



OFFICE OF THE SENIOR VICE PRESIDENT —  
BUSINESS AND FINANCE

OFFICE OF THE PRESIDENT  
1111 Franklin Street  
Oakland, California 94607-5200

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BEATRICE CARDONA  
WEN TANG

BARBARA VANDEN BORRE  
SUNGSOO YANG

Re:	Release:	1769
	Service Requests:	81769
	Programs:	PPBENOPB (new), PPEXPTLA, PPI735 (new), PPP520
	Copy Members:	CPLNKOPB (new)
	Include Members:	None
	DDL Members:	None
	Bind Members:	PPBENOPB (new), PPI735 (new), PPP350, PPP380, PPP450, PPP520
	CICS Maps:	None
	CICS Help:	None
	Forms:	UPAY926 (new)
	Table Updates:	System Messages Table
	Urgency:	Date Mandated (see Timing of Installation below)

This release addresses the following Service Request:

**Service Request 81769**

Service Request 81769 provides the following background information:

“In July 2007, the University will establish the OPEB Trust in response to the Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The University is required to record in its financial statements and to report in its footnotes regarding post employment benefits other than pensions. Other Postemployment Benefits generally includes medical, dental, and vision insurance, and other health benefits. The reporting changes are required for the fiscal year 2007-08, with restatements for the fiscal year 2006-07, if appropriate.

The GASB has taken the position that pension benefits including OPEB are part of the compensation earned by employees each year, although the employees do not receive these benefits until retirement. The University currently provides medical and dental benefits to its retirees; therefore the cost of these future benefits is part of the cost of providing services today. Among other matters, the Statement requires the University to record as an operating expense the actuarially determined, accrued annual cost of providing OPEB to employees. It also requires the University to record the accrued liability of its OPEB program.

The University must identify the annual OPEB costs and the outstanding obligations for the University as a whole and has developed a financial reporting approach for each separate reporting segment and affiliated entity participating in the University’s OPEB program. ”

### **Proposed Process:**

“During each payroll computation process, a new routine should calculate the estimated OPEB Assessment amount for that check write. The estimated OPEB Assessment amount should be debited automatically to the campus liability account and credited to a specific account assigned by HR/B Financial Services through the campus financial control. Campuses should then transmit the amounts in a single file to OP. EIA and HR/B Financial Services should have access to the file for their reporting use.

At the end of the Distribution of Payroll Expense process, a reconciliation of each estimated OPEB Assessment amount collected from each payroll compute for the expense period should be compared and balanced to the total amount assessed and reflected in the Distribution of Payroll Expense.”

### **Programs**

#### **PPBENOPB (new)**

PPBENOPB is a new dual use Employer’s OPEB and Benefit Administration calculation routine that calculates the OPEB and Benefit Administration benefits for the employee. It gets the OPEB Rate (parameter 126) and Benefit Admin Rate (parameter 128) from the PPPPRM parameter table. It checks the employee’s DOS indicators and retirement code for the eligibility of the employee for these benefits before computing the benefits using the benefit rates and the input gross salary. It uses a new linkage copy member CPLNKOPB to interface with the calling program.

#### **PPP520**

PPP520 is the expense distribution program, which calculates the amounts that are to be distributed to different accounts.

PPP520 was modified to call PPBENOPB to calculate the OPEB and Benefit Administration amounts for both normal expense processing and expense transfer processing.

#### **PPEXPTLA**

PPEXPTLA is the routine called from CICS or batch programs to edit Leave Transfer transactions (TL) and compute the various benefits associated with the vacation leave details. It returns the results to the edit routine PPEXPTRN that creates E1, E2, and E3 records.

PPEXPTLA program was modified to call PPBENOPB to calculate the OPEB and Benefit Administration Amounts.

#### **PPI735 (new)**

PPI735 is a new program for the benefit transaction generation and adjustment process based on the Payroll Audit file (PAR) data produced after each compute. In addition, this program is used to produce the month end processing using the expense distribution transactions and the output records from each compute run.

### **Copy Members**

#### **CPLNKOPB (new)**

CPLNKOPB is a new copy member, which defines the linkage between the OPEB & Benefit Administration calculation program PPBENOPB and PPI735 / PPP520 / PPEXPTLA modules.

### **Bind Members**

#### **PPP350**

Program PPBENOPB was added to the PPP350 bind member.

#### **PPP380**

Program PPBENOPB was added to the PPP380 bind member.

#### **PPP450**

Program PPBENOPB was added to the PPP450 bind member.

#### **PPP520**

Program PPBENOPB was added to the PPP520 bind member.

#### **PPI735 (new)**

A batch bind member was created for the new batch program PPI735.

#### **PPBENOPB (new)**

A CICS package bind member was created for the new dual use program PPBENOPB.

### **Forms**

#### **UPAY926 (new)**

A new UPAY form UPAY926 was created for the Specification Card of the new program PPI735.

### **Table Updates**

#### **System Messages Table (PPPMSG)**

A new message for PPP520 and the messages for new program PPI735 were added to the Systems Messages Table.

The transactions to update the system messages table are provided in the release CARDLIB member MSGPROD.

Beatrice Cardona, et al  
June 13, 2007

### **Installation Instructions**

Installation Instructions are provided as a separate document.

### **Test Plan**

An installation Test Plan is provided as a separate document.

### **Timing of Installation**

The timing of this release is **date mandated**. Locations must implement this modification in time to affect the first compute with a July 2007 pay period end date.

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 [baskar.chitravel@ucop.edu](mailto:baskar.chitravel@ucop.edu), or call 510-987-0692.

Baskar Chitravel