Payroll Malaysia (PY-MY)

HELP.PYMY

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SAP ™

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Payroll Malaysia (PY-MY)

Purpose

This component allows you to process the payroll for employees of your organisation in Malaysia, using data from the SAP Personnel Administration component. Additionally, there are a number of payroll reports you can run.

Implementation Considerations

You should take into consideration the other areas in SAP HR, in particular Personnel Administration, when implementing the Malaysian payroll.

Integration

The payroll component is closely integrated with the other areas in SAP HR, as well as other SAP modules such as Financial Accounting and Controlling.

PY-MY Gross Part of Payroll Accounting

Purpose

The Gross Payroll processes employ data from Personnel Administration and generates wage types that are used in Net Payroll. Pre-tax deductions are included when processing Gross Payroll.

Annual Wage Supplement

Purpose

Annual Wage Supplement (AWS) is a common business practice in most companies in Malaysia, as well as other Asian countries. It is also known as the 13th month payment. It represents a single annual payment to employees that is supplementary to the total amount of annual wages.

AWS is treated similarly to a bonus payment that depends on an employee's basic pay.

Features

The following options are available:

- **Calculation base**

    You can determine whether the calculation of the AWS amount is based on an employee's basic pay in a given payroll period or average basic pay over several payroll periods.

    The latter method can only be used if values for average basic pay were created during payroll processing.

- **AWS factor**

    You can determine a factor by which the calculation base is multiplied to provide the amount of the AWS payment.

- **Payment method**

    You can determine whether AWS is to be paid in one period or over multiple periods. For each AWS payment, you can specify whether it is to be included in the regular payroll run of the respective period, or whether it is to be paid in a special, off-cycle payroll run. The latter enables you to create flexible payment models.

    You want to pay 40% of an employee's AWS immediately on calculation, while the rest is to be paid in the regular payroll run. This means that 40% is paid outside the regular payroll interval, thus making an off-cycle run necessary.

- **AWS for employees who leave the company**

    You can define special calculation rules for employees who leave the company during the period for which AWS calculation is performed. Alternatively, you can exclude these employees from AWS.

- **Pro-ration**

    If an employee has not worked in the company for the whole year, you can determine how the AWS payment is to be pro-rated.

    Pro-rate according to the number of months or calendar days that the employee worked.

- **AWS for employees who are in their probation period**

    You can define calculation rules for employees whose probation period has not yet ended by the time AWS is calculated.

➡ No AWS or AWS only paid on confirmation of employment.

- **Limits on the amount to be paid**

    You can specify a minimum and a maximum amount for the AWS payment. Alternatively, you can decide that a fixed amount is to be paid, overruling the calculation based on an employee's basic pay.

Annual Wage Supplement

Purpose

The Annual Wage Supplement (AWS) is treated similarly to a bonus payment that depends on an employee's basic salary.

Prerequisites

The wage types that are to be used as AWS payments must be eligible for entry in the infotypes *Additional Payments (0015)* and *Additional Payments Off-Cycle (0267)*, otherwise they cannot be stored in these infotypes.

➡ Define the settings using the Implementation Guide of the *Payroll Malaysia* component. Choose AWS → Wage Types → Checking the Wage Type Catalog → Check entry permissibility of wage types per infotype [Ext.].

All wage types relevant to an employee's AWS calculation must be assigned a corresponding specification in evaluation class **10** (*BS-Wage type allocation for AWS reporting*).

➡ You can make this assignment in the Implementation Guide of the *Payroll Malaysia* component. Choose AWS → Check wage types [Ext.].

Process Flow

- **Creating an Annual Wage Supplement payment**

  To calculate the AWS for an employee, run a program that performs the necessary calculations and creates the AWS payments as special wage types is run. These are then stored in the infotypes *Additional Payments (0015)* and *Additional Payments Off-Cycle (0267)*, depending on whether payment is to be effected in a regular or an off-cycle payroll run.

  To import the AWS wage types into the infotypes mentioned above, a batch input folder is created during AWS calculation.

- **Payroll processing for AWS payments**

  After the AWS amount is calculated, payment is made depending on which infotype the results are stored in.

  – AWS wage types stored in infotype *0015* are included and paid in the regular payroll run.

  – AWS wage types stored in infotype *0267* are included and paid in an off-cycle payroll run.

  ➡ You can split an employee's AWS into several payments that are made in different periods. This allows for a distribution of AWS over multiple regular payroll runs as well as for seperation into multiple off-cycle and regular payroll runs.

  ➡ The AWS amount that an employee is to receive is MYR 1000. AWS is calculated on December 10th, the next regular payroll run is performed on December 28th. MYR 400 is to be paid immediately, MYR 600 in the regular payroll run. This means that MYR 400 is entered in the infotype *0267*, while MYR 600 are stored in infotype *0015*.

When off-cycle payroll accounting is performed on December 10th, only the amount stored in infotype *0267* is processed, and the appropriate payment is made. When the regular payroll run is executed on December 28th, the MYR 600 stored in infotype *0015* are processed and paid with the employee's regular salary.

AWS Bonus Calculation (RPCAWSR0)

Use

Using this function, you can calculate AWS (Annual Wage Supplement) for employees, as well as ex-employees, based on the basic pay or average basic pay information determined by the results of the Malaysia payroll driver (**RPCALCL0).**

Prerequisites

- Before running **RPCAWSR0**, all CPF reporting-related wage types in the *Wage Type Valuation* table (**T512W**) must be classified into evaluation class **10** (BS-Wage type allocation for AWS/FAP reporting).

- In the case where the selection criteria is *Basic Salary* based on *Date of Basic Salary*, you need to have maintain the following infotypes:

  – *Organizational Assignment (0001)*

  – *Planned Working Time (0007)*

  – *Basic Pay (0008)*

- The Payment wagetype must be made eligible for either one / both of the following infotypes:

  – *Additional Payments (0015)*

  – *One-Time Payments Off-Cycle (0267)*

Features

- Information for Terminated Employees

  – For AWS for employees who terminated employment during the AWS period, you should specify a new factor. In addition, you can specify whether you would like to pay AWS for terminated employees who:

    - terminated during the probation period

    - terminated because of dismissal

      You need to set up the termination event and reason(s) for dismissal in user enhancement, **XAWS0001**, using transaction **CMOD**.

  – If you do not wish to pay AWS to terminated employees in general, you can still specify whether you want to pay AWS for employees who terminated on the last day of the AWS period. A new factor must be set up for this.

- Proration Rules

  – The general rules are:

    - Proration by number of months: additional part-month rounding rule must be specified. You can also add your own rules here.

    - Proration by working days: you can specify **absence types** excluded by the working day count.

    - Proration by calendar days.

  – Rules on probation:

  • AWS beginning from:

    – hire date

    – confirmation date

  • If probation period has not completed within AWS period:

    – no AWS calculated

    – AWS calculated, and paid as usual

    – AWS calculated, but paid only upon confirmation

  You can include your own proration rules in user enhancement **XAWS0001** so that you can select user-defined prorating rules in the selection screen.

• Carrying Out Adjustments on Calculated AWS

  – Specifying a high limit

  – Specifying a low limit

  – Specifying a fixed amount

  – Specifying a factor of actual payment

• AWS calculation can be restricted to the race and/or religion of employees.

See also:

Generating AWS Bonuses

Prerequisites

AWS calculation can only be based on an employee's average basic pay if the applicable average wage type is determined in the payroll run and stored in the payroll result for the period concerned.

➡ You can configure averages processing in the Implementation Guide of the *Payroll Malaysia* component. Choose Time Wage Type Valuation → Averages [Ext.].

If you want to pro-rate AWS according to the number of months that an employee has worked within the AWS period, you must determine how part-month periods are to be treated.

➡ You can make the corresponding settings in the Implementation Guide of the *Payroll Malaysia* component. Choose AWS → Maintain pro-rate types for AWS [Ext.].

Procedure

1. From the *SAP menu*, choose *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Period-independent → Payroll-related area → Special pay AWS → AWS generation.*

    The *Malaysia Bonus (AWS) calculation* entry screen appears.

2. Enter the *Personnel numbers* of employees for whom AWS is to be calculated.

    To use additional or different selection criteria instead (Example: payroll area), choose *Further selections*, then select the criteria you want to use.

3. In the *AWS calculation Parameters* section, you define the global parameters for the calculation:

    a. Enter the period for which AWS is to be taken into account.

    b. To calculate AWS based on an employee's basic pay in a particular payroll period, select *Basic Salary* and enter the *Date of Basic Salary*.

        To calculate AWS based on an employee's average basic pay, select *Average of Basic.* Enter the pay period from which the average basic pay is to be read and the corresponding average *Wage Type*.

    c. To determine the base AWS amount, enter the factor by which the employee's basic pay or average basic pay is to be multiplied.

4. In the *Payment Information* section, enter the necessary data for payroll processing:

    a. Enter the *Wage type* to be used for the AWS payment.

    b. Enter the reason for making the AWS payment.

    c. Enter the payroll period in which payment is effected.

    d. If the AWS payment is to be processed within the regular payroll run, select *Reg. Payroll*, otherwise, select *Offcycle*.

    e. To distribute payment among several payroll periods

      i. Choose the *Further selections* button.

          The *Payment terms for calculated AWS* dialog window appears.

      ii. Enter the individual payroll periods and the percentage to be paid in each of them.

      iii. For every part-payment and period that you have entered, decide whether payment is to be effected in a regular or an off-cycle payroll run.

      iv. Save your entries.

   f. If the AWS payment is dependent on the employee's ethnic group or religion, enter these in the *Race / Religion* fields.

5. In the *AWS for Ex-Employee* section, you determine which special calculation rules apply to employees who leave the company during the AWS period:

   a. If AWS is to be calculated for an ex-employee, select *AWS for employee terminated during AWS period*.

   b. Choose *Calculation rule for Ex-employee* button.

      The *Additional information about terminated employee* dialog window appears.

   c. Enter the *AWS Calculation Factor* for the ex-employee(s).

   d. Decide whether AWS calculation is to be based on an ex-employee's basic pay at the qualifying date or at the termination date.

      If the former applies, enter the qualifying date.

   e. To exclude certain groups of ex-employees from AWS, choose *No prorated AWS for Ex-employee if...*

      The *No prorated AWS for Ex-employee if...* dialog window appears.

   f. Select the applicable reasons and choose *Enter*.

      The *Additional Information About Terminated Employee* dialog window re-appears.

   g. *Enter* to accept the data you entered and to leave the dialog window.

6. In the *General proration rule* section, you define processing rules for employees who have not worked for the complete specified AWS period.

   a. Determine whether pro-ration is based on the number of months, working days, or calendar days.

   b. If the pro-ration depends on the number of months and you want to apply additional calculation rules for part-month periods, choose *Multiple Selection* and select the applicable part-month rounding type.

   c. If the pro-ration depends on the number of working days and you want to exclude certain absences from pro-ration, choose *Types of absence excluded* and select the applicable absence types.

7. In the *Probation period* section, you define processing rule for employees whose probation period is part of the AWS period you specified above, or who are still on their probation period when AWS is calculated:

   a. Decide whether the qualifying date for the pro-ration of AWS for these employees is the hire date or the date when employment was confirmed.

Generating AWS Bonuses

    b. If an employee still is on probation when AWS is calculated, decide whether AWS is excluded, or calculated and paid as usual, or paid only upon confirmation of the employee's further employment.

8. If AWS is to be limited by a maximum amount, enter this amount in the *High limit of AWS* field.

9. If AWS must not fall below a minimum amount, enter this amount in the *Low limit of AWS* field.

10. If a flat amount is to be paid, enter this amount in the *AWS paid as a fix amount* field.

    ➡ If you enter a fixed amount for AWS, neither the evaluation of the employee's basic pay nor any pro-ration will be performed.

11. Enter the batch input folder in which the results are to be stored, so as to make them available to payroll processing.

12. To perform a test run, select *Test on*.

13. *Execute*.

    The system performs AWS calculation. Upon completion, it displays a list that states the number of employees for whom AWS has been calculated.

14. On the list, choose *List Protocol* to display the results. Choose *List Error* to display the personnel numbers for whom AWS could not be processed correctly.

15. *Execute*.

Result

The function creates a batch input folder for either the *Additional Payments* infotype *(0015)* or the *One-Time Payments Off-Cycle* infotype *(0267)*, or both if *Test on* is switched off. Depending on the payment terms, AWS will be paid separately or together with payroll.

Running Batch Input for AWS Payments

Prerequisites

After you have completed AWS calculation, you must enter the results in the infotype *Additional Payments (0015)* and, if payment is to be made outside the regular payroll intervals, also in infotype *Additional Payments Off-Cycle (0267)*.

You process the batch input folder in which the results were stored. This is a prerequisite for the correct processing of AWS in the payroll run.

See also: For general information on processing batch input folders, see Payroll in a Background Operation [Ext.].

Procedure

1. From the pull-down menu, choose *System → Services → Batch input → Sessions.*

   The Batch Input: Session Overview screen appears.

2. Select the session that contains the batch input folder in which you stored the results of the AWS calculation.

   The session concerned is highlighted.

3. Choose *Session → Unlock.*

4. Choose *Session → Release.*

5. Choose *Session → Process Session.*

   The *Batch Input Monitoring* dialog window appears.

6. Select the applicable run mode and choose *Process.*

The system processes the batch input folder. You can check the processing status by selecting the session and choosing *Goto → Log* from the pull-down menu.

Processing Off-Cycle AWS Payments

Prerequisites

To effect payment of AWS or a part of AWS outside the regular payroll schedule, perform an off-cycle payroll run.

Off-cycle payroll runs only process wage types stored in the infotype *Additional Payments Off-Cycle (0267)*. Other elements of an employee's remuneration, such as basic pay or recurring payments, are not included.

See also: Payroll Basics [Ext.]

Payroll Activities [Ext.].

Procedure

1. From the Area Menu, choose *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs activities → Period independant → Payroll-related area → Special Pay AWS → AWS payroll run.*

2. Enter the payroll area and the applicable payroll period.

3. Enter the personnel numbers of the relevant employees.

4. Enter the reason for the off-cycle run.

5. In the *Off-cycle payroll* field, enter *A* as the payroll type and the date of the off-cycle run.

   This date must be identical with the entry date of the respective AWS payment from infotype *Additional Payments Off-Cycle (0267)*.

6. Set the general payroll processing parameters to meet your requirements.

7. Choose *Execute*.

   The system processes the off-cycle AWS payments for the personnel numbers you selected.

8. Check the payroll log. If the payroll run was performed successfully, you can start payment of the AWS amounts.

Advance Payments

Purpose

Advance Payments is a common business practice in Malaysia and other Asian countries. This advance is paid before a major festival. Each company can have its own policy on how much each employee receives as an advance payment and the amount is recovered over a few months.

The SAP System provides a flexible solution for processing advance payments.

Features

The following options are available:

- **Advance payment type**

    You can create different types of advance payments and define processing rules for each of them.

- **Regular or off-cycle payment**

    Besides paying an advance in a regular payroll run, you can also effect payments outside regular payroll intervals.

- **Eligibility for different categories of advance payments**

    You can define eligibility rules at employee level as well as at employee group level. The former always overrides the latter. This means you can rule out individual employees from receiving an advance payment that they would normally receive.

    Criteria for checking the eligibility at employee group levels include, for example, organizational units, pay scale types, ethnic origin, and job categories.

- **Recovery deductions**

    You can determine whether an advance is to be recovered over one or multiple periods. In the latter case, you can specify the amount deducted in each period.

    Each deduction is included in payroll processing for the employee concerned.

Advance Payments

Purpose

Every employee is eligible for a certain percentage of their basic pay as an advance from their Employer Company during a selected number of festivals in the year. The festivals for which the employee is eligible depends on factors such as their religion for religious festivals and so on. Any such advances paid to employees must be paid outside the normal payroll run and are later deducted from the regular payroll run.

Prerequisites

Wage types for which advance payments are possible must be eligible for entry in the infotypes *Additional Payments (0015)* and *Additional Payments Off-Cycle (0267)*, otherwise they cannot be stored in these infotypes.

Define the settings using the Implementation Guide of the *Payroll Malaysia* component. Choose Advance Payments → Wage Types → Checking the Wage Type Catalog → Check entry permissibility of wage types per infotype. [Ext.]

Process Flow

- **Defining eligibility for advance payments**

    To control eligibility for advance payments at employee level, you define which types of advances an employee can receive.

    Use infotype General Eligibility (0374).

- **Creating an advance payment**

    To calculate an advance payment for an employee, run a program that performs the necessary calculations and creates the advance payment and the respective recovery deductions as special wage types.

    These must be stored in the infotypes *Additional Payments (0015)* and *Additional Payments Off-cycle (0267)*, depending on whether payment is to be effected in a regular or an off-cycle payroll run.

    To import the advance payment wage types into the infotypes mentioned above, a batch input folder is created. You must complete this before payroll processing for the relevant payroll periods is complete.

- **Payroll processing of advance payments**

    After the amount of the advance payment has been determined, payment is made depending on which infotype the results are stored in:

    – Advance payment wage types stored in infotype *0015* are included and paid in the regular payroll run.

    – Advance payment wage types stored in infotype *0267* are included and paid in an off-cycle payroll run.

    Recovery of an advance payment is performed in regular payroll runs as well.

    Recovery in multiple periods is also possible.

Defining Eligibility for Advance Payments

Use

Instead of entering the eligibility criteria manually everytime you create an advance payment, you can control these using the *LFSTV* feature. You can set up a decision tree that automatically determines whether an employee can receive a certain advance payment. If so, the feature returns the applicable amount or percentage of the employee's basic pay to be used for the advance.

Define the settings in the Implementation Guide of the *Payroll Malaysia* component. Choose Advance Payments → Maintain entitlement conditions [Ext.].

Prerequisites

Whether an employee can receive an advance payment is controlled through infotype *General Eligibility (0374)*. In this infotype, advance payments are grouped into categories that share common features, for example, festival advances.

You can specify an employee's eligibility for each entry pertaining to a given category, for example, festival advance, New Year's Eve, Christmas Day, and Labour Day.

Procedure

1. From the Area Menu, choose *Human Resources → Personnel Management → Administration → HR Master Data → Maintain.*

    The Maintain HR Master Data screen appears.

2. Enter the *Personnel no.* of the employee an advance payment record is to be created for.

3. Enter the infotype *General Eligibility (0374).*

4. Enter the subtype *Festival Advance (01).*

    This type of advance is only an example. You can define other advance types via Implementation Guide of the *Payroll Malaysia* component. Choose Advance Payment → Define advance type. [Ext.]

5. Choose *Create* or *Maintain.*

6. Select all advance payment types that the employee can receive.

7. *Save.*

Advance Payment Calculation (RPIADVL0)

Use

This function facilitates the payment and recovery of advance payment for up to six months.

Prerequisites

Before running this function, you need to answer the following:

- Is the advance payment going to be a regular payment or an off-cycle payment?

- Will there be recovery of this advance payment?

- Is it going to be a 'fixed rule' type of advance payment?

    The use of the *Eligibility for Advance Payment* feature (*LFSTV*).

- Is it going to be a 'non-fixed rule' type of advance payment?

    Deactivation of the *Eligibility for Advance Payment* feature (*LFSTV*).

    ➡ If you require the advance payment to be paid on an individual basis (per employee), maintain their eligibility for advance via the *General Eligibility* infotype *(0374).*

Features

- To decide the relevant wage type for advance payment, the amount to be paid and who is eligible for the advance, the *Eligibility for Advance Payment* feature (*LFSTV*) is used.

- Information such as ethnic group and religion is available from the same feature.

- You can opt for manual input if you decide not to use the feature *LFSTV*.

- You can make use of the *General Eligibility* infotype *(0374)* to decide which employee is eligible for the advance payment.

- Advance payment deduction is also available in this function.

- You can craete a batch input for advance payments, together with their recoveries.

- A log of advance payments and any errors will be displayed as *HR_DISPLAY_BASIC_LIST*.

See also:

Running Advance Payment (RPIADVL0) [Ext.]

Generating Advance Payments

Prerequisites

The processing of an advance payment depends on the advance payment type.

➡ You can maintain these in the Implementation Guide of the *Payroll Malaysia* component. Choose Advance Payment → Define advance type [Ext.].

Deductions for the recovery of advance payments are subject to the processing rules concerning deduction priorities and arrears.

➡ You can make the necessary settings in the Implementation Guide of the *Payroll Malaysia* component. Choose Deductions → Arrears and Priorities [Ext.].

Procedure

1. From the Area Menu, choose *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Period-independant → Payroll-related area → Advance Payment → Generation.*

   The *Batch Input for Advance Payment* screen appears.

2. Enter the personnel numbers of the employees for whom an advance payment is to be generated.

3. Enter the country code *14* for Malaysia.

4. Enter the date of the advance payment.

5. In the *Advance Type (Subtype/Category)* field, enter the type and category of the advance payment (for example, *01* and *01* for *Festival Advance / New Year*).

6. If you want the system to check an employee's eligibility for the advance payment concerned, select the field *Refer to General Eligibility Infotype (I0374)*.

7. If you want to deduct an employee's recurring deductions from the advance payment, select the *Include deduction* field.

8. Decide how the advance payment is to be made:

   a. If it is part of the regular payroll run, select the *Regular payment* field, and enter the date of the advance payment.

   b. If it is to be paid in a special, off-cycle payroll run, select the *Off-cycle payment* field. In the *Date of Advance Payment* field, enter *A* for the payroll type, a number that identifies the special run, and the date on which the advance payment is to be effected.

9. If you do not want the system to perform an automatic determination of the advance amount, choose *Deactivate Feature LFSTV* button in order to maintain the respective data manually.

   a. Several new fields appear in the *Feature Activation* section.

   b. In the *Ethnic Grp./Religion* field, enter the ethnic grouping and religion that employees must belong to in order to receive the payment.

      If the payment does not depend on these, leave both fields blank.

Generating Advance Payments

    c. Enter the amount of the advance payment or the percentage of the employee's basic pay that is to be paid in advance.

    d. Enter the wage type for the advance payment.

    e. Enter a high limit and a low limit for the advance payment.

10. In the *Recover Wage Type* field, enter the wage type for the recovery of the advance payment.

11. Determine the recovery period:

    a. If the advance payment is to be recovered in a single payroll period, enter the recovery date.

    b. If the advance payment is to be recovered in multiple periods, select *Recover in Multiple Periods*.

        Several new fields appear in then *Recover Advance Payment section*.

        Enter the periods and the percentage to be recovered in each of these.

12. If the system is to display all deductions taken from the advance payment on the results list, select the *List all deduction* field.

13. If the system is to display all deductions for the recovery of the advance payment on the results list, select the *List all recovery* field.

14. To subdivide the results list according to the organizational assignment of the employees concerned, select *Organizational Units*.

        The *Field selection* dialog window appears.

    a. Select the organizational units you want to use as criteria for the subdivision of the results list.

    b. *Enter* to accept your selection and to return to the main screen.

15. In the *Generation Type* section, you determine the way the results are stored:

    a. For immediate storage of the results, select the field:

        i. *Display screens*, if you want to have every screen displayed that is being processed

        ii. *Do not display screens*, if you do not want any screens displayed that are being processed

        iii. *Display errors only*, if you want to have only those screens displayed in which errors occur during processing

    b. To store the results using a batch input folder, select *Batch Input*.

        The *Name of batch input session* field appears in the *Generation Type* section. In this field, enter the name of the batch input folder to be used for storage.

16. To perform a test run, set the *Test Run Without Generation* field.

17. *Execute*.

Result

The system processes the advance payment for the employees you selected. Upon completion, a list of the results is generated together with any errors in the form of a log (*HR_DISPLAY_BASIC_LIST*).

Running Batch Input for Advance Payments

Prerequisites

- After you have completed advance payments calculation, you must enter the results in the infotype *Additional Payments (0015)*. If payment is to be effected outside the regular payroll intervals, you enter the results in infotype *Additional Payments Off-Cycle (0267)*.

- You process the batch input folder in which the results are stored. This is essential for the correct processing of advance payments in the payroll run.

See also: Payroll in a Background Operation [Ext.].

Procedure

1. On the initial entry screen, choose *System → Services → Batch Input → Sessions.*

    The Batch Input: Session Overview screen appears.

2. Select the session that contains the batch input folder in which you stored the results of the advance payment calculation.

    The session concerned is highlighted on the screen.

3. Choose *Session → Unlock.*

4. Choose *Session → Release.*

5. Choose *Session → Process Session.*

    The *Batch Input Monitoring* dialog window appears.

6. Select the applicable run mode and choose *Process.*

The system processes the batch input folder. You can check the processing status by selecting the session and choosing *Goto → Log* from the pull-down menu.

Processing Off-Cycle Advance Payments

Prerequisites

To make an advance payment or a part payment outside the regular payroll schedule, you must perform an off-cycle payroll run.

Off-cycle payroll runs only process wage types stored in the infotype *Additional Payments Off-Cycle (0267)*. Other elements of an employee's remuneration, such as basic pay or recurring payments, are not included.

See also: Payroll Basics [Ext.]

Payroll Activities [Ext.].

Procedure

1. From the Area Menu, choose *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs activities → Period independant → Payroll-related area → Advance Payment → Payroll run.*

2. Enter the payroll area and the applicable payroll period.

3. Enter the personnel numbers of employees for whom off-cycle advance payments are to be processed.

4. Enter the reason for the payroll run.

5. In the *Off-cycle payroll* field, enter *Bonus Payment (A)* as the payroll type, a number that identifies the off-cycle run, and the date of the off-cycle run.

    The date must be identical with the entry date of the respective advance payment from infotype *One-Time Payments Off-Cycle (0267)*.

6. Set the remaining payroll processing parameters to meet your requirements.

7. Choose *Execute*.

    The system processes the off-cycle advance payments for the employees you selected.

8. Check the Payroll Log [Ext.]. If the payroll run was performed successfully, start payment of the advances.

PY-MY Net Part of Payroll Accounting

Purpose

The Net Payroll converts gross wages into net wages and processes taxes for employees. Gross wages include wage types entered in Personnel Administration and generated in Gross Payroll. The Net Payroll also includes processing EPF, SOCSO, and HRDF.

The Net Payroll generates a results cluster of wage types for employees in the payroll run. This cluster serves as the basis for all further processing and output from the payroll system. This includes the generation of statutory reports.

Integration

The Net Payroll is closely integrated with the other areas in SAP HR, as well as other SAP modules such as Financial Accounting and Controlling.

Schedular Tax Deduction

Purpose

The employer deducts tax from the employee's wages as and when paid, in installments towards the employee's annual tax liability. The guidelines for tax calculation takes into consideration the gender, marital status, and the number of dependants of the employee.

Implementation Considerations

You can use this component only if a record exists in infotype *Schedular Tax Deduction (0198)* for your employee.

Integration

The family details and marital status in infotype *Schedular Tax Deduction (0198)* is obtained from infotype *Personal Data (0002)* or input manually.

Features

The STD component allows you to carry out the following:

- Compute normal and other earnings based on maximum deductibles

- Compute earnings for off-cycle based on the previous month's earnings

- Process deductions on normal earnings

- Process deductions on other earnings

Processing Schedular Tax Deduction

Purpose

The payroll portion of tax computation involves a function LTAX (*Process STD Tax)*. This function retrieves STD information for the employee using infotypes *Schedular Deduction Tax (0198)* and *Family/Related Person (0021)*, and calculates the tax based on normal and other earnings of the employee.

Prerequisites

The following actions must be performed:

- Infotypes Schedular Deduction Tax (0198) [Page 32] and Family/Related Person (0021) must be entered.

- Set up the LTAXD feature using the Implementation Guide of the *Payroll Malaysia* component. Choose Tax → Schedular Tax Deduction → Determine tax category [Ext.].

- Set up the tax payee details and employer tax reference number using the Implementation Guide of the *Payroll Malaysia* component. Choose Tax → Setting Tax Payee and Employer Reference Number. [Ext.]

⇒ Enter tax-related payroll schemas and rules before running payroll in the Implementation Guide of the *Payroll Malaysia* component. Choose Tax → Maintaining Tax-Related Payroll Schemas and Rules [Ext.]*.

Process Flow

The following are the processing steps for STD:

- Data in infotype Schedular Deduction Tax (0198) is read.

- The values for total tax earnings are obtained i.e. normal and other earnings.

- The statutory tax rates table is read.

- The various deductions based on constants stored in the statutory constants table are computed.

- The tax structure of the payroll results is filled.

Result

The monthly tax deduction is calculated.

- If a monthly payroll was run, CP39 is printed.

- If an annual payroll was run, the following are printed.

  – EA Form

  – CP159

  – PCB 2(II)

  – Summary EA Form

Determine Tax Payable

Purpose

At the end of each calendar year, employers are required to give to each employee and the Inland Revenue Board (IRB) a statement (Form CP8A/EA) showing the total remuneration paid for the year and the amount of tax deductions made.

Although a schedule is provided by the IRB, the system uses a pre-determined formula that reflects the schedule.

Prerequisites

- Employers must determine the employee's tax category based on marital status and number of dependants. Categories include:

    − Category 1 (Single persons and married women)

    − Category 2 (Married men with non-working wives)

    − Category 3 (Married men with working wives and divorced women with dependants).

- For this purpose, dependant means:

    − an unmarried dependant legitimate child, step-child or child adopted in accordance with any law and who is under 18 years of age

    − if the child is more than 18 years of age, the child must be in full-time education

    − a physically or mentally disabled child (for whom there is no age limit)

- Where an employee is a divorcee, a widow, or a widower, and pays for the maintenance of the children, Category 3 of the schedule applies.

- Where that employee has no children, Category 1 applies.

Process Flow

The processing steps for determining tax deductions are:

- All the earnings which are taxable are cumulated to form the the gross taxable amount.

- The net taxable amount is determined after deducting any of the folowing tax reliefs:

    − Marriage allowance

    − Spouse relief

    − Wife rebate

    − Single allowance

    − Dependant allowance

    − Self rebate

- The amount of deduction for tax is determined based on the *Schedule of Monthly Tax Deductions* provided by the IRB.

In the case of bonuses, the monthly component is used to calculate the tax on bonus for the month which is projected for the whole year. In this case, the last normal payroll run is used.

Result

The result of this process is the amount of tax payable.

Create an STD Deduction

Use

The purpose of creating an STD deduction record for an employee is so that payroll can use the information to calculate the STD deductions for a period.

Prerequisites

The tax rates must be entered before performing the following procedure.

➡ You can configure the Tax rates using the Implementation Guide of the *Payroll Malaysia* component. Choose Tax → Maintain tax rates [Ext.].

Procedure

1. From the Area Menu, choose *Human Resources → Personnel Management → Administration → HR Master Data → Maintain.*

2. Enter the *Personnel no.* of the employee that an STD record is to be created for.

3. Enter the Infotype *Schedular Deduction Tax (0198).*

4. Enter the Subtype *Schedular Tax Deduction (01).*

5. Choose *Create.*

6. Enter the effective date period for STD deductions.

7. In the *Employee Information* group box:

    a. Enter the *Income tax number* issued by the Inland Revenue Board (IRB).

    b. Enter the *Income tax office* to which the employee's tax will be remitted.

    c. If the employee is contributing tax, select *Contributing to tax*

    d. If the employer is contributing tax on behalf of the employee, select *Tax paid by empr.*

    ➡ You cannot select both *Contributing to tax* and *Tax paid by empr.*

8. In the Family Information group box:

    a. If the employee's tax-related information is to be derived from infotype *Family/Related Person (0021)*, select *From family infotype.*

    b. Enter all relevant data.

9. *Save*.

➡ To verify your entries for all employees, use the Implementation Guide of the *Payroll Malaysia* component. Choose Tax → Generate tax checklist [Ext.]. This checklist contains a table of tax rates for different income ranges based on the tax category and number of dependents specified in the selection screen.

Tax CP39 Monthly Report (RPCT39L0)

Use

This function generates the Tax Form CP39 for every employee who has valid payroll results, determined by the Malaysia payroll driver (**RPCALCL0**), for a specific month.

Features

Based on the results from the Malaysia payroll driver (**RPCALCL0**), the CP39 form is generated and the following features are available:

- A separate SAPScript report (hardcopy) and a separate file (softcopy) is generated for each Employer Reference Number.

- Old CP38 contributions are included in the calculations for CP39 where applicable

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

- The function uses SAPScript to control the layout of the CP39 form. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- The softcopy of the same can be generated either on your local hard disk/floppy (presentation server) or a Unix file on tape (application server).

See also:

Creating CP39 for Tax [Page 34]

Generating CP39 for Tax

Use

In this procedure, you are led through the steps to generate the CP39 form.

Procedure

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Per payroll period → Legal reporting → Tax → Tax (CP39).*

> The *RPCT39L0* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

⚠️ If a range of personnel numbers are entered on this selection section, each CP39 report will be generated with a unique number starting from the lower value in the range. In case the number of reports generated for the given set of personnel numbers exceeds this number range, subsequent reports will not have a number.

1. *Employer's Ref no.*

    This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

2. Select the appropriate *Payment mode* (check, bank draft or money order) to effect payment of tax to the tax office.

3. *Branch* denotes the bank/post office branch name.

4. The *Remittance date* is the date that will be printed on the SAPScript report. The default is the system date.

5. If *Testing (Tape/Disk)/Background* is flagged, the PC/Unix files will not be generated.

6. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

7. *Officer In-charge* is the name of the person to be referred to by the EPF Board if required. The default is derived from table *T526 (Administrators).*

8. The default for *IC Number* is derived from the *Personal IDs* infotype *(0185)* if a link is maintained in the *Communication* infotype *(0105)* for subtype *System user name (0001).*

9. The *Designation* of the officer in-charge is derived from the *Organizational Assignment* infotype *(0001).*

10. The default *Phone No* of the officer in-charge is derived from the *Administrators* table *(T526).*

11. *Execute.*

Result

*   A CP39 report is printed for each Employer Reference Number.

*   A CP39 report is printed for every employee based on the Employer Reference Number.

Tax CP159 Monthly Report (RPCTRNL0)

Use

This function updates the *Tax Reporting Receipt Nos.* table *(T5LRN),* on a monthly basis, to be used for the annual CP159 report.

Prerequisites

The monthly CP39 report needs to be run before CP159 is executed.

Activities

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Per payroll period → Legal reporting → Tax → Prepare for CP159/PCB2(II).*

> The *Updation of T5LRN* entry screen appears.

Besides the standard selection section on the entry screen, the following additional parameter needs to be provided:

1. *Employer's Ref no.*

   The report can be run only on a monthly basis for a particular Employer Reference Number for the personnel number range entered in the standard selection section above.

2. *Execute.*

Tax PCB2(II) Monthly Report (RPCTP2L0)

Use

This report displays the monthly tax deductions for an employee together with the receipt number and date. This is a legal requirement and it is distributed to the employee at the end of the year.

This program reads the data stored in the cluster as in the case of EA form and prints the report. The receipt details are read from the table for *Tax Receipt Entry* (T5LCT).

Activities

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Period-independent → Legal reporting → Tax → PCB2(II)*.

The *Summary of Employee Tax Contribution - PCB 2(II)* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

1. *Employer's Reference No.*

   This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

2. Enter the *Tax Assessment Year* for which the CP22A Form needs to be printed.

3. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

4. Enter the *Tax Office Address.*

5. Enter the *Name* of the person to be referred to by the IRB (Inland Revenue Board) if required. The default is derived from the *Administrators* table *(T526).*

6. The *Designation* of the officer in-charge is derived from the *Organizational Assignment* infotype *(0001).*

7. The default *Telephone No* of the officer in-charge is derived from the *Administrators* table *(T526).*

8. *Select program->Execute*.

Tax CP159 Annual Report (RPCT59L0)

Use

This program reads the data stored in the cluster as in the case of EA form and prints the CP159 form (Borang 159). The receipt details are read from the table for *Tax Receipt Entry* (T5LCT).

Features

- It displays a summary of tax deductions for each month for all employees under every Employer Reference Number.

- The employees' Benefits-in-Kind are also summed up to the gross salaries.

Activities

1. From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Annual → Legal reporting → Taxes → CP159*.

   The Summary of Tax Deductions CP159 entry screen appears.

2. *Employer's Reference No.*

   The report can be run only on an annual basis for a particular Employer Reference Number range.

3. Enter the *Tax Assessment Year*.

4. Enter the company's *Nature of Business* and *Employer's Income Tax Number*.

5. *Officer In-charge* is the name of the person to be referred to by the EPF Board if required. The default is derived from the *Administrators* table *(T526)*.

6. The default for *IC Number* is derived from the *Personal IDs* infotype *(0185)* if a link is maintained in the *Communication* infotype *(0105)* for the *System user name* subtype *(0001)*.

7. The *Designation* of the officer in-charge is derived from the *Organizational Assignment* infotype *(0001)*.

8. The default *Phone No* of the officer in-charge is derived from the *Administrators* table *(T526)*

9. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

10. Choose *Program ->Execute*.

Tax Paid Receipt Detail Entry (SAPM59L0)

Use

This is a transaction report which accepts Receipt Date, Receipt Number and Check Number for monthly tax submission done via CP39.

After submitting the monthly tax report (CP39), the employer gets a receipt for the payment of tax, and the receipt details are entered via this transaction.

These receipt details are used in the year-end CP159 and PCB2(II) reports.

Prerequisites

The monthly CP39 report needs to be run to update the *Tax Reporting Receipt Nos.* table *(T5LRN).*

Features

The report captures the receipt number, receipt date and check number for the tax contributions subitted for the month.

EA Form for Tax Report (RPCTEAL0)

Use

This report generates the EA Form to be filled in by the employer for filing of annual tax returns of the employee for the year. Based on the results generated for the current financial year from the Malaysia payroll driver (RPCALCL0), the EA Form is generated.

The EA Form has been modified to include Section F, that is, all the retroactive payments for the previous years or periods in the current year as arrears. It also includes the arrears on bonus for the previous years or periods in the current year.

Note

The new solution calculates section F for more than two years. But it is populated only for the last two years in the current release as there are only two lines on the EA form.

Features

Based on the results from the Malaysia payroll driver (**RPCALCL0**), the EA Form is generated and the following features are available:

- The EA Form is printed at the end of the year. More than one form will be printed in case the Employer Tax Reference number, or the Employee Tax Reference number or the tax office changes.

- The function uses SAPScript to control the layout of the EA Form. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- The softcopy of the same can be generated either on your local hard disk/floppy (presentation server) or a Unix file on tape (application server).

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

- Arrears pertaining to previous years without triggering a retroactive payroll run by making use of model wage types with new specification P1 and P2. P1 denotes the previous year and P2 is two years pervious to the current year.

- All arrears paid through retroactive runs.

- A new EA breakdown list, which contains details of the monthly tax paid by the employee. This is a non-legal report. This report will only report wages under the heads Basic, BIK allowances, Tax paid, EPF paid. If you have added any new specification, the program does not list the wagetype and specification.

See also:

Generating EA Form [Page 41]

Preparing EA Form (RPCTSQL0)

Use

This report generates sequence numbers based on a given criteria and stores the data in the *Serial no. Table for EA form* table *(T5LSQ).* The given criteria are:

- Employer Reference Number

- Status (each sorted in alphabetical order)

  − Active

  − Joiner

  − Leaver

The sequence number resets for each Employer Reference Number.

Prerequisites

The CP39 report must have been run and the *Tax Reporting Receipt Nos.* table *(T5LRN)* updated.

Activities

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Annual → Legal reporting → Taxes → Prepare EA Form (Seq. no. Generation).*

The *Prepare EA form* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

9. *Employer's Reference No:*

   This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

10. Enter the *Tax Assessment Year* for which the EA Form needs to be printed.

11. *Execute.*

If you have generated sequence numbers for a set of employees, and in the process, have forgotten an employee number, it is required that you generate, once again, the sequence numbers for the Employer Reference Number in question.

Generating EA Forms

Use

In this procedure, you are led through the steps to generate the EA Form.

Procedure

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Annual → Legal reporting → Taxes → EA form.*

> The *EA Form* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

1. Enter the taxation year for which the EA Form needs to be printed in *Year of EA Tax Assessment*.

2. You can enter the *Employee Residential Address*, *Spouse Residential Address* and *Accomodation Address*, if required.

3. Enter the bonus period.

4. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

5. To print the Break down list report, select the *EA with Breakdown list* option.

6. Choose *Program->Execute.*

Result

- An EA Form is printed for each Employer Reference Number.

- A Break Down list is printed for each employee based on the Employer Reference Number.

- An EA Form is printed for every employee based on the Employer Reference Number.

- A sorted EA summary report.

- An EA Return on Remuneration (ROR) report.

CP21 Tax Form (RPCT21L0)

Use

The CP21 Form is printed and sent to the tax office by the employer each time an employee leaves the country.

Features

- The CP21 Form is printed ad-hoc. More than one form will be printed in case the Employer or Employee Tax Reference number changes.

- The function uses SAPScript to control the layout of the CP21 Form. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- The softcopy of the same can be generated either on your local hard disk/floppy (presentation server) or a Unix file on tape (application server).

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

Activities

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Period-independent → Legal reporting → Tax → CP21.*

   The *CP21 (Tax) Malaysia* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

7. Enter the taxation year for which the CP21 Form needs to be printed in *Year of CP21 Tax Assessment*.

8. You can enter the *Present Address* and *Corerspondence Address.*

9. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

10. Enter the *Tax Office Address*.

11. *Execute.*

CP22 Tax Form (RPCT22L0)

Use

The CP22 Form is printed and sent to the tax office by the employer each time he or she hires an individual.

Features

- The CP22 Form is printed ad-hoc.

- The function uses SAPScript to control the layout of the CP22 Form. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- The softcopy of the same can be generated either on your local hard disk/floppy (presentation server) or a Unix file on tape (application server).

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

Activities

From the *SAP menu*, select *Human Resources* → *Payroll* → *Asia/Pacific* → *Malaysia* → *Subs. activities* → *Period-independent* → *Legal reporting* → *Tax* → *CP22.*

   The *CP22 (Tax) Malaysia* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

12. Enter the taxation year for which the CP22 Form needs to be printed in *Year of CP22 Tax Assessment*.

13. You can enter the *Present Residential Address* and *Present Corerspondence Address.*

14. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

15. *Officer in charge* is the name of the person to be referred to by the IRB (Inland Revenue Board) if required. The default is derived from the *Administrators* table *(T526).*

16. The *Designation* of the officer in-charge is derived from the *Organizational Assignment* infotype *(0001).*

17. Enter the *Tax Office Address*.

18. *Execute*.

CP22A Tax Form (RPCT2AL0)

Use

The CP22A Form is printed and sent to the tax office by the employer each time an employee leaves the organization.

Features

- The CP22A Form is printed ad-hoc.

- The function uses SAPScript to control the layout of the CP22A Form. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- The softcopy of the same can be generated either on your local hard disk/floppy (presentation server) or a Unix file on tape (application server).

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

Activities

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Period-independent → Legal reporting → Tax → CP22A.*

　　　　The *CP22A (Tax) Malaysia* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

19. Enter the taxation year for which the CP22A Form needs to be printed in *Year of CP22A Tax Assessment*.

20. You can enter the *Present Address* and *Future Address.*

21. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

22. Enter the *Tax Office Address.*

23. *Officer in-charge* is the name of the person to be referred to by the IRB (Inland Revenue Board) if required. The default is derived from the *Administrators* table *(T526).*

24. The default for *IC Number* is derived from the *Personal IDs* infotype *(0185)* if a link is maintained in the *Communication* infotype *(0105)* for the *System user name* subtype *(0001).*

25. The *Designation* of the officer in-charge is derived from the *Organizational Assignment* infotype *(0001).*

26. The default *Phone No* of the officer in-charge is derived from the *Administrators* table *(T526).*

27. Enter the *Fax No.* if available.

28. *Execute.*

Additional Tax Deduction

Purpose

In some circumstances, the Inland Revenue Board (IRB) can request employers to recover the tax owed by employees through the employees' wages. The notification to employers is through a form, CP38. The employees' details in the form is used by the employer to effect the recovery of Schedular Tax Deductions (STD) from wages.

Implementation Considerations

You decide whether to use this component based on:

- Receipt of CP38 from IRB

- If employee(s) receive additional taxable income.

Integration

This component is related to infotype *Schedular Tax Deduction (0198)* with subtype *CP38 Tax Deduction (02)*, and in turn to infotype *Additional Tax Deduction (0199).*

Additional Tax Deduction

Purpose

The payroll processing for additional tax deduction (ATD) involves creating a function that retrieves additional tax information for the employee and calculates the tax payable on the amounts from each of its subtypes:

- CP38 - Monthly Deduction
- CP38 - Bonus Deduction
- Tax - Additional Deduction.

Prerequisites

- Set up the tax payee details and employer tax reference number. You can do this in the Implementation Guide of the *Payroll Malaysia* component. Choose Tax → Setting Tax Payee and Employer Reference Number [Ext.].
- You must update infotype Schedular Tax Deduction (0198) with subtype CP38 Tax Deduction (02).
- You must update infotype Additional Tax Deduction (0199).

Process Flow

The processing steps for Additional Tax Deduction are:

- Data is read from infotype Additional Tax Deduction (0199).
- The amount fields are obtained from the infotype record.
- The table for getting the pay periods for each of the subtypes is read.
- The tax structure of the payroll results is filled.

Result

The monthly tax deduction is calculated.

- If a monthly payroll is run, CP39 is printed.
- If an annual payroll is run, the following are printed:
  − EA Form
  − CP159
  − PCB 2(II)
  − Summary EA Form

Creating a CP38 Deduction

Use

In certain circumstances, the Inland Revenue Board (IRB) can require employers to recover tax owed by employees through deductions from monthly wages by issuing the Form CP38 to employers. Employers must then deduct CP38 and STD amounts from employees' remuneration.

The purpose of this procedure is to create the relevant CP38 deduction records for the affected employees so that payroll can use the information to effect the deductions for the month.

Prerequisites

The additional tax types for Malaysia must be entered before proceeding with the following procedure.

➡ You can configure the additional tax types using the Implementation Guide of the *Payroll Malaysia* component. Choose Tax → CP38 → Define different tax information for CP38 [Ext.].

Procedure

1. From the Area Menu, choose Human *Resources* → Personnel *Management* → *Administration* → HR Master *Data* → Maintain.

2. Enter the *Personnel no.* of the employee that a CP38 record is to be created for.

3. Enter the infotype Schedular Deduction Tax (0198).

4. Enter the subtype CP-38 Tax Deduction (02).

5. Choose *Create.*

6. Enter the effective date period for CP38 deductions.

7. In the Employee Information group box:

   a. Enter the *Income tax number* issued by the Inland Revenue Board (IRB).

   b. Enter the *Income tax office* to which the employee's tax will be remitted.

8. If the employer is contributing tax on behalf of the employee, select *Tax paid by empr.*

9. *Save*.

Result

A CP38 record has been created. To fulfill the conditions for a CP38 deduction, you must perform the subsequent procedure, Create an Additional Tax Deduction. [Page 48]

Create an Additional Tax Deduction

Use

The purpose of the following procedure is to create an Additional Tax deduction record for the employee to fulfill all CP38 deduction requirements for the month.

Prerequisites

The infotype *Schedular Deduction Tax (0198)* Subtype *CP-38 Tax Deduction (02)* must be updated prior to proceeding with the following procedure.

Procedure

1. From the Area Menu, choose *Human Resources → Personnel Management → Administration → HR Master Data → Maintain.*

2. Enter the *Personnel no.* of the employee that you want to create an Additional Tax record for.

3. Enter the infotype *Addl. tax deduction (0199)*.

4. In the *STy* field, enter one of the following tax types:

    a.   01 (CP38-Monthly Ded.)

    b.   02 (CP38-Bonus Ded.)

    c.   03 (Tax-Additional Ded.)

5. *Create.*

6. Enter the effective date period for Additional Tax deductions based on the tax type chosen.

7. Enter the amount to be deducted as Additional Tax.

8. *Save*.

Employees' Provident Fund

Purpose

The Employees' Provident Fund (EPF) is a compulsory provident fund scheme for all employees in Malaysia. Contributions for employee and employer are based on a percentage set by the Government. Rates can vary, but must never go below the statutory rate. Employees can also choose to contribute a flat sum in addition to their existing contribution. In this case, the amount must be greater than or equal to the amount calculated if the percentage was used.

Employees' Provident Fund

Purpose

To calculate and deduct the employee and employer contributions to the provident fund. The system reads the infotype *Employees' Provident Fund* (*0196*) and uses the data to calculate the percentages of contribution. The contributions are then submitted to the EPF Board.

Prerequisites

The following actions must be performed:

- Infotype Employees' Provident Fund (0196) must be updated.

- Set up the EPF payee details and employer reference number using the Implementation Guide of the Payroll Malaysia component. Choose EPF → Setting Up EPF Payee and Employer Reference Number [Ext.].

- Set up the company rate in the Implementation Guide of the Payroll Malaysia component. Choose EPF → Setting Up Company Rate [Ext.].

- Update the contract type of expatriates in infotype *Organizational Assignment (0001)*.

➡️ Update EPF-related payroll schemas and rules before running payroll.

Process Flow

The processing steps for EPF are:

- Data in infotype Employees' Provident Fund (0196) is read.

- Data in infotype *Organizational Assignment (0001)* for employees with contract type Expatriate is read.

- A check to determine whether the employee currently contributes to EPF is carried out.

- The EPF statutory and company rates tables is read.

- If the employee is contributing at the statutory rate, the employee's contribution is calculated.

  – If the employee is contributing at the company rate, a check to see if the company rate is greater than or equal to the statutory rate is carried out.

  – If it is, then the employee contribution is calculated.

  – Otherwise, payroll will not process the employee.

- If an amount is entered, then the personal rate can be omitted OR can be less than the statutory rate. But the combination of personal rate and amount must be greater than or equal to the statutory rate.

- For retro-calculations, the difference is brought forward and multiplied by the current period's prevailing rate, for example, salary increment.

- All data is then stored in the relevant payroll tables.

EPF Borang A Report (RPCEBAL0)

Use

This function generates the EPF Borang A report for every employee who has valid payroll results, determined by the Malaysia payroll driver (**RPCALCL0**), for a specific month.

Features

Based on the results from the Malaysia payroll driver (**RPCALCL0**), the EPF Borang A report is generated and the following features are available:

- A separate SAPScript report (hardcopy) is generated for each Employer Reference Number, but a separate file (softcopy) is generated for each payee key.

- The function uses SAPScript to control the layout of the EPF Borang A report. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- The softcopy of the same can be generated either on your local hard disk/floppy (presentation server) or a Unix file on tape (application server).

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

See also:

Generating EPF Borang A Report [Page 52]

Generating EPF Borang A Reports

Use

In this procedure, you are led through the steps to generate the EPF Borang A report.

Procedure

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Per payroll period → Legal reporting → EPF (Borang A)*.

> The *Monthly report for EPF Borang A* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

29. *Employer's Ref no.*

> This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

30. If a range of check numbers are entered, each EPF report will be generated with a check number starting from the lower value in the range. In case the number of reports generated for the given set of personnel numbers exceeds the number of checks in the range, subsequent reports will not have any check number.

> Check number varies for payee key.

31. If *Testing (Tape/Disk)* is flagged, the PC/Unix files will not be generated.

32. Under *EPF Monthly reporting format*, the following formats are generated when it is selected:

    a. *Tape* - Generates a Unix text file

    b. *Disk* - Generates a PC text file

    c. *List* - Generates SAPScript ouput

33. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

34. *Filename* is defaulted with filename **'EPFORMA'** and path **'C:\TEMP\'** for PC file or path **'/usr/sap/trans/tmp'** for Unix file, but the user can change these if required. A default extension will be appended for the filename, like **'01'** for the first file, and so on.

35. *Officer In-charge* is the name of the person to be referred to by the EPF Board if required. The default is derived from the *Administrators* table *(T526)*.

36. The default for *IC Number* is derived from the *Personal IDs* infotype *(0185)* if a link is maintained in the *Communication* infotype *(0105)* for the *System user name* subtype *(0001)*.

37. The *Designation* of the officer in-charge is derived from the *Organizational Assignment* infotype *(0001)*.

38. The default *Phone No* of the officer in-charge is derived from the *Administrators* table *(T526)*.

39. *Execute.*

Result

- A EPF Borang A report is printed for each Employer Reference Number.

- A EPF Borang A report is printed for every employee based on the Employer Reference Number.

Creating an EPF Deduction

Use

The purpose of creating an EPF (Employees' Provident Fund) deduction record for an employee is so that payroll can use the information to calculate the EPF deductions for a period.

Prerequisites

The company rates must be entered before performing the following procedure.

➡ You can configure the Company Rates for EPF using the Implementation Guide of the *Payroll Malaysia* component. Choose <u>EPF → Setting Up Company Rate → Maintain the company rate [Ext.]</u>.

Procedure

1. From the Area Menu, choose Human *Resources* → Personnel *Management* → *Administration* → HR Master *Data* → Maintain.

2. Enter the *Personnel no.* of the employee that an EPF record is to be created for.

3. Enter the infotype Employees' Provident Fund (0196).

4. Choose *Create.*

5. Enter the effective date period for EPF deductions.

6. Under the Employee Information section:

   a. Enter the *Employee EPF number* issued by the EPF Board.

   b. Enter the *EPF Initials* also issued by the EPF Board.

   These initials are used for reporting to the EPF Board.

   c. Set the *Contributing to EPF* indicator if the employee is currently contributing to EPF.

   ➡ Due to recent legislation, no one is exempt from contributing to EPF. Therefore, this indicator must always be set.

   d. Select *Old IC Number* if the employee's old IC Number is to be used in printing the EPF reports.

7. In the *Contribution* section:

   a. Choose the EPF contribution rate for employee and employer. Based on the Company Rates table, either the *Statutory rate* or the *Company rate* field is inactive. If the *Statutory rate* field is inactive, then the Company rate entry in the table is greater than the Statutory rate. Otherwise, the Statutory rate is greater than the Company rate.

   b. For the *Personal rate*, you can enter a percentage or an amount, or both. If an *Amount* is entered, then the *Percentage* can be omitted OR can be less than the Statutory rate. However, the combination of both must be greater than or equal to the Statutory rate.

8. *Save*.

Employees' Social Security

Purpose

Employees' Social Security (SOCSO) is the social security contributions for the employee. All employees who earn a salary of less than MYR 2,000 must contribute to this scheme. Contributions are based on the employee's salary and are derived from the table supplied by the government.

To facilitate this, SOCSO supplies the following categories:

- When an employee has started contributing to SOCSO, the employee must continue to contribute until retirement. This includes the employer's contribution.

    If an employee has never contributed to SOCSO before but would like to start, the employee can do so:

- If the employee is 50 years of age or more, only the employer is required to contribute to the fund, and not the employee.

Employees' Social Security

Purpose

To calculate and deduct employee and employer contributions, the system must read from the infotype *Employees' Social Security* (*0197)* and uses the data to calculate the percentages of contribution. The contributions are then submitted to the SOCSO Office.

Prerequisites

The following actions must be performed :

- Infotype Employees' Social Security (0197) must be entered.

- Set up the SOCSO payee details and employer reference number using the Implementation Guide of the *Payroll Malaysia* component. Choose SOCSO → Setting Up SOCSO Payee and Employer Reference Number. [Ext.]

- Set up the company rate using the Implementation Guide of the *Payroll Malaysia* component. Choose SOCSO → Maintain SOCSO table [Ext.].

Enter SOCSO-related payroll schemas and rules before running payroll. This can be done in the Implementation Guide of the *Payroll Malaysia* component. Choose SOCSO → Maintaining SOCSO-Related Payroll Schemas and Rules. [Ext.]

Process Flow

The processing steps for SOCSO are:

- The data in infotype Employees' Social Security (0197) is read.

- The earnings liable to SOCSO is obtained.

- The SOCSO rates table together with the previously gathered information is read, and the contributions retrieved.

- Employee and employer contributions are stored.

- SOCSO data is stored and the relevant payroll tables are filled.

Creating a SOCSO Deduction

Use

The purpose of creating a SOCSO deduction record for an employee is so that payroll can use the information to calculate the SOCSO deductions for a period.

Prerequisites

The categories for SOCSO contribution must be entered before performing the subsequent procedure:

- Category 1 - Employer and employee contributing for contributors aged below 55 years.

- Category 2 - Employer contributing only for contributors aged above 55 years or a contributor over 50 years who never contributed SOCSO who would like to start contributing.

You can configure the SOCSO categories using the Implementation Guide of the *Payroll Malaysia* component. Choose SOCSO → Maintain SOCSO table [Ext.]*.

Procedure

1. From the Area Menu, choose *Human Resources → Personnel Management → Administration → HR Master Data → Maintain.*

2. Enter the *Personnel no.* of the employee that a SOCSO record is to be created for.

3. Enter the infotype *Employees' Social Security (0197).*

4. Choose *Create.*

5. Enter the effective period for SOCSO deductions.

6. Enter the *SOCSO number* issued by the SOCSO Office.

7. Select *Employee above 50 and first time contributor* if the employee fits the criteria.

8. *Select Old IC Number* if the employee's old IC Number is to be used in printing the SOCSO reports.

9. *Save.*

Monthly SOCSO Borang 8A Report (RPCS8AL0)

Use

This function generates the SOCSO Borang 8A report for every employee who has valid payroll results, determined by the Malaysia payroll driver (**RPCALCL0**), for a specific month. This also generates the SOCSO contribution pay slip which is a legal summary report.

Features

Based on the results from the Malaysia payroll driver (**RPCALCL0**), the SOCSO Borang 8A report is generated and the following features are available:

- The function uses SAPScript to control the layout of the SOCSO Borang 8A report. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- The softcopy of the same can be generated either on your local hard disk/floppy (presentation server) or a Unix file on tape (application server).

- A separate SAPScript report (hardcopy) is generated for each Employer Reference Number, but a separate file (softcopy) is generated for each payee key.

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

See also:

Generating SOCSO Borang 8A Reports

Use

In this procedure, you are led through the steps to generate the SOCSO Borang 8A report.

Procedure

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Per payroll period → Legal reporting → SOCSO → Borang 8A.*

   The *Monthly report for SOCSO Borang 8A* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

1. *Employer's Ref no.*

    This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

2. Select the appropriate *Payment mode* (*cash* or *check*) to effect payment of tax to the SOCSO office. Only if the check option is selected, the check numbers will appear in the hardcopy SAPScript report.

3. If a range of check numbers are entered, each SOCSO report will be generated with a check number starting from the lower value in the range. In case the number of reports generated for the given set of personnel numbers exceeds this number range, subsequent reports will not have any check number.

4. If *Testing (Tape/Disk)/Background* is flagged, the PC/Unix files will not be generated.

5. Under *SOCSO BORANG 8A format*, the following formats are generated when it is selected:

    a. *Tape* - Generates a Unix text file

    b. *Disk* - Generates a PC text file

    c. *List* - Generates SAPScript ouput

6. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

7. *Filename* is defaulted with filename '**SOCSO8A**' and path '**C:\TEMP**' for PC file or path '**/usr/sap/trans/tmp**' for Unix file, but the user can change these if required. A default extension will be appended for the filename, like '**01**' for the first file, and so on.

8. *Officer In-charge* is the name of the person to be referred to by the EPF Board if required. The default is derived from the *Administrators* table *(T526).*

9. The default *Phone No* of the officer in-charge is derived from the *Administrators* table *(T526).*

10. *Execute.*

Result

*   A SOCSO Borang 8A report is printed for each Employer Reference Number.

*   A SOCSO Borang 8A report is printed for every employee based on the Employer Reference Number.

Monthly SOCSO Borang 8B Report (RPCS8BL0)

Use

This function generates the retro SOCSO Borang 8B report for every employee who has valid payroll results, determined by the Malaysia payroll driver (**RPCALCL0**), for a specific month. It also reporta arrears that is to be paid to the employee.

In the report, a list is generated of those who have paid contribution that is more than the contribution that should have been paid. This difference in the contribution amount due to retroactive payroll run has to recovered from the SOCSO authorities

Features

Based on the results from the Malaysia payroll driver (**RPCALCL0**), the SOCSO Borang 8B report is generated and the following features are available:

- The function uses SAPScript to control the layout of the SOCSO Borang 8B report. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- A separate SAPScript report (hardcopy) is generated for each Employer Reference Number.

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

- In the case of over-payment during the previous months, you can print out PKS50A from SAP system for claiming the amount.

See also:

Generating SOCSO Borang 8B Reports

Use

In this procedure, you are led through the steps to generate the SOCSO Borang 8B report.

Procedure

From the *SAP menu*, select *Human Resources* → *Payroll* → *Asia/Pacific* → *Malaysia* → *Subs. activities* → *Per payroll period* → *Legal reporting* → *SOCSO* → *Borang 8B.*

The *Monthly report for SOCSO Borang 8B* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

11. *Employer's Ref no.*

This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

12. Select the appropriate *Payment mode* (*cash* or *check*) to effect payment of tax to the SOCSO office. Only if the check option is selected, the check numbers will appear in the hardcopy SAPScript report.

13. If a range of check numbers are entered, each SOCSO report will be generated with a check number starting from the lower value in the range. In case the number of reports generated for the given set of personnel numbers exceeds this number range, subsequent reports will not have any check number.

14. If *Testing* is flagged, the report will not be generated.

15. If *SAPscript Report* is flagged, a SAPScript output is generated.

16. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

17. *Officer In-charge* is the name of the person to be referred to by the EPF Board if required. The default is derived from the *Administrators* table *(T526).*

18. The default *Phone No* of the officer in-charge is derived the *Administrators* from table *(T526).*

19. *Execute.*

Result

- A SOCSO Borang 8B report is printed for each Employer Reference Number.

- A SOCSO Borang 8B report is printed for every employee based on the Employer Reference Number.

Monthly SOCSO Borang 2 Report (RPCSB2L0)

Use

This report prints out the SOCSO Borang 2 form. This form is for employees who have joined the organization in the selected period.

Prerequisites

Make sure the employees in question have records in the *Employees' Social Security* infotype *(0197).*

Features

The report displays all employees who have joined the organization in the selected period of time.

See also:

Generating SOCSO Borang 2 Report [Page 63]

Generating SOCSO Borang 2 Reports

Use

In this procedure, you are led through the steps to generate the SOCSO Borang 2 report for joiners.

Procedure

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Per payroll period → Legal reporting → SOCSO → Borang 2 (Joiner).*

> The *Borang 2* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

20. *Employer's Ref no.*

> This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

21. The *Date of Joining Between…* denotes the selected period for reporting.

22. *Name* is the name of the person to be referred to by the EPF Board if required. The default is derived from the *Administrators* table *(T526).*

23. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

24. *Execute*.

Result

- A SOCSO Borang 2 report is printed for each Employer Reference Number.

- A SOCSO Borang 2 report is printed for every employee based on the Employer Reference Number.

Monthly SOCSO Borang 3 Report (RPCSB3L0)

Use

This report prints out the SOCSO Borang 3 form. This form is for employees who have left the organization in the selected period.

Prerequisites

Make sure the employees in question have records in infotype *Employees' Social Security (0197).*

Features

The report displays all employees who have left the organization in the selected period of time.

See also:

Generating SOCSO Borang 3 Reports

Use

In this procedure, you are led through the steps to generate the SOCSO Borang 3 report for leavers.

Procedure

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Per payroll period → Legal reporting → SOCSO → Borang 3 (Leaver).*

      The *Borang 3* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

25. *Employer's Ref no.*

      This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

26. Enter the *Month and Year of Leaving.*

27. *Name* is the name of the person to be referred to by the EPF Board if required. The default is derived from the *Administrators* table *(T526).*

28. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

29. *Execute*.

Result

- A SOCSO Borang 3 report is printed for each Employer Reference Number.

- A SOCSO Borang 3 report is printed for every employee based on the Employer Reference Number.

SOCSO Checklist (RPCSCLL0)

Use

This report prints out a checklist of employees who are not contributing to SOCSO and whose individual salaries are less than MYR 2,000 per month.

Basically, this checklist is for the purpose of the Payroll Administrator to determine those employees who need to contribute to SOCSO, but are not.

Features

A report is printed displaying all employees who do not have a record in the *Employees' Social Security* infotype (0197) and whose individual salaries are less than MYR 2,000 in the month.

Activities

1. From the *SAP menu*, select *Human Resources* → *Payroll* → *Asia/Pacific* → *Malaysia* → *Subs. activities* → *Per payroll period* → *Legal reporting* → *SOCSO* → *Membership Checklist*.

   The *SOCSO Checklist* entry screen appears.

2. Enter the *Personnel numbers* of the range of employees who meet the above two conditions.

3. Enter the *Payroll area* they belong to.

4. Enter the *Payroll Period* this SOCSO checklist if for.

5. *Execute*.

Human Resource Development Fund

Purpose

The Human Resource Development Fund (HRDF) is the collection of HRD levies imposed by the HRD Act of 1992 for the purpose of training and re-training of employees. This is especially necessary in view of Malaysia's quest to attain the status of a developed nation by the year 2020.

It is compulsory for Malaysian employers to be registered with the HRD Council and pay the HRD Levy at the rate of 1% of their employees' monthly wages. As an incentive, the Government provides a subsidy at a flat rate of MYR 2.00 for every MYR 1.00 levy contributed.

Monthly Tabung Haji Report (RPCHTBL0)

Use

This program prints out the Tabung Haji report for the month based on the results stored by the Malaysian payroll drive (**RPCALCL0**). It includes contributions made to the Tabung Haji office.

Features

The report includes all contributions to the Tabung Haji fund.

Based on the results from the Malaysia payroll driver (**RPCALCL0**), the Tabung Haji report is generated and the following features are available:

- The function uses SAPScript to control the layout of the Tabung Haji report. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- The softcopy of the same can be generated either on your local hard disk/floppy (presentation server) or a Unix file on tape (application server).

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

The report can be executed only on a monthly basis by providing the correct month's begin and end dates.

See also:

Generating the Tabung Haji Report [Page 69]

Generating the Tabung Haji Report

Use

In this procedure, you are led through the steps to generate the Tabung Haji report.

Procedure

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Per payroll period → Legal reporting → Tabung Haji.*

The *Monthly report for Tabung Haji* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

1. The *Wage Type* is already defaulted to *D100 (Tabung Haji)*.

2. For *Membership Type*, enter *L001* for Tabung Haji.

3. Select the appropriate *Payment mode* (money order or check) to effect payment of Tabung Haji to the Tabung Haji office.

4. *Employer's Ref no.*

   This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

5. If *Testing (Tape/Disk)* is flagged, the PC/Unix files will not be generated.

6. If *Clean Up Process* is flagged, the PC/Unix files will be generated in a format specified for clean up process.

7. Under *Lembaga Tabung Haji format*, the following formats are generated when it is selected:

   a. *Tape* - Generates a Unix text file

   b. *Disk* - Generates a PC text file

   c. *List* - Generates SAPScript ouput

8. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

9. *Filename* is defaulted with filename **'T_HAJI'** and path **'C:\TEMP\'** for PC file or path **'/usr/sap/trans/tmp'** for Unix file, but the user can change these if required.

10. *Execute.*

Result

A Tabung Haji report is printed for each Employer Reference Number.

Monthly ASB Report (RPCASBL0)

Use

This program prints out the ASB report for the month based on the results stored by the Malaysian payroll drive (**RPCALCL0**). It includes contributions made to the Amanah Saham Nasional Board (ASB).

Features

The report includes all contributions to the ASB fund.

Based on the results from the Malaysia payroll driver (**RPCALCL0**), the ASB report is generated and the following features are available:

- The function uses SAPScript to control the layout of the ASB report. Each time the format changes, SAP changes the SAPScript to match the new layout and makes this available to customers.

- The softcopy of the same can be generated either on your local hard disk/floppy (presentation server) or a Unix file on tape (application server).

- SAPScript can make the necessary font substitutions to suit various printers and thus retain the global layout.

The report can be executed only on a monthly basis by providing the correct month's begin and end dates.

See also:

Generating the ASB Report

Use

In this procedure, you are led through the steps to generate the ASB (Amanah Saham Nasional Board) report.

Procedure

From the *SAP menu*, select *Human Resources → Payroll → Asia/Pacific → Malaysia → Subs. activities → Per payroll period → Legal reporting → ASB.*

> The *Monthly report for ASB* entry screen appears.

Besides the standard selection section of the entry screen, the following additional parameters need to be addressed:

11. The *Wage Type* is already defaulted to *D110 (ASB)*.

12. For *Membership Type*, enter *L002* for ASB.

13. *Employer Reference number*.

> This report can only be run for one employer reference number for the personnnel number range entered in the standard selection section above.

14. Enter the *Check - Number* used to make payment of the contribution.

15. If *Testing (Tape/Disk)* is flagged, the PC/Unix files will not be generated.

16. Under *Amanah Saham Nasional format*, the following formats are generated when it is selected:

    a.   *Tape* - Generates a Unix text file

    b.   *Disk* - Generates a PC text file

    c.   *List* - Generates SAPScript ouput

17. The *Customer Layout* button is used to associate a user-defined layout for the SAPScript report.

18. *Filename* is defaulted with filename **'ASB'** and path **'C:\TEMP\'** for PC file or path **'/usr/sap/trans/tmp'** for Unix file, but the user can change these if required.

19. *Execute.*

Result

An ASB report is printed for each Employer Reference Number.

Termination

Purpose

During the period of employment, a range of data is entered in the system for the employee. This data is stored in individual infotype records. If the employee leaves the company, certain infotype records must not be changed as they contain data that is retained for historical purposes. Other infotype records must be delimited in the system. You must ensure that the final payroll is run successfully, and that retroactive accounting has been performed, if necessary.

The Termination action type is used to document the fact that the employee has left the company. This action only offers you infotypes that must be edited when the employee leaves the company. For this reason, you need to run this action whenever an employee leaves the company.

Termination

Purpose

The termination process is divided into sub-processes. Each of these processes has a certain function.

Process Flow

- *Notification of Termination*

    − On running the notification action, the system shows the employee's personal data such as name, position held, department, and date of joining the company. It also contains the date of tendering the resignation, the leaving date and the reason for leaving.

    − A record is created in the infotype *Actions (0000)*. This record stores the 'leaving date' and the 'reason for leaving'. The latter is used for statistical and reporting purposes only.

- *Actual Termination*

    − The employee's employment status is changed to 0 when the termination action is run. Payroll accounting recognizes this status and as a result, the employee is not included in subsequent payroll runs.

    − Some infotype records are not automatically delimited by the system. When you perform the termination action, the infotypes that must be delimited, such as *Recur. Payments/Deds (0014)*, *Additional Payments (0015)*, and *One-Time Payments Off-Cycle (0267)*, are displayed automatically on a list screen where you can delimit the infotypes.

    − All other data, such as organizational data, personal data, addresses, and basic payroll data, must remain in the system. The corresponding data records must not be delimited. This data is required if the employee receives a back-payment (overtime, leave compensation, and so on) after the last payroll run that includes the employee, or for other administrative purposes.

PY-MY Deductions

Purpose

This component calculates all payments to third-parties with the exception of taxes and garnishments that deducted directly from the employee's salary. Maximum thresholds for deductions and outstanding payments are taken into account.

PY-MY Subsequent Activities

Purpose

The component comprises activities that you must perform after payroll accounting (gross – net payroll).

Wage and Salary Payments

Purpose

This component enables you to pay wages and salaries to employees, while taking into consideration country and bank-specific requirements and specifications. Moreover, you can make certain employee-specific payments to third parties (dependent on the country version), whereby the employee is not the payment recipient. The system offers different variants of *wage and salary payments*, which are used in various combinations by the individual country versions.

You can find technical information on *wage and salary payments* and notes on the necessary Customizing settings in the following sections:

- Payment-Related Information in the Master Data [Page 77]
- Payment-Related Information in the Payroll Result [Page 78]
- Preliminary Program for Data Medium Exchange [Page 80]

You can find information on the posting of payment transactions in the documentation for *Posting to Accounting,* under Integration with the Posting of Payment Transactions [Ext.].

Scope of Function

You can find information on *wage and salary payments* in the following sections.

Payment-Related Information in the Master Data

Certain information from the master data for your employees reappears in the *Payroll* results. The *Wage and Salary Payments* evaluates this Information in the Payroll Results [Page 78], but also accesses certain infotypes directly.

Below is a list of the international infotypes that contain payment-related information.

- Organizational Assignment (Infotype 0001) [Ext.]

- Personal Data (Infotype 0002) [Ext.]

- Addresses (Infotype 0006) [Ext.]

- Bank Details (Infotype 0009) [Ext.]

- External Bank Transfers (Infotype 0011) [Ext.]

> In addition to the infotypes mentioned above, there are other international wage types (e.g. for capital formation) that contain payment-related information. These infotypes will not be discussed here. For more information on international infotypes, see the SAP Library under *Human Resources → Payroll → <Country>*.

For more information on how the system evaluates the payment-related information in the master data and the payroll results, see Preliminary Program DME [Page 80].

Payment-Related Information in the Payroll Results

The following tables in the payroll results contain payment-related information that the system evaluates during the wage and salary payments process.

- *Payment Information* (BT)

- *Work Center/Basic Pay* (WPBP)

Payment Information table (BT)

Every entry in the *Payment Information* table (BT) in an employee's payroll results corresponds to a payment that was created in a payroll period for this employee. However, the employee is not necessarily the **payment recipient** of all payments. A difference must be made, for entries in the *Payment Information* table (BT), between payments to the employee and employee-specific payments to third parties.

The origin and treatment of employee-specific payments to third parties is country-specific. If, for example, salary elements for an employee are garnished or are retained for capital formation, an entry is created in the *Payment Information* table (BT) in the employee's payroll results, for payment of the retained amount to a third party (e.g. the creditor or the capital formation institute). The origin of this entry depends on the county version used, and the settings in Customizing. However, employee-specific payments to third parties do not necessarily create an entry in the *Payment Information* table (BT) for the employee. The reason for this is that in certain country versions these payments are made independent of the *Wage and Salary Payments* component.

Entries in the *Payment Information* Table (BT) for Payments to the Employee

- The *Payment Method* field is always filled.

- The *Bank Number* and *Bank Account* fields are filled, if the payment method requires bank details.

- The *Recipient*, *Postal Code* and *Location* fields are filled, if you have manually overwritten the corresonding fields in the Bank Details infotype (0009) [Ext.]. If you have not manually overwritten these fields in the *Bank Details* infotype (0009), the values from the Personal Data (0002) [Ext.] and Addresses (0006) [Ext.] infotypes are displayed there. In this case, the *Recipient*, *Postal Code* and *Location* fields are not filled in the *Payment Information* table (BT).

Entries in the *Payment Information* Table (BT) for Employee-Specific Payments to Third Parties

- The entry in the *Payment Information* table (BT) for an employee-specific payment to a third party either contains detailed information from the infotype that forms the basis of the payment (Payment Method, Bank Details, Name and Addresses), or a recipient key in the *Recipient* field. This recipient key refers to Customizing for *Personnel Management*, where you must store the detailed information mentioned.

- The *Purpose* field in the *Payment Information* table (BT) is filled, if a purpose was entered in the infotype that forms the basis of the payment.

> Note that not all the fields in the *Payment Information* table (BT) are discussed here. For more information on how the system determines the information on the payment recipient, see , in the "Scope of Function" section.

Work Center/Basic Pay Table (WPBP)

Certain organizational elements from the *Organizational Assignment* infotype (0001) are stored in the *Work Center/Basic Pay* table (WPBP) during payroll. These organizational elements are used in the wage and salary payments process (dependent on Customizing) to determine the house bank and the house bank account.

Furthermore, the system uses the *Work Center/Basic Pay* table (WPBP) to determine the paying company code. Specification of the paying company code is optional in Customizing. If you have not specified a paying company code in Customizing, the system uses the company code that is stored in the *Work Center/Basic Pay* table (WPBP) in the employee's payroll results. If the *Work Center/Basic Pay* (WPBP) table for the employee contains several partial periods as the result of a WPBP Split [Ext.], in the payroll period to be processed, the system uses the company code in the last partial period, in which the employee was active, to determine the paying company code.

Preliminary Program DME

Use

To start the preliminary program DME, choose *Human Resources → Payroll → Payroll → Bank Transfer → Pre. Program DME* from the *SAP Easy Access* menu.

You use the preliminary program DME to evaluate the payroll results to create payment data. The creation of payment data is the first step in the wage and salary payments process.

You can also use the preliminary program DME if you want to make several partial payments on different dates within a payroll period (Qualified Advance Payment [Ext.]).

The preliminary program DME can evaluate payments using different payment methods [Ext.] in a payment run. The payment medium programs, which further process the data created by the preliminary program DME, select the relevant data records using the payment method.

The preliminary program DME processes both information from the master data [Page 77] and information from the payroll results [Page 78] for an employee.

Integration

The payment data created by the preliminary program DME is processed by the country-specific payment medium programs in *Accounting* to create payment mediums (for example, DME files for the bank, checks). You must start these subsequent programs after the preliminary program DME has evaluated the payroll results for the employee and has created the payment data.

Prerequisites

You have exited payroll for the payroll periods for which you want to make wage and salary payments. (Exception: You make a Qualified Advance Payment [Ext.] before exiting payroll.)

You have checked or made the following settings in agreement with *Accounting*.

- **Setting up the payment methods** (in Customizing for *Personnel Management* under *Personnel Administration → Personal Data → Bank Details → Define Payment Method [Ext.]*)

- **Setting up the house banks and house bank accounts** (in Customizing for Payroll under *Data Medium Exchange → Preliminary Programs for Data Medium Exchange → Set Up House Banks [Ext.]*)

- **Defining the Sending Banks** (using the *Sender Account Number for Data Medium Exchange* feature (DTAKT) in Customizing for Payroll under *Data Medium Exchange → Preliminary Programs for Data Medium Exchange → Define Sending Banks [Ext.]*)

- **Defining the paying company code** if you do not want to use the company code stored in the *Organizational Assignment* (0001) infotype (using the *Sender Account Number for Data Medium Exchange* feature (DTAKT) in Customizing for Payroll under *Data Medium Exchange → Preliminary Programs for Data Medium Exchange →* Define Sending Banks [Ext.]).

- **Assigning the text key for the payment transaction to transfer wage types** (in Customizing for Payroll under *Data Medium Exchange → Preliminary Programs for Data Medium Exchange →* Check Text Keys for Payment Transactions [Ext.])

   This assignment is not necessary in all country versions.

Scope of Function

For every current original result for employees processed in a payment run, the preliminary program DME reads the *Payment Information* table (BT) in the payroll results.

In the process, the system performs the following steps for every entry in this table:

- The system determines the information on the payment recipient

   − from the entry in the *Payment Information* table (BT)

   − from the *Payee Keys* table (T521B), if the entry in the *Payment Information* table (BT) contains a recipient key

   − from the *Personal Data* (0002) and *Addresses* (0006) infotypes, if the entry in the *Payment Information* table (BT) does not contain a recipient key and does not contain any recipient data

- The system evaluates the *Sender Account Number for Data Medium Exchange* feature (DTAKT) to determine the following information:

   − The paying company code

   − The house bank

   − The house bank account

- The system reads the *Purpose* field in the *Payment Information* table (BT):

   − If the *Purpose* field is filled, the contents of the field are transferred to the payment data.

   − If the *Purpose* field is not filled, the following text is used: "Wage/Salary", <Personnel Number>, <Payroll Period> or "Pension", <Personnel Number>, <Payroll Period>.

- The system determines the payment currency:

   − If the *Currency* field in the *Payment Information* table (BT) contains a currency, this currency is used for the payment.

   − If the *Currency* field in the *Payment Information* table (BT) does not contain a currency, the currency from the *Currency* field in the *Payroll Status Information* table (VERSC) is used for the payment.

- The system reads the bank codes of the house banks and the recipient bank from the *Bank Master Record* table (BNKA).

Preliminary Program DME

- The system checks the payment data for consistency. If a payment with inconsistent data exists for an employee, the system does not make any payment for this employee.

- For every entry in the *Payment Information* table (BT) the system creates an entry in the payment data.

Selection

The selection screen for the preliminary program DME is country-specific. The following describes only the most important international parameters.

Set Flag for Transfers

We recommend that you mark this indicator. It causes the system to mark every processed entry in the *Payment Information* table (BT) with date and time, to show payment runs carried out later that it is "processed". This prevents entries in the *Payment Information* table (BT) being accidently processed more than once. If the payroll run is repeated after you have executed the preliminary program DME, the system does not overwrite the entries marked with date and time but performs a difference calculation. That is why you must mark the *Set Flag for Transfers* indicator if you want to perform a qualified advance payment.

Wage Type

You can use these input fields to restrict a payment run to certain wage types, for example, to pay the wage types created for *External bank Transfers* (Infotype 0011) separately from the employee's salary.

Test

If you mark this indicator, the system only displays the payments to be made as the result for a payment run. It does not create any payment data and does not change any data in the payroll results.

Output

The preliminary program DME creates a payment run, which contains payment data. You can clearly identify every payment run using the *Program Run Date* and *Identification Feature* combination. The *Identification Feature* originates from the six-digit system time, at which you started the preliminary program DME. The system replaces the last digit of the six-digit system time in the *Identification Feature* with a `P`.

> You started the preliminary program DME at 09.25 on 04.14.2000. You can clearly identify the payment run created using the *Program Run Date* (`04.14.2000`) and *Identification Feature* (`09251P`) combination.

The payment data contained in a payment run is saved in the following tables:

- *Control Records for the Payment Program* (REGUV)

- *Settlement Data from Payment Program* (REGUH)

- *Processed Items from Payment Program* (REGUP)

The data in these tables is further processed by the payment medium programs in *Accounting*. For more information, see Payments (FI-BL) [Ext.].

See also:

Repeating a Payment Run [Page 84]

Repeating a Payment Run

Use

If a payment run was not carried out correctly (for example, because of a program termination), you have to repeat this payment run.

Prerequisites

When you created the payment run that you now want to repeat, you marked the *Set Flag for Transfers* indicator.

Procedure

1. Make the same settings on the Preliminary Program DME [Page 80] selection screen that you made when you created the original payment run.

2. In the *Repeat Run: Date* and *Time* fields, enter the date and time for the payment run to be repeated.

   The system uses this entry to evaluate the entries in the *Payment Information* table (BT) which the preliminary program DME marked with data and time, but for which the date and time correspond to your entries in the *Repeat Run*: *Date* and *Time* fields.

3. If you only want to evaluate entries in the *Payment Information* table (BT) which have already been marked, select the *Flagged Records Only* indicator.

   If you do **not** set this indicator, the system also evaluates the entries in the *Payment Information* table (BT) which are still not marked with date and time.

4. Choose 🕒.

   🔍

   If you do not know the date and time for the payment run to be repeated, proceed as follows:

1. Use the Display Payroll Results [Ext.] program (Report H99_DISPLAY_PAYRESULT) to display a payroll result (for any employee) that was evaluated during the original payment run.

2. Display the *Payment Information* table (BT).

3. Select an entry from the *Payment Information* table (BT) which the preliminary program DME marked with date and time when creating the original payment run.

4. Make a note of the values in the *Date* and *Time* fields so that you can enter them in the *Repeat Run: Date* and *Time* fields on the Preliminary Program DME selection screen.

Wage and Salary Payments by Bank Transfer

Purpose

The system uses this process to provide all the information your house bank needs to transfer the wage and salary payments to your employees. The system creates a DME file and the DME accompanying sheet. Furthermore, you can print a payment summary which lists the individual payments. You can use the payment summary to, amongst other things, post the wage and salary payments manually to *Financial Accounting*.

Process Flow

1. The preliminary program DME [Page 80] evaluates the entries in the *Payment Information* table (BT) in the payroll results for the employees, and creates a payment run which contains the payment data.

2. The payment medium program [Ext.] for the bank transfer evaluates the payment data and creates a DME file, the DME accompanying sheet and the payment summary. The DME file contains all bank transactions and is of the same format as the file used by the bank for your country.

3. You provide your house bank with the DME file created, so that the bank transfer can be made.

The following graphic shows the process flow of wage and salary payments by bank transfer.
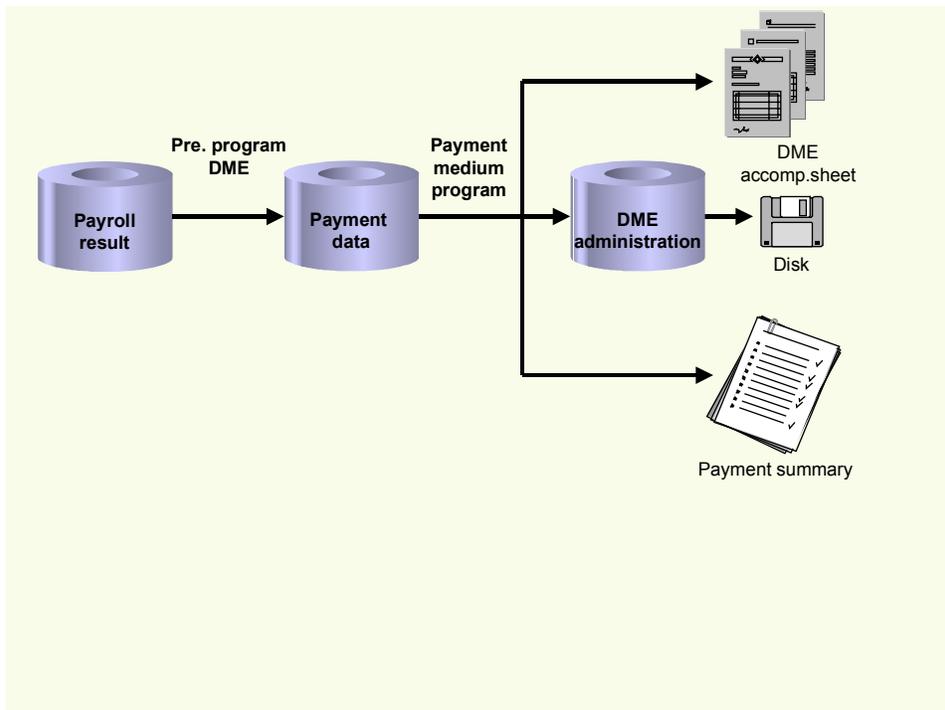
Evaluating Payroll Results

Procedure

1. Start the preliminary program DME [Page 80].

2. Make the required entries for *Payroll period*, *Selection* and *Wage types*.

3. Select the *Set flag for transfers* indicator (see Preliminary Program DME [Page 80]), and select ⏱.

   The system produces statistics on the personnel numbers evaluated and the entries in the *Payment Information* table (BT).

4. Make a note of the program run date and the six-digit identification feature. You will have to enter these values at a later stage on the selection screen of the payment medium program, which you use for creating the DME file [Page 87].

Result

The system evaluates the payroll results for the employees you selected, and saves the payment information as payment data to the database.

Creating a DME File

Procedure

1. Start the payment medium program used for creating DME files.

2. Enter the *program run date* and the *identification feature* of the payment run to be processed.

3. In the *Print control* section, select the *Data medium exchange* and *Print payment summary* indicators.

4. Enter the additional necessary data, and choose .

Result

The system evaluates the payment data for the payment run you entered, and creates a DME file. The DME file contains all bank transactions and is of the same format as the file used by the bank for your country.

Furthermore, the system creates the DME accompanying sheet and the payment summary for this DME file. You can continue to process the DME file created, using <u>data medium</u> <u>administration [Page 88]</u>.

Data Medium Administration

Use

Data medium administration (DME administration) helps you to manage the data media that you create in Financial Accounting and in Human Resources.

In the Accounts Receivable or Accounts Payable menu, choose *Periodic processing* → *Payments*. The system displays the Automatic Payment Transactions: Status screen. From here, choose *Environment* → *Payment medium* → *DME administration* to reach the DME administration screen.

In the Payroll country menus, choose *Payroll* → *Bank transfer* → *DME management*.

In the DME administration overview, the system displays all the data media created with the selection criteria you have specified. You can call up further information for each data medium. Select the required data medium.

Features

DME administration includes the following functions:

- **Displaying data medium attributes**

    Choose *Extras* → *DME attributes*

    The system displays the following information for the selected data medium:

    - Payment run ID

    - House bank or clearing house

    - Date and time of data medium creation

    - Responsible person

    - Amount paid in currency specified

    - Further technical data

- **Deleting an individual or several data media**

    The accompanying administrative data is deleted from the system at the same time.

    Select the required data medium and then choose *Edit* → *Delete data medium*. A confirmation prompt appears. The selected data media are deleted when you confirm this prompt.

    If you wish to delete data media from several company codes, then you should use the reorganization function within the payment program.

    See also:

    Deleting DME Administrative Data Across Company Codes [Ext.]

- **Downloading one or more files from the SAP system or from the file system to hard drive or disk**

    See also:

    Downloading a DME File onto Disk [Ext.]

- **Displaying the contents of a data medium on the screen or printing the contents**

  Choose *Edit* → *Display DME* contents from the DME administration overview screen.

  The following functions are **not** available for payments from *Human Resources* (HR).

- **Displaying Documents**

  Choose *Extras* → *DME attributes* and then *Environment* → *Display documents*. By selecting *Choose*, you branch into the selected payment document.

- **Displaying the transferred data after receiving and entering the account statement**

  To do this, choose *Extras* → *Bk transact.attribs* from the DME administration overview screen. If your electronic account statements are processed automatically, then the system fills in the fields within the *Account statement* group.

- **Printing the payment summary for the selected data medium**

  To do this, choose *Extras* → *Payment summary* from the DME administration overview screen.

- **Creating a payment advice note**

  If you do not use the automatic transfer of electronic account statements but instead enter the account statement data manually, you can simplify this work by means of payment advice notes within DME administration.

  You can create a payment advice note for a specified data medium using *Environment* → *Generate doc.pmt adv*. You can enter this payment advice number at a later stage when clearing the bank clearing account. During clearing, the system then only proposes those open items which belong to the payments specified in the payment advice.

  You can find more information on the use of this function in Great Britain, (for the creation of a Telepay file, for example) in the documentation of report RFFODTA1.

Wage and Salary Payments by Check

Purpose

The system uses this process to print the wage and salary checks for your employees. Furthermore, you can print a payment summary which lists the individual payments. You can use the payment summary to, amongst other things, post the wage and salary payments manually to *Financial Accounting*.

Process Flow

1. The preliminary program DME [Page 80] evaluates the entries in the *Payment Information* table (BT) in the payroll results for the employees, and creates a payment run which contains the payment data.

2. The payment medium program [Ext.] for check printing evaluates the payment data and prints the checks and the payment summary.

3. The system stores information on the checks created, in the check management [Ext.].

The following graphic shows the process flow of wage and salary payments by check.
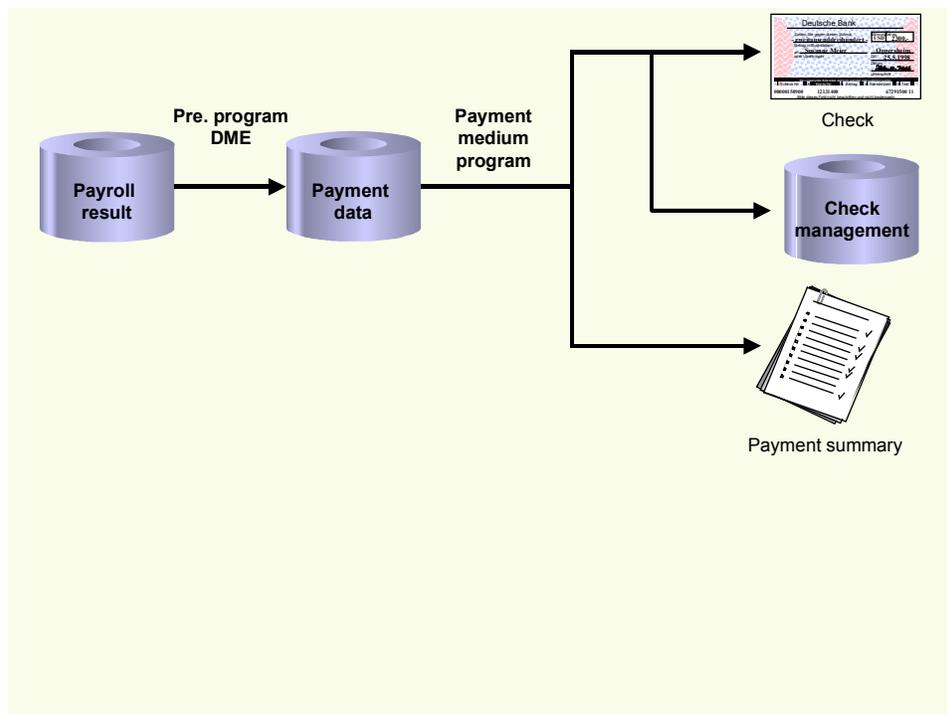
Evaluating Payroll Results

Procedure

1. Start the preliminary program DME [Page 80].

2. Make the required entries for *Payroll period*, *Selection* and *Wage types*.

3. Select the *Set flag for transfers* indicator (see Preliminary Program DME [Page 80]), and select 🕒.

    The system produces statistics on the personnel numbers evaluated and the entries in the *Payment Information* table (BT).

4. Make a note of the program run date and the six-digit identification feature. You will have to enter these values at a later stage on the selection screen of the payment medium program, which you use for printing checks [Page 92].

Result

The system evaluates the payroll results for the employees you selected, and saves the payment information as payment data to the database.

Printing Checks

Procedure

1. Start the *International Payment Medium - Check (with check management)* program (Report RFFOUS_C).

2. Enter the *program run date* and the *identification feature* of the payment run to be processed.

3. In the *Print control* section, select the *Print checks* and *Print payment summary* indicators.

4. Enter the additional necessary data, and choose 🕒.

Result

The system evaluates the payment data for the payment run you entered, and prints the checks and the payment summary. Moreover, the system creates the payment summary for the checks that have been created, and stores the information on these checks in the Check Management [Ext.].

Cash Payment with Cash Breakdown List

Purpose

The system uses this process to provide all the information you need to pay the wages and salaries, in cash, to your employees. The system creates:

- A cash breakdown list, in the payroll currency, with the number of bank notes and coins you need for the cash payment

- A payment list that lists the individual payments for each employee

- A list of signatures that the employee can sign after receiving the cash payment

In contrast to the other payment processes that the R/3 System offers for wage and salary payments, no data is stored or changed in your system when you use the cash payment with cash breakdown list process. Only the lists mentioned above are created when you use this process.

Prerequisites

You have not entered any payment method in the *Bank Details* infotype (0009).

If the *Payment Method* field in the *Bank Details* infotype (0009) is blank, the system stores the payment amount in the *Cash Payment* wage type (/557) in the *Results Table* (RT) in the payroll results for the employees, during the payroll run.

The system does **not** store the *Cash Payment* wage type (/557) in the *Payment Information* table (BT).

Process Flow

The *Cash Breakdown List* program (Report RPCMLI00 or RPCMLI09) evaluates the entries in the *Results Table* (RT) in the employee's payroll results, for the wage type you entered on the program selection screen in the *Wage Type of Net Amount* field. It then creates the following lists:
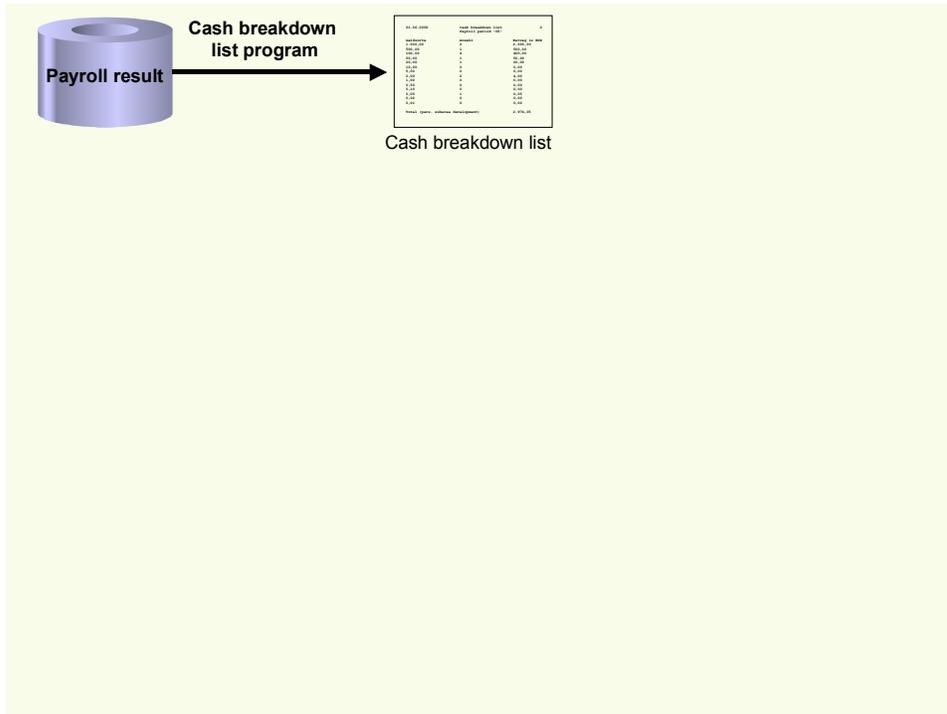
- Cash breakdown list

- Payment list

- List of signatures

If you use the Off-Cycle Activities [Ext.] component, use report RPCMLI09. If you do not use the *Off-Cycle Activities* component, use report RPCMLI00.

The following graphic shows the process flow of cash payments with a cash breakdown list.

Cash Payment with Cash Breakdown List

Cash breakdown list

PY-MY Reporting

Purpose

This component enables you to create reports and statistics.