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**Paying SxP and Oxp**

Payment and Offsetting Explained
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1 Organisation

1.1 Project Plan

The SxP and OxP solutions have been delivered in releases 46B and upwards.

1.2 Development Requests

There have been no particular Development Requests regarding Data-Take-On documentation or guidance for Absence Evaluation (SxP/OxP).

However, due to the increasing number of OSS messages generated as more customers try to use the new functionality, we have produced this document to assist you in better processing your Statutory and Occupational absences.

1.3 Important Note for Readers

This document is one of a series of three describing Statutory (SxP) and Occupational (OxP) absences in greater detail. We strongly recommend that you also consult the other documents in this series:

1. Absence Evaluation DTO: SxP and OxP Data-Take-On
2. Absence Evaluation Configuration: OxP Configuration Explained

You can download the latest versions of these three documents from the Payroll Great Britain Customer Page in the SAP Service Marketplace (http://service.sap.com/hrgb), under: Media Center -> Statutory and Occupational Absences.
2 Absence Payment Terminology

2.1 Occupational Absence Payments (OxP)

Occupational Absence Payments are driven by the entitlements specified in an employer’s OxP Scheme. The definition of these schemes and their effects on how the payroll will react are not covered in this document. This document deals with how the payments are actually generated and paid during the payroll.

OxP is SAP terminology for company payments for Sickness/Maternity/Adoption/Paternity absences.

2.2 Statutory Absence Payments (SxP)

Statutory Absence Payments are driven by the entitlements specified in legislation. The definition of these schemes and their effects on how the payroll will react are not covered in this document. This document deals with how the payments are actually generated and paid during the payroll.

SxP is SAP terminology for statutory payments for Sickness/Maternity/Adoption/Paternity absences.

2.3 Offsetting Absence Payments

Offsetting Absence Payments means that SxP is paid according to legislative rules and OxP paid according to a company’s specific rules. However, these payments also must comply with legislation concerning:

- When the two sets of payment are considered as being overlapping
- The amount paid in that overlapping period
- What payments can or cannot be offset during that period

Offsetting is SAP terminology for determining by how much an OxP payment must be reduced when SxP is paid. The OxP value is automatically reduced by the amount of the offset.
3 Offsetting Absence Payments (The Basics)

3.1 Legislative Offsetting Rules

3.1.1 Offsetting Period

The rules for offsetting are based on when SxP is paid and what SxP rate is paid on that day:

- SSP is paid on a daily basis and offset on a daily basis.
  The offsetting period for SSP is simply defined as the calendar day when the payment was made. For example, SSP may be paid on a Monday and therefore the offsetting period is also Monday.
- SMP is paid on a weekly basis and offset on a weekly basis.
- SAP is paid on a weekly basis and offset on a weekly basis.
- SPP is paid on a weekly basis and offset on a weekly basis.
  The offsetting period for SMP, SAP and SPP is defined as the calendar week ending with and including the payment date. For example, SMP is usually paid on a Saturday. So the offsetting week is from the previous Sunday up to the Saturday when the SMP payment is made. This is always a period of seven days.

3.1.2 Payment limits during the offsetting period

The amount of money that an employee receives when they are absent must not exceed the amount that they would normally be paid if they had worked.

3.2 Employer Offsetting Rules

3.2.1 Paying OxP in addition to SxP

In most cases, employers pay OxP in addition to SxP to the limit of Full Pay during the offsetting period. However, some customers do not do this and it is only the greater of the two that is paid.

1) If OxP is paid in addition to SxP then the minimum amount of OxP is offset against the SxP.
   Example: Full-Pay £100 per day. OSP = £50 per day. SSP = £12.65 per day. Therefore, the employee will receive OSP + SSP to a maximum of full pay. (That is, £62.65 = 50 + 12.65).

2) If OxP is not paid in addition to SxP then the maximum amount of OxP is offset against the SxP.
   Example, Full-Pay £100 per day. OSP = £50 per day. SSP = £12.65 per day. Therefore, the employee will receive the greater of OSP and SSP (That is, £50 = 37.35 + 12.65)

Some customers will decide whether the maximum or minimum amount of OxP should be offset depending on the SxP payment rate. [That is, SMP has two rates of payment, Upper (Earnings) Rate and Lower (Standard) Rate.]
The features GOFFA, GOFFM, GOFP & GOFFS have been provided to make these two options available for each of the SxP payments.

### 3.2.2 Limitation

There is currently no way for employers to vary the type of offsetting based on the OxP payment rate. (That is, customers that pay 90% OAP and then 50% OAP may wish to maximise the offset at 90% but minimise at 50%)

If you have this requirement, please raise this issue through the payroll user group. It is possible for SAP to add the decision fields necessary to make the decision based on the OxP valuation rule (T554C) that was being used.

### 3.3 SAP Offsetting (GBSXP Phase I)

SAP has made the following mandatory settings due the nature of the SxP payments and whether or not the SxP payment can be recovered by the majority of our customers.

SSP is notional and will only become an actual payment when both SSP and OSP are paid or when just SSP is paid.

SMP, SAP & SPP are actual payments and will always be treated as such.

### 3.3.1 SAP Offsetting (GBSXP Phase II)

The current approach to offsetting as described above is inconsistent and leads to problems when customers wish to identify exactly what has, and what has not been, paid to an employee in terms of OSP and SSP.

In the future, SSP will become an actual payment and in this way react in exactly the same way as the other three payments.

The benefits of this are that the payroll can have one approach that is simpler to understand and maintain. The counter arguments are that customers have normally kept SSP as a notional value in the past and are not used to having it as a payment.

The difference inside the payroll will not be significant. The wage type SSPP will always hold the value of SSP for the period and

The wage type OSPP will always hold the value of the OSP for the period. But now two wage types will be used to hold the amount of SSP payable in the period.

SSPP will hold the amount of SSP paid due to legislation. (i.e. when the OxP scheme does not pay enough).

SSPO will hold the amount of SSP paid due as part of the OSP Scheme rules (i.e. when the OxP scheme does pay enough, but SSP is paid in addition or as part of the OSP payment).

In this way customers can still ascertain which SSP payments are due to the employee receiving SSP in addition to OSP, and which are not. (That is, when SSP is an actual payment and when it is notional.)

Outside the payroll, the wage types SSPP and SSPO can be processed separately or combined with the wage type OSPP as a specific customer wishes.
4 Offsetting Absence Payments (The Detail)

The only really complex part of offsetting absence payments is when the offsetting period spans a pay period. In these cases, part of the OxP for the week is likely to have been paid in the previous period, whereas SxP is only paid in the current period. The following scenario shows this situation:

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<td>£50</td>
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Offset = Full Pay – ( SMP + OMP )
= 350 - ( 315 + 350 )
= - 315

Initially, it appears that during this week of maternity leave, the employee is paid £350, with SMP accounting for £315 of the £350 total and OMP the remainder. However, OMP has already been paid in the previous pay period which needs to be taken into account when the whole week is considered. This implies that although OMP should be £35 in the whole week, it is actually split as £150 and £115. (That is, the employee is “overpaid” in the previous period and then has the “overpayment” recovered in the next period).

The net result is that the payments in the week are split as £150 for the first three days and £200 for the last four. So, in fact, the processing does not deal with an over/underpayment, per se. In reality, a correct total payment split between two wage types is made.

4.1 The Implications of Weekly Offsetting

As the example in 4 shows, weekly offsetting implies that the whole of the SMP week must be consistent to be able to perform offsetting.

The same scenario as given above can be very different if June has not been processed due to Data-Take-On or due to migration to the new Absence Payment Solution part-way through an absence.
The checks performed during the offsetting functionality in the payroll function GBSXP ensure that this situation is does not arise.

### 4.1.1 Data-Take-On (GBSXP Phase II)

The new DTO offsetting wage types (i.e. TOFG, TOFM, TOFP, TOOG, TOOM & TOOP) allow customer to load the required values for OxP offsetting for the SxP week that overlaps the go live date. See the DTO documentation for more detail.

### 4.1.2 Migration to the Absence Payment Solution

If you have been live on SAP for some time then it is possible to migrate to the Absence Payment Solution without any great problems. However, it will be necessary to reprocess the whole of any Adoption, Maternity or Paternity absence through the payroll.

If you do not reprocess the whole of the Adoption, Maternity or Paternity absence, then it is quite possible that a “part week” data problem will arise as shown above. This may not take the form of missing data (as with the Data-Take-On problem above) but inconsistent data with the current solution (That is, the old solution did not use OxP rates factored by the payroll constant GENAU, and the new solution does). Unless the employee is fortunate enough to have pay periods that exactly match the SxP payment week dates, then there will be inconsistencies in the first payroll period run on the new solution.
4.2 The Payroll Structure MSA

SxP payments dictate the Offsetting Periods and so SxP payments drive the entries in the payroll structure MSA. In nearly all cases, the SxP payment marks are taken directly from NCALE. However, there are two cases that break this simple rule and were introduced as of April 2003: SAP or SPP weeks that are cut short by sicknesses that do not receive SSP payment.

The creation of NCALE works on the principle that one day will only ever need one “mark”. (That is, you are either absent due to Paternity or Sickness reasons, but not both). However, the legislation implies that on the payment date of an SAP or SPP week, an employee could be absent due to sickness. And if that day does not receive SSP, then the employee can still receive SAP or SPP and will therefore require two “marks”. This discrepancy is handled in table MSA and not NCALE.

The data necessary to perform offsetting is stored on the table MSA. Furthermore:

- The SxP amount is stored in the field AMOUN.
- The Full Pay amount is stored in the field ADLYE.
- The OxP amount is stored in the field VDLYE.

4.2.1 SxP (MSA-AMOUN)

The derivation of the SxP amount for a specific payment mark is based on statutory rules and is normally directly related to the NCALE mark for that date. For the two exceptions to this, see 4.2. above. This amount cannot be amended as it is legislative. The table MSA is filled with the SxP Payment entries as only these will need to be offset against OxP.

4.2.2 OxP (MSA-VDLYE)

The derivation of the OxP amount for a specific payment mark is based on marks during the offsetting period in payroll structure COVER. For each mark, the absence valuation class is used to derive the offsetting wage type and time unit from table T554C.

IMPORTANT: The first wage type generated for each valuation class in T554C must be the one used for OxP payment. It cannot be for any other business reason. The solution will always assume that the first wage type generated from the settings in T554C will be used for OxP payment. (Even if you use Day Rules and have many independent lines, still only one wage type will be created and this must be the OxP payment wage type.)

There are three different types of mark that are processed:

4.2.2.1 OxP Whole Day Marks (payment, non-qualifying or waiting)

These are the base marks that all customers will have. There is a one-to-one relationship with the absence valuation class held in COVER and the T554C valuation class that will dictate how the absence is paid.

4.2.2.2 OxP Part Day Marks (payment, non-qualifying or waiting)

These are the “part day counterpart” marks to the whole day marks that all customers will have. These will only occur where customers have activated Part-Day processing.
There is a one-to-one relationship with the absence valuation class held in COVER and the T554C valuation class that will dictate how the absence is paid. However, this is bypassed, so that the payroll Function PAB cannot incorrectly process the part day marks.

Rather, the Complete-to-Part-Day cross-reference table T5GPBS25 is used to translate normal absence valuation class in COVER to Part-Day absence valuation classes in AB and then translate them back again during offsetting.

4.2.2.3 OXP Non-Payment Marks (payment, non-qualifying or waiting)

In certain instances, it is useful to pay an absence differently from the way it reduces entitlement.

Similarly to Part Day absence valuation classes, Non-Payment absence valuation classes (T5GPBS26) are used to translate normal absence valuation class in COVER to Non-Payment Day absence valuation classes in AB and then translate them back again during offsetting. But the difference is that AB does have the correct absence valuation class.

4.2.2.4 OXP Payment Rate

The payment rate Time Unit and Wage Type has already been derived from table T554C. This means that the pay rate can be derived from the table of Wage Types (IT or ORT). The wage type only needs to exist in the table if PAB would have created it.

PAB will not create wage types when the corresponding field on AB is zero. (That is, if AT or AH is used and the day in question is a non-working day.) But if the wage type should have been created in the table of Wage Types (IT or ORT), then it must be there during the processing of GBSXP.

Depending on the table T554C customizing option that is applicable, the rate from the offsetting wage type in IT will need to be multiplied by the corresponding field from AB.

4.2.3 Full Pay (MSA-ADLYE)

The derivation of the Full-Pay amount for a specific payment mark is based on a one-to-one relationship between a type of absence and the wage type that holds its daily (or hourly/weekly) rate, as shown below:

- Sickness: Valuation Base 10 (Wage type /010)
- Maternity: Valuation Base 11 (Wage type /011)
- Adoption: Valuation Base 12 (Wage type /012)
- Paternity: Valuation Base 13 (Wage type /013)

The rates in these wage types are filled during application of the Personnel Calculation Rules (PCRs) G010 and G013. The rates are then applied to the Oxp wage types during application of the PCR G015.

Since, the introduction of the operation GBZNH, the Time Unit of rate held against the wage types listed above can be specified in the Time Unit field as follows.

- 001 Hourly
- 010 Daily
- 011 Weekly
4.2.3.1 Using weekly payment rates for OxP

If the offsetting period is weekly and the Full-Pay wage type has been set with the Time Unit field set as 011 (Weekly), then the weekly rate is simply read from the rate field and no further processing is necessary.

This is a very specific approach to paying Adoption, Paternity or Maternity Pay. The employee’s entitlements will be based in Adoweeks (A11), Patweeks (P11) or Matweeks (M11) and the employee will have only one payment day per week. In this way, OxP mirrors its SxP counterpart. However, the rules are not so simple as they seem, as certain circumstances during the absence will affect the weekly payment.

For example, what happens when an employee is absent for only part of a week, but is actually absent for the payment day? Should they receive payment or not? The OxP solution will simply make the payments on the days specified – without looking at the rest of the week, unlike SxP.)

4.2.3.2 Using daily or hourly payment rates for OxP

These are the preferred methods for all customers. Although customers can set the Time Unit field using GBZNH, it is not necessary to do so. However, this is recommended. The Full-Pay rate is derived on each day of the offsetting period (seven days for Paternity, Adoption and Maternity and one day for Sickness).

a) If there has been any OxP paid on that day then the decision as to whether the Full Pay rate is hourly or daily will be derived from the settings against the OxP wage type generated.

b) If no OxP has been paid on that date, but there has been during the offsetting period, then the decision as to whether the Full-Pay rate is hourly or daily will be derived from the settings against the OxP wage type generated during the offsetting period.

c) If no OxP was paid at all during the offsetting period, then the decision as to whether the Full-Pay rate is hourly or daily will be derived from the employee groupings in table T554C for the same absence modifier. If there is no entry in table T554C then the Full Pay rate is defaulted to Daily.

The daily rate on a specific day is derived from whether the rate is hourly or daily. If the rate is hourly, then the hourly rate is multiplied by the employee’s planned working time (PSP) on that day.

It is very important to make sure that the rates used in /010 - /013 reflect your exact business needs. Normally, these will be derived based as follows:

- Salaried Employees: based on the amount of salary paid in the payroll period divided by the number of calendar days in the payroll period.
- Weekly Waged Employees: based on the amount of salary paid in the payroll period divided by the number of working days in the payroll period.
- Hourly Paid Employees: based on the amount of salary paid in the payroll period divided by the number of working hours in the payroll period.

The decision on how these rates are derived not only dictates how you should perform part period factoring, but also dictates which days during an absence should be treated as receiving payment. (That is, these decisions dictate the qualifying and non-qualifying days that should be set up for that absence in your absence evaluation scheme rules).
4.2.3.3 Full Pay based on calendar days (KT)

If you intend to use Calendar Days (KT) for a group of employees, then you should make certain that the employee has no “non-qualifying” days based on their work schedule, otherwise they will end up being underpaid. If there are “non-qualifying” days based on their work schedule, then these must also receive payment, even though they do not reduce entitlement.

4.2.3.4 Full Pay based on working days (AT)

If you intend to use Working Days (AT) for a group of employees, then you should make certain that the employee has “non-qualifying” days based on their work schedule, otherwise they will be underpaid.

4.2.3.5 Full Pay based on working hours (AH)

If you intend to use Working Hours (AH) for a group of employees then you should make certain that the employee has “non-qualifying” days based on their work schedule, otherwise they will be underpaid. It is also possible that this group of employees should have their OSP entitlements held in hours and reduced in hours. If this is the case, then seek advice on how to customize OSP in hours.

5 Offsetting the fields in MSA

5.1 SxP to be paid and OxP to be offset

As stated above, SAP, SMP and SPP are always paid. SSP is only paid when the employee is on reduced pay and will receive SSP and OSP or when the employee is on Nil Pay. The following offsetting rules are applied to the entries in MSA, and an offsetting table is created that stores the amount of SxP to be paid and the amount of OxP to be deducted (offset).

In all cases:

1) If SxP is greater than Full Pay, then SxP is paid and OxP is deducted (offset).

2) If OxP is equal to Full Pay, then:
   a. For SSP: SSP is not paid and no OxP is deducted (offset).
   b. For Others: SxP is paid and OxP is deducted (offset) equal to the amount of SxP.

3) If OxP is less than Full Pay, then:
   a. The features GOFFx will dictate whether SxP and OxP should both be paid to a maximum of Full Pay or whether just the larger of the two should be paid.
   b. If only the larger of the two should be paid (That is, MAXIMISE the deduction or offset), then:
      i. For SSP: SSP is not paid and no OxP is deducted (offset).
      ii. For Others: SxP is paid and OxP is deducted (offset) equal to the amount of SxP.
   c. If both should be paid to the maximum of Full Pay (That is, MINIMISE the deduction or offset), then:
i. For All: SxP is paid and OxP is paid, but the amount that SxP + OxP exceeds Full Pay is deducted (offset) from the OxP paid.

As section 3.3.1 states, SSP will become a payment in the future. At that point, case 2a will change to become the same as case 2b and case 3bi will change to become the same as 3bii. But as these changes are made, a new field will be added to the offsetting table to allow the determination of whether the amount of SSP paid was optional or not. (That is, whether previously in the old solution, the amount would have been part of OSP paid or not).
6 Notional or Payment OxP Solutions

OxP can either be paid notionally, as part of basic pay, or it can be an actual payment in addition to basic pay.

Treating OxP notionally implies that overpayment due to payment of SxP must be avoided by making negative gross pay adjustments.

Treating OxP as an actual payment implies that overpayment due to payment of SxP can be avoided by reducing the amount of OxP paid. This means that normally negative gross pay adjustments can be avoided.

For this reason alone, SAP prefers the actual payment solution. Negative gross payments should be removed from the payroll where possible and this is one area where they can either be completely removed or vastly reduced. (After all, employees do not pay to be eligible for OxP as this is seen as a benefit, so why treat it as a negative payment?) The simple idea is that the employee does not receive Basic Pay when they are absent, they receive OxP and SxP.

6.1 Paying OxP (unpaid counting classes in T554C)

The OxP absence records (AB) are processed one by one.

The payment amount is derived from the table of Wage Types (IT) and then the OxP offset amount that is relevant to that period of absence is deducted from the payment amount. (WPBP splits are taken from the OxP absence record.)

6.2 Notional OxP (paid counting classes in T554C)

The OxP absence records (AB) are processed one-by-one.

The notional amount is derived from the table of Wage Types (IT), but this amount will actually be paid as part of Basic Pay. Thus the OxP offset amount that is relevant to that period of absence is simply added as the OxPP wage type as a negative amount. This means that OxPP is a negative payment. This kind of solution is contrary to basic tenets of payroll.

SAP recommends that you should move from a notional OxP solution to a payment OxP solution at the first opportunity.

This will not only make your employees’ absence payments simpler to understand, but also makes cost apportionment simpler. (WPBP splits are taken from the OxP absence record.)

6.3 Paying SxP (Recoverable and Non-Recoverable)

The SxP Payment records (MSA) are processed one-by-one.

The payment amount is derived from the offsetting table and then split according to the recoverable and non-recoverable percentages associated with that payment. (WPBP splits are taken from the OxP absence record that overlaps the payment date.)
7 Implementation

The offsetting solution has evolved from its creation in releases 40B and 45B to the complete solution that is available today, in releases 46B and above.

7.1 Implementing the offsetting solution in release 31I

In release 31I, there is no offsetting solution provided. It is a customer’s responsibility to implement their own offsetting solution.

7.2 Implementing the offsetting solution in releases 40B and 45B

In releases 40B and 45B, it is possible to implement an offsetting solution for sickness or a customer-specific solution (as it was in release 31I). For the standard solution for offsetting sick pay, see the GB Payroll IMG, under: Statutory and Occupational Absences -> Occupational Absences -> Manual Processing for more details.

The standard solution involves customers manually splitting absences into the relevant OSP payment bands by using separate absence subtypes, and then associating each absence subtype with a Full Pay rate wage type and an OSP rate wage type.

Although this solution is still supported on all releases (46B and above) - so that customers did not have to migrate to the new offsetting solution in 46B and 46C - it is not the SAP-recommended solution. The reasons for this are threefold:

1) It does not take any advantage of the OxP solution.
2) It only supports offsetting for Sickness absence – not Adoption, Paternity or Maternity absences.
3) In release 4.7, offsetting all four absences via the new solution becomes mandatory.

7.3 Implementing the offsetting solution in releases 46B and 46C

In releases 46B and 46C, it is possible to implement a customer-specific solution, the old 40B/45B offsetting solution for sickness (see 7.2) or the new offsetting solution. But SAP does not recommend any other solution other than the new solution, for the reasons given above.

It is not possible to mix the old and new offsetting solutions. Either all absences should be handled manually or all should be handled via the OxP absence evaluation solution.

In releases 46B & 46C, the new offsetting solution is activated by the first parameter of GBSXP. X or N implies active and space (or blank) implies in inactive:

- GBSXP  " "  implies the new offsetting solution is not active
- GBSXP  N    implies the new offsetting solution is active without factoring by GENAU.
- GBSXP  X    implies the new offsetting solution is active with factoring by GENAU.

The complete implementation of the new offsetting solution is discussed in the next section as it is mandatory in release 4.7.
7.4   Implementing the offsetting solution in release 4.70

In release 4.70, it is not possible to implement a customer-specific solution or the old 40B/45B offsetting solution for sickness (see previous section). Customers must implement the new offsetting solution.

In release 4.70, the new offsetting solution is automatically active. It is no longer activated by the first parameter of GBSXP. In release 4.70, the first parameter of GBSXP simply has the same meaning as X or N did in releases 46B and 46C. The two available values in release 4.7 are X or space (or blank). X has not changed its meaning since release 46B or release 46C. But space (or blank) is now the same as N was in release 46B or release 46C:

- GBSXP " " implies the new offsetting solution is active without factoring by GENAU.
- GBSXP X implies the new offsetting solution is active with factoring by GENAU.

7.4.1   Why bother factoring by GENAU?

As explained in section 6.2 above, SAP does not recommend that you implement a notional OxP solution. However, if you were to implement a notional solution, then the actual amount of OxP to be paid is not as important to you, as in most cases notional value will never affect an employee’s gross pay.

When the employee is on Full Pay OxP, then wage type OxPP will simply hold the negative value of the SxP paid in the period.

When the employee is on Nil Pay OxP, then wage type OxPP will be zero and wage type SxP? (For example, SMPR and SMPN) will simply hold the value of the SxP paid in the period.

However, when:

a) An employee receives less than Full-Pay OxP, and
b) Receives more than Nil-Pay OxP, and
c) You pay OxP plus SxP, and
d) That value is greater than the value of Full-Pay,

then the OxP rates must be exact. Otherwise, the employee will not receive the correct amount of OxPP, as OxPP will hold the value of the overpayment when both OxP and SxP are paid.

Part Period Factors (wage types /801 - /809) that are used to reduce Basic Pay are always factored by GENAU to ensure that the employee’s Basic Pay is rounded correctly to the penny when they are absent. So if wage type OxPP is not factored by GENAU, then there will be a discrepancy in the rounding of your payroll.

Therefore, if you do not have employees that fall into the case where a), b), c) and d) all apply, then you can ignore the need to factor OxP by GENAU. In these cases, you can choose to use XNAB or GPNAB to split your absences according to your OxP scheme rules and you can use GBSXP with parameter 1 left as space (or blank).

However, if you do have employees that fall into the case where a), b), c) and d) all apply, then you must factor OxP by GENAU. In these cases, you use GPNAB to split your absences according to your OxP scheme rules (as GPNAB does not create daily splits that introduce rounding errors). You must also use GBSXP with parameter 1 set as “X”.

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Version: 2.0
Date: January 2004
7.4.2 Factoring OxP by GENAU

The first parameter of GBSXP allows you to state whether or not OxP has been factored by GENAU or not.

If it has been factored, then the solution insists on the following:

1) OxP rates for Full Pay in /010 - /013 are factored up by GENAU.
2) OxP rates for OxP Pay in OSFL (etc) are factored up by GENAU. This will happen automatically if the valuation base of the wage type has been set correctly.
3) Part Period Factoring in your copy of PCR GPPF makes certain that the Part Period Factors (wage types /801 - /809) that are used to reduce Basic Pay are always factored by GENAU.

Based on these assumptions:

1) The SxP values in MSA can be factored up by GENAU as well, so that offsetting is performed factored up by GENAU.
2) The SxP and OxP payment wage types (SSPP, SAPR, SAPN, SMPR, SMPN, SPPR, SPPN, OAPP, OMPP, OPPP, OSPP) that are created in IT can have the amount field factored down by GENAU.
3) The notional wage types that are moved from IT to RT are as follows:
   - All notional payment wage types in the wage type groups: OAPP, OMPP, OPPP and OSPP
   - All notional non-payment wage types: ONIL, OANL, OMNL, OPNL and OSNL.

For the OxP notional wage types that are moved from IT to RT, the amount is factored down by GENAU, but the rate field is left factored up by GENAU. This is important, because if the OxP payment will be offset in the next period, then the offsetting will still work on the factored-up rate.
8 Offsetting Messages

The payroll function GBSXP will issue an error message if it cannot correctly process an employee's absence payments. GBSXP will also issue warning messages if it finds a situation that should not occur, but which is not critical to paying the employee correctly. All such messages are contained in the message class HRGB_GBSXP.

Currently, the release 40B/45B offsetting solution for sickness is still supported in higher releases. If payroll functions XNAB and GPNAB are not active in your payroll schema, the payroll structure COVER (PCL2) will not be populated. In this case, you cannot use the new offsetting solution in 46B or higher, and the following information message will be displayed in every payroll period that has statutory absences in it:

“No offsetting possible, no OXP entries exist &1 - &2 (COVER)”

If the release 40B/45B offsetting solution has not been implemented, then this will be followed by the next information message per SSP entry:

“No offsetting possible, employee has no OSP scheme on &1 (IT0084)”

8.1 GBSXP Error/Warning Messages (Release 40B/45B)

The release 40B/45B offsetting solution in GBSXP must be able to read certain mandatory information in the payroll results. The following messages are generated in the situations described below:

- If an AB record does not exist for the MSA record that is being offset, then the following error message is issued:
  “Data Inconsistency between table AB and table MSA on &1”

- If a table T5G26 entry does not exist for the IT0084 OSP scheme, AB absence subtype and start date of the MSA record that is being offset, then the following error message is issued:
  “OSP scheme &1 and absence subtype &2 not defined in table T5G26 on &3”

- If either of the Full-Pay or OSP payment wage type fields are empty, then the following error message is issued:
  “Wage types not specified in table T5G26 (SCHEME &1 AWART &2 on &3)”

- If either of the Full-Pay or OSP payment wage type fields are not present in IT, then the following error message is issued:
  “Wage type &1 must be in table IT at this point in the schema”

8.2 GBSXP Error/Warning Messages (New Solution)

The new offsetting solution in GBSXP must be able to read certain mandatory information in the payroll results. If there are OxP marks in COVER for the SxP entry in MSA that is being processed, then:

(A) The Absence Modifier (MODIF 0A) is derived from the day in question.

The key to the table MODIF is the WPBP indicator for the WPBP split that is applicable for that date. If a WPBP split does not exist for the MSA record that is being offset, then the following error message is issued:
“No WPBP split exists on &1”

If a WPBP split does exist then table MODIF can be read. If a MODIF entry does not exist for that relevant WPBP split then the following error message is issued:

“No MODIF split exists for WPBP split &1 on &2”

(B) The T554C customising is read for the current OxP Mark’s Valuation Class and Absence Modifier (MODIF 0A).

The key to the table T554C is the MODIF 0A modifier, Valuation Class and date.

If a T554C entry does not exist, then the following error message is issued:

“No entry in table T554C (MOLGA &1 MOABW &2 KLBEW &3 on &4)”

(C) The offsetting wage type, time unit and whether the entry is notional or payment is derived from the T554C entry.

If no offsetting wage type has been specified then:

- IF the PCR field has the PCR GORD specified, then the solution will attempt to firstly derive the relevant Complete Day Valuation Class for the current Part Day Valuation Class. It will then derive the offsetting wage type, time unit and whether the entry is notional or payment from THAT T554C entry.

  - If no Complete Day valuation class exists in T5GPBS25, then the following error message is issued:

    “No part day valuation class exists (T5GPBS25:MOLGA &1 KLBEW &2)”

  - If a T554C entry does not exist, then the following error message is issued:

    “No entry in table T554C (MOLGA &1 MOABW &2 KLBEW &3 on &4)”

- If no offsetting wage type has still not been specified, then the following warning message is issued:

  “Entry in table T554C has no wage type (MOLGA &1 MOABW &2 KLBEW &3 on &4)”

It is important that EVERY entry in table T554C that is part of your OxP scheme’s customizing attempts to generate an offsetting wage type. No further calculation of the amount of OxP paid on that day can be performed if the OxP offsetting wage type has been specified in T554C.

(D) The OxP offsetting wage type must have a valuation basis specified in T512W. If it does not, then the following error message is issued:

“No valuation basis in table T512W (MOLGA &1 LGART &2 on &3)”

(E) The OxP offsetting wage type must have the correct valuation basis specified in T512W (see section 4.2.3 above). If it does not, then the following error message is issued:

“Incorrect valuation basis in table T512W (MOLGA &1 LGART &2 on &3)”
(F) If the daily rate for the OxP offsetting wage type cannot be derived from IT (or ORT), then the following error message is issued:

“Wage type &1 must be in table &2 to perform offsetting on &3”

If the wage type IS in the table, then you have probably not set the correct WPBP split indicator against the wage type as it is generated by PAB. Check that you have set the “Basic Pay Split” check box against the wage type entry.

One other alternative is that you have overlapping absences in the absences infotype (2001). In this case the offsetting solution doesn’t know which absence is the relevant one.

If the wage type IS NOT in the table, then check your PCR between PAB and GBSXP to see where the wage type is being moved from IT to RT. This is happening too early in your payroll schema.

9 Examples

An example of each of these calculations has been provided to clarify the OxP payment and offsetting concepts discussed thus far.

9.1 Example 1: OSP and SSP [Hourly Processing (AH)]

You have customized the OxP solution to operate OSP entitlements in hours and to reduce those entitlements in hours. The employee’s non-working days do not reduce entitlement. Furthermore:

- The rate held in /010 is an hourly rate based on working hours.
- The absence valuation rules that receive payment have been customized to reduce counting classes and create offsetting wage types in Working Hours (T554C uses AH).
- The part period factoring PCR has been customized to reduce basic pay based on the Working Hours unpaid counting classes.

This is the simplest offsetting solution as it is performed on a daily basis.

9.1.1 Business processing

An employee works 30 hours in five equal shifts, Monday – Friday. The employee’s weekly pay period starts on a Monday and ends on the following Sunday, but he or she is paid one week in arrears. The employee is paid £7 per hour.

He or she reports sick on Tuesday and returns to work on the Friday of the next week (That is, 11 days later). They are entitled to 60 hours sick pay at Full Pay in a 12 month period.

**Week 1**

Basic Pay (Monday) £42
OxP (Tuesday - Friday) £168
SxP (Tuesday – Friday) £12.87

Gross Pay = £210 as SSP is treated notionally

OxP entitlement remaining: 36 hours
**Week 2**
OxP (Monday - Thursday) £168
SxP (Monday – Thursday) £51.48
Basic Pay (Friday) £42
Gross Pay = £210 as SSP is treated notionally
OxP entitlement remaining: 12 hours

He or she reports sick again two weeks later on a Wednesday and returns to work on the Thursday of the next week (That is, 9 days later).

**Week 4**
Basic Pay (Monday - Tuesday) £84
OxP (Wednesday - Thursday) £84
Nil Pay (Friday) £0
SxP (Wednesday - Friday) £38.61
Gross Pay = £180.87 as SSP is treated notionally for Wednesday and Thursday, but not Friday
OxP entitlement remaining: 0 hours

**Week 5**
Nil Pay (Monday - Wednesday) £0
SxP (Monday - Wednesday) £38.61
Basic Pay (Thursday - Friday) £84
Gross Pay = £122.61 as SSP is treated as a payment for Monday to Wednesday
OxP entitlement remaining: 0 hours

9.1.2 GBSXP Output: U6U(750) Employee 989797

**Week 1**
/010 = £7
OSFL = £168
/SSP = 12.87

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<td>42</td>
</tr>
</tbody>
</table>

**Week 2**
/010 = £7
OSFL = £168
/SSP = 12.87

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### Paying SxP and OxP – Payment and Offsetting Explained

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</table>

**IT**

OSPP = £168

**Week 4**

/010 = £7  
OSFL = £84  
/SSP = £38.61

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</table>

**IT**

OSPP = £84  
SSPP = £12.87

**Week 5**

/010 = £7  
/SSP = £38.61

<table>
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</table>

**IT**

SSPP = £38.61
9.2 Example 2: OMP and SMP [Daily Processing (KT)]

You have customized the OxP solution to operate OMP entitlements in calendar days and have every day reduce those entitlements. Furthermore:

- The rate held in /011 is an daily rate based on calendar days.
- The absence valuation rules that receive payment have been customized to reduce counting classes and create offsetting wage types in Calendar Days (T554C uses KT).
- The part period factoring PCR has been customized to reduce basic pay based on the Calendar Days unpaid counting classes.

This is the next simplest offsetting solution, because although it is performed on a weekly basis, the employee is salaried.

This example has been broken down into two separate scenarios:

a) Where 90% of AWE is greater than Full Pay (due to overtime in the relevant period), and
b) Where 90% of AWE is less than Full Pay

9.2.1 Business processing

An employee is paid £1000 monthly, but works considerable overtime during the relevant period and so has an AWE of £300.

She takes maternity leave from January 11th 2004 (Sunday) and plans to return to work 12 months later on January 11th 2005. She is entitled to 8 weeks at Full-Pay and then a further 12 weeks at Half-Pay. While she receives reduced pay, SMP and OMP are both paid to her.

**Month 1**

Basic Pay (10/31 x 1000) £322.58  
OxP (21 days OMP) £677.42  
SxP (3 weeks SMP) £810  
Gross Pay = £322.58 + 810 = £1132.58  
No OMP is actually paid because SMP is greater than OMP.  
This first month is unusual as the last SMP payment date is on the last day of the month.

OxP entitlement remaining: 5 weeks at Full-Pay and 12 weeks at Half-Pay

**Month 2**

OxP (29 days OMP) £1000  
SxP (4 weeks SMP) £910  
Gross Pay = £910 + 175.86 = 1085.85  
No OMP is actually paid for the first 3 weeks as SMP is greater than OMP. In the last SMP week OMP is greater than SMP so OMP is paid (reduced by £100). Also, for the last day in the month, she also receives OMP. So the final value of OMP is 8 days less £100.

OxP entitlement remaining: 6/7th at Full Pay and 12 weeks at Half Pay

**Month 3**
OxP (6 days Full + 25 days Half OMP) £596.77
SxP (4 weeks SMP) £400
Gross Pay = £400 + 496.77 = 896.77
In the first SMP week, OMP is actually paid but reduced by the amount of SMP paid and the OMP that was paid in the previous period. In the next three SMP weeks, OMP at half pay is actually paid and SMP is paid because the total of SMP + OMP is less than half pay. Then finally the last 4 days in the month also receive OMP at half pay. So the final value of OMP is 6 days at Full Pay + 25 days at Half Pay less £100.00.
OxP entitlement remaining: 8 and 3/7th weeks at Half Pay

Month 4
OxP (30 days Half OMP) £500
SxP (4 weeks SMP) £400
Gross Pay = £400 + 500 = 900
In the first SMP week, OMP is paid at half pay and SMP is paid, but reduced by the amount of OMP that was paid in the previous period. In the next 3 SMP weeks, OMP at half pay is actually paid and SMP is paid because the total of SMP + OMP is less than half pay. Then finally the last 6 days in the month also receive OMP at half pay. So the final value of OMP is 30 days at Half Pay.
OxP entitlement remaining: 4 and 1/7th weeks at Half Pay

Month 5
OxP (29 days Half OMP & 2 days Nil OMP) £467.74
SxP (5 weeks SMP) £500
Gross Pay = £500 + 467.74 = 967.74
In the first SMP week, OMP is paid at half pay and SMP is paid, but reduced by the amount of OMP that was paid in the previous period. In the next 4 SMP weeks, OMP at half pay is actually paid and SMP is paid because the total of SMP + OMP is less than half pay. Then finally the last 2 days in the month also receive OMP at nil pay. So the final value of OMP is 29 days at Half Pay.
OxP entitlement remaining: Nil

Month 6
SxP (4 weeks SMP) £400
Gross Pay = £400
OxP entitlement remaining: Nil

Month 7
SxP (2 weeks SMP) £200
Gross Pay = £200
OxP entitlement remaining: Nil
### 9.2.2 GBSXP Output: U6U(750) Employee 989798

#### Month 1

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**IT**

/O11 = £32.258065  
SMPR = £745.20  
SMPN = £64.80

**RT**

/RMPY = £810  
OMFL = £677.42

#### Month 2

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**IT**

/O11 = £34.482759  
OMPP = £175.86  
SMPR = £837.20  
SMPN = £72.80

**RT**

/RMPY = £910  
OMFL = £1000
## Month 3

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IT
/o11 = £32.258065
OMPP = £496.77
SMPR = £368
SMPN = £32

RT
/MPY = £400
OMFL = £193.55
OMHF = £403.23

## Month 4

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IT
/o11 = £33.333333
OMPP = £500
SMPR = £368
SMPN = £32

RT
/MPY = £400
OMHF = £500

## Month 5
### Paying SxP and OxP – Payment and Offsetting Explained

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<td>22/05/2004 – 22/05/2004</td>
<td>ML 100.00</td>
<td>225.806455</td>
<td>112.903231</td>
</tr>
<tr>
<td>29/05/2004 – 29/05/2004</td>
<td>ML 100.00</td>
<td>225.806455</td>
<td>112.903231</td>
</tr>
</tbody>
</table>

**IT**
- /011 = £32.256085
- OMPP = £467.74
- SMPR = £460
- SMPN = £40

**RT**
- /MPY = £500
- OMHF = £467.74

### Month 6

<table>
<thead>
<tr>
<th>MSA</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>05/06/2004 – 05/06/2004</td>
<td>ML 100.00</td>
<td>231.182795</td>
<td>0.000000</td>
</tr>
<tr>
<td>12/06/2004 – 12/06/2004</td>
<td>ML 100.00</td>
<td>233.333331</td>
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<tr>
<td>19/06/2004 – 19/06/2004</td>
<td>ML 100.00</td>
<td>233.333331</td>
<td>0.000000</td>
</tr>
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<td>26/06/2004 – 26/06/2004</td>
<td>ML 100.00</td>
<td>233.333331</td>
<td>0.000000</td>
</tr>
</tbody>
</table>

**IT**
- /011 = £33.333333
- SMPR = £368
- SMPN = £32

**RT**
- /MPY = £400

### Month 7

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Neurottstr. 16
D-69190 Walldorf

Version: 2.0
Date: January 2004

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9.2.3 Business Processing

An employee is paid £1000 monthly, and has not earned any extra amounts during the relevant period and so has an AWE of £230.76923.

She takes maternity leave from January 11th 2004 (Sunday) and plans to return to work 12 months later on January 11th 2005. She is entitled to 8 weeks at Full Pay and then a further 12 weeks at Half Pay. While she receives reduced pay, SMP and OMP are both paid.

**Month 1**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Pay (10/31 x 1000)</td>
<td>£322.58</td>
</tr>
<tr>
<td>OxP (21 days OMP)</td>
<td>£677.42</td>
</tr>
<tr>
<td>SxP (3 weeks SMP)</td>
<td>£623.10</td>
</tr>
<tr>
<td>Gross Pay</td>
<td>£1000.00</td>
</tr>
</tbody>
</table>

This first month is unusual as the last SMP payment date is on the last day of the month.

OxP entitlement remaining: 5 Full Pay and 12 weeks at Half Pay

**Month 2**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>OxP (29 days OMP)</td>
<td>£1000</td>
</tr>
<tr>
<td>SxP (4 weeks SMP)</td>
<td>£400</td>
</tr>
<tr>
<td>Gross Pay</td>
<td>£1000.00</td>
</tr>
</tbody>
</table>

OMP is actually paid for SMP week in the period, but reduced by the amount of SMP paid. Then finally the last day in the month also receives OMP. So the final value of OMP is 29 days less £723.10.

OxP entitlement remaining: 6/7th at Full Pay and 12 weeks at Half Pay

**Month 3** Same as Month 3 for Example 2

**Month 4** Same as Month 4 for Example 2

**Month 5** Same as Month 5 for Example 2

**Month 6** Same as Month 6 for Example 2

**Month 7** Same as Month 7 for Example 2
### GBSXP Output: U6U(750) Employee 989799

#### Month 1

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Status</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>17/01/2004 – 17/01/2004</td>
<td>MU</td>
<td>207.70</td>
<td>225.806455</td>
<td>225.806455</td>
</tr>
<tr>
<td>24/01/2004 – 24/01/2004</td>
<td>MU</td>
<td>207.70</td>
<td>225.806455</td>
<td>225.806455</td>
</tr>
<tr>
<td>31/01/2004 – 31/01/2004</td>
<td>MU</td>
<td>207.70</td>
<td>225.806455</td>
<td>225.806455</td>
</tr>
</tbody>
</table>

**IT**

/011 = £32.258065

**OMPP** = £54.32

**SMPR** = £573.25

**SMPN** = £49.85

**RT**

/MPY = £623.10

**OMFL** = £677.42

#### Month 2

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Status</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/02/2004 – 07/02/2004</td>
<td>MU</td>
<td>207.70</td>
<td>241.379313</td>
<td>241.379313</td>
</tr>
<tr>
<td>14/02/2004 – 14/02/2004</td>
<td>MU</td>
<td>207.70</td>
<td>241.379313</td>
<td>241.379313</td>
</tr>
<tr>
<td>21/02/2004 – 21/02/2004</td>
<td>MU</td>
<td>207.70</td>
<td>241.379313</td>
<td>241.379313</td>
</tr>
<tr>
<td>28/02/2004 – 28/02/2004</td>
<td>ML</td>
<td>100.00</td>
<td>241.379313</td>
<td>241.379313</td>
</tr>
</tbody>
</table>

**IT**

/011 = £34.482759

**OMPP** = £276.90

**SMPR** = £665.25

**SMPN** = £57.85

**RT**

/MPY = £723.10

**OMFL** = £1000

#### Month 3

Same as Month 3 for Example 2

#### Month 4

Same as Month 4 for Example 2

#### Month 5

Same as Month 5 for Example 2

#### Month 6

Same as Month 6 for Example 2

#### Month 7

Same as Month 7 for Example 2
9.3 Example 3: OAP and SAP [Daily Processing (AT)]

You have customized the OxP solution to operate OAP entitlements in working days and have working days reduce those entitlements. Furthermore:

- The rate held in /012 is a daily rate based on working days.
- The absence valuation rules that receive payment have been customized to reduce counting classes and create offsetting wage types on working days (T554C uses AT).
- The part period factoring PCR has been customized to reduce basic pay based on unpaid working day counting classes.

This is a more complex offsetting solution, because it is performed on a weekly basis and the employee is salaried but their payroll calculations are all performed based on working days.

9.3.1 Business processing

An employee is paid £1000 monthly, but their payments are made based on working days.

He or she takes adoption leave from November 6th 2003 (Thursday) and plans to return to work 6 months later on May 5th 2004. He or she is entitled to 12 weeks at Full Pay only.

Month 1

| Basic Pay (3/20 x 1000) | £150  
| OxP (17 working days Full OAP) | £850  
| SxP (3 weeks SAP) | £300  
| Gross Pay = £150 + £300 + 550 = £1000 |  

No OAP (£250 per week) is greater than SMP (£100pw).

In the first 3 SAP weeks, OAP is paid but reduced by the amount of SAP paid, because the total of SAP + OAP is greater than Full-Pay and SMP is paid. The last 2 working days in the month also receive OAP at Full-Pay. Therefore, the final value of OAP is 17 working days at Full-Pay, less 3 weeks SAP.

OxP entitlement remaining: 8 and 3/5th Full Pay

Month 2

| OxP (23 working days Full OAP) | £1000  
| SxP (5 weeks SAP) | £500  
| Gross Pay = £500 + 500 = £1000 |  

No OAP (£250 pw) is greater than SMP (£100pw).

In all 5 SAP weeks, OAP is paid but reduced by the amount of SAP paid, because the total of SAP + OAP is greater than Full-Pay and SMP is paid. Therefore, the final value of OAP is 23 working days at Full-Pay, less 5 weeks SAP.

OxP entitlement remaining: 4 Full Pay
Month 3

OxP (20 working days Full OAP & 2 working days Nil OAP) £909.09
SxP (4 weeks SAP) £400
Gross Pay = £400 + £909.09 = £909.09

In all 4 SAP weeks, OAP is paid but reduced by the amount of SAP paid, as the total of SAP + OAP is greater than Full-Pay and SMP is paid. Therefore, the final value of OAP is 20 working days at Full-Pay, less 4 weeks SAP.

OxP entitlement remaining: nil

Month 4

SxP (4 weeks SAP) £400
Gross Pay = £400
OxP entitlement remaining: nil

Month 5

SxP (5 weeks SAP) £500
Gross Pay = £500
OxP entitlement remaining: nil

Month 6

SxP (4 weeks SAP) £400
Gross Pay = £400
OxP entitlement remaining: nil

Month 7

SxP (1 weeks SAP) £100
Gross Pay = £100
OxP entitlement remaining: nil
### 9.3.2 GBSXP Output: U6U(750) Employee 989800

#### Month 1

<table>
<thead>
<tr>
<th>MSA</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>19/11/2003 – 19/11/2003</td>
<td>GP 100</td>
<td>250</td>
<td>250</td>
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</tbody>
</table>

**IT**

/012 = £50

OAPP = £550

SAPR = £276

SAPN = £24

**RT**

/GPY = £300

OAFL = £850

#### Month 2

<table>
<thead>
<tr>
<th>MSA</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/12/2003 – 03/12/2003</td>
<td>GP 100</td>
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</tr>
<tr>
<td>10/12/2003 – 10/12/2003</td>
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<td>217.391305</td>
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<tr>
<td>17/12/2003 – 17/12/2003</td>
<td>GP 100</td>
<td>217.391305</td>
<td>217.391305</td>
</tr>
<tr>
<td>24/12/2003 – 24/12/2003</td>
<td>GP 100</td>
<td>217.391305</td>
<td>217.391305</td>
</tr>
<tr>
<td>31/12/2003 – 31/12/2003</td>
<td>GP 100</td>
<td>217.391305</td>
<td>217.391305</td>
</tr>
</tbody>
</table>

**IT**

/012 = £43.478261 (1000 / 21 working days)

OAPP = £500

SAPR = £460

SAPN = £40

**RT**

/GPY = £500

OAFL = £999.99 (5 entries, 3 rounded down, 2 rounded up)
Month 3

<table>
<thead>
<tr>
<th>MSA</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/2004 – 07/01/2004</td>
<td>GP 100</td>
<td>227.272725</td>
<td>227.272725</td>
</tr>
<tr>
<td>14/01/2004 – 14/01/2004</td>
<td>GP 100</td>
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<td>227.272725</td>
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<tr>
<td>21/01/2004 – 21/01/2004</td>
<td>GP 100</td>
<td>227.272725</td>
<td>227.272725</td>
</tr>
<tr>
<td>28/01/2004 – 28/01/2004</td>
<td>GP 100</td>
<td>227.272725</td>
<td>227.272725</td>
</tr>
</tbody>
</table>

IT

/012 = £45.454545 (1000 / 22 working days)

OAPP = £509.09

SAPR = £368

SAPN = £32

RT

/GPY = £400

OAFL = £909.08 (5 entries, 4 rounded down, 1 rounded up)

Month 4

<table>
<thead>
<tr>
<th>MSA</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/02/2004 – 04/02/2004</td>
<td>GP 100</td>
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</tr>
<tr>
<td>11/02/2004 – 11/02/2004</td>
<td>GP 100</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td>18/02/2004 – 18/02/2004</td>
<td>GP 100</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td>25/02/2004 – 25/02/2004</td>
<td>GP 100</td>
<td>250</td>
<td>0</td>
</tr>
</tbody>
</table>

IT

/012 = £50 (1000 / 20 working days)

SAPR = £368

SAPN = £32

RT

/GPY = £400

Month 5

<table>
<thead>
<tr>
<th>MSA</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/03/2004 – 03/03/2004</td>
<td>GP 100</td>
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<tr>
<td>10/03/2004 – 10/03/2004</td>
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<td>0</td>
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<td>24/03/2004 – 24/03/2004</td>
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<tr>
<td>31/03/2004 – 31/03/2004</td>
<td>GP 100</td>
<td>217.391305</td>
<td>0</td>
</tr>
</tbody>
</table>

IT
/012 = £43.478261 (1000 / 20 working days)
SAPR = £460
SAPN = £40
RT
/GPY = £500

**Month 6**

<table>
<thead>
<tr>
<th>MSA</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/04/2004 – 07/04/2004</td>
<td>GP 100</td>
<td>227.272727</td>
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<td>14/04/2004 – 14/04/2004</td>
<td>GP 100</td>
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<tr>
<td>28/04/2004 – 28/04/2004</td>
<td>GP 100</td>
<td>227.272727</td>
<td>0</td>
</tr>
</tbody>
</table>

**IT**

/012 = £45.454545 (1000 / 22 working days)
SAPR = £368
SAPN = £32
RT
/GPY = £400

**Month 7**

<table>
<thead>
<tr>
<th>MSA</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>05/05/2004 – 05/05/2004</td>
<td>GP 100</td>
<td>233.766234</td>
<td>0</td>
</tr>
</tbody>
</table>

**IT**

/012 = £47.619048 (1000 / 21 working days)
SAPR = £92
SAPN = £8
RT
/GPY = £100
9.4 Example 4: OPP and SPP [Daily Processing (KT)]

You have customized the OxP solution to operate OPP entitlements in calendar days and have every day reduce those entitlements. Furthermore:

- The rate held in /013 is a daily rate based on calendar days.
- The absence valuation rules that receive payment have been customized to reduce counting classes and create offsetting wage types on working days (T554C uses KT).
- The part period factoring PCR has been customized to reduce basic pay based on unpaid calendar day counting classes.

This is quite a simple offsetting example, as the absence only lasts two weeks. However, in order to illustrate the worst eccentricities of the offsetting solution, an employee receives only 1 week OAP, with six of those days being paid in one period and the 7th day paid in the next.

This can happen in any period where OxP is offset weekly and the employee has received more OxP in the SxP week during the previous period than they did in the current period.

9.4.1 Business processing

The employee is paid £1000 monthly.

He takes paternity leave on November 6th 2003 (Thursday) and plans to return to work 6 months later on May 5th 2004. He is entitled to 12 weeks at Full-Pay only.

**Month 1**

Basic Pay (24/30 x 1000) £800  
OxP (6 days Full OPP) £200  
Gross Pay = £800 + £200 = £1000  
No SPP is paid during the period.  
OxP entitlement remaining: 1 day Full-Pay

**Month 2**

Basic Pay (23/31 x 1000) £741.94  
OxP (1 days Full OPP) £32.26  
SxP (2 weeks SPP) £200.00  
Gross Pay = £741.94 + £200 + (£67.74-) = £874.20  
In the first SPP week, OPP is paid at Full-Pay and SPP is paid. Therefore, SPP is deducted from the amount of OPP paid. However, 6 days of OPP have already been paid, so only the remainder must be paid in the current period. The final value of the OPPP is the amount of OPP paid in the period less 1 week’s SPP.  
In the second week, no OPP is paid. Therefore, only SPP is paid.  
OxP entitlement remaining: nil
9.4.2  **GBSXP Output: U6U(750) Employee 989801**

**Month 1**

**IT**

/013 = £33.333333 (1000 / 30 days)

OPPP = £200

**RT**

OPFL = £200

**Month 2**

<table>
<thead>
<tr>
<th>MSA</th>
<th>SxP</th>
<th>Full Pay</th>
<th>OxP</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/12/2003 – 01/12/2003</td>
<td>PP 100</td>
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<td>232.258063</td>
</tr>
<tr>
<td>08/12/2003 – 08/12/2003</td>
<td>PP 100</td>
<td>225.806455</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**IT**

/013 = £32.258063 (1000 / 31 days)

OPPP = £67.74-

SPPR = £184

SPPN = £16

**RT**

/PPY = £200

OPFL = £32.26