

US - Payroll Restructuring - Severance Payout

Tasks to be completed when documenting an operation (from creation to publication)

1. Enter the **Title of the operation / page**

2. Add the following Labels:

- Scope of applicability: ww, country_accounting
- Country or group of countries (if applicable): belux, china, france, italy, lam, nam,uk_ie, bulgaria, dach, netherlands, iberia, poland, latvia, australia, india, japan, south_korea, thailand, singapore, new_zealand, emea_transversal, apac_transversal
- Unit and Domain according to the [List of labels to be used in the Finance Service Line space](#)
 - E.g. 1: WW Operation in Financial Accounting under domain "Central Finance Processes & Compliance":
 - Labels to be used: **ww, financial_accounting, central_fin_proc_compliance**
 - E.g. 2: France Operation in Financial Accounting:
 - Labels to be used: **country_accounting, france, financial_accounting**
(for country operations, the Domain is always country_accounting)

3. Fill in all fields as described above

4. Name the title of each section using OPD methodology naming convention - **Infinitive verb without the "to", mainly action verb...something) -" I do something..."**

5. Once the description of the operation is completed, ensure it is approved and published by launching the [SBS-Finance approval workflow](#)

Domain: Country Accounting

Responsibility area:

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Scope

? Unknown Attachment

ERP



Frequency



References

Forms

[Reclass Severance Payout to Restructuring](#)

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1. Objective and Scope

1.1. Objective of this Operation

The purpose of this document is to explain how to perform the check and reclassification of the severance payout for 3384 and 4045 company codes in PF1 system.

There are some specific cost centers to receive restructuring costs as severance payout, fringe and career replacement. If an employee is in the restructuring plan and he receives the severance payout, then it should hit the restructuring cost center as well as its fringe value. However, sometimes the HR team does not change the employee cost center and these costs hit the wrong cost center. Sometimes, the HR team changes the employee cost center to restructuring cost center, but all the other costs not included in the plan are in the wrong cost center.

In both example, a reclassification to the correct cost center is needed.

The restructuring cost center will affect the balance sheet account where there are the accruals for the specific restructuring plan "4004100000 - Provision for restructuring costs".

1.2. Scope

This procedure is applicable for 3384 and 4045 company codes in a monthly basis and should be done right after the payroll file is available by HR, normally on D-3 or D-2.

2. Definitions

See [Finance Glossary](#):

- [AODocs](#)
- [Cost Center](#)

3. Tasks description

3.1. I Check the Payroll File and Separation Wage Type

3.1.1. I Download the Payroll File

The first step is to get the monthly payroll file that is available after the HR finish all processes, which is on D-3 or D-2.

So, enter in [HR Finance](#) AODocs folder and download the correct file. Normally it is named US_POSTING_YYYY_MM (get the correct monthly file).

Folder | 1jXdhPW13pisGICWnuRVXG4V3HmxjBku

Title	Country	Company	Topic	Grouping criteria
<input checked="" type="checkbox"/> US_POSTING_2022_02.XLSX	US	All	Payroll	POSTING
<input type="checkbox"/> JP_POSTING_202202.xlsx	JP	All	Payroll	POSTING

If you do not have access to this folder in AODocs, HR team should be contacted to request the access.

3.1.2. I Check the Separation Wage Type - Correct Cost Center

Filter the company you are checking and the wage type "2131 - Separation", which indicates the leaving agreement for the employee restructuring plan.

With this, check the cost center that it is posted. If it is a restructuring cost center, then it is "ok". It only needs to reclassify the fringe over it.

Normally, the restructuring cost center begins with **812*****.

Company code	Personnel area	Pers area txt	G/L account	GL Text	Cost center	Payrol area	Payrol area txt	Wage Type	Wage Type Text
4045	0865	SAM-US /HOUSTON RICHM.	6200000300	Salaries	U581200006	U3	US Semi-Mon	2131	Separation

Check with HR payroll team who is the employee number here and the employee original cost center (where the fringe is posted).

After getting these information, reclass the cost center from employee cost center to restructuring cost center where the employee is allocated.

The fringe rate is 28.5% as below:

Credit = Employee cost center;

6220050000 - Sal ben-savings plan = 7,5% of the separation costs;

6220020001 - Sal ben-medical = 14% of the separation costs;

6210070000 - Sal ben-payr taxes = 7% of the separation costs;

You can use the "[Reclass Severance Payout to Restructuring](#)" template to that.

Include the company, date, correct value, correct cost center, assignment with the restructuring plan, entry type is H1 - HR Corrections and justifications.

3.1.3. I Check the Separation Wage Type - Wrong Cost Center

If the check in the previous step results in the employee cost center instead of the restructuring cost center, a reclassification is needed to the correct cost center.

Reclass the wage type value "2131 - Separation" + fringe as in the previous step, the only difference is that you will reclass the 2131 separation wage type as well.

Check with HR payroll team who is the employee number here and the employee original cost center (where the fringe and separation costs are posted).

You can use the "[Reclass Severance Payout to Restructuring](#)" template to that.

Include the company, date, correct value, correct cost center, assignment with the restructuring plan, entry type is H1 - HR Corrections and justifications.

After all postings, do not forget to check the cost centers if everything is ok.

End of document.