Service Request 14865
Additional Age Bracket for Life Insurance

Detail Design

Information Systems and Computing
Office of the President
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INTRODUCTION

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In 1999 the Internal Revenue Service (IRS) modified Internal Revenue Code (IRC) Section 79 to lower the rates for the uniform premium table for group life insurance and to add an age bracket for those under 25 years of age. However, the University of California was not required to make this change since the final regulations provided for a special effective date of January 1, 2003 for those employers who had an “employee-pay-all” plan and had not previously been subject to Section 79 requirements.

To meet the January 1, 2003 effective date of adding an age bracket for those under 25 years of age to the group life insurance table, it is asked that the following items be modified in the Payroll/Personnel System (PPS):

- **Compute**

  During the process for calculating both the Senior Management taxable life imputed income and the employee-paid life insurance premium, the program utilizes the employee's age as of 1/1 (EDB0254). This process must be modified to access the new age bracket if the employee’s 1/1 age is less than 25.

- **Forms**

  **Taxable Life Premium Table (UPAY681)**

  The Taxable Life Premium Table must be modified to include an additional age bracket for those under 25 years of age. The beginning and ending field columns for each of the specific age brackets must be shifted to the right by 4 columns. Refer to Attachment 1 of the service request for a sample.

  **Benefit Rates Table - Group Life Insurance (UPAY549A)**

  This table must be modified to include an additional age bracket for those under 25 years of age. The beginning and ending card columns for each of the specific age brackets must be shifted to the right by 4 columns. Refer to Attachment 2 of the service request for a sample.

- **Reports**

  **PPP5605 (Taxable Life Premium (TLP) Table)**

  This report should be modified to display the rate in each appropriate rate type for the “Under 25” age group.

  Refer to Attachment 3 of the service request for a sample report.

  **PPP0114 (Benefits Rate Table (14))**

  This report should be modified to display the rate in each appropriate rate category for the “Under 25” age group.

  Refer to Attachment 4 of the service request for a sample report.

- **Implementation**
These changes must be implemented after month-end processing for April and all computes for April earnings have been run, but before the first compute for May earnings has run.
Differences from Requirements

Further research has determined that no modifications to the Compute Process are necessary to access the new rates associated with the group life insurance for the “Under 25” age group.

Rates for the “Under 25” age group must be added to the TLP File. Thus, a one-time program must be developed to convert the record structure of the existing Taxable Life Premium File with a length of 235 to the new Taxable Life Premium record structure with a length of 255.
Overview

System File Changes
Currently, the existing Taxable Life Premium (TLP) Table contains rates for ten different age groups.

The existing rates associated with the “Under 30” age group will be changed to reflect the “25 through 29” age group, and new rates associated with the “Under 25” age group will be added to the table.

Control File Changes

• Benefit Rates Table (Group Life Insurance)
  The rates for the “Under 25” age group will be added to the table. Initially, the rates for the “Under 25” age group will be the same as the “25 through 29” age group.

Form Changes

• UPAY681 (Taxable Life Premium Table)
  This form will be modified to allow for the entering of rates for the “Under 25” age group.

• UPAY549A (Benefit Rates Table- Group Life Insurance)
  This form will be modified to allow for the entering of rates for the “Under 25” age group.

Compute Modifications
  No modifications will be necessary to the Compute Process.

Report Changes

Report PPP5605 will be modified to include the rates for the “Under 25” age group. The existing “Under 30” column heading will be renamed to “25-29”.

Report PPP0114 will be modified to include the rates for the “Under 25” age group. The existing “Under 30” column heading will be renamed to “25-29”.

Copymember Change

**CPWSXTLP**

Currently, this copymember contains the Taxable Life Premium Rates Array.

- A new rate field (TLP-RATE-UNDR-25) definition will be added for the “Under 25” age group, and the existing field name “TLP-RATE-UNDR-30” will be changed to “TLP-RATE-25-29”.

**CPWSXBRRT**

The number of allowable rate entries on the Benefit Rates Array will be increased to 11.
One-time Program

PPOTRRRR

This one-time program will be developed to convert the existing Taxable Life Premium (TLP) file with a length of 235 to the new length of 255. The new rates for the “Under 25” age group will be added to the TLP File. Initially, the rates for the “Under 25” age group will be identical to the rates for the 25 through 29 age group (previously the “Under 30” age group).

A one-time report will be written similar in format to the existing report PPP5605.
Program Changes

**PPEM101**

This EDB File Maintenance module will be modified such that the OCCURS 10 clause associated with the rates on the Taxable Life Premium File will be changed to OCCURS 11.

**PPEM116**

The defined fields associated with the Taxable Life Premium file in the working storage section will be removed; the fields are not referenced in the program.

**PPP010**

The occurrence of 10 associated with the rates on the Benefit Rates Table (Group Life Insurance) will be changed to an occurrence of 11.

Logic will be added to include the rates for the “Under 25” age group on the PPP0114 (Benefits Rate Table) Report.

**PPP130**

PPP130 performs Periodic EDB Maintenance.

The defined fields associated with the Taxable Life Premium file in the working storage section will be removed; the fields are not referenced in the program.

The length defined in the Taxable Life Premium file definition will be changed from 235 to 255.

**PPP560**

The hard-coded Taxable Life Premium record structure in the working storage section will be replaced with the existing copymember CPWSXTLP. In addition, references made to the TLP table with an occurrence of 10 will be changed to 11.

**PPP851**

The occurrence of 10 associated with the Benefit Rates Table for Group Life Insurance will be changed to an occurrence of 11.
Form Changes

UPAY681 (Taxable Life Premiums Table)

Currently, this form contains the format for entering the appropriate rates associated to a specific Rate Type for each age bracket.

This form will be changed to include the rates for the “Under 25” age group.

UPAY549A (Benefit Rates Table – Group Life Insurance)

Currently, this form contains the line formats for entering the appropriate rates for each age bracket.

This form will be changed to include the rates for the “Under 25” age group.
**Special Table Update**

**Taxable Life Premium Table**

A one-time program will convert the existing Taxable Life Premium (TLP) File from an existing length of 235 to a length of 255. A new “Under 25” age group will be added to the TLP File. Note initially that the rates for the “Under 25” age group will be identical to the rates for the existing “25 through 29” age group (previously the “Under 30” age group).
Control Table Updates

Benefit Rates Table (Group Life Insurance)

The rates for the “Under 25” age group will be added to this table.
Implementation

The changes requested in the requirements will be implemented after month-end processing for April and all computes for April earnings have been run, but before the first compute for May earnings has run.