

# PeopleSoft Country Extension for Malaysia



## PEOPLESOFT COUNTRY EXTENSION FOR MALAYSIA

### KEY FEATURES

- State-of-the-art, internet-based payroll solution
- Global architecture.
- Robust and intuitive actionable role-based analytics
- Seamless integration with PeopleSoft Time and Labor, Absence Management and Financials
- Configurable approval workflows with delegation capability
- Flexible and robust rules engine, flexible earnings and deductions
- Segmentation and Proration
- Retroactive Processing
- Statutory Requirements
- Mobile capabilities
- Simple and intuitive user interface

### KEY BENEFITS

- Multi-country and multi-currency payments
- Increased accuracy and timeliness
- Stronger financial controls
- Superior insight via embedded payroll analytics
- Integrated solution for all your payroll needs – end-to-end payroll processing
- Lower Total Cost of Ownership.

Managing your workforce globally often requires region or country specific features and functions in Human Resources and Payroll. Oracle's PeopleSoft Enterprise Human Resources and Global Payroll applications help make this possible. Being compliant with HR regulations is essential. Making timely payments to your workforce while lowering your total cost of ownership is a business goal your organization can achieve. With PeopleSoft Enterprise country extensions, you have complete control over all aspects of your local HR and payroll operations, including statutory payroll and reporting requirements. The foundation of Oracle's PeopleSoft Enterprise country extension products is Oracle's PeopleSoft Enterprise Human Resources application and Oracle's PeopleSoft Enterprise Global Payroll, a state-of-the-art, internet-based payroll solution that is built on a truly global architecture. The benefits of this architecture include streamlined application maintenance (because there is one core product and a single rules-based payroll engine) and easy deployment and management across borders (because the information is in one place).

## Country Extension Strategy

The Global Payroll core application provides the flexibility to create country extensions that are isolated from the core engine.

## Country Extension Content

Each country extension consists of statutory and customary rules, such as payroll and absence rules, including earnings, deductions, absence entitlements, and absence takes.

## Human Resources

In order to best support our customers, we often create country-specific features within our Human Resources product. These features work in collaboration with our Global Payroll and Global Payroll country extension products to form a cohesive and robust payroll solution that enables local compliance.

## Global Architecture

Global Payroll is a comprehensive, flexible payroll solution. You can run payroll in a central location for multiple countries using a single database. You can enter and access payroll and absence data from any location around the world. You can use Global Payroll for a single country, or have separate databases for some or all countries in a multinational environment.

Regardless of your implementation architecture, Global Payroll is a truly global product, not a multi-local product with a single code line for all countries.

## Rules-Based Product

Global Payroll is a rules-based product. All payroll processes, calculations, and results are determined by a set of rules that you can easily build. You can reuse the rules throughout the application to save time and space.

All rules are external to the delivered code line. The core engine contains no payroll rules, no preset sequence, and no tax algorithms. Instead, the rules are stored in the system, so no program modifications are required to tailor the solution to your requirements. You build a payroll solution unique to your needs by entering data into various online pages. In addition, Global Payroll provides sample rules that are meaningful and useful for customers seeking to utilize best practices for common payroll requirements when using Global Payroll Core for configuring their own country extensions.

User-defined elements are the base component of any rule. Because you can assemble elements in countless ways, Global Payroll is flexible enough to accommodate almost all payroll and absence rules. To define and execute payroll and absence calculations, you can use a flexible high-level language. There is no programming required. Payroll rule elements have attributes that you can use to calculate, accumulate, group, sequence, and aggregate pay items. Earnings and deductions, the heart of any payroll solution, are defined in PeopleSoft Enterprise Global Payroll as calculation rules.

We provide Global Payroll country extension products to alleviate the extensive development and maintenance time and expense that would be required to configure our core Global Payroll product for a specific country's payroll needs. This dramatically speeds implementation and still provides you with the ability to customize and configure your payroll application to meet your unique needs.

## Flexible Earnings and Deductions

Your organization's unique payroll management requirements demand the ability to configure a payroll solution without losing the benefits of a standard, supported package. Our Global Payroll country extension products provide a unique, data-driven approach that enables you to define and manage your diverse payroll requirements that reflect your business policies. Earnings and deductions are defined as calculation rules with flexibility for total control over both their content and processing.

## Payroll Reports

Each Global Payroll country extension product provides a comprehensive set of standard reports. Oracle also offers a broad range of flexible reporting tools to create and customize your own reports.

## Self Service

Complement Global Payroll with PeopleSoft ePay. Employees can view their payslips online and can easily manage their net pay distribution to their own bank accounts.

PeopleSoft Absence Management provides the always-connected manager and employee an effective method for requesting Absence and staying on top of approval requests.



Simple, intuitive user experience on any device

## Other Global Payroll Features

Global Our core Global Payroll product also has the following features available to all country extensions.

- **Processing Calculations.** To accommodate all your payroll processing calculations, Global Payroll enables you to create customized, flexible formulas using mathematical and logical elements in a simple and intuitive interface.

You can define sophisticated rules and mathematical formulas simply by entering the appropriate attributes into online tables. Using a formula element gives further flexibility to define complex organizational needs.

- **Accumulators.** Global Payroll makes it easy to track accumulated amounts or balances over time.
- **Segmentation and Proration.** With Global Payroll, you can choose the events (such as leave of absence, transfer, salary change, or job change) that should trigger segmentation of pay components during a pay period.

- **On Demand Processing.** Global Payroll allows you to process a payment for any payee at any time using On Demand payment processing.
- **Retroactive Processing.** Global Payroll enables you to choose the events that trigger the flexible, user-defined retroactive process.
- **Absence Processing.** Global Payroll delivers a robust set of integrated absence management tools to give you complete control over absence management for your organization.
- **Payroll Processing Framework.** Global Payroll offers a flexible method for organizing your payroll elements into payroll runs. You can define all elements of the payroll process, including pay groups, eligibility groups, calendars, run types, pay periods, and process lists.
- **Calculation Monitoring.** The Global Payroll and Absence Monitor allows you to define your own alerts to monitor significant variations in Gross and Net payment calculations, as well as in Absences, and to compare with previous or against historical calculations.

The Monitor provides embedded analytics and ability to drill down to Departments and to the Employee's results to identify any issue in payroll or absence calculation.

- **Multilingual Functionality.** Global Payroll offers a robust set of Multilanguage features that enable you to work in your preferred language.
- **Multicurrency Functionality.** Global Payroll smoothly handles multiple currencies for even the most complex calculations. You can state, calculate, and distribute an employee's pay in multiple currencies.
- **Complete, Integrated Solution.** Global Payroll integrates with other PeopleSoft Enterprise solutions such as Human Resources, Time and Labor, and Financials.
- **Data Archive/Purge Templates.** We deliver templates with documentation for archiving Global Payroll data, under specific conditions, to help you implement an archiving strategy to address the large amount of data that ERP applications create as well as to comply with regulatory requirements.
- **Move Data and Rules Quickly.** Use the Create Rule Package utility to package elements that you want to move between databases.

## Key Payroll Features for Malaysia

We have developed pre-built rules, processes and application pages to meet the unique needs of our customers managing their Malaysia payrolls. The key Global Payroll for Malaysia features include:

- Provided fully functional earnings used for common—or generic—business practices, the rules for which you can adapt as necessary. These include:
  - Basic hourly salary.
  - Basic monthly salary.

- Meal allowance.
  - Travel allowance.
  - Leave pay.
  - Shift allowance.
  - Overtime.
  - Contractual bonus.
  - Non-contractual bonus.
  - Uniform allowance.
  - Car allowance.
  - Laundry allowance.
  - Special allowance.
  - Loan and salary advance.
  - Festive advance.
- Provided fully functional deductions used for common—or generic—business practices, the rules for which you can adapt as necessary. These include:
    - Employees Provident Fund (EPF).
    - Social Security Organization (SOCSO).
    - Scheduler Tax Deduction (STD).
    - Loan recovery.
    - Housing loan recovery.
    - Tabung Haji.
  - Predefined rules for processing absence payments, such as annual leave, sick leave, maternity leave, leave without pay, study leave, bereavement leave, and half pay suspension. Rules to calculate absence entitlements on termination, including rules for the payment of unused annual leave when leaves involve guaranteed termination payments.
  - Delivered with accrual and take rules as customary data and the rules are bound by Malaysian regulations. You can easily modify many of these rules to reflect absence policies that are specific to your organization.
  - Four delivered absence entitlements and eight absence take elements to demonstrate how Global Payroll can process typical absence requirements in Malaysia.
  - Functionality to calculate, record, and report contributions for the EPF collected by the EPF board. Oracle supports requirements of EPF administration, maintenance, and reporting and provides:
    - Support for employee and employer payments to the EPF in accordance with the calculation of eligibility rules for EPF legislation.

- Calculation of voluntary employee and employer EPF contributions.
  - Functionality for splitting the employee contribution into pre-tax and post-tax deductions which is used for scale method of calculating income tax.
  - Employee contributions for Normal remuneration and Annual remuneration are capped to the limit of 6000 RM per year for the purpose of calculating income tax using the computerized calculation method. This method of calculating income tax is mandatory for all employers as of the year 2009.
  - For employees who are over age 55 after February 1, 2008, the Employee and Employer PF contributions are calculated as half of the stipulated percentage.
  - Identification and management of unique company and employee identifiers.
  - A process that completes the EPF Form A containing all EPF monthly contributions for submission to the EPF board.
  - Reports that support administrative reporting in accordance with EPF requirements.
  - The EPF Summary report.
- Integration between Human Resources and Global Payroll enabling you to take the festive advance amounts calculated in Human Resources and post them to Global Payroll. It also enables you to update the festive advance status in Human Resources. Festive advance payments are made during the payroll period in which they are issued and are deducted from the following pay period.
  - To manage contributions to the SOCSO, the application contains numerous tables, fields, and pages to maintain contribution data. The system:
    - Collects employer and employee data needed for calculations and reports.
    - Determines SOCSO contribution eligibility and scheme type.
    - Defines wages used for SOCSO.
    - Calculates SOCSO contributions.
    - Prepares the SOCSO Summary Report.
    - Produces the following reports: SOCSO Form 2, the employee register report; SOCSO Form 8A, containing the details of all contributions for the given period associated with the employer's SOCSO number; SOCSO Form 8B, which lists SOCSO arrears contributions for employees with arrears contributions for a given period; and SOCSO Form 3, containing the details of all payees who have been terminated in the given month.

- STD can be calculated in the system by two methods: scale method or computerized calculation method. As of the year 2009, it is mandatory for employers to follow computerized calculation method for calculating Income tax. Global Payroll for Malaysia has delivered all the elements required for optional deductions, additional rebates, and dependent rebates for calculating the tax.
- We deliver pages to capture optional deductions such as sports equipment for disabled persons, medical expenses for parents, payment of alimony, and so on, and optional rebates like Additional zakat, Fee and previous employment details such as previous employer gross, Previous Employment EPF, and Previous Employment Tax deduction.
- Delivered set of formulas to cater to both the scale method and computerized calculation method for calculating income tax. All scenarios regarding tax exemptions, tax benefits, dependents rebates, contributions to zakat, CP38 tax payments, multiple payments within a calendar period, annualized tax, previous year tax, mid period hires/terminations and multiple jobs have been delivered and the system calculates the appropriate tax using both of the computation methods. Additionally, the system enables you to manage Benefits in Kind, such as automobile and housing benefits, to be used in CP8A reporting,
- Global Payroll for Malaysia has been certified by LHDNM for the new Computerized Calculation method for computing income tax.
- Ability to manage the entire termination process, including the impact on the following functional areas: tax calculation, Social Security, Employee Provident Fund, absences, loans, festive advances, earnings and deductions, and General Ledger accrual calculations. You can also make a payment of deduction in lieu of notice period and freeze net pay payments linked to termination for retirement or to payees leaving Malaysia.
- Loan processing management, including straight-line loan interest calculation. You maintain and track loans by:
  - Defining different loan types such as home, car, and personal loans.
  - Defining the repayment span and interest rate.
  - Calculating the repayment deduction by pay frequency or by mutual agreement.
  - Updating loan balances.

Functionality to capture, generate, and maintain both employee and company identification and biographical data that support the reporting requirements of the Inland Revenue Board (IRB). You can create the following reports as required by the IRB for reporting: annual tax statements (CP8A), notification of an employee's intention to leave Malaysia (CP21), new employees (CP22), employee termination (CP22A), monthly taxation deductions (CP39), the annual statement of tax deductions (CP159 and CP159A), the individual statement of tax deductions by month with tax receipt number (PCB2), particulars of remuneration, total tax deduction (CP8D), and the annual report that identifies all payees.

And also their total remuneration and total deductions for the year (Form E), monthly reports, electronic text files for CP39 (Tax statement for Normal remuneration and additional remuneration), and CP39A (Tax statement for previous year remuneration paid in the current month exclusive of bonus and director fees) can be generated.

- Additional reports include Payroll Register, Reconciliation, Pay Component Register, and Error Message.
- Generic payslip template, which you can use as a pattern when you create your own payslip templates. You can design payslips so that they display the data that you specify in the proper format. You can override templates at lower levels, so you do not have to create multiple templates to cover every payslip scenario. You can:
  - Create payslip templates and payslip messages in which you can specify accumulator column headings (such as Gross, Tax and Net), row labels for columns (such as Period to Date and Year to Date), sections for groupings earnings and deductions, earnings and deductions that appear on payslips, and delivery option overrides.
  - Specify the absence entitlement to appear on the payslip.
  - Attach payslip templates to pay groups.
- Banking and recipient processing functionality that supports net payment (employee salary) direct deposits and recipient payments using an electronic file format, generating electronic file outputs to credit employee salaries and reports this data to the recipient. The banking process combines payroll data, pay entity source bank data, and payee or recipient bank data. The electronic funds transfer (EFT) file creation process extracts data compiled by the banking process according to the content that you specify for the EFT file, merges it with data provided by Global Payroll for Malaysia, and creates the file for transmission.
- General Ledger interface (GLI) functionality builds on the standard GLI functionality delivered with Global Payroll. Additional features for Malaysia include the Leave Liability report and the Absence History report. General Ledger functionality enables you to:
  - Cost employee leave entitlements.
  - Post accrual when pay periods do not match costing periods.
  - View PeopleSoft General Ledger data on an online inquiry page.
  - Link journal types to General Ledger groupings so you can create reports by journal type.
  - Calculate accrued salary and leave liability.
  - Report on leave liability and history.
  - Run the GLI processes.

**PRODUCT NAME**

PeopleSoft Country Extension for Malaysia

**RELATED PRODUCTS**

PeopleSoft Country Extension for Malaysia is a fully integrated solution that works seamlessly with other PeopleSoft products. For more information on related applications, refer to product datasheets on the following:

- PeopleSoft ePay
- PeopleSoft Human Resources
- PeopleSoft Compensation and Benefits
- PeopleSoft Time and Labor
- PeopleSoft Absence Management.

Visit [PeopleSoft Information Portal](#) for further updates and announcements on PeopleSoft products

- Support for manual and separate checks is provided by the off-cycle payment feature.
- Generation of PDF payslips that employees can view online (using ePay).
- Report identifies all payees, their total remuneration, and total tax deductions for the year to facilitate the completion and submission to the Inland Revenue Board of Malaysia a Form E (CP8) at year-end.
- Predefined archive object and archive template to aid you in archiving your result data using the Data Archive Manager.

**CONTACT US**

For more information about PeopleSoft Country Extension for Malaysia, visit [oracle.com](#) or call +1.800.ORACLE1 to speak to an Oracle representative.

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