Hi, I'm Miguel Benitez, Localization Product Manager – HCM Venezuela, for SAP Globalization Services.

Welcome to this session on SAP HCM Payroll, Country Version Venezuela.
After completing this session, you will be able to:

- Understand the scope of Venezuelan localization for Payroll
- Outline and explain the features of Venezuelan localization for Payroll
- Explain the features of Venezuelan localization for Payroll
- Understand integration and support for Payroll
This is our agenda for the next twenty minutes. Starting with quick facts about Country Version Venezuela for Payroll, we’ll then look at the solution features, and end with some additional highlights.

This session gives you an insight into the scope of Venezuelan localization and an understanding of how this enables businesses to run legally compliant. I’ll cover in brief the features offered by Country Version Venezuela in the area of Payroll.

I’ll also touch upon the support system, and certain recommendations for those of you who are planning your first steps towards implementing Country Version Venezuela for Payroll.
Country Version Venezuela ( HCM-PY )

Quick Facts

So Let's start with some quick facts about Country Version Venezuela for Payroll.
Country Version of Venezuela (HCM-PY)
Quick Facts

Key Strengths
- Customizable and global product
- Provides legal compliance for payroll runs
- Integration with other components

Challenges
- Legal Changes
  - Sometimes come unplanned
  - Applicable at short notice
  - Often have mission critical status

Country Version Venezuela is a flexible, global solution that supports multi-currency, and allows you to adapt quickly and easily to any situation and potential requirements.

The country version for Venezuela extends the international components of master data, time management, and payroll, incorporating the specific processing requirements for the local market in Spanish.

SAP offers efficient and reliable procedures for continuous modification and updating of the system, so you can receive new functions arising from legal changes.

Payroll is fully integrated within the SAP human resources solution, and can be used in conjunction with other elements of enterprise software. You can also connect and facilitate data exchange with external systems. For example, Payroll is directly connected to the Financial Accounting component.

There are two major challenges here:
- Sometimes, legal changes come at short notice, and their interpretation is not completely clear. Consequently, the government often makes changes to statutes after they have come into force.

- Instances also arise where the meaning of the law is unclear, and customers interpret it in different ways.
Now let me walk you through the topic of Payroll in Venezuela. We’ll take a look at master data, payroll, and legal reports.
With regard to master data:

- Personnel Management manages organizational data, management information, and data relating to remuneration. Personnel Management and Payroll are fully integrated.

- The master data stored in Personal Management is evaluated by Payroll. This evaluation uses individual data and the respective legal settings to automatically select the appropriate method of assessment. This is then used to apply the respective rules to obtain the net payment results.

- Master data includes Venezuelan tax information, social security, loans, family data, and personal data, amongst other things.
Taking a look at the payroll side:

- Payroll calculates all payments to employees, by using a pre-configured and customizable calculation scheme. When you run this scheme, the system first calculates the gross pay for employees in a given pay period, taking contracts, agreements, and bonuses, amongst other things, into consideration. It then determines voluntary or mandatory deductions, such as taxes, and finally arrives at the net payment to be transferred to the employee.

- The amounts payable to each employee are stored in the payroll results. Sophisticated security mechanisms prevent the same payment from being made twice within the same payroll period.

- The system can run a special payroll as required, for example when a payment has to be made immediately, and not as part of the payment for the next period.

- One of the strengths of the process is the automatic retroactive calculation: Payroll automatically finds changes to master data and time management, even if these changes apply to earlier periods, so the payroll is recalculated automatically for all periods affected by these changes.
Venezuelan payroll includes functions associated with the processing of social security, benefits, length of service, shared profits, and loans.

When the payroll is executed, the wage types are calculated and deducted from the amounts that a company and its employees must be paid. The deductions are in the form of income taxes, contributions to social insurance and mandatory unemployment insurance, contributions towards the housing policy, and contributions towards the National Institute of Educational Cooperation.

Payroll supports activities associated with the process of termination of labor relations between an employee and a company. Basically, it includes the processing of seniority, previous warnings, and all the due amounts generated during the termination process in terms of wages, profits and holidays, salary, and vacations.
Concerning mandatory legal reports:

- Payroll generates a variety of legal reports according to pre-set formats for the various government entities. These include:
  - Reports such as the Venezuelan Institute of Social Security Beneficiary Record, Notice of Termination of Employment Relations, and Proof of Work.
  - Reports relating to income tax, such as the Annual Employee Retentions report and the Annual Company Retentions report.
  - Reports relating to the contribution towards the National Institute of Educational Cooperation, including the employee contributions report and the company contributions report.
  - The legal report for Housing Policy, namely the employee and company contributions report
  - Reports for the Ministry of Labor, such as the collective bargaining agreement report, utilities report, apprentices report, report on employees under the age of 18, accident report statement, and the report on productive hours.
The Master Data and Payroll process comes with a number of standard reports for reviewing and verifying employee information, together with the corresponding methods of calculation.
Additional Highlights

• Integration
• Support
• Recommendations

- So that was a brief overview of the functions that exist for Payroll in Country Version Venezuela.
- Now let’s have a look at some softer, but significant aspects.
With integration, time data is managed by Time Management and evaluated automatically by Payroll. When the payroll is executed, the system determines, for example, compensation for employees or workers, and overtime or supplements to the time worked. You can process absences, vacation, and sick leave in a different way to overtime.

- SAP ERP Human Capital Management contains more than 45 integration points to the business applications of SAP Business Suite, and the number continues to grow. For example, integration of CRM and HR through an employee interaction center is a typical business process in most companies today. HR teams, IT teams, and other departments that support employees within a company’s environment use the power of interaction centers to provide one-stop HR information for employees.

- Integration allows you to budget in different ways, by supporting annual simulations and linking to financial information.

- When running the payroll, the system supports the automatic distribution of financial and cost information.
The system allows you to update information about shift planning and take this information for running the payroll, as well as update information about training, skills and appraisals.
Now let’s talk about support.

- SAP provides full support for legal changes that take place throughout the year in the form of SAP Notes and Support Packages.
- Proactive analysis is backed up by legal experts.
- You can find specific information about Venezuelan localization under the link shown in the slide.
Payroll for Country Version Venezuela (HCM-PY)
Recommendations

- Not a “do it yourself” system
- Expert knowledge required
- User training
- Keep the system updated with the latest Support Package

Last, but definitely not least, here are some recommendations for those of you who are new to Country Version Venezuela:

- First and foremost, as you’ll probably agree, Country Version Venezuela is not a “do it yourself” system. With the level of complexity involved, we recommend you have the most experienced local experts on board from the very beginning.

- As many global customers have observed, some expert knowledge of global templates is definitely required, to avoid any late and unwelcome surprises.

- We strongly recommend that customers upgrade to the minimum Support Package level for Country Version Venezuela, so that they receive the relevant legal changes in future.

- You should ensure you have a skilled team in place to implement the solution.

- Finally, user training is critical to the successful implementation of Country Version Venezuela. I’m sure all of us will agree on this one.
You should now be able to:

- Understand the scope of Venezuelan localization for Payroll
- Outline the features of Venezuelan localization for Payroll
- Explain the features of Venezuelan localization for Payroll
- Understand integration and support for Payroll
For more information on the topics discussed in this lesson, see the following references:


You can find further information about contacts, best practices, documentation, and available functionality in the reference material listed here.
Thank you

Miguel Benitez
LPM, Local Product Management, Globalization Services, SAP
Email: miguel.benitez@sap.com

- With that, I’d like to thank you for your patience and attention during this session. You can contact me with any queries at the e-mail address given here.
- Thank you, and have a nice day !!!.