

# HR04 Benefits information maintenance

## Objective and scope

**Objective:** This document establishes the procedure for inserting the benefits information in the HR system and the steps to follow in order to ensure high quality information in the systems.

The goal of this procedure is to ensure that Compensation & Benefits information is updated in the HR SAP application, and also to ensure the update of this information in all applications where this data appears.

**Scope:** This procedure applies to all HR departments from all Business Units being the local HR Director responsible for its fulfillment, or whoever is assigned by him/her.

## Summary

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## 1 Operative

### 1.1 Identification of benefits

**Responsible:** *HR Responsible Compensation & Benefits*

Each benefit paid to the employees has to be identified. Possible benefits are (depending on company & BU policies, etc.):

1. Accident Insurance
2. Life Insurance
3. Medical Insurance
4. Pension Plan
5. Earned bonus
6. Company Car
7. Corporate Phone
8. Flexible Remuneration: Housing, Kindergarten, Meal Allowance, Transport (Only in Spain)
9. Fuel
10. Housing Allowance
11. Stock Bonus

Plus, benefits for international assignments are:

12. Flights
13. International Supplement
14. Moving
15. Relocation
16. Outplacement
17. Tax declarations
18. Storage
19. Advise
20. Others

## **1.2 Assign benefit / value to the employees**

**Responsible: HR Responsible Compensation & Benefits**

Based on the following requirements the benefit / value will be assigned to the employee:

### **1.2.1 Accident Insurance**

The monthly fee will be loaded.

### **1.2.2 Life Insurance**

The monthly fee will be loaded.

### **1.2.3 Medical Insurance**

The monthly fee will be loaded.

### **1.2.4 Pension Plan**

The monthly fee will be loaded.

### **1.2.5 Earned bonus**

The earned bonus is the result of the MBO once the company, departmental and individual objectives of each employee participating in this program have been liquidated (gross amount).

The bonuses which are different from the MBO, as for example the ones for Department Heads, or other bonuses from other incentives plans shall also be uploaded.

The “earned bonus” will include all incentive programs the company may launch in the future.

Once the MBO is liquidated (first quarter of each year), we will upload the earned bonuses of all employees who participated in this program.

The bonuses which are different from the MBO will be uploaded when paid (Department Heads bonus, etc...)

If no bonus has been paid, the amount of 0,01€ will be loaded.

### **1.2.6 Company Car**

The following has to be taken into consideration:

- Monthly “renting” amount
- Amount of the insurance in the case it is not included in the “renting” amount.
- The excess amount of the authorized fee will be uploaded in the “employee cost” field.
- In observations, the model of the car, license plate number, etc. will be included.
- Any temporary fee reduction won't be taken into consideration!

- When an employee gives up the company car and therefore receives an economic compensation, the amount of this compensation will be uploaded.

#### 1.2.7 Corporate Phone

- An estimate will be uploaded based on the figures from the previous years and an adjustment (difference) will be uploaded at the end of the year in order to obtain the real cost.
- The model and services included will be notified in observations

#### 1.2.8 Flexible Remuneration

Monthly amount the employee uses for the flexible remuneration products (Flex - Meal Allowance, Flex - Kindergarten, Flex - Medical Insurance, Flex - Housing, Flex - Transport)

#### 1.2.9 Fuel

The following has to be taken into consideration:

- Those countries with an established limit will upload the annual amount authorized by the company.
- At the end of the year, the necessary adjustments will be made to obtain the real cost.
- Countries without a defined limit will upload an estimate based on the figures from the previous year and will make an adjustment (difference) at the end of the year to obtain the real cost.

#### 1.2.10 Housing allowance

Monthly amount of the allowance (paid via payroll or paid directly)

#### 1.2.11 Stock Bonus

Amount the employee uses for Stock Bonus will be loaded under "Employee Costs"

International assignments benefits are:

#### 1.2.12 Flights

Annual amount that the expatriate is assigned for private flights between the country of origin and destination.

#### 1.2.13 International Supplement

Monetary supplement for international mobility (monthly or annually)

#### 1.2.14 Moving

Amount that the expatriate is assigned for moving expenses.

#### 1.2.15 Relocation

Amount that the expatriate is assigned for relocation expenses

#### 1.2.16 Outplacement

Amount that is assigned to the couple of the expatriate to facilitate the integration in destination / labor market, etc...

#### 1.2.17 Tax declarations

Amount that is assigned to the expatriate for tax preparation service tax returns

#### 1.2.18 Storage

Amount that the expatriate is assigned for storing personal belongings

### 1.2.19 Advise

Amount for legal advisory

### 1.2.20 Others

**NOTE:** When a right to a benefit with a monthly load stops for any reason, it will be updated with the monthly amount of 0,01€).

## 1.3 Uploading information in the system

**Responsible:** *HR Responsible Compensation & Benefits*

The HR Responsible of Compensation & Benefits or the person assigned by him/her will upload (manually or via mass upload) the information in the system. Manually the upload will be done employee by employee in the HR SAP application. The mass upload will be done via an upload file.

In order to assign benefits to employees manually, the *Benefits Management Creation* action is executed in SAP, which triggers first Infotype IT0167 and after Infotype IT0377. Infotype IT0167 must be filled in for recording Health Plan information and Infotype IT0377 for recording the remaining benefits. When assigning a benefit, Infotype IT0377 gives the user a chance for recording a new one or ending the entry of benefits.

For updating benefits information, the *Benefits Management Change* action is executed, which triggers first Infotype IT0167 and after Infotype IT0377 and allows the user to modify only the created benefits.

Once done, corporate HR will be informed.

- If there are any changes during the year, go back to the task 1.
- If not, end the process.

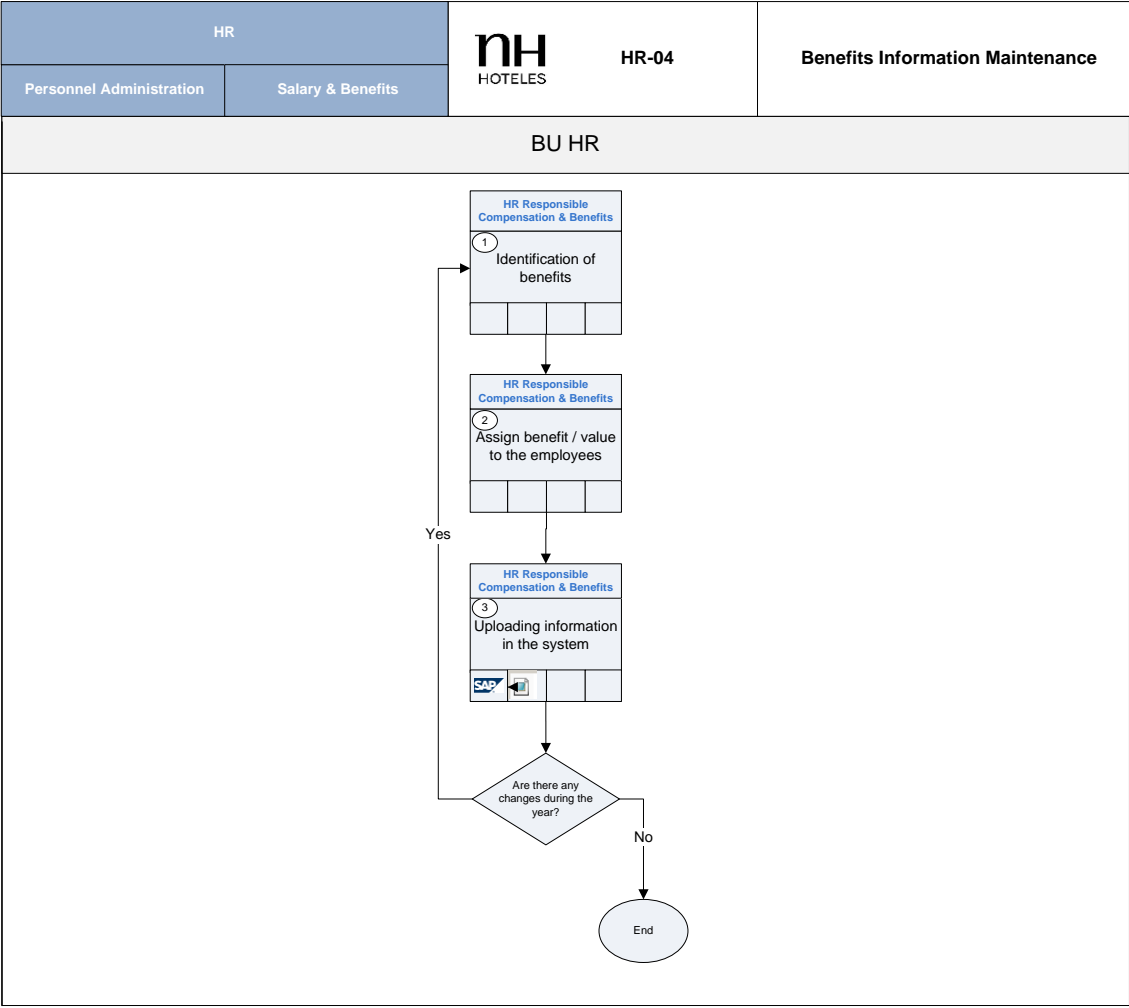
## 2 Related documents

Company & BU policies

## 3 Templates and file

Template or document	Responsible	File period
N/A	N/A	N/A

4 Flowchart



## 5 Procedure validation

Version	Corporate Area	Approved by		Approval date
1	Resources (Process Owner)	SVP Human Resources	Fran Catalá	December 2013
	Internal Audit	SVP Internal Audit		
	Management Committee			