

Payroll Glossary

Concept	Description
Additional Payment	An off cycle payment made in addition to a worker's scheduled on cycle payment. You can process additional payments as part of a manual payment or on demand payment.
Balance Period	The period of time, such as current period, month-to-date, quarter-to-date, or year-to-date, over which Workday calculates a pay component value.
Compensation Element	<p>The smallest unit of compensation for a worker in a specific position. Workday uses compensation elements to determine the amount, currency, frequency, and other attributes of a worker's compensation.</p> <p>Compensation elements are linked to compensation plans. For example, Base Pay, Car Allowance, and Commission can be mapped to any compensation plan, but not to merit plans.</p> <p>A Compensation Element Group is a collection of compensation elements. For example, the group Standard Base Pay can be composed of multiple compensation elements. Compensation elements do not need to be grouped, and groups are optional.</p> <p>Payroll earning codes linked to a compensation element allow Workday Payroll and Payroll Interface to include the applicable compensation in payroll. See the Compensation Element tab on Create Earning.</p>
Forward Accrual	Estimates payroll payments to be made in a future payroll period that spans two financial reporting periods.
Gross-to-Net Proration	Proration of a worker's gross-to-net pay as a result of certain mid-period changes, such as a change in tax authorities, that creates sub-periods. Gross-to-net proration results in a separate payment for each gross-to-net sub-period.
Manual Payment	An off cycle calculation that records check or cash payments made outside Workday Payroll.
Nonactive Worker	A worker with a status of <i>Terminated</i> or <i>On Leave</i> for payroll processing purposes. A run category can define rules for processing nonactive workers.
No Retro Processing Prior To Date	The earliest date that Workday can process supported retroactive changes for a worker.
Off Cycle	An unscheduled payroll run, such as manual, on demand, or reversal. Enables you to issue additional or replacement payments.
On Cycle	A scheduled payroll run.
On Demand Payment	An off cycle payment that replaces, or is issued in addition to, a worker's on cycle pay.
Pay Accumulation	Returns values used in gross to net pay calculations. Sums (can add and subtract) the value of a group of earnings, deductions, pay component-related calculations (PCRCs), pay component groups, and other pay accumulations. Workday delivers several predefined pay accumulations, such as Federal Taxable Wages by Company and Local Withholding Subject Wages by Company.

Pay Component	An earning (such as base salary or bonus) or deduction (such as federal withholding taxes or medical) that applies to a worker's gross-to-net pay calculation or tax liability.
Pay Component Group	A collection or combination of related earnings, deductions, or pay component related calculations that are combined to simplify payroll calculations. Workday provides several pay component groups, such as Employer-Paid Benefits, Pre-Tax Deductions, and Federal Taxable Wages which you can modify, and you can create your own tenanted pay component groups, such as 401(k) Eligible Wages.
Pay Component Proration	The proration of an earning, deduction, or pay component related calculation in response to a mid-period change to a worker's compensation. Workday can proportionately calculate the pay component for each sub-period.
Pay Component Related Calculation	<p>A related calculation that is used in the definition of an earning or deduction.</p> <p>For example, the earning, <i>Hourly Pay</i>, uses a calculation of <i>Hours (unprorated) x Rate</i>. Assigning the related calculations of <i>Hours (unprorated)</i> and <i>Rate</i> to the earning, forms two new pay component related calculations.</p>
Pay Group	A group of workers defined to have their pay calculated and processed together. Workers in a pay group must share the same period schedule.
Pay Group Detail	The combination of a run category and period schedule defined for a pay group, such as a regular run category and weekly period schedule. A pay group can have more than one set of pay group details.
Payment Elections	Control how to pay workers for each type of pay that they receive, such as regular payments and bonus payments. They also control how to handle expense reimbursements for workers. Payment elections designate the payment type (check or direct deposit), account information for direct deposits, payment order, and the distribution of balance for split payments.
Payroll Effect	An option available in Workday Absence Management to stop paying workers while on leave. You can configure a run category to pay workers on certain leave types when the Payroll Effect option is enabled for the leave type.
Payroll History	Payments made to employees before using Workday Payroll, that are loaded into Workday to establish starting balances for workers.
Payroll Input	Rates, units, amounts, or other values that you enter manually or load into Workday Payroll for a worker's on cycle or off cycle run. Sometimes referred to as <i>worker input</i> .
Pay Rate Type	Defines whether the worker is paid a salary or a certain amount per unit of time, for example, hourly or weekly. Defined by country and associated with job profiles and, by extension, with employees in that job profile.
Pay Run Group	A convenience feature used to process multiple pay groups with the same period schedule at the same time. When adding a pay group to a pay run group, you select which of the pay group's run categories to include. The selected run categories must share the same schedule.
Payroll Reporting Code	Codes assigned to workers to capture information for quarterly state tax filing or new hire reporting. For example, unit codes for Minnesota or branch codes for California.
Payslip	Online or printed summary of an employee's gross-to-net earnings. Also referred to as a pay stub.
PCRC	See pay component related calculation.

Period Schedule	Defines when and how often to process payroll. Defines payment dates and forward accruals, using a Period Start Date, Period End Date and Payroll Payment Date. You can associate period schedules with any run category or pay group with the same payment frequency.
Proration	Used to create sub-periods when there is a change in the workers compensation mid-period. Proration is set up on the Calculation Details tab of Create Earning or Create Deduction and the Compensation Element tab of Create Earning. Can be based on calendar days on days worked (work shift).
Related Calculation	A calculation that returns a value, such as hours, rate, or percent, that can be used to resolve earnings and deductions, to display on pay results, or for other calculation purposes. See also: pay component related calculation.
Replacement Payment	An off cycle payment that replaces a worker's on cycle payment in a period that is in progress or not yet started. You can process replacement payments as part of a manual payment or on demand payment.
Reversal	An off cycle calculation that reverses the results of a completed pay calculation for a worker.
Run Category	Defines a type of payroll run, such as regular or bonus. Specifies criteria for processing employees by status (<i>Active</i> , <i>Terminated</i> , <i>On Leave</i>), components to calculate automatically for on cycle and off cycle runs, whether a supplemental tax rate applies and other details. Run categories are assigned to pay groups.
Subject Wages	All of a worker's wages subject to a particular tax, including those for exempt positions and those that exceed a wage cap. See Taxable Wages.
Sub-Period	Created when there is a change in a worker's compensation mid-period. Payments are prorated over each sub-period according to the change in compensation and the settings on the Compensation Element tab of Create Earning.
Supplemental Earning	Any compensation paid in addition to an employee's regular wages that includes, but is not limited to, severance or dismissal pay, vacation pay, back pay, bonuses, moving expenses, overtime, taxable fringe benefits, and commissions. In Workday, only supplemental earnings can be grossed-up.
Supported Retro Transaction	A type of transaction entered for a prior period, such as a retroactive compensation change, for which the Retro Pay Calculation process can automatically recalculate employee earnings and deductions.
Taxable Wages	All of a worker's wages subject to a particular tax, excluding those for exempt positions and those that exceed a wage cap. For example, in the U.S., OASDI has a wage limit of 110,100 for 2012. An employee with 2 positions and total wages of 200,000 (60,000 of which is for a position that is exempt from FICA) has subject wages of 200,000 and taxable wages of 110,100.
Unsupported Retro Transaction	A type of transaction entered for a prior period, for which Workday cannot automatically recalculate employee earnings and deductions. Workday identifies these transactions for you, so that you can manually enter the necessary adjustments.
Worker Eligibility	Used to identify whether, for whom, and what conditions to resolve an earning or deduction. On the Criteria tab of Create Earning and Create Deduction.
Worker Tax Elections	A worker's marital status, number of elections, exemption status, and other information, as specified through the Add Worker Tax Elections task.