<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>OVERVIEW</td>
<td>2</td>
</tr>
<tr>
<td>DIFFERENCES FROM REQUIREMENTS</td>
<td>4</td>
</tr>
<tr>
<td>PROGRAMS</td>
<td>7</td>
</tr>
<tr>
<td>INCLUDE MEMBERS</td>
<td>13</td>
</tr>
<tr>
<td>COPYMEMBERS</td>
<td>14</td>
</tr>
<tr>
<td>BINDS</td>
<td>17</td>
</tr>
<tr>
<td>TABLE UPDATES</td>
<td>18</td>
</tr>
<tr>
<td>FORMS</td>
<td>21</td>
</tr>
<tr>
<td>JCL CHANGES</td>
<td>22</td>
</tr>
<tr>
<td>ATTACHMENTS</td>
<td>23</td>
</tr>
</tbody>
</table>
Introduction

Vice President Broome, Financial Management, on August 4, 1998 announced the implementation of pretax transportation deductions. It was applicable to parking and transit pass payroll deductions. Pretax vanpooling will be announced separately.

Under the pretax program, payroll deductions for parking are not subject to Federal Withholding Tax (FWT) and FICA taxes. The current maximum allowable reduction is $175 per month. This limit applies to all parking deductions in combination. Parking deductions are still subject to State Withholding Tax (SWT).

Under the pretax program, payroll deductions for vanpooling and transit passes are not subject to FWT, FICA taxes and SWT. Under Federal law, the maximum allowable reduction is $65 per month. This limit applies to all vanpooling and transit pass deductions in combination. There is no reduction limit, however, for State income tax withholding.

The campuses were informed that they could offer pretax transportation deductions beginning September 1 or later, although the allowable reduction limit was not fully supported by the necessary Payroll/Personnel (PPS) changes. Campuses could manually assign individual employee deductions to a combination of pretax and post-tax deduction Gross-to-Net (GTN) numbers that in effect maintained the reduction limit. Release 1202 issued two one-time programs to aid the campuses in enrolling eligible employees in pretax parking. Campuses were responsible for establishing any transit pass GTN's and employee deductions.

This release addresses the automation of the maximum reduction logic in the PPS.
Overview

Under Federal law, applicable to income and FICA taxes, a single reduction limit of $175 (currently) applies to all parking deductions in combination. Under Federal law, a single reduction limit of $65 (currently) applies to all vanpooling and transit pass deductions in combination. Initially transit and vanpool deductions will be considered as a single group of GTN's combined under one common limit. References to "transit" in this document apply to the combination. See Attachment C for changes that would be required if transit and vanpool limits were split. Under California State law, applicable to income taxes, parking deductions are subject to withholding, and no reduction limit is applied to transit deductions.

Initially FWT and FICA limits will be considered as the same, and the FWT limits will be applied to both. System Parameters will define four separate limits: FWT parking, SWT parking, FWT transit and SWT transit. The FWT, SWT and FICA Reduction Indicators on the GTN table will serve to define the individual parking and transit GTN numbers as to their allowable reduction of taxable grosses.

It must be possible to group deductions by two types, i.e. pretax parking or transit, for the purposes of applying reduction limits to several deductions in combination. For this purpose Calculation Routine 16 will be assigned to all pretax parking deductions and Calculation Routine 17 will be assigned to all pretax transit deductions. The GTN table will need to be updated accordingly.

Under both Federal and State law, the reduction limits are applied on a monthly basis. Thus, a method will be developed to identify the first payment of a month for an employee, and to carry forward reduction amounts applied to those limits for any subsequent pay cycles for the employee in that same month.

To identify the first payment each month an existing field LAST-GTN-ACT field (DE 5536) which already controls Calculation Routine 15 processing will be used. When the LAST-GTN-ACT does not match XPCR-END-MONTH, new pay month initialization for parking and transit will be triggered. XPCR-END-MONTH will then be stored in LAST-GTN-ACT, which will bypass this initialization process in subsequent pay cycles for the employee in the same month. Since the field is being shared with Calculation Routine 15, a flag will be set in both Calculation Routine 15 processing and the new Calculation 16 and 17 processing to let each other know that initialization is or is not required even if another has already updated LAST-GTN-ACT.

Reduction amounts taken against the limits for various pretax parking and transit GTN's will be maintained in two new fields also added to the PPPPCM table. They will be set to zero as part of the new pay month initialization process, or will carry forward the amounts already taken for subsequent pay cycles in the same month. These amounts will be moved to linkage defined by copymember CPLNKNET. These amounts will be used to determine the remaining limits for parking and transit reductions.

During the Compute all parking and transit deductions will be compared with the remaining limits. If the deduction is less than or equal to the remaining limit, it will be added to the reduction taken amount, and the remaining limit will be reduced by the deduction amount. If the deduction is greater than the remaining limit, then only the remaining limit will be added to the reduction taken amount. The reduction amount taken will be added to the reduction taken against the limits, up to the limit amount.

Within the limit processing, due to the differing FWT/FICA and SWT limits, it will be necessary to apply parts of the allowed reduction to different GTN's with appropriate Reduction Indicators. A process will be developed to link a series of parking and transit reductions and deductions so that the full deduction may be taken, while the reduction is limited appropriately. The linking of the GTN's will require additional transaction edits for GTN table update transactions, and consistency editing of the linked GTN's and the limits established on the System Parameter table. This consistency editing will be capable of recognizing
FATAL errors. These will be reported out of the CTL update. They will also occur at the beginning of PPP400 in the Compute and will stop PPP400 processing if a FATAL error is detected.

Following are the expected results for different types of pay transactions as they affect limits. Only current pay transactions will be applied to the limits.

- Cancellation.
  - Will not be applied to the current month's limits.
- Overpayment.
  - Will not be applied to the current month's limits.
- Handdrawn.
  - Will not be applied to current month's limits
- One-time Deduction (DS transaction)
  - Will not be applied to current month's limits
- Refund (RF transaction)
  - Will not be applied to current month's limits
- Current Pay transactions.
  - Will be applied to current month's limits
- Suspended deductions
  - Will not be applied to current month's limits
Differences from Requirements

1. The Requirements state that one-time deductions must be subtracted from the current month's cap. After further analysis of how the Compute processes various transactions, it was determined that the most consistent approach was to limit reduction limit processing to current pay. One-time and COH transactions, including those coded via the online Rush Checks application, are presumed to be coded correctly by knowledgeable users. The coding must take into consideration what amount of reduction should occur and must mimic the automatic process in determining which GTN numbers to use for each deduction amount.

2. Since the current intent is to remove all PPS use of the VSAM CTL, it was decided to perform the pretax parking and transit Gross-to-Net table edits against the DB2 PPPGTN table, after PPP010 and PPP851 have run. This means that both the VSAM and DB2 GTN table can contain pretax parking and transit GTN errors. A new job PPP013 will be developed to run after PP851 to identify errors. It will be necessary to correct them before PPP400 of the Compute is run.

3. The Requirements requested a one-time process. After further investigation it was decided that a one-time process was not needed.
4. DDL

**EDB Payroll Computation Table (PPPPCM):**

Two numeric fields will be added to carry the month-to-date reductions amounts taken against the parking reduction limit and the transit reduction limit.

The new columns will be added to the four standard DDL members defining the table and three views:
- TBPCM00C.
- PPPVPCM1.
- PPPVPCM2.
- PPPVZPCM.

The new columns will be added to one DDL member defining a program specific view:
- PPPV400C.

For campuses which alter tables rather than re-create them, an ALTER TABLE member will be created to add the new columns.
- TBPCM13A.

```
PARK_RED_TAKEN DECIMAL(7,2) NOT NULL WITH DEFAULT
TRAN_RED_TAKEN DECIMAL(7,2) NOT NULL WITH DEFAULT
```

**CTL Gross-to-Net Table (PPPGTN):**

Two new columns will be added to the PPPGTN table to contain the Initial Link GTN Flag and the Linked GTN number.

The new columns will be added to the standard DDL members defining the table and one view:
- TBGTN00C.
- PPPVZGTN.

For campuses which alter tables rather than re-create them, an ALTER TABLE member will be created to add the new columns.
- TBGTN04A.

```
GTN_LINK_GTN_NUM CHAR(03) NOT NULL WITH DEFAULT,
GTN_INIT_LINK_FLAG CHAR(01) NOT NULL WITH DEFAULT,
```

**CDB Gross-to-Net History Table (PPPGTNH):**

Two new columns will be added to the PPPGTNH table to contain the Initial Link GTN Flag and the Linked GTN number.

The new columns will be added to the standard DDL members defining the table and one view:
- TBGTNH0C.
- PPPVGTNH.

For campuses which alter tables rather than re-create them, an ALTER TABLE member will be created to add the new columns.
- TBGTNH4A.

```
GTN_LINK_GTN_NUM CHAR(03) NOT NULL WITH DEFAULT,
```
GTN_INIT_LINK_FLAG CHAR(01) NOT NULL WITH DEFAULT,
Pretax Transportation Program
Detail Design

Programs

PPEDTPDR
PPEDTPDR performs the unique edits required for Compute pay transactions PS, DS, AND RF. It will be modified to disallow pretax parking and transit deduction being coded 'R' for replacement of current month's deduction.

PPEG002(new)
PPEG002 will be a new EDB File Maintenance program that performs deduction edits. It will walk through the deduction array External defined by copymember CPWSEDSA that contains all employee deductions. PPEG002 will perform a consistency edit on any GTN with a non-zero G-balance. The GTN number will be used to access an array of transit GTN's loaded during USER08 and USER12 processing (see new copymember CPWSTGTN). The table will contain data for all GTN's with a Calculation Routine value of 16 or 17 (pretax parking or transit). If the GTN finds a match in the table, i.e. the GTN is a pretax parking or transit GTN, then the Initial Linked GTN Flag in the array will be checked. Employee deductions for pretax parking and transit can only be added using the beginning GTN number of the linked GTN group. This ensures that maximum reduction will be allowed for the employee. If the Initial Linked GTN Flag is not Y, the G-balance will be zeroed and a transaction reject message will be issued.

The parking and transit GTN's must be coded with 002 for Conedit Routine Number. The Routine Definition Table must be updated to add PPEG002 as a GTN Edit routine. The Processing Group Table will be updated to add PPEG002 via the G002 trigger to both USER08 and USER12 processing. Resource Definition Online (RDO) must be performed to define the new program to the online CICS regions.

PPGTNHUP
PPGTNHUP is a CDB update program that performs updates of the PPPGTNH table from PPPGTN data. It will be modified to move the two new columns added to the PPPGTN table: the Initial Linked GTN Flag and the Linked GTN Number.

PPKEYCHD
PPKEYCHD is called to perform EDB Employee ID changes. The SELECT of data from the PPPPCM table will be modified to include the two new columns.

PPNETCLC
PPNETCLC is a Compute program. It will be modified to add two new calculation processes for Calculation Routines 16 and 17. They will calculate parking and transit reduction amounts that should be applied to FWT, SWT and FICA reduction totals and determine to which linked GTN the amount should be assigned.

In addition to applying a single parking or transit reduction limit to multiple parking or transit reductions in a single Compute process, reduction amounts already taken in the same pay month, i.e. in a B1 process prior to a B2 process, must be taken into account. See Attachment B for examples of how reduction amounts might be spread across initial and linked parking or transit GTN's.

PPNETCLC will determine the proper amount for deduction-taken to be passed along to further processing. In addition, it might establish temporary G-balance amounts for linked GTN's for amounts that exceed the allowed limits. PPNETCLC will later process these temporary G-balance amounts as-is, i.e. they will not be reprocessed against taken limits.

PPNETDK
PPNETDK is a Compute program. It will be modified to delete a hard coded reference to an obsolete Special Calculation Routine 17.
PPNETUPD
PPNETUPD is a Compute program. It will be modified to bypass the new Update Routine 78 coded on the pretax parking and transit GTN's. The Update Routine 78 logic is in PPP400.

PPPCMCHG
The program is a standard part of the EDB Fetch/Update complex for the PPPPCM table. It will be modified to process the new columns.

PPPCMFET
The program is a standard part of the EDB Fetch/Update complex for the PPPPCM table. It will be modified to process the new columns.

PPPCMUPD
The program is a standard part of the EDB Fetch/Update complex for the PPPPCM table. It will be modified to process the new columns.

PPPCMUTL
The program is a standard part of the EDB Fetch/Update complex for the PPPPCM table. It will be modified to process the new columns.

PPPCMUTW
The program is a standard part of the EDB Fetch/Update complex for the PPPPCM table. It will be modified to process the new columns.

PPRCNET
The program is the main driver for online Rush Check processing. It will be modified to provide linked GTN support for PPNETCLC for pretax parking and transit GTN's.

PPP010
PPP010 updates the VSAM CTL file.

Transaction level edits will be added for GTN transactions. Parking GTN's will be defined as having Calculation Routine 16. Transit GTN's will be defined as having Calculation Routine 17. Two new fields will be added to the GTN transaction and tables. The first field, Initial Linked GTN Flag, will be used to define the original GTN of a linked group. It will contain a Y for initial GTN's, and blank for all others. The second field will contain the next linked GTN number. The final GTN in the linked group will contain a 000 (all zeroes) to identify it as the end of the linkage. Pretax parking and transit GTN's, as defined by having Calculation Routine 16 or 17, will be required to have a numeric GTN link. These edits will occur at the individual transaction level.

The PPP0102 report will be modified to display the linked GTN number and Initial Linked GTN Flag. They will appear together, e.g. 400Y, after the DPI field.

PPP013(new)
A new program will be created to call PPTRNGTN to perform the GTN Table consistency edits. It will be added to local CTL update processes to run immediately after PPP010 and PPP851, which update the VSAM CTL and DB2 CTL respectively.

PPP013 will contain minimal logic beyond the call to PPTRNGTN. It will issue its own message and set an appropriate Return Code based on the error severity level returned by PPTRNGTN.

The consistency edit will determine that the linked parking and transit GTN groups are complete and consistent with the limits. A report will be produced by PPTRNGTN (see Attachment A).
PPP400
PPP400 is one of the main Compute driver programs. It calls various PPNET* programs to calculate net and gross amounts.

It will be modified to move the System Parameter values for the FWT and SWT reduction limits for parking and transit to fields in the linkage defined by new copymember CPWSTGTN.

It will be modified to call new program PPTRNGTN to perform consistency edits of the pretax parking and transit GTN's and the FWT and SWT reduction limits. If a FATAL condition is detected, a message will be issued and PPP400 will stop.

The SELECT from program specific View PPPV400C_PCM will be modified to include the new Parking Reduction Taken and Transit Reduction Taken columns.

The deduction processing will be modified to identify GTN's having Calculation Routine 16 or Calculation Routine 17. PPP400 will determine whether the pay cycle is the first time the employee has been paid in the current month. It will do this by comparing the value on PPPPCM table column LAST-GTN-ACT with XPCR-END-MONTH. If they differ, then it is the first payment. If so, the parking and transit reductions taken against the limits will be set to zero in appropriate PPPPCM columns. XPCR-END-MONTH will be moved to the Last GTN Action field for later EDB update. Since Calculation 15 also uses LAST-GTN-ACT, a flag will be set during Calculation Routines 15, 16 and 17 processing that will indicate that initialization was required, i.e. a new month is starting. Each will query this flag as well as the comparison of LAST-GTN-ACT and XPCR-END-MONTH to determine that initialization is required. The flag will be reset at the change in employee ID since LAST-ACT-GTN is employee specific.

If a new month is initialized, the parking and transit reduction amounts taken will be set to zero on the PCM-ROW-DATA External.

The Parking Reduction Taken and Transit Reduction Taken amount will be applied to the multiple levels of the generic GTN structures defined during PPTRNGTN processing. That is, the taken amount will be applied at each level up to the maximum reduction allowed for that GTN level. Later reduction processing will need to access the values in that array to determine whether to apply a reduction amount to the initial GTN or to an appropriate linked GTN.

Special Update 78 processing will be added to zero out any transitory G-balances applied to linked GTN's during the Compute process. Only the initial GTN, i.e. the GTN for which there is an entry on the PPPDBL table, should retain a G-balance value.

The Parking Reduction Taken and Transit Reduction Taken columns will be tested at the end of each employee's processing to see if they have changed. If they have changed, an EDB Change File record will be written for subsequent update in PPP410.

PPP420
PPP420 performs the check and surepay advice print. It will be modified to exclude the linked transit GTN's from the reductions displayed for the taxable gross calculation on the new laser format. The taxable gross displayed is the FWT taxable gross, and the linked transit only reduce SWT taxable gross.

PPP851
PPP851 performs updates of the DB2 CTL tables from the VSAM CTL table data. It will be modified to move the two new columns added to the PPPGTN table: the Initial Linked GTN Flag and the Linked GTN Number.

PPTRNGTN
PPTRNGTN will be a new program to perform consistency edits of the pretax parking and transit GTN's, the linked GTN's and the System Parameters values defining the FWT and FWT parking and transit
An initial pretax reduction GTN is needed as the GTN used for establishing employee deductions on the PPPDBL table. Theoretically, up to three reductions and one post-tax deduction could be required to handle deduction and reduction cap logic. The first reduction could have all three reduction indicators turned on; the next linked reduction would have two reduction indicators turned on; the next linked reduction would have only one reduction indicator turned on; and finally the post-tax deduction would have no reduction indicators turned on. The amount associated with each GTN would depend on the limits established for the reduction types and how they relate to the deduction to be taken. That amount common to all three limits would be taken against the initial reduction; for at least one of the three reduction types this would be the maximum allowed. The remaining amount allowed for the other two would be carried forward to the second reduction GTN. Again, the amount common to both limits would be taken against this second GTN; for one of the reduction types this would be the maximum allowed. The remaining amount allowed for the third reduction type would be carried forward to the third GTN. The remaining amount allowed for this third type of limit would be taken against this GTN. All of the remaining amount would be over the limit and thus would be posted to the post-tax deduction GTN.

The FWT and SWT parking and transit reduction limits will be obtained from the System Parameter table. The FWT limit will be used as the FICA limit. From the three limits the required reductions and deductions and their Reduction Indicators can be inferred. Given the current VSAM structure of the System Parameter Table all System Parameters exist and thus also exist on the DB2 PPPPRM table even if with a zero value. However, looking forward to a direct DB2 update process in which only active System Parameter Numbers might exist, PPTRNGTN will issue a FATAL message if one of the FWT and SWT parking and transit reduction limits System Parameter Numbers is not found.

- If all limits are zero, then no reduction should exist and a warning message will be issued.
- For any limit that is zero, the Reduction Indicator should be N; the others should be Y. The minimum limit for a reduction type of Y will then be subtracted from the three limits, retaining zero as a minimum.
- If there is a non-zero limit remaining, then a second reduction is needed. For any limit that is zero, the Reduction Indicator should be N; the others should be Y. There should minimally be one less Y indicator on this reduction than on the previous one. The minimum limit for a reduction type of Y will then be subtracted from the three limits, retaining zero as a minimum.
- If there is a non-zero limit remaining, then a third reduction is needed. For any limit that is zero, the Reduction Indicator should be N; the others should be Y. There should minimally be one less Y indicator on this reduction than on the previous one. The minimum limit for a reduction type of Y will then be subtracted from the three limits, retaining zero as a minimum.
- If the limit is not "unlimited" then a post-tax deduction should be next.

In the current actual situation, parking has a common FWT and FICA limit of $175, and the SWT limit is zero. One reduction coded Y for FWT and FICA reduction and N for SWT reduction is needed, and one post-tax deduction is needed. The full theoretical complement of three reductions and one deduction is not necessary.

For transit, there is a common FWT and FICA limit of $65 and the SWT is unlimited. One reduction coded for FWT, SWT and FICA reduction is needed, and a second reduction coded for SWT is needed. The full theoretical complement of three reductions and one deduction is not necessary.

Once the pattern of required reduction GTN's, Reduction Indicators and post-tax deductions has been inferred from the limits, then the actual GTN entries can be evaluated. Their pattern should match.

All the initial linked parking and transit GTN's will be read via a cursor which will select GTN's that have the Initial Linked GTN Flag equal to Y. The linked GTN's will then be processed and the following edits performed:
• The presence of each reduction/deduction inferred by the pattern will be checked. If missing or the wrong GTN type, a FATAL message will be issued.
• The Reduction Indicators will be evaluated at each level to make sure they match the inferred pattern. If they do not match, a FATAL message will be issued.
• The priority sequence of each level will be evaluated to determine that it is lower priority (higher priority sequence number). If it is not, a FATAL message will be issued.
• No initial GTN number can be defined as a linked GTN for another GTN. If it is, a FATAL message will be issued.
• No lower level linked GTN can be linked to more than one GTN. If it is, a FATAL message will be issued.
• All lower level linked GTN's must be defined as Usage F in order to allow dollar amounts to be added to their G-balance value. If it is not, a FATAL message will be issued.
• All GTN's must be defined as Calculation Routine 16 or 17. If it is not, a FATAL message will be issued.
• All GTN's must have Con Edit Routine 002. If it is not, a FATAL message will be issued.
• All lower level linked GTN's must have a non-zero value. A non-zero value will trigger an edit on the online deduction screens (e.g. EGTN), which a zero value would not. The triggering of the edit will then determine that an attempt is being made to set up a non-initial GTN as a deduction. This is invalid, and a FATAL message will be issued.
• All lower level linked GTN's must be defined as the same Calculation Routine 16 or 17 as the initial GTN. If it is not, a FATAL message will be issued.

**PPTRNGTO**
PPTRNGTO will be a new program to perform a subset of the PPTRNGTN functions for online rush check processing. The FWT and SWT parking and transit reduction limits will be obtained from the System Parameter table, and the generic GTN requirements will be developed similarly to PPTRNGTN. This will provide the limit structure in copymember CPWSTGTN required for online processing by PPNETCLC.

Resource Definition Online (RDO) must be performed to define the new program to the online CICS regions.

**PPRCNET**
PPRCNET is the main driver on the Online Rush Check application. It will be modified similarly to PPP400. Calculation 16 and 17 deductions will trigger processing to establish the limit taken fields in the CPWSTGTN structures for PPNETCLC processing.

**PPWRC21**
PPWRC21 is the screen processor for the rush checks Rush Check Opt2 Earns & Deds screen. It will be modified to edit pretax parking and transit GTN's to make sure that only the initial GTN in linked groups is entered. This is a similar edit to that which will be performed by new program PPEG002 for EDB file maintenance.

**USER08**
USER08 is the main EDB maintenance edit driver called both online and in batch. USER08 loads several use-specific GTN arrays during its overall GTN table load process, e.g. 403B related GTN's. Code will be added to load Calculation 16 and 17 GTN's and data into an array defined as an External (see copymember CPWSTGTN). This External will be defined in PPEG002 also, and will be used in its consistency editing.

**USER12**
USER12 is the main EDB maintenance edit and update driver called both online and in batch. USER12 loads several use-specific GTN arrays during its overall GTN table load process, e.g. 403B related GTN's. Code will be added to load Calculation 16 and 17 GTN's and data into an array defined as an External (see
copymember CPWSTGTN). This External will be defined in PPEG002 also, and will be used in its consistency editing.
Include Members

EDB Payroll Computation Table (PPPPCM):
The three existing Include members which define the working storage for each of the three views for the PPPPCM table will be modified to contain the new parking reduction taken and transit reduction taken columns.
- PPPVPCM1
- PPPVPCM2
- PPPVZPCM

The following Include member for a program specific view for the PPPPCM table will be modified to contain the new parking reduction taken and transit reduction taken columns.
- PPPV400C

```
10 PARK-RED-TAKEN   PIC S9(05)V99   USAGE COMP-3.
10 TRAN-RED-TAKEN   PIC S9(05)V99   USAGE COMP-3.
```

CTL Gross-to-Net Table (PPPGTN):
The Include member that defines the working storage for the view for the PPPGTN table will be modified to contain the new Initial Linked GTN Flag and Linked GTN Number columns.
- PPPVZGTN

```
10 GTN-LINK-GTN-NUM     PIC X(3).
10 GTN-INIT-LINK-FLAG   PIC X(1).
```

CDB Gross-to-Net History Table (PPPGTNH):
The Include member that defines the working storage for the view for the PPPGTNH table will be modified to contain the new Initial Linked GTN Flag and Linked GTN Number columns.
- PPPVGTNH

```
10 GTN-LINK-GTN-NUM     PIC X(3).
10 GTN-INIT-LINK-FLAG   PIC X(1).
```
Copymembers

**CPWSGTNH:**
CPWSGTNH defines working storage for a DB2 Gross-to-Net History table row. The new Initial Linked GTN Flag and Linked GTN Number will be added.

```
10 GTN-LINK-GTN-NUM  PIC X(3).
10 GTN-INIT-LINK-FLAG  PIC X(1).
```

**CPWSRPCM:**
CPWSRPCM defines working storage for a PPPPCM table row. The new parking reduction taken and transit reduction taken fields will be added.

```
10 PARK-RED-TAKEN   PIC S9(05)V99   USAGE COMP-3.
10 TRAN-RED-TAKEN   PIC S9(05)V99.  USAGE COMP-3.
```

**CPWSXGTA:**
CPWSXGTA defines working storage for a VSAM Gross-to-Net table record. The new Initial Linked GTN Flag and Linked GTN Number will be added.

```
10 XGTA-LINK-GTN-NUM  PIC X(3).
10 XGTA-INIT-LINK-FLAG  PIC X(1).
```

**CPWSXGTN:**
CPWSXGTN defines working storage for a VSAM Gross-to-Net table record. The new Initial Linked GTN Flag and Linked GTN Number will be added.

```
10 XGTN-LINK-GTN-NUM  PIC X(3).
10 XGTN-INIT-LINK-FLAG  PIC X(1).
```

**CPWSXIC2**
CPWSXIC2 contains payroll constants, including campus specific values. It will be modified to contain Base values for the parameter numbers of the four FWT and SWT reduction limits. FICA will not be maintained at this time as a separate limit.

```
05 IC2-PRM-REDUCTION-LIMITS.
   10 FWT-PARK-RED-LIMIT   PIC S9(4) COMP SYNC VALUE +76.
   10 SWT-PARK-RED-LIMIT   PIC S9(4) COMP SYNC VALUE +77.
   10 FWT-TRAN-RED-LIMIT   PIC S9(4) COMP SYNC VALUE +78.
   10 SWT-TRAN-RED-LIMIT   PIC S9(4) COMP SYNC VALUE +79.
```

**CPWSTGTN**
A new copymember CPWSTGTN will be defined. It will contain selected data for Calculation 16 and 17 GTN's for use in EDB file maintenance, GTN table consistency edits and Compute limit processing. It will be defined as having a maximum of 999 occurrences, but will be allocated on the basis of actual loaded GTN's.

```
01 TRANSIT-GTN-DATA.
   03 TGTN-ERROR-CODE                        PIC 9(01).
```
88 TGTN-FATAL-ERROR VALUE 5 THRU 9.
03 TGTN-LIMITS.
*******************************************************************************/
* LIMITS LOADED FROM SYSTEM PARAMETER TABLE. */
*******************************************************************************/
05 TGTN-FWT-PARK-RED-LIMIT PIC S9(05)V99.
05 TGTN-SWT-PARK-RED-LIMIT PIC S9(05)V99.
05 TGTN-FWT-TRAN-RED-LIMIT PIC S9(05)V99.
05 TGTN-SWT-TRAN-RED-LIMIT PIC S9(05)V99.
03 TGTN-RED-TAKEN.
*******************************************************************************/
* REDUCTION TAKEN IS EMPLOYEE SPECIFIC. IT IS */
* FROM THE PCM TABLE. */
*******************************************************************************/
05 TGTN-PARK-RED-TAKEN PIC S9(05)V99.
05 TGTN-TRAN-RED-TAKEN PIC S9(05)V99.
03 TGTN-LIMITS-TABLE.
*******************************************************************************/
THE GTN STRUCTURE REQUIRED DEPENDS ON THE */
LIMITS AND THEIR RELATIONSHIP. THE NUMBER OF */
GTNS, TYPE, REDUCTION INDICATORS AND LIMIT THAT */
CAN BE TAKEN AGAINST EACH IS GENERICALLY DEFINED*/
BY PPTRNRTN. */
OCCURRENCE 1 IS FOR PARKING. */
OCCURRENCE 2 IS FOR TRANSIT. */
*******************************************************************************/
05 FILLER OCCURS 2 TIMES.
07 TGTN-LIMITS OCCURS 4 TIMES.
 09 TGTN-LIM-NUMBER PIC X(03).
 09 TGTN-LIM-LINK-GTN-NUM PIC X(03).
 09 TGTN-LIM-LINK-INIT-FLAG PIC X(01).
 09 TGTN-LIM-TYPE PIC X.
 09 TGTN-LIM-REDUCTION-FWT PIC X.
 09 TGTN-LIM-REDUCTION-SWT PIC X.
 09 TGTN-LIM-REDUCTION-FICA PIC X.
 09 TGTN-LIM-USAGE PIC X.
 09 TGTN-LIM-SP-CALC-NO PIC X(02).
 09 TGTN-LIM-CON-EDIT-RTN PIC X(03).
 09 TGTN-LIM-LIMIT PIC 9(05)V99.
 09 TGTN-LIM-LIMIT-TAKEN PIC 9(05)V99.
03 TGTN-MAX-LOADED PIC S9(4) COMP SYNC.
*******************************************************************************/
* AN ARRAY OF PARKING AND TRANSIT GTN'S AND DATA. */
* THIS IS DEVELOPED WHILE PROCESSING A GTN LOAD */
* OF ALL GTN'S. */
*******************************************************************************/
03 TGTN-TABLE.
05 TGTN-GTN OCCURS 0 TO 999 TIMES
DEPENDING ON TGTN-MAX-LOADED
INDEXED BY TGTN-SUB.
 07 TGTN-GTN-PRIORITY PIC X(04).
 07 TGTN-GTN-NUMBER PIC X(03).
 07 TGTN-GTN-LINK-GTN-NUM PIC X(03).
 07 TGTN-GTN-TYPE PIC X.
 07 TGTN-GTN-USAGE PIC X.
 07 TGTN-GTN-SP-CALC-NO PIC X(02).
07 TGTN-GTN-REDUCTION-FWT PIC X.
07 TGTN-GTN-REDUCTION-SWT PIC X.
07 TGTN-GTN-REDUCTION-FICA PIC X.
07 TGTN-GTN-CON-EDIT-RTN PIC X(03).
07 TGTN-GTN-INIT-LINK-FLAG PIC X.

*******************  END OF COPYBOOK CPWSTGTN  *******************
Binds

**PPP013:**
A plan bind will be created for new program PPP013. It will contain members PPTRNGTN PPCTTUTL and PPMSSG2.

**PPP400:**
The plan bind will be modified to include new program PPTRNGTN.

**PPTRNGTO:**
A package bind will be created for new program PPTRNGTO.
Table Updates

System Parameter Table (PPPPRM):

Four System Parameters will be established to define the Federal Parking Reduction Limit, Federal Transit Reduction Limit, State Parking Reduction Limit and State Transit Reduction Limit. The federal limits will apply to FWT and FICA.

<table>
<thead>
<tr>
<th>Parameter Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>076 FED PARK RED LIMIT</td>
<td>175.0000</td>
</tr>
<tr>
<td>077 SWT PARK RED LIMIT</td>
<td>0.0000</td>
</tr>
<tr>
<td>078 FED VANPL/TRAN RED</td>
<td>65.0000</td>
</tr>
<tr>
<td>079 SWT VANPL/TRAN RED</td>
<td>99999.9999</td>
</tr>
</tbody>
</table>

Gross-to-Net Table (PPPGTN):

All pretax Parking reductions will be updated to have Calculation Routine 16. The Reduction Indicators should be YNY for FWT, SWT and FICA respectively. The Initial Linked GTN Flag should be Y. The GTN Conedit Routine should be 002. The Update Routine should be 78. They must be linked to a Calculation Routine 16 post-tax Deduction. The Usage of this initial pretax GTN can be any valid value. They should be coded to request a Y-balance for possible later year-end, e.g. W2, processing.

All pretax Transit reductions will be updated to have Calculation Routine 17. The Reduction Indicators should be YYY for FWT, SWT and FICA respectively. The Initial Linked GTN Flag should be Y. The GTN Conedit Routine should be 002. The Update Routine should be 78. They must be linked to a Calculation Routine 17 pretax Reduction coded NYN. The Usage of this initial pretax GTN can be any valid value. They should be coded to request a Y-balance for possible later year-end, e.g. W2, processing.

The necessary linked pretax and post-tax parking and transit deductions will also need to be established. They must all have priority sequences in order of their linkage. "In order" means lower priority and higher sequence number. The pre-tax reductions must have priorities prior to the DCP, FWT, SWT and FICA tax GTN's. The Usage must be F so that flat dollar amounts can be moved to them as required by limit processing. The Reduction Indicators must be appropriate to their position in the linkage. The GTN Conedit Routine should be 002. The Update Routine should be 78. The value/range must require a non-zero value. They should be coded to request a Y-balance for possible later year-end, e.g. W2, processing.

Given the current limits, there should be one linked post-tax deduction for each pretax parking reduction. The Linked GTN Number must be 000 (all zeroes) to indicate the end of the linked group.

Given the current limits, there should be one linked pretax transit reduction for each pretax transit reduction. The Reduction Indicators should be NYN for FWT, SWT and FICA respectively. The Linked GTN Number must be 000 to indicate the end of the linked group.

See Attachment B for examples.

Data Element Table (PPPDET):

Parking Reduction Taken will be added to the PPPPCM table as Data Element 0420. Transit Reduction Taken will be added to the PPPPCM table as Data Element 0421.

None of the fields will be coded as accumulated grosses.
System Messages Table (PPPMSG):

Two messages will be added for new GTN transaction edits in PPP010. The transaction edits will only be applied to a single transaction's data, not to relationships with other rows (other than key checking logic for adds, changes, deletes).

01-167  INITIAL LINKED GTN FLAG VALUE MUST BE BLANK OR Y
01-168  LINKED GTN NUMBER MUST BE NUMERIC

Messages will be added for GTN consistency edits in PPTRNGTN called by PPP013 and PPP400.

40-041  PRETAX TRANSPORTATION LINKED GTN NUMBER DOES NOT EXIST
40-042  LINKED GTN GROUP GTN HAS INVALID REDUCTION INDICATORS
40-043  LINKED GTN GROUP GTN HAS OUT-OF-ORDER PRIORITY SEQUENCE
40-044  LINKED GTN GROUP GTN MUST HAVE CON EDIT ROUTINE 002
40-045  LINKED GTN GROUP GTN IN ANOTHER GROUP
40-046  LINKED GTN GROUP GTN DOES NOT HAVE USAGE F
40-047  LINKED GTN GROUP GTN HAS INCONSISTENT CALC ROUTINE NUMBER
40-049  CALC 16 OR 17 GTN NOT IN LINKED GROUP
40-054  LINKED GTN GROUP GTN HAS INCONSISTENT GTN TYPE
40-055  SYSTEM PARAMETER FOR TRANSPORTATION REDUCTION LIMIT IS MISSING
40-056  LINKED GTN GROUP CALCULATION ROUTINE MUST BE 16 OR 17
40-057  UNEXPECTED LEVEL OF GTN LINKAGE IN THIS LINKED GTN GROUP
40-058  NON-INITIAL LINKED PRETAX GTN VALUE1 MUST BE 1.0
40-059  LINKED PRETAX GTN SPECIAL UPDATE ROUTINE MUST BE 78

In addition to the messages issued by PPTRNGTN to its own report, one of two messages will be issued by PPP400 based on the severity level passed back from PPTRNGTN.

40-050  FATAL ERROR DETECTED IN TRANSPORTATION GTN CON EDITS
40-053  TRANSPORTATION GTN CON EDIT PERFORMED; NO FATAL ERRORS

In addition to the messages issued by PPTRNGTN to its own report, one of two messages will be issued by PPP013 based on the severity level passed back from PPTRNGTN.

01-351  FATAL ERROR DETECTED IN TRANSPORTATION GTN CON EDITS
01-352  TRANSPORTATION GTN CON EDIT PERFORMED; NO FATAL ERRORS

Two messages will be added for EDB file maintenance. They will be issued by PPEG002 when a GTN is invalid for enrollment in pretax parking and transit. They will both be Transaction Reject severity levels.

08-248  PRETAX TRANSPORTATION GTN MUST BE INITIAL LINKED GTN
12-248  PRETAX TRANSPORTATION GTN MUST BE INITIAL LINKED GTN

A message like the two messages added for EDB file maintenance will be created for use in online rush checks. It will be issued by PPWRC21 when a GTN is invalid for enrollment in pretax parking and transit.

36-257  PRETAX TRANSPORTATION GTN MUST BE INITIAL LINKED GTN

Routine Definition Table (PPPRTD):

New program PPEG002 will be defined as a GTN edit program.
Process Group Table (PPPPGT):

New program PPEG002 will be added to 08 processing group 099 and 12 processing group 007 as a GTN Edit.

Resource Definition Online (RDO):

RDO input will be created to define new programs PPEG002 and PPTRBGTO to online regions.
Forms

Gross-to-Net Table (UPAY545):

The Gross-to-Net update form will be modified to include the linked GTN field and the Initial Linked GTN Flag field. Both will be added to Transaction 2.

<table>
<thead>
<tr>
<th>Field</th>
<th>CC</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linked GTN</td>
<td>46-48</td>
<td>Must be numeric for Calculation Routine's 16 &amp; 17</td>
</tr>
<tr>
<td>Initial Linked GTN Flag</td>
<td>53</td>
<td>Must be Y or space for Calculation Routine's 16 &amp; 17</td>
</tr>
</tbody>
</table>
JCL Changes

PPP013(new):
A new job will be added for the parking and transit GTN consistency edit report after the PPP010 and PPP851 updates of the CTL. PPP013 will call PPTRNGTN to perform the edit.

PPP400:
PPP400 will call PPTRNGTN to perform the edit. A new DD will be added for the parking and transit GTN consistency edit report created by PPTRNGTN.
### Attachments

<table>
<thead>
<tr>
<th>Attachment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment A</td>
<td>Sample GTN Consistency Report from PPTRNGTN</td>
</tr>
<tr>
<td>Attachment B</td>
<td>Example of applying deduction amounts to pretax and post-tax GTN’s</td>
</tr>
<tr>
<td>Attachment C</td>
<td>Changes required for future reduction limits</td>
</tr>
</tbody>
</table>
## Pretax Transportation Program
### Detail Design

### Attachment A  Sample GTN Consistency Report from PPTRNGTN

<table>
<thead>
<tr>
<th>TRN_GTN1/PPTRNGTN MM/DD/YY</th>
<th>UNIVERSITY OF CALIFORNIA-SYSTEMWIDE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RETN: SEE RPTS DISP SCHEDULE/DIST.</td>
<td>PAYROLL PROCESSING</td>
</tr>
<tr>
<td>PARKING REDUCTIONS CONSISTENCY EDITS</td>
<td>PAGE NO. 1</td>
</tr>
</tbody>
</table>

**SYSTEM PARAMETERS FOR PRETAX TRANSPORTATION GTNS**

<table>
<thead>
<tr>
<th>SYSTEM PARAMETER</th>
<th>DESCRIPTION</th>
<th>REDUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>076</td>
<td>FED PARK RED</td>
<td>175.0000</td>
</tr>
<tr>
<td>077</td>
<td>SWT PARK RED</td>
<td>0.0000</td>
</tr>
<tr>
<td>078</td>
<td>FED TRAN RED</td>
<td>65.0000</td>
</tr>
<tr>
<td>079</td>
<td>SWT TRAN RED</td>
<td>99999.999</td>
</tr>
</tbody>
</table>

**GENERIC GTN STRUCTURE REQUIRED FOR PRETAX PARKING**

<table>
<thead>
<tr>
<th>GTN/INIT</th>
<th>PRIORITY</th>
<th>DESCRIPTION</th>
<th>SEQ</th>
<th>TYPE</th>
<th>GTN</th>
<th>LINKED</th>
<th>FWT</th>
<th>SWT</th>
<th>FICA</th>
<th>USAGE</th>
<th>CALC</th>
<th>CON</th>
<th>LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>001Y</td>
<td>0001</td>
<td>PARKING GTN</td>
<td>R</td>
<td>002</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>?</td>
<td>16</td>
<td>002</td>
<td>175.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>002</td>
<td>0002</td>
<td>PARKING GTN</td>
<td>D</td>
<td>000</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>?</td>
<td>17</td>
<td>002</td>
<td>99999.99</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**GENERIC GTN STRUCTURE REQUIRED FOR PRETAX TRANSIT**

<table>
<thead>
<tr>
<th>GTN/INIT</th>
<th>PRIORITY</th>
<th>DESCRIPTION</th>
<th>SEQ</th>
<th>TYPE</th>
<th>GTN</th>
<th>LINKED</th>
<th>FWT</th>
<th>SWT</th>
<th>FICA</th>
<th>USAGE</th>
<th>CALC</th>
<th>CON</th>
<th>LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>001Y</td>
<td>0001</td>
<td>TRANSIT GTN</td>
<td>R</td>
<td>002</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>?</td>
<td>17</td>
<td>002</td>
<td>65.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>002</td>
<td>0002</td>
<td>TRANSIT GTN</td>
<td>R</td>
<td>000</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>F</td>
<td>17</td>
<td>002</td>
<td>99999.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GTN/INIT</td>
<td>PRIORITY</td>
<td>DESCRIPTION</td>
<td>GTN</td>
<td>LINKED</td>
<td>FWT</td>
<td>SWT</td>
<td>FICA</td>
<td>USAGE</td>
<td>CALC</td>
<td>CON</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>401Y</td>
<td>1501</td>
<td>PARKING 401</td>
<td>R</td>
<td>402</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>F</td>
<td>16</td>
<td>002</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>402</td>
<td>4102</td>
<td>PARKING 402</td>
<td>D</td>
<td>000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>16</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>40-046</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SEVERITY: 8-SEE OPERATN

NON-INITIAL LINKED PRETAX GTN MUST HAVE USAGE F
Currently the GTN table contains three Reduction Indicators: FWT, SWT and FICA. With Parking and transit we have a case where FWT and FICA are the same but SWT differs, but theoretically any combination is possible.

Current reality aside, let us assume three different limits exist for parking:
- FWT $100.00
- SWT $150.00
- FICA $75.00

With three different limits, four GTN numbers would be needed to cover the possibilities. The first reduction would have all three reduction indicators set to Yes. The second reduction would have two reduction indicators set to Yes. And the third reduction would only have a single indicator set to Yes. A deduction would be needed for any amount over the maximum allowed limit. Given our sample rates, the GTN's would be defined as follows.

<table>
<thead>
<tr>
<th>GTN</th>
<th>Type</th>
<th>FWT Red Ind</th>
<th>FWT Amt Allowed</th>
<th>SWT Red Ind</th>
<th>SWT Amt Allowed</th>
<th>FICA Red Ind</th>
<th>FICA Amt Allowed</th>
<th>Amt Allowed Thru GTN</th>
</tr>
</thead>
<tbody>
<tr>
<td>400</td>
<td>Reduction</td>
<td>Yes</td>
<td>75</td>
<td>Yes</td>
<td>75</td>
<td>Yes</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>401</td>
<td>Reduction</td>
<td>Yes</td>
<td>25</td>
<td>Yes</td>
<td>25</td>
<td>No</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>402</td>
<td>Reduction</td>
<td>No</td>
<td>0</td>
<td>Yes</td>
<td>50</td>
<td>No</td>
<td>0</td>
<td>150</td>
</tr>
<tr>
<td>403</td>
<td>Deduction</td>
<td>N/A</td>
<td>Unlimited</td>
<td>N/A</td>
<td>Unlimited</td>
<td>N/A</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
</tbody>
</table>

Let us define a second set of parking GTN's. They would be the same structure because the limits define the required combination.

<table>
<thead>
<tr>
<th>GTN</th>
<th>Type</th>
<th>FWT Red Ind</th>
<th>FWT Amt Allowed</th>
<th>SWT Red Ind</th>
<th>SWT Amt Allowed</th>
<th>FICA Red Ind</th>
<th>FICA Amt Allowed</th>
<th>Amt Allowed Thru GTN</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>Reduction</td>
<td>Yes</td>
<td>75</td>
<td>Yes</td>
<td>75</td>
<td>Yes</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>501</td>
<td>Reduction</td>
<td>Yes</td>
<td>25</td>
<td>Yes</td>
<td>25</td>
<td>No</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>502</td>
<td>Reduction</td>
<td>No</td>
<td>0</td>
<td>Yes</td>
<td>50</td>
<td>No</td>
<td>0</td>
<td>150</td>
</tr>
<tr>
<td>503</td>
<td>Deduction</td>
<td>N/A</td>
<td>Unlimited</td>
<td>N/A</td>
<td>Unlimited</td>
<td>N/A</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
</tbody>
</table>

Let us assume a $90.00 rate for GTN 400 and a $100.00 rate for GTN 500, and that an employee is signed up for both. The following would occur in the Compute (assuming 500 followed 400 in priority sequence).

The full limits are available for GTN 400, but the full amount cannot be recorded against GTN 400 because that would overstate the reduction for FICA. So, $75, the maximum allowed at this level, is applied to GTN 400, leaving $15 dollars. $15 dollars is less than the maximum allowed amount for GTN 401, so the whole $15 is applied to GTN 401.
When GTN 500 is processed for $100.00 the full limit is no longer available. Up to this point $90 of deductions have been applied to the limit. This already exceeds the maximum allowed reduction for 500, but there is some room under the maximum total amount through 501, i.e. $10.00. So none of the amount is applied to 500, but $10 is applied to 501. This leaves $90.00 still to be taken. The maximum allowed through the third reduction level is $150. Between GTN's 400, 401 and 501 $100 has been applied. This means $50.00 is allowed for 502. This still leaves $40 to be deducted, but since no more reduction limit is available, the $40 must be applied against a post-tax deduction.

If the columns of Amounts Taken are added up they will show FWT Amount Taken is $100, SWT Amount Taken is $150 and FICA Amount Taken is $75.00. The total taken, i.e. the full deduction taken for the employee, is $190.00.
Now let us apply the test against the actual limits. Currently there are two limits for parking:

- FWT  $175.00
- SWT  $0
- FICA $175.00

Only two GTN numbers are be needed to cover the possibilities. The first reduction has the FWT and FICA reduction indicators set to Yes, the SWT to No. A deduction is needed for any amount over the $175.00 limit.

<table>
<thead>
<tr>
<th>GTN</th>
<th>Type</th>
<th>FWT Red Ind</th>
<th>FWT Amt Allowed</th>
<th>SWT Red Ind</th>
<th>SWT Amt Allowed</th>
<th>FICA Red Ind</th>
<th>FICA Amt Allowed</th>
<th>Amt Allowed Thru GTN</th>
</tr>
</thead>
<tbody>
<tr>
<td>400</td>
<td>Reduction</td>
<td>Yes</td>
<td>175</td>
<td>No</td>
<td>0</td>
<td>Yes</td>
<td>175</td>
<td>175</td>
</tr>
<tr>
<td>403</td>
<td>Deduction</td>
<td>N/A</td>
<td>Unlimited</td>
<td>N/A</td>
<td>Unlimited</td>
<td>N/A</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
</tbody>
</table>

And the second GTN would be the same.

<table>
<thead>
<tr>
<th>GTN</th>
<th>Type</th>
<th>FWT Red Ind</th>
<th>FWT Amt Allowed</th>
<th>SWT Red Ind</th>
<th>SWT Amt Allowed</th>
<th>FICA Red Ind</th>
<th>FICA Amt Allowed</th>
<th>Amt Allowed Thru GTN</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>Reduction</td>
<td>Yes</td>
<td>175</td>
<td>No</td>
<td>0</td>
<td>Yes</td>
<td>175</td>
<td>175</td>
</tr>
<tr>
<td>503</td>
<td>Deduction</td>
<td>N/A</td>
<td>Unlimited</td>
<td>N/A</td>
<td>Unlimited</td>
<td>N/A</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
</tbody>
</table>

The full limit is available for GTN 400, and the full amount of $90 can be recorded against the GTN 400 limit.

<table>
<thead>
<tr>
<th>GTN</th>
<th>Type</th>
<th>FWT Red Ind</th>
<th>FWT Amt Taken</th>
<th>SWT Red Ind</th>
<th>SWT Amt Taken</th>
<th>FICA Red Ind</th>
<th>FICA Amt Taken</th>
<th>Amt Taken Thru GTN</th>
</tr>
</thead>
<tbody>
<tr>
<td>400</td>
<td>Reduction</td>
<td>Yes</td>
<td>90</td>
<td>No</td>
<td>0</td>
<td>Yes</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>403</td>
<td>Deduction</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When GTN 500 is processed for $100.00 the allowed reduction is no longer available. Up to this point $90 of deductions have been applied to the limits. This leaves some room under the maximum total amount allowed for 500, i.e. $175 minus the $90 already applied. So $85 of the amount is applied to 500. This still leaves $15 to be deducted, but since no more reduction limit is available, the $15 must be applied against a post-tax deduction.

<table>
<thead>
<tr>
<th>GTN</th>
<th>Type</th>
<th>FWT Red Ind</th>
<th>FWT Amt Taken</th>
<th>SWT Red Ind</th>
<th>SWT Amt Taken</th>
<th>FICA Red Ind</th>
<th>FICA Amt Taken</th>
<th>Amt Taken Thru GTN</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>Reduction</td>
<td>Yes</td>
<td>85</td>
<td>No</td>
<td>0</td>
<td>Yes</td>
<td>85</td>
<td>175</td>
</tr>
</tbody>
</table>
If the columns of Amounts Taken are added up they will show FWT Amount Taken is $175, SWT Amount Taken is $0 and FICA Amount Taken is $175.00. The total taken, i.e. the full deduction taken for the employee, is $190.00.
There are theoretical requirements for limiting reductions, and there are the current real conditions as they exist at the time of this release. The design should adequately prepare for future changes. However, it does not claim that such changes will simply be table changes. Experience in implementing full theoretical schemes in the PPS has sometimes left complex but unused code, and in some cases as time passes, it is not even sure that all the features of some of these designs actually work, as they have not been fully used. This design document has proposed a practical implementation that does not handle all the theoretical possibilities.

This design assumes that the FWT and FICA reduction limits are the same. Furthermore, it is assumed that a Safe Harbor Reduction Indicator is not necessary and that FICA reduction amounts will be applied to Safe Harbor DCP and Retirement grosses. These seem to be fairly safe assumptions.

This design treats parking as separate from transit and van pooling, but lumps the latter two into a single category. The future of this status is less well known.

This attachment attempts to outline changes that will be required for future adjustments in limits and the combining of transportation related GTN's in their relation to those limits. Individual issues are listed below, but obviously more than one of the changes could occur at once.

1. A new limit amount is required for existing limits:

   The System Parameter Table will need to be updated with the new limit amounts.

   The question then becomes, do the new limits imply a new linked GTN structure. The SWT limits are special in that parking is in effect totally limited, i.e. zero, and transit is unlimited. Both these special conditions affect the reduction/deduction combination and the reduction indicators that are turned on. If only one or both FWT limits change, then no further work is required. If either SWT limit changes, GTN table updates will be required. In either case, PPTRNGTN should indicate the validity of the GTN structure.

   However, no program code changes should be required.

2. A separate FICA limit from FWT is required:

   Two new parameters will need to added to the System Parameter Table for the FICA parking and transit limits, and the System Parameter Table will need to be updated with the new limit amounts.

   This will definitely imply a new linked GTN structure, requiring a new reduction GTN to be linked. Again, PPTRNGTN and should indicate the validity of the GTN structure.

   PPP400 and copymember CPWSTGTN will need to be changed to move the new limits to work fields for the PPNET* programs' linkage.

3. Transit and Van Pooling require separate limits:

   Two new parameters will need to added to the System Parameter Table for the FWT and SWT van pool limits, and the System Parameter Table will need to be updated with the new limit amounts.

   A new Calculation Routine would need to be defined for vanpool GTN's, and the vanpool GTN's updated on the Gross-to-Net table with the new value. There is a messy timing issue here. The change should occur only when the new Compute for every employee will be the first of a new month so that amounts of reduction taken will all be initialized to zero.
PPP400 and copymember CPWSTGTN will need to be changed to move the new limits to work fields for the PPNET* programs' linkage. In addition, the new Calculation Routine logic would need to be added to PPP400 and PPNETCLC. In each case, cloning of existing Calculation 16 or 17 code should work, with minor adjustment to use the new limit fields.

4. Transit and Van Pooling require separate limits, but retain some common overall limit (or parking, transit and van pooling all with separate limits, but with some common overall limit, or maybe only a common overall limit for FWT but not for SWT).

The overall limit could be handled by retaining a common Calculation Routine, but a new second level limit logic would need to be designed. Back to the drawing board. This will require significant changes.

5. A separate FICA and Safe Harbor limit is required.

This will require significant changes in areas other than pretax parking and transit.