

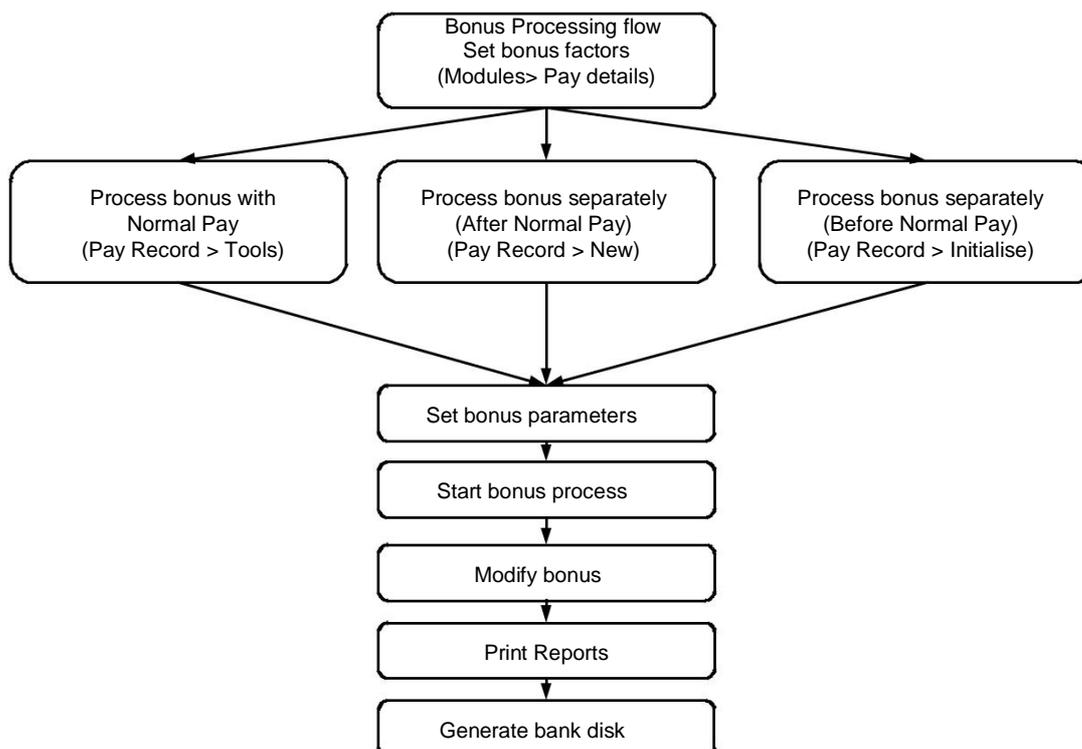
Bonus Processing

Bonuses are inserted as pay elements. This means bonuses can be processed using several methods.

Insert as a pay element (tools method)

New Pay Record Method

Initialise Method



In all three methods the bonus is inserted as a free method pay element. Both the New Pay Record Method and the Initialise Pay Period Method results in a separate pay record named Bonus pay containing the pay element you have selected.

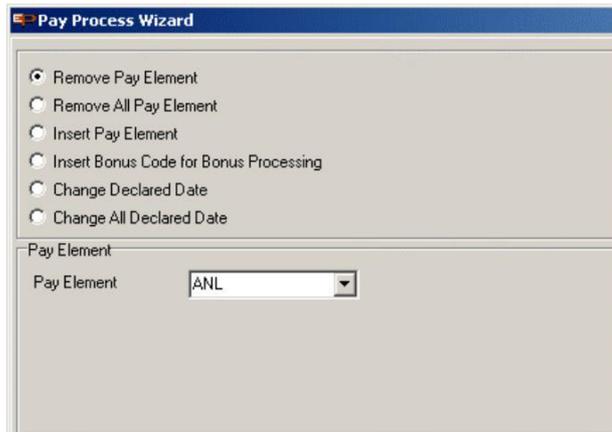
Process bonus - with normal pay

This is inserting a bonus pay element into the Normal Pay record using the Tools method.

To process bonus with normal pay

- 1 Select Pay Processing > Pay Record. The Pay Record window appears.
- 2 Select the employee pay records.

- 3 Click on the Tools button. The Pay Process Wizard window appears.



- 4 Select the option Insert Bonus Code for Bonus Processing.
- 5 Set the bonus code.
- 6 Click on the Next button.
- 7 Set the Bonus Parameters*.

*To use previous bonus parameters, click the Cancel button.

- 8 Click on the Save button.
- 9 Click on the Confirm button. After processing a button labelled Advance Report appears below the log. If this is a Trial Run, click on this button to preview the results.

Process bonus - after normal pay

This is the New Pay Record method with Bonus as the record type.

To process bonus after normal pay

- 1 Select Pay Processing > Pay Record. The Pay Record window appears.
- 2 Click on the New button.



The Pay Process Wizard window appears.

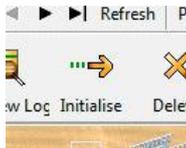
- 3 Select the Pay Group, set the record type as Bonus Pay and select the Bonus code.
- 4 Click on the Next button.
- 5 Set the Bonus Parameters.
- 6 Click on the Save button.
- 7 Select the employee records
- 8 Click on the Confirm button.

Process bonus - before normal pay

This is the Initialise Pay Period Method with Bonus Pay as record type.

To process bonus before normal pay

- 1 Select Pay Processing > Process Pay. The Process Pay window appears.
- 2 Click on the Initialise button.



The Pay Process Wizard window appears.

- 3 Select the Pay Group, set the record type as Bonus Pay and select the Bonus code.
- 4 Click on the Next button.
- 5 Set the Bonus Parameters.
- 6 Click on the Save button.
- 7 Select the employee records.
- 8 Click on the Confirm button.

Bonus Parameters

The Bonus Pay parameters are options linked to a identity code for reporting purposes.

The following table contains additional information on the fields on the Pay Process Wizard with Bonus Pay loaded.

Field name	Description
Bonus report ID	Required. A report ID serves two purpose (1) storing parameters (2) reporting payments made. Any change in the existing ID will result in previous data (for the report) being lost.
Description	Optional. Additional information on this bonus.
Bonus payment Period	Optional. The validity period for this bonus.
Declared Date	Required. The declaration date for taxation purposes.

General tab

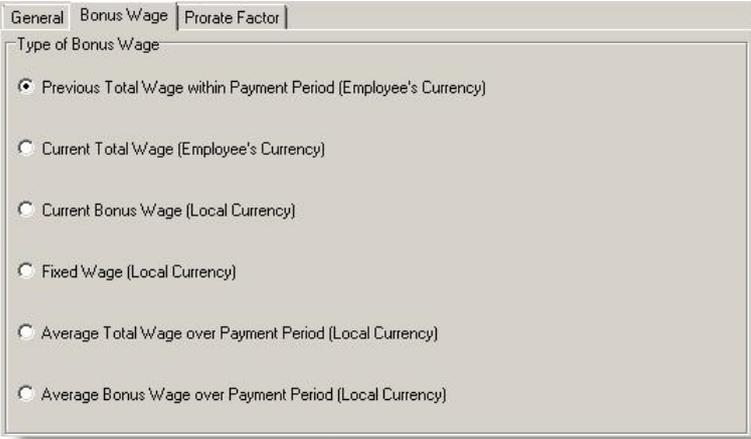
The screenshot shows the 'General' tab of a software interface. At the top, there are three tabs: 'General', 'Bonus Wage', and 'Prorate Factor'. The 'General' tab is active. Below the tabs, there is a section titled 'Trial Run' with a checkbox. Underneath, there is a section titled 'Type of Bonus Factor' with three radio button options: 'Pay Detail's Bonus Factor' (selected), 'System Defined Bonus Factor', and 'Appraisal Bonus Factor'. Below this, there is a section with three checkboxes: 'To include for terminated employee', 'To include for future terminated employee', and 'To include for not confirmed employee'. At the bottom, there are two more checkboxes: 'CPF Deduction (not applicable to last Sub Period)' and 'Round only at final amount' (which is checked).

The following table contains additional information on the General tab for the Process Pay wizard with Bonus loaded.

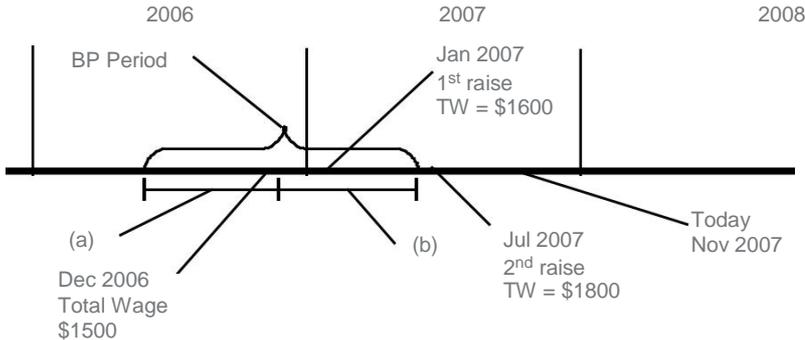
Field	Description
Trial Run	Optional. No bonus records are inserted. It allows you to preview the bonus calculation.
Bonus factor	Required. Employment Details bonus factor. Uses the employee specific bonus factor. (Modules > Pay details). Use this if you have different factors for each employee. System Defined Bonus factor. Select this option and type in the bonus factor in fractions, i.e. 0.25 as 25%. Appraisal Bonus factor. Linked to HR Module's appraisal records. Employee specific.
To include for terminated employees	Optional. Include employees whose cessation dates are within the bonus payment period.
To include for future terminated employees.	Optional. Include employees whose cessation dates are later the bonus payment end-period.
To include for not confirmed employees	Optional. Include employees who have not been confirmed within the bonus payment period.
Round at final amount	Optional. Applicable for multiple bonus payments.
CPF Deduction	Optional. Select this check box to allow for CPF deduction for the bonus within the current sub period.

Bonus Wage tab

The following contains additional information on the Bonus Wage tab.



Example



Bonus Payment Period: Jul 2006 to Jun 2007.

Field	Description
Previous Total Wage within Payment Period	<p>Within the bonus payment period, use the previous total wage for bonus calculation.</p> <p>In the example, this would be \$1500.</p>
Current total wage	<p>Use the current total wages for bonus calculation</p> <p>In the example, this would be \$1600.</p>
Current bonus wage	<p>Current total wage plus any bonus pay elements (i.e. with property "Subject to bonus").</p>
Fixed wage	<p>Set a fixed wage for bonus calculation.</p>
Average total wage over payment period	<p>Within the bonus payment period, the average total wage is computed and used in the bonus calculation.</p> <p>Paid total wage:</p> <p>July 2006 to Dec 2006 = 1500*6 = 9000.00</p> <p>Jan 2007 to June 2007 = 1600*6 = 9600.00</p> <p>Average Total wage = (9000 + 9600)/12 = 1550.00</p>

Average bonus wage over payment period

Average total wage plus bonus pay elements (i.e. with property "Subject to bonus").

Prorate factor tab

The following table contains additional information on the fields available on the Prorate Factor tab.

Field	Description
Employee Service Period	<p>Prorate by the working months within the bonus payment period.</p> $\text{Bonus} = \left(\frac{\text{Service Months}}{12} \right) \times \text{Bonus factor} \times \text{Salary}$ <p>Service period cut off day – Determine the cut-off day to account for bonus within that period.</p> <p>For example, '15'. Employees hired from the 1st to 15th of that month will be included. Employees hired from 15th to the end will not be included.</p> <p>Cut off period as service month – Determine whether the cut-off period constitutes as 1 service month, or 0.5 months, or any other ratio.</p>
Employee Working Day	<p>Prorate by the number of working days within the bonus payment period.</p> $\text{Bonus} = \left(\frac{\text{Days worked}}{\text{Total working days for the year}} \right) \times \text{Bonus factor} \times \text{Salary}$ <p>OR</p> $\text{Bonus} = \left(\frac{\text{Days worked} - \text{Prorate factors}}{\text{Total working days for the year}} \right) \times \text{Bonus factor} \times \text{Salary}$ <p>Where prorate factors consist of hire date, cessation date, no pay leave and so on.</p>
Calendar Days	<p>Prorate by the calendar days within the bonus payment period.</p> $\text{Bonus} = \left(\frac{\text{Calendar days}}{365} \right) \times \text{Bonus factor} \times \text{Salary}$ <p>OR</p> $\text{Bonus} = \left(\frac{\text{Calendar days} - \text{Prorate factors}}{365} \right) \times \text{Bonus factor} \times \text{Salary}$