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Re: Release: 1736
Service Request: 81573
Error Reports: 1936, 1810
Programs: PPOROVPY
Copymembers: CPWSORIC
Include Members: None
DDL Members: None
Bind Members: None
CICS Maps: None
Forms: None
Table Updates: None
Urgency: Not Urgent (See Timing of Installation)

Service Request 81573

Service Request 81573 asked for a general review and testing of the UCRP employee deduction process in order to further document the current calculation especially in regards to the relationship of the Basic (Plan 5) Rate, the DCP Rate, and the Regents Reduction. Additionally, this service request asked that the rate selection process be made collective bargaining sensitive and as such, be modified so as to allow UCRP rates to be assigned at the Bargaining Unit/Representation Code level. Release 1715 was issued on 7/26/2006 to fulfill these requirements. However, as identified in that release, the ORCA Overpayment process would be addressed at a later point.

This current release contains modifications so that the ORCA Overpayment process (screen OVPY) is consistent with the Payroll Compute and Rush Check processes in terms of UCRP rate selection and deduction development.

Error Report 1936

During the ORCA Overpayment process, an abend (ASRA) condition may occur when a percentage based Union Dues or Agency Fee deduction is present and the associated GTN Base indicates "R" (Retirement Gross). If the employee is not eligible for retirement (causing the Retirement Gross to be zero), a "zero divide" abend will occur during the rate derivation when the Original Deduction Amount is divided by the Retirement Gross. The underlining reason for this miscalculation is that a special "unit" retirement gross was developed and used for the original Payroll Compute dues calculation. This special retirement gross was based only on DOS attributes and disregards whether or not the employee is eligible for retirement. However, during the ORCA process, the true Retirement Gross (adjusted to zero) is used and thus, the zero divide condition.

This release contains changes which will intercept and bypass the above condition. Under this situation, the original deduction amount will be carried with the corrected payment and therefore, not be reflected on the resulting Overpayment transaction set. It is then incumbent on the user to make the associated deduction adjustment (if warranted).
**Error Report 1810**

Copymember CPWSXBRT provided a VSAM record definition for the Benefits Rates Table (BRT). Although PPOROVPY was converted to DB2 usage, it still utilized the historic VSAM record definition to store the selected retirement rate set. This usage has been replaced by program defined storage; thereby, enabling CPWSXBRT to be removed from the PPS object inventory.

**Programs**

**PPOROVPY**

PPOROVPY is the primary calculation module used by ORCA to produce the Overpayment transaction set written to the Abeyance Table. During this process, the original payment information is retrieved from the DB2 PAR and subsequently, the “original” earnings are reduced by the user entered overpayment amount(s) and the “corrected” paycheck (grosses and deductions) is re-calculated. As a final step, the “corrected” amounts (grosses and deductions) are subtracted from the “original” paycheck amounts in order to create various fields required on the Overpayment transaction set.

**Current Process**

The current version of PPOROVPY fails to link the UCPR Basic deduction (GTN 005) to the associated Regents Reduction (GTN 111) and/or DCP deduction (GTN 733). That is, if a Basic deduction is present, the “original” amount in total is incorrectly assigned to the “corrected” payment. Additionally, in the current version of PPOROVPY, only the population default (i.e., TUC “00”) retirement rate set is selected from the BRT. This may yield improper results for overpayment processing if rates are varied according to Bargaining Unit in the Payroll Compute process.

**Modified Process**

PPOROVPY has been modified to handle the Basic deduction, DCP deduction, and the Regent Reduction as one set of calculation values. The calculations are based on the following assumptions (refer to the Release 1715 document “UCRP Deduction Calculation Summary”):

- The Basic Rate drives the UCRP calculation.
- The sum of the Basic deduction, DCP deduction, and Regents Reduction equals the Retirement Gross times the Basic Rate.
- The calculated Basic deduction is reduced first by the calculated DCP deduction, then by the Regents Reduction. Any remaining Regents Reduction is then applied to the DCP deduction.

Processing will be as follows:

1. If the original Basic deduction, DCP deduction, or Regents Reduction is less than zero, or if the original or corrected Retirement Gross does not exceed zero, further calculations are bypassed (i.e., the original Basic, DCP, and Regents amounts will remain with the corrected payment rather than the overpayment).

2. The appropriate Retirement Rate set is selected as per the following hierarchy:

   - If the original PAR Pay Cycle End Date precedes or equals the CPWSORIC “Last Effective Date”, then the Retirement Rate set will be taken from constants defined in CPWSORIC (refer to CPWSORIC, below).
   - Otherwise, the Retirement Rate set will be retrieved from the BRT as follows. If a BRT Retirement Rate set is present which matches the PAR Employee Unit Code and Representation Code, that Retirement Rate set will be used. If there is no Retirement Rate set associated with the Employee Unit Code and Representation Code, then the default (Unit Code “00”) BRT rate set will be used.
3. The approximate Basic Rate is calculated as the sum of the original Basic deduction, DCP deduction, and Regents Reduction divided by the original Retirement Gross.

4. The approximate Basic Rate is then matched within a small rounding tolerance to one of the four selected BRT Basic rates (i.e., Without FICA, Over FICA Maximum, Under FICA Maximum, or Safety Title). If there is no match to one of the four rates, further calculations are bypassed (i.e., the original Basic, DCP, and Regents amounts will remain with the corrected payment rather than the overpayment).

5. The corrected Basic Deduction (unadjusted) is calculated as the matched BRT Basic Rate times the corrected Retirement Gross.

6. The corrected DCP Deduction is calculated as the associated matched BRT DCP Rate times the corrected Retirement Gross.

7. If the original Regents Reduction is zero (this indicates the reduction was issued on an earlier PAR payment during the month):
   - The corrected Regents Reduction is set to zero
   - The corrected Basic Deduction is reduced by the amount of the corrected DCP Deduction
   - The UCRP processing is complete for this PAR.

8. Otherwise, if the original Regents Reduction is equal to or exceeds the corrected Basic Deduction (i.e., the original reduction exceeds the corrected UCRP liability for the corrected payment):
   - The corrected Regents Reduction is set to the value of the corrected Basic Deduction
   - Both the corrected Basic Deduction and the corrected DCP Deduction are set to zero.
   - The UCRP processing is complete for this PAR

9. At this point, the original Regents Reduction is less than the corrected (unadjusted) Basic Deduction and must be applied to the corrected Basic Deduction in the following manner:
   - First, the corrected Regents Reduction is set to the value of the original Regents Reduction.
   - Next, the calculated corrected DCP Deduction is subtracted from the corrected Basic Deduction.
   - Finally, the original Regents Reduction is applied to (i.e., subtracted from) the corrected Basic Deduction (if the Regents Reduction exceeded the remaining Basic Deduction, the Basic Deduction is set to zero and the residual Regents Reduction is subtracted from the corrected DCP Deduction).

After the “corrected” deduction values are determined in the above manner, the corresponding “overpayment” values are calculated to equal the “original” values minus the “corrected” values. Note that when the overpayment transaction spans multiple months, a manual adjustment of the Retirement Reduction may be necessary. Additionally, a manual adjustment may be required when either the original Retirement Reduction total or the original DCP total is negative (in this situation, the retirement re-calculation will be bypassed and the original Reduction and DCP deduction amounts will remain with the corrected payment rather than the overpayment).

**Copymembers**

**CPWSORIC**

The copymember CPWSORIC contains a retirement rate set patterned after the Benefits Rates Table (BRT). These alternate retirement rates are used exclusively by the ORCA Overpayment process and are used to reflect retirement rates prior to the “Last Effective Date” as defined in CPWSORIC. That is, CPWSORIC is used to provide the “old” rates to the ORCA process when the Retirement Rates on the BRT have changed.

CPWSORIC has been updated with the current BRT UCRS Retirement Rate values. The CPWSORIC “Last Effective Date” has been set to the value of 6/30/2007. Therefore, for ORCA Overpayment purposes, these rates will be used until 6/30/2007. After
that point in time, the collective bargaining sensitive rates contained on the BRT will be used for ORCA purposes as long as the Pay Period End Date of the Overpayment is forward of 6/30/2007 (otherwise, the CPWSORIC rates will be used).

Test Plan

A test plan document is provided with this release. Although base system test files are not provided, campuses are encouraged to utilize this document so that considerations associated with the release changes may be identified.

Installation Instructions

Installation instructions are provided in a separate document.

Timing of Installation

This release is Not Urgent. However, campuses should install this release as quickly as possible so that any future UCRP changes may be implemented in the timeframe directed.

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

Please address questions or comments via electronic mail to Jim.Tuohig@ucop.edu or call (510) 987-0741.

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