

## Maintenance of Planned Compensation (Transaction PO13)

### Description:

SAP requires that employees be identified as hourly or bi-weekly salaried for payroll purposes. This requires that compensation structures (pay grades and pay scales) be set up as hourly or bi-weekly salaried as well.

In Personnel Administration, pay for employees in jobs associated with pay scales is correctly calculated in SAP based on the employee subgroup. SAP allows basic pay for employees in pay scales to switch between the hourly and salaried wage types based on the employee subgroup. However, although there have been both bi-weekly salaried rates and hourly rates set up for pay grades, SAP is not set up to automatically switch between the two based on the employee's attributes.

Basic pay for employees is based on the compensation structure passed to Personnel Administration (PA) from Organizational Management (OM). This structure is generally retrieved from the employee's job's Planned Compensation infotype (1005); however, in exceptional cases, maintenance of the Planned Compensation infotype on the position is required in order to overwrite the entry in the employee's Organizational Assignment (0001) infotype and ensure accurate employee pay in PA.

While the majority of employees correctly inherit a bi-weekly salary in Personnel Administration Basic Pay (IT 0008), when working in a job associated with a pay grade, there are exceptions which need to inherit an hourly rate in order to receive the correct pay. The exceptional cases which require the Planned Compensation infotype to be maintained on employee positions affects:

- Retirees
- Casual-other employees
- Part-time (regular, at-will, temporary) employees in jobs assigned to pay grades

In order to correctly pay these employees, an hourly pay grade needs to be inherited in Basic Pay. This is done by creating a Planned Compensation infotype on the employee's position (SAP checks the attributes of the position before the attributes of the job for inheritance; if data is maintained on both the position and job, the position's data is used).

The hourly pay grade on the position relates directly to the position's classified job unless the employee is in an exceptional situation and is working in an underfill, overfill or lateralfill situation. In this case, the planned compensation needs to reflect the employee's working job, which is different from the job related to the position (B007 relationship).

### Process Flow:

