

GUIDE TO BALANCE LOADS

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This document will outline the necessary steps to perform a balance load for Oracle Payroll. Balance loads are necessary when implementations are done during mid-year, or you must add a newly purchased company before the start of a new calendar year.

Before attempting to understand balance loads, you should read carefully the technical document in the essay section of the HRMS Implementation guide that discusses balances and balance loads. This document should be a supplement to these essays and not a replacement.

This document assumes that you have mapped Oracle earning and deduction elements to your legacy earning and deductions. This means that you have assigned tax categories to each of your legacy elements. This is very important since we will use these tax categories to determine how we will load the tax balances.

The first step in analyzing the requirements of a balance load is to study the Tax Withholding Rules screen. It is imperative that this screen is completed correctly and is completely understood. It has three main sections – Supplemental Earnings, Imputed Earnings and Pre-Tax Deductions. The tax engine of Oracle uses entries on this screen to determine how earnings should be taxed and how to handle pre-tax deductions for all taxes, federal, state and local. Below is an example of the Supplemental Earnings section for the Federal Level taxes:

The screenshot shows the 'Taxability Rules' window with the following settings:

- Primary Classification:** Supplemental Earnings (selected), Imputed Earnings, Pre-Tax Deductions
- Level:** Federal (selected), State, County, City

The **Federal** section contains a list of Tax Categories and a **Subject To** table. The table columns are FIT (Not Withheld, Withheld), EIC, FUTA, Medicare, and SS.

| Tax Category | FIT | | EIC | FUTA | Medicare | SS |
|-------------------------------|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Not Withheld | Withheld | | | | |
| Dismissal Payments | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Educational Assistance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Jury Duty Pay | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Moving Expense - NonQualified | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Moving Expense - Qualified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Pensions/ Annuities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| SNWH | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sick Pay | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Travel Expense Reimbursement | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Vacation Pay | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

As stated above these screens will drive which legacy earnings and deductions will go into the Oracle tax-related balances. We will first look at the required Federal level tax balances.

Federal Level

- **Gross Earnings** – All earnings, including imputed earnings.
- **Supplemental Earnings for FIT** - Oracle allows you to separate your legacy earnings between Regular earnings and supplemental earnings. Once you go live with Oracle, the system will track these earnings separately. For the sake of balance loads, however, you can load all of your earnings to one or the other. I have elected to load all earnings to the Supplemental earning balances. In this balance you should include all regular earnings and all supplemental earnings whose tax category has the FIT Withheld box checked on the Tax Withholding screen above. (e.g. you would include earnings with the tax category of Jury Duty pay, but would **not** include earnings with tax category SNWH in the example above).
- **Supplemental Earnings for NWFIT** - Include only Supplemental or Imputed earnings whose tax category has the FIT Not Withheld boxed checked. This is normally imputed earnings (e.g. imputed earnings from a Group Term Insurance benefit plan). The sum of the two balances above will map to the Subject Wages box on the FIT screen when you query an employees Tax Balances through the Tax Balances screen in Oracle. The number you load in this balance will map to the Subj Not Whable balance on the same screen.
- **Def Comp 401k** – Include all pre-tax deductions whose tax category is Deferred Comp 401k. Normally, this is your 401k plan employee deductions and any other salary deferred compensation earnings.
- **Dependent Care** – Include all pre-tax deductions whose tax category is Dependent Care 125.
- **Section 125** – Include all pre-tax deductions whose tax category is Healthcare 125. Normally, this is the sum of all of your Section 125 pre-tax benefit plan employee deductions.
- **FIT Withheld** – What you expect, this is the total of FIT (Federal Income Tax) you have withheld from the employee.
- **Supplemental Earnings for FUTA** – Include all regular earnings and all supplemental and imputed earnings whose tax category has the Subject to FUTA boxed checked on the Tax Withholding screen. This amount will map to Subject Wages on the FUTA screen when you query an employees Tax Balances through the Tax Balances screen in Oracle.
- **Def Comp 401K for FUTA** – This is where things start getting confusing. Oracle will automatically reduce the Subject wages above by the amount loaded in the Def Comp 401k balance above. If you have any Def Comp 401k pre-tax deductions that are subject to FUTA (i.e. the Subject to FUTA box is checked in the Pre-Tax Deductions region on the Tax Withholding screen for Deferred Comp 401k), include them in this balance. Oracle will subtract this amount from the Def Comp 401k balance before reducing the Subject Wages for FUTA. Apply this same logic for Section 125 and Dependent Care, if applicable. If the amount is zero, do not load these balances.
- **FUTA Taxable** – This is the amount of subject wages that is taxable for FUTA (Federal Unemployment Tax). It must not exceed the maximum limit, currently set at \$7,000. For example, if John Doe has earned \$10,000 of subject wages for FUTA, only load 7000. If Jane Adams has only earned \$6,500 of subject wages for FUTA, load in 6500.
- **FUTA Liability** – This is the employer liability for FUTA for this employee. Take the number loaded above and multiply it by your liability rate. Currently, the federal rate is 5.4%. However, most companies take the allowable credit that takes this rate down to 0.8%. Use the

actual rate you are currently using. Notice that Oracle maintains FUTA liability at the employee level. You may need to calculate this amount if your current system does not track this liability at the employee level.

- **Supplemental Earnings for Medicare** – Include all regular earnings and all supplemental and imputed earnings whose tax category has the Subject to Medicare boxed checked on the Tax Withholding screen. This amount will map to Subject Wages on both Medicare screens (EE and ER) when you query an employees Tax Balances through the Tax Balances screen in Oracle.
- **Def Comp 401k for Medicare** – Same as it was for FUTA. If you have any Def Comp 401k pre-tax deductions that are subject to Medicare (i.e. the Subject to Medicare box is checked in the Pre-Tax Deductions region on the Tax Withholding screen for Deferred Comp 401k), include them in this balance. Oracle will subtract this amount from the Def Comp 401k balance before reducing the Subject Wages for Medicare. Apply this same logic for Section 125 and Dependent Care, if applicable. If the amount is zero, do not load these balances.
- **Medicare EE Taxable** – This is the amount that is taxable for Medicare for the employee. It is normally the Subject Wages for Medicare with the allowable reductions (Def Comp, Dependent Care and Section 125 where applicable). Since this tax once had a limit, it has the same appearance as the tax bodies that still have limits.
- **Medicare ER Taxable** – Normally the same number as above. Oracle tracks the employee and employer parts of Medicare separately.
- **Medicare EE Withheld** – Amount that was withheld from the employee for Medicare. This does not include Social Security.
- **Medicare ER Liability** – Normally, the same number as above. This is the employer liability portion of Medicare for this employee.
- **Supplemental Earnings for SS** - Include all regular earnings and all supplemental and imputed earnings whose tax category has the Subject to SS (Social Security) boxed checked on the Tax Withholding screen. This amount will map to Subject Wages on both SS screens (EE and ER) when you query an employees Tax Balances through the Tax Balances screen in Oracle.
- **Def Comp 401k for SS** – Same as it was for FUTA. If you have any Def Comp 401k pre-tax deductions that are subject to SS (i.e. the Subject to SS box is checked in the Pre-Tax Deductions region on the Tax Withholding screen for Deferred Comp 401k), include them in this balance. Oracle will subtract this amount from the Def Comp 401k balance before reducing the Subject Wages for SS. Apply this same logic for Section 125 and Dependent Care, if applicable. If the amount is zero, do not load these balances.
- **SS EE Taxable** – This is the amount that is taxable for Medicare for the employee. It is normally the Subject Wages for Medicare with the allowable reductions (Def Comp, Dependent Care and Section 125 where applicable). As it was for FUTA Taxable, only load amounts up to the limit. Do not exceed the maximum amount.
- **SS ER Taxable** – Normally the same number as above. Oracle tracks the employee and employer parts of Medicare separately.
- **SS EE Withheld** – Amount that was withheld from the employee for SS.

- **SS ER Liability** – Normally, the same number as above. This is the employer liability portion of Medicare for this employee.
- **EIC Balances** – Follow the same logic for any employees who have EIC related balances.

State Level

State level tax balances are loaded in a similar manner. Since each state has different rules concerning pre-tax deductions, you must carefully analyze the tax withholding rules for each state. For example, one state may allow you to reduce subject wages by 401k deductions (e.g. Ohio), while another (e.g. Pennsylvania) does not. Therefore, you must treat each state separately when you are preparing the state related balances. Each of these balances require a jurisdiction code to designate the state that is being processed. Below is a list of the more common state level balances:

- **SIT Gross** – Gross earnings, including imputed income, that was earned in this state. For employees who earn wages in multiple states, you must supply multiple occurrences of this balance with its respective jurisdiction code. The sum of all SIT Gross balances should tie to the Gross Earnings balance loaded above.
- **SIT Subj Whable** – This balance includes all regular earnings earned in the state plus all supplemental earnings whose tax category has the SIT Withheld box checked on the Tax Withholding for the respective state.
- **SIT Subj Nwhable** - This balance includes all regular earnings earned in the state plus all supplemental earnings whose tax category has the SIT Not Withheld box checked on the Tax Withholding for the respective state.
- **SIT 125 Redns** - Include all pre-tax deductions whose tax category does not have the Section 125 box checked under the Subject To SIT column in the Pre-Tax Deduction section on the Tax Withholding screen for the respective state. This is the amount that should be subtracted from subject wages for Section 125 pre-tax deductions. Once again, only include the deductions processed while the employee was working in this state.
- **SIT 401 Redns** - Include all pre-tax deductions whose tax category does not have the Deferred Comp 401k box checked under the Subject To SIT column in the Pre-Tax Deduction section on the Tax Withholding screen for the respective state. This is the amount that should be subtracted from subject wages for Deferred Comp 401k pre-tax deductions. Once again, only include the deductions processed while the employee was working in this state.
- **SIT Withheld** – Actual state income tax withheld while the employee was working in this state.
- **SUI EE Gross** – This balance tracks gross wages for State Unemployment Insurance for states that require employee deductions. Do not load any SUI EE balances if the state only require employer liability payments. It includes gross earnings, including imputed income, that was earned in this state. For employees who earn wages in multiple states, you must supply multiple occurrences of this balance with its respective jurisdiction code. The sum of all SUI EE Gross balances should tie to the Gross Earnings balance loaded above.
- **SUI EE Subj Whable** - This balance includes all regular earnings earned in the state plus all supplemental earnings whose tax category has the Subject to SUI box checked on the Tax Withholding for the respective state.
- **SUI EE 125 Redns** – Include all pre-tax deductions whose tax category does not have the Health Care 125 box checked under the Subject To SUI column in the Pre-Tax Deduction

section on the Tax Withholding screen for the respective state. This is the amount that should be subtracted from subject wages for Section 125 pre-tax deductions. Once again, only include the deductions processed while the employee was working in this state.

- **SUI EE 401 Redns** - Include all pre-tax deductions whose tax category does not have the Deferred Comp 401k box checked under the Subject To SUI column in the Pre-Tax Deduction section on the Tax Withholding screen for the respective state. This is the amount that should be subtracted from subject wages for Deferred Comp 401k pre-tax deductions. Once again, only include the deductions processed while the employee was working in this state.
- **SUI EE Taxable** – This balance is the SUI EE Subj Whable balance reduced by the amounts in the SUI EE 125 Redns and SUI EE 401 Redns up to the limit for this state. This amount must not exceed the SUI limit for this state.
- **SUI EE Withheld** – Actual amount withheld from the employee for State Unemployment.
- **SUI ER Gross** – This is the employer liability portion of State Unemployment Insurance. It includes gross earnings, including imputed income, that was earned in this state. For employees who earn wages in multiple states, you must supply multiple occurrences of this balance with its respective jurisdiction code. The sum of all SUI ER Gross balances should tie to the Gross Earnings balance loaded above.
- **SUI ER Subj Whable** - This balance includes all regular earnings earned in the state plus all supplemental earnings whose tax category has the Subject to SUI box checked on the Tax Withholding for the respective state.
- **SUI ER 125 Redns** – Include all pre-tax deductions whose tax category does not have the Health Care 125 box checked under the Subject To SUI column in the Pre-Tax Deduction section on the Tax Withholding screen for the respective state. This is the amount that should be subtracted from subject wages for Section 125 pre-tax deductions. Once again, only include the deductions processed while the employee was working in this state.
- **SUI ER 401 Redns** - Include all pre-tax deductions whose tax category does not have the Deferred Comp 401k box checked under the Subject To SUI column in the Pre-Tax Deduction section on the Tax Withholding screen for the respective state. This is the amount that should be subtracted from subject wages for Deferred Comp 401k pre-tax deductions. Once again, only include the deductions processed while the employee was working in this state.
- **SUI ER Taxable** – This balance is the SUI EE Subj Whable balance reduced by the amounts in the SUI EE 125 Redns and SUI EE 401 Redns up to the limit for this state. This amount must not exceed the SUI limit for this state.
- **SUI ER Liability** – This amount is the SUI ER Taxable balance multiplied by the SUI Experience rate for this state. Oracle tracks SUI Liability at the employee level.

Local Level

All local jurisdiction tax bodies are loaded in a similar manner. If you have deducted any local level taxes in the legacy system, then you must include these in your balance load. Follow the state level balances as a guide. Make sure you include the correct jurisdiction code with each balance.

Other Balances

Oddly enough, you do not need to specify year to date amounts for each of your earnings and deductions. However, if you want your Statement of Earnings to include these numbers in the year to date column, then you must load these in as well. Oracle automatically creates a balance with exactly the same name as the earning or deduction. Map your legacy amounts to these new Oracle balances. Other balances that you may need to include in your balance load are:

- **Net** – This balance holds net pay exclusive of non-payroll payments. You must supply this balance if you want your Statement of Earnings to tie.
- **Payments** – This balance holds net pay inclusive of non-payroll payments.
- **W2 BOX 13A through 13P, W2 BOX 14A through 14J, W2 Pension Plan** – You need to supply year to date amounts in these balances if you plan to use them on your W2 statements sent to employees. You must also update the balance feeds for these balances so that Oracle will track these numbers after you go live. A positive amount in the W2 Pension Plan balance will cause the W2 printing program to check the Pension Plan box. This balance is not needed if you have a 401k plan.
- **Pre Tax Deductions** – This balance stores the total of all of your pre-tax deductions. You must supply this balance if you want your Statement of Earnings to tie.
- **Other Deductions** – This balance stores the total of all deductions that are not tax deductions or pre-tax deductions. You must supply this balance if you want your Statement of Earnings to tie.
- **Tax Deductions** – This balance stores the total of all employee tax deductions. You must supply this balance if you want your Statement of Earnings to tie.

Once you have accumulated all of the earnings and deductions into the correct balances, you are now ready to load them into the Oracle tables. The two tables that must be loaded are PAY_BALANCE_BATCH_HEADERS and PAY_BALANCE_BATCH_LINES. Below are the fields that should be supplied for each table:

PAY_BALANCE_BATCH_HEADERS

| Field Name | Description |
|---------------------|--|
| BATCH_ID | Sequential number to uniquely identify a batch. |
| BUSINESS_GROUP_ID | Organization ID of your business group |
| PAYROLL_ID | Payroll ID for the payroll being loaded. All employees in this batch must be in the same Payroll |
| BATCH_NAME | Reference Name to help identify the batch |
| BATCH_STATUS | U (for unprocessed) |
| UPLOAD_DATE | Date effective for this balance load |
| BATCH_REFERENCE | Additional reference field, free form description |
| BATCH_SOURCE | Another reference field to help identify the source of the data |
| BUSINESS_GROUP_NAME | Name of Business Group from Organization Table |
| PAYROLL_NAME | Payroll Name (Name that was setup in Oracle) |

PAY_BALANCE_BATCH_LINES

| Field Name | Description |
|----------------------|--|
| BALANCE_DIMENSION_ID | Dimension ID for this balance (e.g. ID associated with Assignment within GRE Year to Date) |
| BALANCE_TYPE_ID | Balance Type ID of this balance. Retrieved from PAY_BALANCE_TYPES_F table |
| BATCH_ID | Batch Number from PAY_BALANCE_BATCH_HEADERS |
| BATCH_LINE_ID | Unique line id for this record. Usually a sequential number in this batch |
| BATCH_LINE_STATUS | U (for unprocessed) |
| VALUE | Amount to be loaded for this balance |
| ASSIGNMENT_NUMBER | Assignment Number for this employee |
| GRE_NAME | Name of GRE that this employee belongs to |
| JURISDICTION_CODE | Jurisdiction Code for State and Local level balances |
| TAX_UNIT_ID | Organization ID of the GRE that this employee belongs to |
| BALANCE_NAME | Name of balance. Must match to the BALANCE_TYPE_ID |
| DIMENSION_NAME | Name of dimension. Must match to DIMENSION_ID |

Once you have loaded these tables you can run the Initial Balance Structure Creation for this batch. This process will create the necessary elements that will be used to feed the referenced balances. When this completes successfully, you run the Initial Balance Upload process to first validate the batch and then transfer the amounts to the balances. Both of these processes are discussed in detail in the Implementation Manual. You can also reference a white paper titled “The Secret Life of Initial Balance Loads” in MetaLink that may also assist with your balance load.