This release addresses three error reports. Each of these error reports is associated with Biweekly paid employees and concern insurance premiums applicable to the employee’s initial period of benefit eligibility.

**Error Report 2058**

During an employee’s 30 day period of initial benefit eligibility, when a Health (or Dental or Vision) Plan has not yet been selected by the employee, a Pending Premium Activity (PPA) entry is recorded on their EDB record each time a Compute Process for their Normal Pay Cycle is run. The Pay Period End Date is captured on the PPA entry.

When the employee eventually selects an Insurance Plan (or defaults to a “core” plan as per the PIE Date), the PPA entries will be subsequently processed in the next Compute Process in order to “catch up” with appropriate premium contributions. That is, any “missed” premiums will be setup as GTN Suspended balances and will be taken immediately if enough Net Pay is present. Once processed, the PPA entries are flagged for deletion.

Unfortunately, the above process was not modified to accommodate a Biweekly GTN Schedule which took the entire premium (both employee and employer portions) on the first (and only the first) Pay Cycle of the month. As a result of this situation, if an odd number of PPA entries are present when the employee makes the plan selection, the resulting PAR will improperly yield only half of the employee’s normal share of the premium. Note, however, that the Consolidated Billing Process will properly flag these incomplete premiums and instead, remit the full premium amount to the carrier for this Biweekly paid employee.

This release contains modifications so that a full premium is issued when the above situation occurs.

**Error Report 2069**

The CED Indicator on the GTN Table normally directs whether the deduction is taken on an arrears, voluntary, or advance basis. However, when PPA entries are processed in order to develop “missed” premium amounts, the area assigned to hold the GTN CED Indicator remained unloading with the proper GTN Table value. This caused PPA processing to treat all premiums as to be taken on an “arrears” basis rather than an “advance” basis. For monthly paid employees, this caused no problems because PPA
entries are handled the month after they are created. However, for Biweekly employees, a PPA entry could be generated for the first cycle in the month and then, after plan selection, be processed for premium issuance in the second Biweekly cycle of the month. In this situation, the insurance effective date month was the same month as the Pay Cycle End month and since the deduction was incorrectly treated as an “arrears” deduction, the process determined that a premium was not yet due. Therefore, no deduction was collected from either the employee or the employer. Note that the Consolidated Billing Process properly identifies these missing premiums and remits the full premium amount to the carrier for these Biweekly paid employees.

Modifications are contained in this release so that the GTN CED Indicator determines whether PPA issued premiums are based on an “arrears” or “advance” basis.

**Error Report 2068**

In the current Compute Process environment, the entire insurance premium (health, dental, vision) is taken on the first Biweekly pay cycle of the month. On subsequent Biweekly cycles for the month, no premium (unless from a suspended balance) is taken.

When a Biweekly paid employee is added to the EDB after the first Biweekly cycle for the month has been run and selects an insurance plan prior to any remaining Biweekly cycles being run, a premium for that month will not be developed. Like the previous error report situations, the Consolidated Billing Process properly identifies this premium inconsistency and remits the proper calculated premium amount to the carrier.

The Compute Process has been modified to develop a premium for these employees on the next Biweekly pay cycle even though the pay cycle is not the first one of the month.

**Programs**

**PPP400**

Program PPP400, the Gross-to-Net Process, develops employee deductions (and some employer contributions), derives Net Pay and produces the Payroll Audit Record (PAR).

PPP400 has been modified as per the following:

1. As per Error Report 2068, as normal deduction activity is processed, a test is made on each GTN entry to determine whether the deduction should be developed for the employee. Previously, if the GTN Biweekly Schedule Code indicated “1” (i.e., take full deduction only on first biweekly cycle) but the biweekly cycle being run was not the first biweekly, then, the deduction would be bypassed. This has been expanded so that instead of immediate bypass, the GTN Group Code is examined. If the Group Code is “I” (insurance) and the PIE Date equals or is beyond the Pay Period End Date, then the Activity Month of the insurance type (DE 0422 for Health, 0423 for Dental, or 0424 for Vision) is examined. If the Activity Month is zero (indicates a premium for this insurance type has never been taken) and the non-blank Plan is not pending (i.e., “DM” for medical, “DD” for dental, or “DV” for vision), then the insurance deduction (and matching contribution) will continue its calculation rather than being bypassed. In this manner, newly hired employees who are added to the EDB after the first biweekly cycle of the month has been run will have a premium developed on the second (or third) cycle rather than being bypassed.

2. As per Error Reports 2058 and 2069, after the employee has made final insurance Plan selections, PPP400 processes the PPA entries to develop the missed deductions. As a change to this process, the GTN Table will be searched using the selected Plan as search argument. After a match is made, the associated GTN CED Indicator is moved to the insurance calculation module (i.e., PPBENXHI for health, PPBENXDI for dental, or PPBENXVI for vision) designated interface area. In this manner, the payment coverage mode will be directed by the GTN Table value (i.e., it will be treated as taken in “advance”). Therefore, a PPA entry created and processed in the same month (i.e., biweekly pay cycle situations) will properly develop a premium deduction. Of additional concern is the previous program assumption that each PPA entry for biweekly cycles represented a half premium. The program has been changed to use the Biweekly Schedule Code of the GTN Table entry when PPA entries are processed. When the value is “1” (take full premium on first biweekly cycle), if the PPA entry End Date Month does not match the associated insurance Activity Month, the full
premium is taken (i.e., deduction and contribution) and the Activity Month is set to the PPA End Date Month. Otherwise (i.e., second PPA entry for the same month), the premium deduction and contribution are set to zero. In this manner, only an appropriate full premium is issued for the month (i.e., half premiums will not be generated).

**Include Members**

**PPPV400A**
The DB2 column name PIE_END_DATE (DE #0751) has been added to this Include member that defines selected COBOL field names for the PPPV400A_BEN view of the PPPBEN table.

**DDL Members**

**PPPV400A**
The DB2 column name PIE_END_DATE has been added to this program specific view of the PPPBEN table (used by PPP400 and deduction derivation modules).

**Installation Instructions**
A separate Installation Instructions document has been provided.

**Test Plan**
A separate Test Plan document has been provided.

**Timing of Installation**
The timing of this release is **not urgent**. However, this release should be implemented as soon as possible to increase the accuracy of premium collection for the hire month (or first month of benefits eligibility) and thereby, reduce the reporting exceptions associated with biweekly employees in the Consolidated Billing process.

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

If there are any questions, please send electronic mail to Jim.Tuohig@ucop.edu or call (510) 987-0741.

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