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Re: Release: 1379
Service Request: 14857
Error Reports: 1767
Programs: PPEI301 (new), PPOT1379, PPPAYCHG, PPPAYFET, PPPAYUPD, PPPAYUTL, PPPAYUTW, PPP010, PPP600, PPP610, PPP884, PPTAXEDB, PPTAXUI, PPTAXUIR, PPTAXUIT, PPTAXW2, PPTAXW2F, PPTAXW2R, PPTAXW2T
CICS Programs PPWEALN, PPWETAX, PPWIALN, PPWIBAL, PPWITAX
Copymembers: CPFDTXW2, CPLNKW2F, CPLNKW2R, CPWSRPAY, CPWSTXTP, CPWSTXUI, CPWSTXW2, CPWSXTRC
Include Members: PPPVPAY1, PPPVPAY2, PPPVZPAY
DDL Members: PPOT1379, PPP120, PPP884, PPSETUTL (new)
Bind Members: PPOT1379, PPP120, PPP884, PPSETUTL (new)
CICS Maps PPEALN0, PPETAX0, PPIALN0, PPIMAL0, PPITAX0
Forms: W-2 Form, UPAY732, UPAY834
Table Updates: System Messages Table, Gross-to-Net Table, Data Element Table, Data Element-to-Screens Table, Processing Group Table, Routine Definition Table
Urgency: Date Mandated (See Timing of Installation)

Service Request 14857

Effective with the W-2 2001 Reporting to the IRS (Internal Revenue Service), changes are required to the format of the W-2 file. The IRS requires that employers who submit more than 250 W-2 forms follow the new W-2 Magnetic Media Reporting and Electronic Filing (MMREF-1) formats. In addition, the formats of the Quarterly State UI/PIT (Unemployment Insurance/Personal Income Tax) Reporting File to EDD (Employment Development Department) have changed to follow the same MMREF formats as those established for reporting to the IRS.

Effective with the W-2 2001 Reporting, campuses who have hired employees who live and work outside of California are required to report both the employees’ out-of-state and local taxes on the W-2 forms. Thus, the W-2 form should be modified to include additional boxes for the out-of-state local gross, out-of-state local tax, and a box for the out-of-state locality name on the existing line used for reporting the out-of-state gross and tax. In addition, several boxes on the W-2 form have been shifted, renamed, and/or renumbered.

EDD Test Tape
According to the EDD Magnetic Media Reporting Requirements document from EDD, a test tape must be submitted to EDD before an organization can begin reporting on magnetic tape using the MMREF Format. Payroll Coordination at UCOP contacted EDD, and EDD has allowed UCOP to submit a test tape to EDD on behalf of the campuses. Each campus does not need to submit a test tape to EDD.

The following items describe the requirements for modifications to the W-2 2001 Reporting Process in the Payroll/Personnel System (PPS).

New EDB Data Element

A new data element should be established for online viewing.

- **Out of State Local Tax Indicator (EDB 0770)**

  The Out of State Local Tax Indicator with a value set to ‘Y’ should be used to identify those employees who have at least one G-type balance for an out of state local tax established on the employee’s DB2 Deduction Table.

**Mechanism to Link Other State Local Tax GTN to Other State Tax GTN**

Currently, up to a maximum of three YTD Other State Grosses (EDB 5512, 5540, and 5541) are maintained for those employees who live and work outside the state of California. Each YTD Other State Gross is associated with an Other State Gross Name Code. For example, YTD Other State Gross 1 (EDB 5512) is associated with Other State Gross Name 1 (EDB 0416). The link between the YTD Other State Tax Deduction and the YTD Other State Gross 1 is via the Other State Gross Name 1. The Other State Gross Name 1 field containing a two-character state code is used to find a matching state code in the first two positions of the description field in the GTN Table. Thus, the Other State Tax GTN number containing the same state code as the Other State Gross Name 1 in the description field is associated with a Set Indicator of ‘4’. Note that it is presumed that only one Other State Tax GTN number with a Set Indicator of ‘4’ on the GTN Table is associated with a particular YTD Other State Gross 1, YTD Other State Gross 2, or Other State Gross 3. If the first two positions of the description field match the Other State Gross Name 1, the GTN number is used to access the employee’s Deduction Table. If that GTN Number exists on the employee’s Deduction Table, the YTD Other State Tax Deduction is reported with the YTD Other State Gross 1. Thus, it is presumed that an employee with a non-zero YTD Other State Gross 1 should also have an Other State Gross Name 1 established.

Similar to the mechanism described above, the YTD Other State Local Tax GTN with a Set Indicator of ‘5’ will be linked to the appropriate GTN number associated with the Other State Tax GTN with a Set indicator of ‘4’. It is proposed that the Linked GTN Number field on the GTN Table be used to link a group of GTN Numbers (Set Indicator of ‘5’) to the appropriate GTN Number (Set Indicator of ‘4’) that is associated with Other State Taxes. Users should be able to set up any number of Other State Local Tax GTN Numbers that can be linked to an Other State Tax GTN via the Linked GTN Number field.

Once the appropriate GTN Number links to the **Other State Tax GTN numbers** have been established on the GTN Table for all **Other State Local Tax GTN numbers** that are associated with a Set Indicator of ‘5’, the system should be able to report the employees’ Other State Local Taxes with the appropriate Other State Taxes GTN numbers (associated with a Set Indicator of ‘4’). Thus, an employee who has an Other State Local Tax deduction can be reported under the appropriate Other State Tax deduction.

**EDB File Maintenance**

The EDB File Maintenance should be modified as follows:

- If a G-Type balance for an Other State Local Tax Deduction (associated with a Set Indicator of ‘5’) is established for an employee, the Other State Local Tax Indicator (EDB 0770) should be set to a value of ‘Y’.

- If a G-Type balance for an Other State Local Tax Deduction (associated with a Set Indicator of ‘5’) is deleted for an employee, and no other existing G-type balances for Other State Local Tax Deductions are present, the Other State Local Tax Indicator should be set to blank.
Modifications to the W-2 Processes

W-2 Extract Process

The Other State Local Tax Deductions should be included on the W-2 Extract File as well as the associated Other State Locality Names (abbreviated). If the employee’s Total YTD Faculty Summer Salary Deduction is greater than zero, then the YTD amount should be added to the employee’s Total YTD Regular DCP Deductions on the W-2 Extract File.

W-2 Reporting Process

Currently, the Other State Grosses, each associated with an Other State Gross Name, and its associated Other State Taxes are reported on several W-2 Reports.

Similar to the reporting of the Other State Gross -1 and Other State Tax -1 associated with an Other State Gross Name 1, the largest YTD Other State Local Tax associated with a YTD Other State Tax -1 should be selected and displayed on the appropriate W-2 reports.

In addition, a new W-2 Other State Local Withholding Taxes Report should be developed to report all Other State Local Wages and associated Other State Local Taxes of selected employees.

W-2 Edit Process

Similar to existing grosses and/or deductions with negative amounts, an error message should be issued when editing amounts for Other State Local Grosses and/or Other State Local Tax Deductions.

W-2 Magnetic Media Reporting Process

The entire existing formats and record types should be replaced with new formats and record types as prescribed by the IRS effective with the W-2 2001 Reporting to the IRS.

Quarterly State UI/PIT Reporting Process

Similar to the format changes to the W-2 Magnetic Media Reporting structures, the formats for the Quarterly State UI/PIT Reporting File should be modified.

Non-California State Taxes Withholding Reporting

The Other State Local Taxes should be included in the existing Non-California State Taxes Withholding Report PPP8841.

In addition, a new PPP8845 Report similar to the contents displayed on the PPP8841 Report should be developed, but sorted by either Employee ID or Employee Name, followed by Other State Tax GTN Number, and within Other State Tax GTN Number, followed by Other State Local Tax GTN Number order.

Forms

- **W-2 2001 form**

  Effective with the W-2 2001 form, boxes to report the out-of-state local wages and out-of-state local taxes must be added to the form, as well as the out-of-state locality name. In addition, several boxes on the W-2 form have been shifted, renamed, and/or renumbered.

- **UPAY732 form**

  The description above the box for column 9 should be modified.
The form should be modified to select the PPP8841 and/or PPP8845 report, as well as specifying the sort option for each selected report.

On-line Screen Modifications

Changes To Existing Screens

- **ITAX EDB Inquiry:**
  
  The appropriate label and data field for the Other State Local Tax Indicator (EDB 0770) should be included on this screen.

- **ETAX EDB Entry/Update:**
  
  The appropriate label and data field for the Other State Local Tax Indicator (EDB 0770) should be included on this screen. Note that the data field should not be updateable.

- **IALN EDB Inquiry:**
  
  The label and data field for ETD Tax Treaty Gross (EDB 5539) should be removed. In addition, the label ‘State’ should be changed to ‘Calif’.

- **EALN EDB Entry/Update:**
  
  The appropriate label fields and data fields for the EALN screen should be modified such that the existing label fields and data fields associated with the Other State Tax California Residency (EDB 0170) and Other State Gross Name (EDB 0186) should be removed.

- **IBAL EDB Inquiry:**
  
  The appropriate labels and data fields associated with Other State Gross -1 (EDB 5512), Other State Gross -2 (EDB 5540), and Other State Gross – 3 (EDB 5541), and its associated Other State Taxes and Other State Local Taxes should be included on the IBAL screen. In addition, the label and data field for ETD Tax Treaty Gross (EDB 5539) should be removed.

One-Time Program

A one-time program should be provided to set the Other State Local Tax Indicator (EDB 0770) on the employee’s EDB record when at least one G-type balance Other State Local Tax deduction associated with a Set Indicator of ‘5’ is established on the Deduction table.

Error Report 1767

Program PPTAXUIR contains a page overflow logic error when printing the footnote on the bottom of the last page of report PPP6004. That is, in certain instances, when printing the footnote at the bottom of the last page, the footnote is printed on the subsequent page without the standard report headings.

Programs

PPEI301

Program PPEI301 has been developed to implicitly update the Other State Local Tax Indicator when the employee has at least one G-type balance established for an Other State Local Tax Deductions.
A one-time program has been developed to update the employees’ Other State Local Tax Indicator (EDB 0770) to a value of ‘Y’ for those employees who have at least one G-type balance established for an Other State Local Tax Deduction on the Deduction Table.

The program is a standard part of the EDB Fetch/Update complex which sets an appropriate flag in the XDEC Array for those data elements defined on the PPPPAY table that have changed in value. This program has been modified to process the new Other State Local Tax Indicator.

The program is a standard part of the EDB Fetch/Update complex, which moves the appropriate data values in PAY-ROW-HOLD to PAY-ROW-HOLD1. This program has been modified to process the new Other State Local Tax Indicator.

The program is a standard part of the EDB Fetch/Update complex that moves the data value from the ECF Change record to the appropriate PAY-ROW fields. This program has been modified to process the new Other State Local Tax Indicator.

The program is a standard part of the EDB Fetch/Update complex that selects the data values from the PPPPAY table and moves them to the copymember CPWSRPAY. This program has been modified to process the new Other State Local Tax Indicator.

The program is a standard part of the EDB Fetch/Update complex that takes the data values from the linkage containing copymember CPWSRPAY, and updates the PPPPAY table. This program has been modified to process the new Other State Local Indicator.

This program has been modified to edit GTN transactions associated with a Set Indicator of ‘5’.

This program has been modified to display the data reported on the RA type record in the Messages and Runs Control report PPP6001.

This program has been modified to include the Total Other State Local Gross –1 and Total Other State Local Tax –1 accumulators. The Total Other State Local Gross –1 and Total Other State Local Tax –1 will be included on the PPP610 report.

Due to the many changes necessary for the existing report PPP8841 and adding a new Out-of-State Tax Deduction report, this existing program which was released on May 28, 1998 as Release 1187 has been totally re-written. The program contains the same functions as originally released. However, the format of report PPP8841 has been modified. In addition, this program contains logic for a new report PPP8845 for reporting employee’s Other State Local Tax Deductions.
The Earned Income Credit limit has been changed from 1412 to 1457. The Other State Local Tax Deduction 1 and Other State Local Gross 1 have been added to the existing accumulators. The labels associated with Other State Tax Deduction –1 and Other State Local Gross –1 have been added to the existing table of labels.

The required extraction of data have been captured and included on the UI and W-2 extract records. The appropriate reports have been modified to include the other State Local Gross 1 and Other State Local Tax Deduction 1.

This module, which calls the related UI modules, has been modified to increase the record length of the employee’s quarterly UI Extract record from 85 to 175.

This module has been modified to correct the page overflow occurring on the last page of the report PPP6004.

This module, which produces the employee’s quarterly UI/PIT records, has been modified to use the new Magnetic Media Reporting and Electronic Filing format.

The Other State Local Tax Deduction 1 and other State Local Gross 1 have been added to the existing accumulators and to the appropriate reports.

In addition, the reference to Employment-to-Date Tax Treaty Gross (EDB 5539) for grouping employees to the Non-resident Alien sort group has been changed to reference YTD Tax Treaty Gross (EDB 5537).

This module, which prints the data on the W-2 form, has been modified to print the Other State Local Gross in box 18, Other State Local Tax in box 19, and the abbreviated Other State Locality Name of three characters in box 20.

In addition, since the existing W-2 data have been moved to different locations on the W-2 form, the logic that prints the data have been modified to print the existing W-2 data in the new locations of the W-2 form. The printing of the commas in the boxes for State of California Grosses and Other State Grosses, and State of California Taxes and Other State Local Taxes have been removed.

The formats on the appropriate reports have been modified. In addition, the Other State Local Gross 1 and other State Local Tax Deduction 1 have been added to the appropriate control totals reports. Logic has been added to include a new report displaying all Other State Local Grosses and Other State Local Tax deductions.

This module, which produces the files to the IRS and California, has been modified to use the new Magnetic Media Reporting and Electronic Filing format.

CICS Programs
This program has been modified such that the logic for the Other State Tax California Residency (EDB 0170) and Other State Gross Name (EDB 0186) have been removed.

This program has been modified such that logic has been added to display the Other State Local Tax Indicator (EDB 0770). Note that this data element is not updateable.

The logic that moves the ETD Gross Tax Treaty data to the field has been removed.

This program has been modified such that logic has been added to display the Other State Gross -1 (EDB 5512), Other State Gross -2 (EDB 5540), and Other State Gross -3, and its associated Other State Taxes.

The employee’s three largest YTD Other State Local Taxes (associated with a Set Indicator of ‘5’) have been selected for display. In addition, the logic associated with the ETD Gross Tax Treaty data has been removed.

This program has been modified such that logic has been added to display the Other State Local Tax Indicator (EDB 0770). Note that this data element is not updateable.

The length in the record definition has been changed from 385 to 991.

The Other State Local Gross 1 and Other State Local Tax 1 have been added to this copymember.

The Other State Local Gross 1 and Other State Local Tax 1 have been added to each of the existing accumulators. In addition, the accumulators associated with report PPP6017 have been included in the linkage.

The new Other State Local Tax Indicator has been added to the COBOL field definitions.

This copymember has been totally modified to define the new Magnetic Media Reporting and Electronic Filing (MMREF) Formats.

The following data have been added to the record structure:
The necessary fields for W-2 reporting have been added.

The campus-specific data effective for W-2 2001 reporting have been added to this copymember.

**Include Members**

PPPVPAY1, PPPVPAY2, PPPVZPAY

These Include members have been modified to include the Other State Local Tax Indicator in the COBOL definition portion and the DB2 definition portion of this copymember.

**DDL Members**

PPPVPAY1, PPPVPAY2, PPPVZPAY

These DDL members have been modified to include the Other State Local Tax Indicator in the DB2 definition portion of this copymember.

TBPAY00C

This DDL member creates the PPPPAY Table.

The column OTH_ST_LOC_TAX_IND has been added to the DB2 CREATE statement.

TBPAY08A

This DDL member adds the column OTH_ST_LOC_TAX_IND to table PPPPAY via an ALTER statement.

**Bind Members**

PPOT1379

This bind member contains the plan bind statements for one-time program PPOT1379.

PPP120

PPSETUTL has been added to the bind member list.

PPP884

PPDSAUTL, PPDBLTUL, and PPSETUTL have been added to the bind member list.

PPSETUTL

This bind member contains the package bind statements for program PPSETUTL.
CICS Maps

PPEALN0

This map which defines the label fields and data fields for the EALN screen has been modified such that the label field and data field associated with the Other State Tax California Residency (EDB 0170) and Other State Gross Name (EDB 0186) have been removed from this map.

PPETAX0

This map which defines the label fields and data fields for the ETAX screen has been modified such that the label field and data field associated with the Other State Local Tax Indicator are included in the map.

PPIALN0

This map which defines the label fields and data fields for the IALN screen has been modified such that the labels starting with the word 'State' have been changed to 'Calif'. In addition, the label and field associated with ETD Tax Treaty Gross (EDB 5539) have been removed from this map.

PPIBAL0

This map, which defines the label fields and data fields for the IBAL screen, have been modified such that the label fields and data fields associated with Other State Gross -1 (EDB 5512), Other State Gross -2 (EDB 5540), and Other State Gross – 3 (EDB 5541), and its associated Other State Withholding Taxes are included in the map. In addition, three labels and three associated data fields containing the three largest Other State Local Taxes are displayed on this screen. The fields associated with ETD Tax Treaty Gross (EDB 5539) have been removed from this map.

PPITAX0

This map, which defines the label fields and data fields for the ITAX screen, has been modified such that the label field and data field associated with the Other State Local Tax Indicator are included in this map.

Forms

W-2 Form

Effective with the W-2 2001 form, boxes to report the out-of-state local wages and out-of-state local taxes must be added to the form, as well as the out-of-state locality name. In addition, several boxes on the W-2 form have been shifted, renamed, and/or renumbered.

UPAY732

This existing form has been modified to remove the description over the column 9 from “ETD Tax Treaty” to “YTD Tax Treaty”.

UPAY834

The form has been modified to select the PPP8841 and/or PPP8845 reports, as well as specifying the sort option for each selected report.

Table Updates

System Messages Table

New messages issued by PPP010, PPP120, PPP600, and PPP884 have been added to the System Message Table.
The update transactions in release file CARDLIB (MSGPROD) and the completed facsimile form UPAY554 sent with this release are supplied for both Test and Production.

**Gross-to-Net Table**

Those campuses who have existing GTN numbers assigned to Other State Local Tax deductions with a Set Indicator value of ‘5’ must create local GTN update transactions. Since local GTN numbers are assigned to Other State Local Tax deductions, each campus must create GTN change transactions to update the Link GTN Number field (columns 46 through 48) on the GTN record for those GTN numbers assigned to Other State Local Tax deductions only. Refer to the Installation Instructions document.

The update transactions in CARDLIB(GTNTEST) sent with this release are for **test only**.

**DETPROD**

New data element 0770 has been added to the Data Element table.

Use the transactions in CARDLIB(DETPROD), or key from the provided facsimile UPAY553 form. These transactions may be used both for testing and production, with the approval of your campus Payroll Manager.

**DESPROD**

New data element 0770 has been added to the Data Element-to-Screens Table.

Use the transactions in CARDLIB(DESPROD), or key from the provided facsimile UPAY815 form. These transactions may be used both for testing and production, with the approval of your campus Payroll Manager.

**PGTPROD**

New module PPEI301 with its associated trigger values has been added to Processing Group Table.

Use the transactions in CARDLIB(PGTPROD), or key from the provided facsimile UPAY803 form. These transactions may be used both for testing and production, with the approval of your campus Payroll Manager.

**RTDROD**

New module PPEI301 has been added to the Routine Definition Table.

Use the transactions in CARDLIB(RTDPROD), or key from the provided facsimile UPAY804 form. These transactions may be used both for testing and production, with the approval of your campus Payroll Manager.

**RDOPROD**

Existing module PPSETULT and new module PPEI301 must be defined to the Processing Program Table (PPT) in CICS.

Use the transactions in CARDLIB(RDOPROD). These transactions may be used both for testing and production, with the approval of your campus Payroll Manager.

**JCL Changes**

- **PPP600**

  Sample JCL is included in PAYDIST.R1379.JCL.
The DD name of PPP6017 has been added to the JCL associated with the output report “Tax Reporting – Out of State Reporting”.

The coded lengths associated with DD name of FEDW2, CALUI, and CALW2 have been changed to 512.

The coded length associated with DD name of UIFILE has been changed to 175.

The coded length associated with DD name of W2FILE has been changed to 991.

- **PPP610**
  
The coded length associated with DD name of W2FILEO has been changed to 991.

Sample JCL is included in PAYDIST.R1379.JCL.

- **PPP884**
  
Sample JCL used in testing is included in PAYDIST.R1379.JCL

The LRECL value of 86 associated with existing DD name of RPTFILE has been changed to 120.

The DD name of **PPP8845** has been added to the JCL associated with the output report “Out-of-State Withholding”, and with a LRECL of 133.

The DD name of RPTFIL2 has been added to the JCL associated with the second output report file, and with a LRECL of 120.

**Test Plan**

A complete test plan is provided with this release.

**Installation Instructions**

Installation Instructions are provided as a separate document.

**Timing of Installation**

Installation of this release is **Date-Mandated**.

Installation of this release is urgent in that it must be tested and ready to meet prescribed tax reporting deadlines.

As usual, campuses are encouraged to install this release in as timely a fashion as possible, and in the normal numeric sequence of releases.

If there are any questions, please send electronic mail to Jackson.Quan@ucop.edu, or call (510) 987-0464.

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