be valuated with, depending on the wage type constant.

For more information on how to use a module to indirectly valuate wage types, see Customizing (IMG) for Personnel Administration under Personnel Administration → Payroll data. Each infotype includes the section Wage type → Checking the wage type catalog → Check wage type characteristics, which describes how to code the wage types.

For more information on how to process pay scale groups and pay scale levels, for valuation with constant valuation bases that depend on the collective agreement, refer to the Payroll <country> Implementation Guide (IMG) and choose Time wage type valuation → Valuation bases → Constant valuation bases → Define pay scale-dependent constants.

Procedure

In the SAP System, you first enter the overtime hours for the employee in the Time Management application component. The system then uses preset conditions to choose the appropriate time wage type [Ext.], in this case "Overtime on public holidays", with the number of hours as 2. This wage type is valuated with a valuation basis that is dependent on the following employee characteristics:

- Does the employee belong to pay scale group 1?
- Does the employee belong to pay scale level 2?

The appropriate valuation basis is determined using the Pay scale module. The following values are available for the wage type overtime on public holiday:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUM (Number)</td>
<td>2 hours</td>
</tr>
<tr>
<td>RTE (Rate)</td>
<td>$50 per hour</td>
</tr>
</tbody>
</table>

The system calculates the wage type amount ($100) by multiplying the number by a rate.
Constant Valuation Bases that Depend on the Collective Agreement Example

**Result**

The employee receives remuneration of $100 (Number of working hours * valuation basis).
Employee-Related Valuation Basis

Definition
Individual value for every employee for whom payroll is carried out on the basis of wage types.
You can valuate the bonus wage types using a percentage premium [Page 23] in accordance with the conditions specified in the collective agreement. This premium is a supplement to the employee's basic remuneration.

Use
You create employee-related valuated bases by copying model wage types in a wage type group [Ext.]. The standard system contains the secondary wage types /001, /002, /003 and /004. In these secondary wage types the rate of the respective dialog wage types are collected. These rates are the respective valuation bases.

Secondary wage types /001 and /002 are used on an hourly basis for valuating wage types. Secondary wage types /003 and /004 are only used in the German payroll to valuate wage types on a daily basis.

To include a wage type in one of these valuation bases, the wage type in question must be coded in processing class 1 with a specification from the following table.

<table>
<thead>
<tr>
<th>Specification</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>The wage type is not written to a valuation basis.</td>
</tr>
<tr>
<td>1</td>
<td>The wage type is written to secondary wage type /001 (and also to secondary wage type /003 for Germany).</td>
</tr>
<tr>
<td>2</td>
<td>The wage type is written to secondary wage type /002 (and also to secondary wage type /004 for Germany).</td>
</tr>
<tr>
<td>3</td>
<td>The wage type is written to secondary wage types /001, /002, /003 and /004.</td>
</tr>
<tr>
<td>5</td>
<td>The wage type amount is divided by the total hourly amount.</td>
</tr>
</tbody>
</table>

All of the wage types that you enter using the Basic Pay infotype (0008) must be coded in processing class 1.

The secondary wage types /001 and /002, must be coded in processing class 1 with specification 5. In doing this, the basic pay for hourly-wage earners, which is cumulated in these wage types, is divided by the number of working hours in the payroll period. The resulting rate can be used as a valuation basis.

The German payroll system also requires that secondary wage types /003 and /004 are coded with specification 5 in processing class 1. No other wage types may be coded with specification 5.

In Customizing for Payroll under Time Wage Type Valuation→Valuation Bases→Assign Valuation Bases→Maintain Basic Pay for Valuation Bases you determine which dialog wage type is included in which valuation basis.

In Customizing for Payroll under Time Wage Type Valuation→Valuation Bases→Assign Valuation Bases you determine which time wage type is calculated with which valuation basis.
Additionally, you can determine the percentage of a valuation basis used to valuate a time wage type, and whether derived wage types are considered.

For further information on system settings, see the Implementation Guide (IMG) for Payroll:<country> under Time Wage Type Valuation → Valuation Bases → Create Person-Related Valuation Bases.
Person-Related Valuation Bases: Example

Initial Situation

In accordance with the collective agreement, all of an employee’s wage elements are used to valuate overtime worked on Sunday.

However, voluntary payments are also taken into account when the overtime on public holiday wage type is valuated.

Your employee works two hours on a Sunday and three hours on a public holiday. His/her salary contains the following elements:

<table>
<thead>
<tr>
<th>Wage type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard salary</td>
<td>$30 per hour</td>
</tr>
<tr>
<td>Standard bonus</td>
<td>$10 per hour</td>
</tr>
<tr>
<td>Voluntary bonus</td>
<td>$5 per hour</td>
</tr>
</tbody>
</table>

Procedure

The system creates the following person-related valuation bases:

- Valuation basis for working on a Sunday (valuation basis 1)
  
  Valuation basis 1 is calculated from the salary at $30 per hour plus the standard bonus at $10 per hour. $30 + $10 = $40 per hour
  
  The Overtime on Sundays wage type is created with the number two. This number is valuated with valuation basis 1: $40 per hour x 2 hours = $80

- Valuation basis for working on a public holiday (valuation basis 2)

  Valuation basis 2 is created using the salary, the standard bonus, and the voluntary bonus of $5 per hour. $30 + $10 + $5 = $45 per hour
  
  The Overtime on a Public Holiday wage type is created with the number three. This number is valuated with valuation basis 2: $45 x 3 hours = $135.

Result

In addition to his/her salary, the employee gets $80 Sunday bonus and $135 public holiday bonus.
Percentage Advance Pay for Individual Valuation Bases

Use

Collective agreement provisions usually stipulate that time wage types such as *Overtime on Sunday* and *Overtime on Public Holidays* must be valuated with a percentage of the employee’s basic remuneration.

The *Overtime on Sunday* wage type must be valuated with a 25% increase in basic remuneration, consisting of the *salary*, *standard bonus*, and *voluntary bonus*. Valuation basis 1 is used.

There are two ways of effecting this percentage increase:

1. **Percentage increase of base wage type**
   - The base wage type is the *Overtime on Sunday* time wage type. This wage type is valuated with 125% of valuation basis 1. If an employee works overtime on a Sunday, he or she is assigned the wage type *Overtime on Sunday* valuated with 125% of valuation basis 1.

2. **Create a derived wage type**
   - The *Overtime on Sunday* base wage type is valuated with 100% of valuation basis 1. You also specify the *Overtime on Sunday* derived wage type: 25%. This wage type is valuated with 25% of valuation basis 1. In this case, the employee has the following wage types:
     - The *Overtime on Sunday* base wage type is valuated with 100% of valuation basis 1.
     - The derived wage type *Overtime on Sunday* is valuated with 25% of valuation basis 1.

The advantage of this procedure is that the derived wage type enables you to display and print the 25% bonus separately in the form.
Valuating using the Principle of Averages

Purpose

This method is often used to calculate absences [Ext.], however, it can also be used to calculate holiday pay or other bonuses, for example.

Prerequisites

You make the system settings for calculations using the principle of averages in Customizing for Payroll under Time Wage Type Valuation → Averages New.

Here, you also find the section Previous Averages - Not for Reconfiguration, which refers to the calculation of averages up to Release 4.5. The old version is not further developed and is only available in Customizing to make changes. You can only use one of the two versions; that is, you can not use the old and new tables simultaneously.

In one of the up-coming releases, conversion from the old to new processing of averages will take place automatically.

You perform payroll monthly in your enterprise.

An employee takes 14 days leave in August. In accordance with the company agreement, the employee receives not only basic remuneration during this period of absence, but also extra remuneration to cover unearned bonuses. This extra remuneration is calculated on the basis of the bonuses for night work, work on Sundays and public holidays, which the employee received on average in the three previous months.

As an average calculation basis, on which the calculation of bonuses is based, you have set up the Collected Bonuses wage type in Customizing.

Process Flow

In this example, the absence is calculated using the principle of averages as follows:

1. Creating Average Bases

Therefore, the average calculation basis contains the sum of the wage types that you have selected for valuation using the principle of averages. In each payroll period, average calculation bases are formed in accordance with your settings in Customizing for each employee.

In the above examples the Bonus for Night Work, Bonus for Work on a Sunday, and Bonus for Work on a Public Holiday wage types are collected and added to the Collected Bonuses wage type. You can choose to collect the number of working hours, the amount, or the rate for the wage type.

2. Determining the Payroll Periods

For calculations using the principle of averages, only the average calculation bases for specific previous periods are used.
In the above example you have determined in Customizing that the average calculation basis should be based on the three previous months when calculating using the principle of averages. Since your employee was absent in August, that is in payroll period 8, only payroll periods 5, 6 and 7 are included in the Collected Bonuses wage type when calculating the average bonus.

3. Determining the Valuation Basis

As a calculation basis the System must determine a Rate for the Collected Bonuses wage type:

In the above example the Amount of the Collected Bonuses wage type is divided by the Number of working hours. It does not matter whether you have collected the bonuses according to Number, Amount or Rate, you must still change the calculation rule for the standard system according to the entries in Customizing.

If the average value is not recalculated for each absence valuation, you can use frozen averages [Page 26].

If no average bases have been created for an employee, you can use the EE Remuneration Info. infotype (2010) to enter the average value directly [Page 8] using a wage type. First, you must define a user-specific wage type for the average value and enter this in the Calculation Rules for Averages view (V_T51AV_A). For more information, see Customizing for Payroll under Time Wage Type Valuation →Averages New.

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You can define absence valuation rules for employee groupings (for example, for all salaried employees) and for groups of absence types (for example, paid leave). You define these absence valuation rules in Customizing. Please note, however, that the values used to perform a valuation in accordance with the principle of averages are determined using the average bases for each individual employee and are employee-specific.
Frozen Averages

Use

As an additional function for calculating averages, the R/3 System enables you to freeze average values. This means that you can use an average value calculated on the basis of several periods at the beginning of an absence for all of the periods affected by the absence, instead of always having to recalculate the average value for each period.

An employee takes leave in periods 04 and 05. The Leave absence is valuated according to the principle of averages. Three previous periods are to be used in the calculation.

In this case, the following options are possible:

- **Normal valuation using the principle of averages**
  
  The absence is valuated in period 04 for the first time using averages.
  
  The relevant previous periods are periods 01, 02, and 03.
  
  The second absence valuation takes place in period 05. In this case, the relevant previous periods are 02, 03, and 04.
  
  The absence can be valuated differently in periods 04 and 05 because the calculation is performed using average bases from different previous periods in each case.

- **Valuation using frozen averages**
  
  The absence is valuated at the start of the absence in period 04 after the average is calculated. The relevant previous periods are periods 01, 02, and 03. The calculated average is then frozen, in other words, it is saved and used again in the subsequent period (period 05).
  
  The absence is valuated in exactly the same way in periods 04 and 05 using a frozen average value.

The duration of the employee’s absence determines whether an average should be frozen or whether the absence should be valuated with a frozen average. Up until Release 4.5 the duration of the absence was queried in the R/3 System, in personnel calculation rule X016, once the calculation of averages had been concluded. For more information, see the section [Technical Sequence for Processing Averages](#). In the processing of averages this information is queried internally in the coding, as of Release 4.6.
Determining the Average Value without a Basis

Use

You can use a wage type to enter an average value for an employee instead of creating the average value using average calculation bases. This is useful if no average bases have been calculated for an employee but you still want to use an average value to valuate the employee absence. Furthermore, this procedure allows you to override the average value calculated by the system, for example, for a new employee, by entering a wage type with an average value for the employee in question.

Activities

Firstly, you must define a user-specific wage type for the average value and enter this in the Calculation Rules for Averages view (V_T51AV_A). For more information, see Customizing for Payroll under Time Wage Type Valuation → Averages New.

You enter this wage type for the employee in the EE Remuneration Info infotype (2010) as follows:

1. Enter the name of the wage type in the Wage and Salary Type field.
2. In the Amount field, enter the rate to be used as the average value.

For this employee, absence valuation is performed using the rate for this wage type, which has been entered in the EE Remuneration Info infotype (2010).