

Quick Topic - Dilution and partial periods - Adjusting the Period Hours method - Percentage of Period Pay

Title: Dilution and partial periods (Adjusting the Period Hours method, Percentage of Period Pay)

Brief description:

When you hire or terminate an exempt employee mid-time period or when an exempt employee has uncompensated leave within a period, by default, Unanet will adjust the employee's cost rate based on the hours worked against the hours in the time period resulting in an inflated cost rate for that individual. This document describes the process for calculating the correct hours in the period as a percentage of the period worked to replace the default hours for the employee.

This method works when an exempt employee is paid a percentage of their salary based on the hours worked over the business hours in the period. Note that some organizations pay the exempt employee's straight hourly rate when partial periods are worked. Please refer to the [Quick Topic - Dilution and partial periods \(Straight Pay\)](#) for the configuration of the straight pay method of compensation.

Note that there is another method that also pays a percentage of the period pay, [Quick Topic - Dilution and partial periods \(Uncompensated Leave Pay Code, Percentage of Period Pay\)](#).

What's covered in this document:

- [Pros and Cons of this Method](#)
- [Calculate the adjusted hours for the period](#)
- [Setting the adjusted hours in the Person Dilution HOURS IN PERIOD](#)
- [Example 1 - Semi-monthly](#)
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The following steps outline the process for calculating the expected dilution period for a salaried new hire, termination mid-period or employee with uncompensated leave. This process should be followed after the timesheet has been approved and is in a COMPLETED or LOCKED status but before the timesheet is EXTRACTED.

Pros and Cons of this Method

- Pros of the Adjusting the Period Hours method: You don't need to create a separate non-work/LWOP project or pay code or have people charge against that non-work/LWOP project.
- Cons of the Adjusting the Period Hours method: You must as an Admin edit the Person > Dilution > HOURS IN PERIOD field with a value calculated outside the system. It may be easy to forget to do this, so you may choose to employ a validation stored procedure (described below) to assist.

Calculate the adjusted hours for the period

Assess the following values:

1. HOURS WORKED = hours on the timesheet for the employee.
2. BUSINESS HOURS = standard work day hours * the number of business days in the time period.
3. PERCENTAGE OF PERIOD = HOURS WORKED/BUSINESS HOURS.
4. ADJUSTED PERIOD HOURS = Dilution Period Default hours * PERCENTAGE OF PERIOD.

Setting the adjusted hours in the Person Dilution HOURS IN PERIOD

The ADJUSTED PERIOD HOURS are entered into the HOURS IN PERIOD field of the employee's Dilution screen in the person profile. (http://help.unanet.com/current/unanet_menu/people/people_dilution.htm). Following this process will ensure the employee's adjusted cost rate is accurate.

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People – Dilution for George Bush (bbush)

TIME PERIOD	STATUS	HOURS WORKED	HOURS IN PERIOD	BUSINESS HOURS IN PERIOD	BUSINESS HOURS FACTOR	COST RATE FACTOR	CALCULATION REQUIRED
6/16/2019 — 6/30/2019	INUSE	24	86.6667	86.6667	1	1	
8/1/2017 — 8/15/2017	INUSE	0	86.6667	86.6667	1	1	

Total Rows: 2

Example 1 - Semi-monthly

In a semi-monthly time period, the standard dilution hours are set to 86.667. Within a given period, a new-hire works 7 of 10 working days. Let's assume the standard work day is 8 hours.

			July														
			S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
Project	Title	Pay Code	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th
1110100	USDA	RT					8	8			8	8	8	8	8		

Step	Formula	Example	Results
A	HOURS WORKED	8 hours * 7 days	56 hours
B	BUSINESS HOURS	8 hours * 10 days	80 hours
C	PERCENTAGE OF PERIOD	56 hours worked/80 hours in period	.7
D	ADJUSTED PERIOD HOURS	86.667 dilution period default *.7 percent of time period worked	60.6667

Example 2 - Biweekly

In a biweekly time period, the standard dilution hours are set to 80. Within a given period, a new-hire is employee for 4 of 10 working days in the period. The employee is expected to work 8 hours a day.

			July														
			M	T	W	T	F	S	S	M	T	W	T	F	S	S	
Project	Title	Pay Code	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	
1110100	USDA	RT									8	8	8	8			

Step	Formula	Example	Results
A	HOURS WORKED	8 hours * 4 days	32 hours
B	BUSINESS HOURS	8 hours * 10 days	80 hours
C	PERCENTAGE OF PERIOD	32 hours worked/80 hours in period	.4
D	ADJUSTED PERIOD HOURS	80 dilution period default *.4 percent of time period worked	32

Considerations for a Stored Procedure

One concern with this process is that the Unanet Administrator or client Payroll Manager is unaware of the situation and that the user timesheet is completed and time is diluted prior to this setting being in effect. Recalculation is always a possibility, but a stored procedure may help to reduce the possibility of missing the scenario.

A stored procedure is a customized script that runs on the Unanet database and validates entries to the timesheet or expense report. In this case, the validation would be a Save validation warning and Submit validation warning on the timesheet.

For a new hire, the stored procedure would be set up to trigger if the user *Hire Date* field was populated with a date within the time period and the hours worked are less than the business hours in the period. Special exceptions would need to be accounted for if the *Hire Date* was on the first weekday of the time period and therefore all normal business hours were included in the dilution period. The Save and Submit message would be a warning to indicate to the user that he should contact the System Administrator to review the dilution settings.

Unanet does not track Termination Dates as a standard field, but if validation on termination is necessary, it would be possible to set up a Person user-defined field (UDF) to enter a *Termination Date*. The validation routine would be very similar for the termination, with special exception if the *Termination Date* is on the last weekday of the time period. The client will need to determine if the *Termination Date* can be identified and entered into Unanet in a timely fashion in order to make the stored procedure routine viable in their environment.

If a stored procedure is desired, the client should contact their Customer Account Manager or implementation consultant.

Additional Resources

[Person Profile](#)

[Dilution](#)

[KC - FAQ - Dilution and Partial Periods - Handling New and Terminating Salaried Employees](#)

[KC - FAQ - What are Business Rules Enforcement and Validation Stored Procedures?](#)

[Help Docs - Validation Stored Procedures for Time Users](#)

[Help Docs - Validation Stored Procedures for Expense Users](#)

[Help Docs - Validation Stored Procedures for Manager Time Approvers \(Preview Approval Screen\)](#)