9.2 Understanding Multiple Components of Pay

Purpose: Use this document to understand multiple components of pay in ctcLink.

Audience: Human Resources staff.

Understanding Multiple Components of Pay

1. An employee's compensation comprises multiple compensation components. These components allow you to create default pay component packages based on jobs and salary steps or tailor unique compensation packages for each of your employees.
2. The multiple components of pay feature in PeopleSoft affects how an employee's compensation is organized and how they are paid. If this feature is used, the **Compensation** page in the Job Data component displays a rate code field beside the compensation and currency fields.
3. You can assign pay amounts for components such as base pay, years of experience, and education level. When multiple components of pay must be used, the compensation rate, which is determined by the total of all base pay rate codes, is grayed out on the **Compensation** page.
4. Multiple components of pay enable you to calculate percentage compensation, such as a bonus based on part of an employee's compensation rather than on the entire package. Another option using multiple components of pay is the ability to compensate employees based not only on their job code, which can have an assigned rate of pay, but also on additional factors, such as skill level or merit.
5. To summarize, your company can use multiple components of pay to compensate employees based on various rates of pay or a single rate of pay.
6. End of Procedure.