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Exam : **Workday Pro Compensation**

Title : Workday Pro Compensation exam

Version : DEMO

1.Your company would like to automatically increase pay after 12 months of employment, but only after 400 hours worked.
What configuration will achieve this on compensation steps?
A. Select the "Assign first step during compensation proposal" checkbox and set a progression rule that counts 12 months.
B. Set a progression rule that counts the number of hours worked.
C. Set a duration of 12 months.
D. Set a duration of 12 months and a step progression rule that counts the number of hours worked.
Answer: D
Explanation:
In Workday Compensation, step progression is controlled through a combination of duration (time-based eligibility) and progression rules (additional conditions, like hours worked or performance).
Here's how the scenario breaks down:
Requirement 1 – 12 months of employment
Workday supports step duration, where you can specify that an employee must remain at a step for a defined period before being eligible for the next step.
Setting a duration of 12 months ensures that the employee only becomes eligible for a step increase after completing a year in the role.
Requirement 2 – 400 hours worked
Workday allows you to configure step progression rules that evaluate conditions beyond time, such as hours worked, performance ratings, or other calculated fields tied to the worker.
A progression rule counting the number of hours worked ensures that the pay increase is not triggered until the employee meets the required 400 hours.
Why not the other options?
A. Assign first step during compensation proposal + 12 months rule – This would only apply the first step, but it doesn't enforce the "400 hours worked" requirement.
B. Hours worked only – This ignores the requirement of 12 months of employment.
C. Duration of 12 months only – This ignores the requirement of 400 hours worked.
Thus, only D (duration + step progression rule) satisfies both conditions simultaneously.
Reference (from Workday Pro Compensation knowledge & learning resources):
Workday Compensation – Step Progression Configuration: Duration enforces time-in-step, while progression rules allow conditions such as hours worked or performance-based eligibility. Workday Pro Training Materials (Compensation module): Step increase rules require combining duration with eligibility/progression conditions for multi-criteria automation.
Workday Community – Compensation Step Progression Guide: Confirms that when multiple criteria must be met (e.g., tenure and hours worked), they must be configured in both the duration setting and the progression rule logic.

2.You need to create a car allowance plan. In order for your compensation plan to be paid by payroll, you determine you need to create a compensation element.
What task do you use to set up the compensation element?
A. Maintain Compensation Element Groups
B. Map Compensation Elements to Payroll Earnings
C. Maintain Compensation Elements

D. Edit Tenant Setup HCM
Answer: C
Explanation:
When setting up a car allowance plan (or any allowance/compensation plan in Workday), you must ensure that it is tied to payroll through the correct compensation element.
Here's the breakdown of the options:
Maintain Compensation Elements ✅
This task is where you create, configure, and manage compensation elements.
Every compensation plan (like salary, allowance, bonus) must be associated with a compensation element, which then links to payroll earnings for processing.
For a car allowance, you would create a new compensation element (type = allowance) so that payroll can recognize and pay it.
Maintain Compensation Element Groups
This is used to group multiple compensation elements together for easier administration, reporting, or eligibility rules.
It does not create the element itself, so it's not the right task here.
Map Compensation Elements to Payroll Earnings
This step is necessary after the element exists, to map the element to the correct payroll earning code (so payroll knows how to pay it).
However, you can't map something that hasn't been created yet.
Edit Tenant Setup HCM
This is a higher-level tenant configuration task for broad HCM settings (security, defaults, integrations, etc.).
It is not used for creating compensation elements.
The correct first step to create a car allowance compensation plan that can be processed by payroll is to use the task Maintain Compensation Elements.
Reference (Workday Pro Compensation knowledge & training):
Workday Pro Compensation Training: Compensation elements are the foundation for linking plans to payroll. The "Maintain Compensation Elements" task is where new elements are created. Workday Community – Compensation Element Setup Guide: Clarifies the difference between creating (Maintain Compensation Elements), grouping (Maintain Compensation Element Groups), and mapping (Map Compensation Elements to Payroll Earnings).
Workday Payroll & Compensation Integration Documentation: Requires elements to be defined before they can be mapped to earnings.

3.What is the purpose of the compensation element?
A. It ties compensation to payroll earnings.
B. It ties compensation to requisition compensation.
C. It ties compensation to the eligibility rules.
D. It ties compensation to benefit deductions.
Answer: A
Explanation:
A compensation element in Workday is the foundational link between a compensation plan (e.g., salary, bonus, allowance) and payroll processing.

When you assign a compensation plan (like a car allowance, bonus, or salary plan), Workday requires a compensation element that directly maps to a payroll earning code.
This ensures that the pay component flows into payroll correctly, appears on pay slips, and is taxable/deductible as designed.
Why not the others?
B. Requisition compensation – Job requisitions use compensation packages for recruiting, but elements are not tied to requisitions.
C. Eligibility rules – Eligibility determines who can receive the plan, not the element itself.
D. Benefit deductions – Those are handled by benefit deduction elements, not compensation elements.
Reference: Workday Pro Compensation Training: Compensation elements map compensation plans to payroll earnings.
Workday Community – Compensation Elements Overview: Confirms the purpose of elements is payroll integration, not eligibility or benefits.

4.You have a seniority dynamic calculated plan to increase the amount of the plan every three years of an employee's employment. An employee reaches their sixth anniversary.
What do you need to do to make sure this employee's plan updates with the new amount?
A. You need to create a custom audit report to identify employees who reach their anniversary, and then submit a Request Compensation Change to run the calculation and update the amount for the employee.
B. You need to set up the Schedule Automatic Step Progression task so Workday is on schedule to process the calculation on the anniversary and change the amount for the employee.
C. You need to schedule a Mass Operation Management task to evaluate and update anyone assigned to the dynamic plan.
D. You do not need to do anything. Workday will check daily and automatically change the amount for the employee.
Answer: D
Explanation:
A seniority dynamic calculated plan automatically adjusts based on worker attributes such as length of service.
Workday evaluates dynamic calculations daily, ensuring that once an employee reaches their 3-year, 6-year, or other milestone, the plan amount updates automatically without manual intervention.
Why not the others?
A. Audit report + Request Compensation Change – Unnecessary; dynamic plans do not require manual updates.
B. Schedule Automatic Step Progression – That applies to step progression plans, not dynamic calculated plans.
C. Mass Operation Management – Used for bulk updates, but not required here because Workday auto-updates dynamic plans.
Reference: Workday Pro Compensation – Dynamic Calculated Plans Guide: Dynamic plans are self-updating based on employee data, recalculated daily.
Workday Community – Dynamic Plan Functionality: Confirms no manual action is needed for anniversary-based increases.

5.How do you configure a salary plan to prorate an employee's scheduled hours?

A. Apply FTE%
B. Compensation Element
C. Eligibility Rules
D. Exclude from Merit
Answer: A
Explanation:
When configuring a salary plan, you can choose whether the plan amount should automatically adjust for part-time employees based on FTE% (Full-Time Equivalent percentage).
Apply FTE% ensures that the salary plan prorates according to scheduled hours vs. full-time hours.
Example: If an employee works 50% FTE, a $60,000 annual salary plan will automatically adjust to $30,000.
Why not the others?
B. Compensation Element – Elements link plans to payroll but do not control proration.
C. Eligibility Rules – Define who is eligible, not how amounts are prorated.
D. Exclude from Merit – Used in merit review processes, unrelated to proration.
Reference: Workday Pro Compensation Training: Salary plans have a checkbox “Apply FTE%” to prorate salaries based on work schedule.
Workday Community – Salary Plan Configuration: Confirms FTE% is the method for automatic proration.