

Payroll in the SAP System



Release 4.6B



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Payroll in the SAP System

Purpose

You can use this component to calculate the remuneration for work done for each employee.

However, *Payroll* does not just involve the calculation of remuneration, but consists of a variety of processes that are becoming increasingly important due to the employer's increased obligation to supply benefits and medical welfare. These benefits are products of:

- Labor law
- Tax law
- Contribution law
- Benefits law
- Civil law
- Reporting law
- Information law
- Statistics law

Integration

Payroll can be integrated in *Personnel Administration*, *Time Management*, *Incentive Wages and Accounting*:

- Standardized data retention enables you to use master data and other payroll relevant data from *Personnel Administration*.
- Time data, entered via *Time Management*, is automatically included in the *Payroll* and is valuated during the payroll run.
- Data from the *Incentive Wages* component is used to calculate piecework wages and premium wages directly in *Payroll*.
- Information on expenses and payables from *Payroll* is posted for accounting directly in *Financial Accounting*, and you assign the costs to the appropriate cost center. You can also control the financial system of third-party providers.

Features

The System calculates the gross and net pay, which comprises the individual payments and deductions that are calculated during a payroll period, and are received by an employee. These payments and deductions are included in the calculation of the remuneration using different [wage types \[Ext.\]](#).

After the remuneration payroll you can carry out various subsequent activities, for example, you can see to remuneration payment or the creation of various lists, and make evaluations.

Setting Several Decimal Places

Setting Several Decimal Places

Use

The regular remuneration calculation would be too inaccurate for hourly wage earners in your company, who, for example, earn 5 1/8 an hour in accordance with the collective agreement. For this reason, the SAP system offers you the option of calculating hourly wages with several decimal places. You can use this setting for every individual pay-scale area.

Integration

The hourly wages (rate) can also be printed on the employee's remuneration statements with the defined number of decimal places.

Prerequisites

In *Personnel Administration Customizing*, under *Payroll data* → *Basic pay* → *Define hourly rates with several decimal places*, you have set up a currency that the system should use in payroll.



If you do not use this function from the start, all the payroll results must be converted, otherwise errors will occur during retroactive accounting. SAP delivers country-specific reports for this purpose.

In *Payroll Customizing*, under *Define hourly wages with several decimal places*, you have modified the payroll schema in such a way that the currency is included for every wage type during payroll.

Features

In the *Basic pay* infotype (0008), you can enter wage type amounts with several decimal places. During payroll, the currency fields in the internal tables are filled out. In the case of time wage types, the system calculates using the exact value.

Before the tax shares of remuneration are calculated, the system rounds off the amounts to the usual number of decimal places. You can determine the type of rounding-off.