Human Capital Management (HCM) - Egyptian Flavor

Khalid Murtaja – Localization Product Manager
Department: Globalization Services SAP MENA
What is HCM Localization

- Labor Law requirements and requested by many customers
- None Labor Law requirements but requested by many customers

New Country HCM Localized Version

SAP standard HCM Product
SAP HCM Solution for Egypt
Solution Overview

**Health Insurance**
- Easy Customizing Benefits and Plans
- Enrollment to a Health Plan
- Calculate Health Insurance Cost

**Sanctions Deductions**
- Offense and Sanction customization
- Calculate the deduction of the Sanctions

**Social Insurance**
- Social Insurance Information
- Enrollment
- Social Insurance Calculation

**Taxation**
- Easy to Configure
- Monthly Income Tax calculation
- Annual Settlement

**Forms & Reports**
- SI Forms
- Annual Increment Report
- Quarterly Tax Report
- Various Others

**Personnel Actions**
- Hiring
- Re-Hiring
- Termination

**Localized Personal Admin - Master Data**
- Additional fields for personal data
- Additional address details
- Additional dependents details
- Additional Military Service Information
- National I.D. Validation

**Basic Pay, Allowances**
- Basic Salary & Basic Allowances based on Pay Scale
- Eligibility Workbench
- Payslip in Arabic

**Leave Management**
- Configurable Leave types
- Eligibility condition
- Annual Leave Provision calculations
Topics

• Personnel Actions
• Localized Personal Admin - Master Data
• Leave Management
• Sanctions Deductions
• Social Insurance
• Taxation
• Renewal & ESS
• Eligibility Work Bench
Personnel Actions

Hiring of Employees

HR Administrator

- Personnel Actions (0000)
- Org. Assignment (0001)
- Date Specification (0041)

Personnel Data (0002)

- Addresses (0006)
- Planned Working Time (0007)
- Basic Pay (0008)
- Absence Quota (2006)

Contract Elements (0016)

Tax Information EG (3391)

Social Insurance EG (3390)

New Employee
Personnel Actions

Rehiring of Employees

HR Administrator

Personnel Actions (0000)
Org. Assignment (0001)
Date Specification (0041)
Planned Working Time (0007)
Basic Pay (0008)

Contract Elements (0016)

Re-Hired Employee
Termination of Employees

HR Administrator

Employee

Personnel Actions (0000)
Absence Quotas (2006)
Topics

- Personnel Actions
- **Localized Personal Admin - Master Data**
- Leave Management
- Sanctions Deductions
- Social Insurance
- Taxation
- Renewal & ESS
- Eligibility Work Bench
Human Capital Management Localized Product for Egypt

Personal Administration

- Personal Data & IDs
  - First, Second, Third and Last name (Full Arabic Name)
  - Nationality, Other nationalities
  - Place of birth, Country of birth
  - Marital status
  - Military Status
Military Service Information

- Record the military status of an employee
Human Capital Management Localized Product for Egypt
Personal Administration

- **Address Information**
  - House Number
  - Street
  - City
  - Region
  - Country Key (Egypt)
Human Capital Management Localized Product for Egypt

Personal Administration

- **Health Insurance (Employee/Family)**
  - Easy to customize and add health plan
  - Enrollment for both Employee and Family
Topics

- Personnel Actions
- Localized Personal Admin - Master Data
- **Leave Management**
- Sanctions Deductions
- Social Insurance
- Taxation
- Renewal & ESS
- Eligibility Work Bench
In Egypt Private Sector, organizations may need to set up appropriate eligibility conditions for an employee to take a particular leave.

These Leave Eligibility and Validation Rules could be applied
- Based on Employee Master data:
  - Nationality (Egyptian or Expat)
  - Gender
  - Religion

- Duration Based Validations:
  - Minimum Service Years
  - Duration between similar absences.
Leave Management - Customizations

Already covered by international solution

Some Requirements are covered by SAP International features:

- Quota:
  - Base Entitlements/ Selection Rules
- Leave Input Checks
- … other standard functionalities
Leave Management - Customizations

Egypt specific checks

SAP Customizing Implementation Guide (SPRO)

Payroll

Payroll Egypt

Absences

Validation of Absences

- Maintain Special Leave Conditions
- Assign BRF+ Function to Leave Eligibility Framework
- Configure Returning Message Text for Ineligible Leave Requests
Leave Management - Customizations

Egypt specific eligibility rules checking

BRF+ Application Name: HREGLVELG is used to determine eligibility.

This can be accessed via transaction ‘BRF+’.

High-level Overview:
The system should generate a **success**, **error** or **warning** message based on the employee’s eligibility.
Today Agenda

• Personnel Actions
• Localized Personal Admin - Master Data
• Leave Management
• **Sanctions Deductions**
• Social Insurance
• Taxation
• Renewal & ESS
• Eligibility Work Bench
Human Capital Management Localized Product for Egypt
Payroll - Sanction

- Offense Categories
- Nature of Offenses
- Offenses
- Cycle and Points

Easy customizations for the offense

Easy customization for the Sanction
- Define Sanction Groups
- Define Sanction Types

Define measures to link between Sanction and Offense
- based on days or percentage

Calculate the deduction of the Sanctions

Statuary Display and Report
- Show records of sanctioned employees along with its related data, and when it happened, current and past.

Change View "Offense Sanction": Details

- New Entries
- Sanction
- Offense
- Disc. Measure Group
- Disciplinary Measure
- Instance Penalty

- Offense Sanction
  - Salary reduction by days units
  - Percentage or Days

- Periods
  - Start: 01/01/1900
  - End: 12/31/9999

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Human Capital Management Localized Product for Egypt
Payroll - Sanction

- Offense Categories
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<table>
<thead>
<tr>
<th>A/WT</th>
<th>WI Text</th>
<th>AFC1C2C3aKoReBIvNUnit Amt/Unit No.</th>
<th>Amount</th>
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<td></td>
<td>11,000.00</td>
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<tr>
<td>*</td>
<td>/840 Diff. to av01</td>
<td></td>
<td>8.00</td>
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<tr>
<td>3</td>
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<td>1.00 333.33</td>
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<td>6901 Housing All01</td>
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<tr>
<td>3</td>
<td>M020 Monthly sal01</td>
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<td>10,000.00</td>
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<td>/550 Statutory N</td>
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<tr>
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<td>/700 Wage/salary</td>
<td></td>
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<tr>
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<td>/552 Difference</td>
<td></td>
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<tr>
<td>*</td>
<td>/561 Claim</td>
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<td>8,500.00</td>
</tr>
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</table>
Topics

• Personnel Actions
• Localized Personal Admin - Master Data
• Leave Management
• Sanctions Deductions
• **Social Insurance**
• Taxation
• Renewal & ESS
• Eligibility Work Bench
Human Capital Management Localized Product for Egypt

Payroll - Social Insurance
Human Capital Management Localized Product for Egypt

Payroll - Social Insurance

Enrollment
- Employee ID
- Exemption Reason
- Social Insurance No.

Buying service years
- Employee ID
- Previous Service Years

Calculate the Employee and Contribution
- Get Fixed Base
- Get Variable Base

Social Insurance Calculation
- Employee ID
- Employer

Information for Enrollment
- S.I. Office
- Exemption Reason

Additional SI Service Periods EG
- Addition Method
- Previous Employer Information
- Addon Particulars
- Current Employer Payment Specifications

Social Insurance EG
- Exempted from Social Insurance
- Exemption Reason
- Enrolment Date
- Social Insurance No.
- SI Office
- SI Fund

Personnel No: 69000030
Name: NATANS Test Case No. 2
EE group: 1 Active
Pers. area: EG01
EE subgroup: VS Monthly wage ear.
Start: 01.01.2015
To: 31.12.9999
Chngd: 28.06.2015 I009626

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### Human Capital Management Localized Product for Egypt

**Payroll - Social Insurance**

<table>
<thead>
<tr>
<th>A WT</th>
<th>WT Text</th>
<th>APC1C2C3aBKoReBTAwvTvNUUnit Amt/Unit No.</th>
<th>Amount</th>
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<tr>
<td>3 /002</td>
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<tr>
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<tr>
<td>3 /02</td>
<td>Variable Salar01</td>
<td>61,00 30,00</td>
<td>1.830,00</td>
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<tr>
<td>3 /11</td>
<td>Basic Salar01</td>
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<td>151,88</td>
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<tr>
<td>3 /12</td>
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<tr>
<td>3 /13</td>
<td>Total EE Co01</td>
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<tr>
<td>M402</td>
<td>EE Variable01</td>
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</table>

**Social Insurance Calculation**

- Get Fixed Base
- Get Variable Base
- Calculate the Employee and Contribution
- Previous Service Years
Human Capital Management Localized Product for Egypt
Social Insurance - Forms

Termination form
Human Capital Management Localized Product for Egypt
Social Insurance - Forms

Enrollment SI Status Form
Topics

- Personnel Actions
- Localized Personal Admin - Master Data
- Leave Management
- Sanctions Deductions
- Social Insurance
- Taxation
- Renewal & ESS
- Eligibility Work Bench
Human Capital Management Localized Product for Egypt
Taxation – Business Overview

• Taxes are eligible for all employees who are working in Egypt, Egyptians and non-Egyptian.

• All tax handling - including deductions and rebates (if owed) are the responsibility of the employer. The government does not deal with an employee directly. The employer is the one who files the income tax for the employee. Employees cannot file and submit their own income tax.

• Tax Year in Egypt for the private sector is 01 Jan-31 Dec
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Tax Flow

Tax Configuration
- Tax Slabs
- Tax Groups
- Tax Group
- Tax Exemptions

Tax Recording
- Tax Information
- Tax Elements

Tax Calculation
- Detect the tax pool & subtract exemptions
- Multiply the remaining amount by 12
- Calculate the taxes due per slab and add them together.

Settlement
- An annual settlement will be done once per year during the December Payroll Run
- Retroactive calculation for any changes of the Tax Rate or amount of the tax slabs during the year
Human Capital Management Localized Product for Egypt

Tax Log

The monthly tax found in wagetype /300.

<table>
<thead>
<tr>
<th>A</th>
<th>WT</th>
<th>WT</th>
<th>Amt/Unit No.</th>
<th>Amount</th>
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<td>35,000.00</td>
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<td>/300 Monthly Tax</td>
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<td></td>
<td>7,000.00</td>
</tr>
<tr>
<td>*</td>
<td>/304 Exempted co</td>
<td></td>
<td></td>
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<tr>
<td>*</td>
<td>/311 Annual sala</td>
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<td>156,000.00</td>
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<tr>
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<td>35,000.00</td>
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<tr>
<td>*</td>
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<td>141.86</td>
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</table>
Human Capital Management Localized Product for Egypt

Taxation - cycle scenarios

- Offcycle Run
- Correction Run
- On Demand Payroll

Internal
Human Capital Management Localized Product for Egypt
Taxation - Legal reporting: Quarterly Tax Report

Quarterly Tax Report

Search Criteria

- Company Code: EG01
- Quarter: January - March 2015

Tax Office Information

- Tax Office: Egypt Test
- Address: EG
- Tax File Number: 123456789293

Quarterly Tax Results

<table>
<thead>
<tr>
<th>Month</th>
<th>Total Employees</th>
<th>Total Taxable Income</th>
<th>Total Tax Computed</th>
<th>Total Tax Paid</th>
<th>Currency</th>
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<td>1,538,854.19</td>
<td>394,425.58</td>
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<td>February</td>
<td>30</td>
<td>650,779.05</td>
<td>138,171.41</td>
<td>0.00</td>
<td>EGP</td>
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<tr>
<td>March</td>
<td>20</td>
<td>202,126.22</td>
<td>35,866.48</td>
<td>0.00</td>
<td>EGP</td>
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\[\Sigma \] 568,463.47 EGP
Human Capital Management Localized Product for Egypt
Taxation - Quarterly Tax Report
Topics

- Personnel Actions
- Localized Personal Admin - Master Data
- Leave Management
- Sanctions Deductions
- Social Insurance
- Taxation
- Renewal & ESS
- Eligibility Work Bench
Human Capital Management Localized Product for Egypt
Renewal Screens

1. Use PERNR 69000001 by entering it as shown above.
2. Press Search button 📦 to bring up the details.
3. Press Edit button 🔧 to bring up the screen to be tested.
### Human Capital Management Localized Product for Egypt

#### Renewal Screens

<table>
<thead>
<tr>
<th>Actions</th>
<th>Valid From</th>
<th>Valid To</th>
<th>Form of address</th>
<th>Last name</th>
<th>First name</th>
<th>Date of Birth</th>
<th>Last Changed On</th>
<th>Last Changed By</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>05.03.2015</td>
<td>Unlimited</td>
<td>Mr HAMEDM</td>
<td>Mohammed</td>
<td>21.08.1984</td>
<td>26.03.2015</td>
<td>Jason MATHAI</td>
<td></td>
</tr>
<tr>
<td></td>
<td>21.08.1984</td>
<td>04.03.2015</td>
<td>Mr HAMEDM</td>
<td>Mohammed</td>
<td>21.08.1984</td>
<td>04.03.2015</td>
<td>Mohammed HAMED</td>
<td></td>
</tr>
</tbody>
</table>

#### Personal Data

**Validity**
- Valid From/To: 05.03.2015 - Unlimited

**Details: HAMEDM**

**Name**
- Arabic First Name: محمد
- Arabic Second Name: Hamed
- Arabic Third Name: عبد الله
- First Name: Mohammed
- Middle Name: Abdullah
- Last Name: HAMEDM

**Birth Data**
- Date of Birth: 21.08.1984
- Country of Birth: EG Egypt
- State: 02 Geza
- Birthplace: Mansoura

**Marital Status/Religion**
- Marital Status: 1 Married
- Religion: 31 Muslim

**Form-of-address key**
- 1 Mr

**Nationality**
- EG Egyptian
- AI Anguilla
- AE Unit Arab Emir

**Number of Children**: 2

**ID number**: 2840328*1200537
1. Use PERNR 69000001 by entering it as shown above.
2. Press Search button to bring up the details.
3. Press Edit button to bring up the screen to be tested.
### Human Capital Management Localized Product for Egypt

#### Renewal Screens

<table>
<thead>
<tr>
<th>Actions</th>
<th>Address Type</th>
<th>Valid From</th>
<th>Valid To</th>
<th>Street Name</th>
<th>Postal Code</th>
<th>City</th>
<th>Country</th>
<th>Last Changed On</th>
<th>Last Changed By</th>
<th>Notes</th>
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</thead>
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<tr>
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<td>Permanent residence</td>
<td>01.01.2014</td>
<td>Unlimited</td>
<td>23456</td>
<td>POSTAL COD</td>
<td>Mansoura</td>
<td>Egypt</td>
<td>26.03.2015</td>
<td>Jaison MATHAI</td>
<td></td>
</tr>
</tbody>
</table>

**Details: Permanent residence**

**Validity**

- Valid From/To: 01.01.2014 - Unlimited

**Address**

- Country Key: Egypt
- Care Of: Care of
- Street/House No.: 23456
- Postal Code: POSTAL COD
- City: Mansoura
- District: Mansoura
- Region: 08 Alexandria

**Last Change**

- Last Changed On/By: 26.03.2015 Jaison MATHAI

**Other Data**

- Telephone Number: 099403498789
- Distance in km: 100
- Company housing: Y
- Bus route: 109

**Notes**


1. Select button 1 to change personal data.
2. Select button 2 and 3 to change addresses
3. Select button 4 for Family members / dependants
Human Capital Management Localized Product for Egypt

ESS - Personal Data

Edit Personal Data

Arabic Name

Arabic First Name: محمد
Arabic Second Name: خادم
Arabic Third Name: عصاه
Arabic Last Name: فياض

Name

Form-of-Address Key: Mr
Initials: 

Marital Status/Religion

Marital Status: 
Religion: 

English Name

First name: Test Case No. 1
Second name: 
Middle name: 
 Last name: Infotype 0006

Birth Data

Country of Birth: 
State: 
Birthplace: 
Gender: Male

Other Personal Data

Title: 
Mother Tongue: English
* Nationality: Egyptian
Second Nationality: 
Third Nationality: 

Photo

You can upload a file in JPG or JPEG format. The maximum size is 1 MB.

Browse... Upload Delete
Edit Permanent residence

Address
- **Country:** Egypt

- **Care Of:**
- **House Number:**
- **Street Name:**
- **Address Line 2:**
- **City:**
- **State:**
- **Postal Code:**

Communication
- **Telephone:**

Validity
- **Valid as of Today**
- **Valid From**
Human Capital Management Localized Product for Egypt

ESS - Family Details

Add Child

Name
- First name:
- Last name: Infotype 0000
- Title:

Date of Birth
- Date of Birth:
- Name of Birth:
- Gender: Female, Male

Other Personal Data
- Nationality: Egyptian
- Second Nationality:
- Third Nationality:
Topics

• Personnel Actions
• Localized Personal Admin - Master Data
• Leave Management
• Sanctions Deductions
• Social Insurance
• Taxation
• Renewal & ESS
• Eligibility Work Bench
The Eligibility Rules can be based on any of the following:

- Gender
- Nationality
- Religion
- Region (State, Province, County)
- Country Category
- Academic Degree
- Job
- Job Speciality
- Mandate Rule
- Hire Date
- Service Duration
- No of Children
- Martial Status
- Any other employee info
Benefits Workbench – Assign Components
T-Code: HRAEEG1

In this workbench, you maintain employee’s benefits. You retrieve benefits according to employee’s eligibility, assign the benefit and then update benefit into corresponding Infotype.

![Benefits Entitlement Screen](image)

- Eligible Salary Components
- Components (to be assigned to package) with indirectly evaluated amount and start date of benefit
Benefits Workbench – Recalculate Components
T-Code: HRAEEG1

In this workbench, you maintain employee’s benefits. You retrieve benefits according to employee’s eligibility, assign the benefit and then update benefit into corresponding Infotype.
Benefits Workbench – Delimit No Longer Eligible Components

T-Code: HRAEEG1

In this workbench, you maintain employee’s benefits.

You retrieve benefits according to employee’s eligibility, assign the benefit and then update benefit into corresponding Infotype.
Thank you

Contact information:

MENA Globalization Services

khalid.murtaja@sap.com
http://service.sap.com/Globalization