Release 1864

Service Request 82593

State Tax Table - Four-digit Percent of Excess

Test Plan

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Testing Overview

This test plan addresses the test runs and cases constructed to verify the correct installation of Release 1864.

The test is made up of the following components:
1. Control Table Data Base (CTL) Initial Load (LOADCTL)
2. Employee Data Base (EDB) Initial Load (LOADEDB)
3. Transaction Holding File (THF) Initial Load (LOADTHF)
4. Payroll Audit Record Data Base (PAR) Initial Load (LOADPAR)
5. Test the Rush Check process in CICS for the Tax Rate changes
   Rush Check option OPT1
   Rush Check option OPT2
6. Test Over Payment process in CICS for the Tax Rate changes
7. Test the Batch Compute (RUNB1) for the Bi-Weekly Tax Rate changes
8. Test the Batch Compute (RUNMO) for the Monthly Tax Rate changes
9. Attachments -- State tax calculation steps for the test cases
Control Table Data Base (CTL) Initial Load (LOADCTL)

Description
This job loads the DB2 CTL database.

Verification
Ensure that the DB2 CTL has been successfully restored by verifying normal completion of the job and ensuring that all tables have been successfully loaded into the database.

Employee Data Base (EDB) Initial Load (LOADEDDB)

Description
This job loads the EDB database.

Verification
Ensure that the EDB has been successfully restored by verifying normal completion of the job and ensuring that all tables have been successfully loaded into the database.
Transaction Holding File (THF) Initial Load (LOADTHF)

Description

This job loads the THF database.

Verification

Ensure that the THF has been successfully restored by verifying normal completion of the job and ensuring that all tables have been successfully loaded into the database.

Payroll Audit Record Data Base (PAR) Initial Load (LOADPAR)

Description

This job loads the PAR database.

Verification

Ensure that the PAR has been successfully restored by verifying normal completion of the job and ensuring that all tables have been successfully loaded into the database.
Test Rush Check process in CICS for the Tax Rate changes

Description

Test the rush check process to verify that the new state tax rates are used in the state tax calculations.

After successful installation of the CICS programs, test the rush check process for the state tax rates.

Rush Check option OPT1

Enter function SPCL in the option “Next Func:” option from the PPS Online Applications Main Menu screen and press Enter for the Special Processes Transaction Menu.

Enter function OPT1 in the option “Next Func:” and ID 000050017, and press Enter to go to the RC10 Special Processes Rush Check Opt1 Employee Data screen.

Note the following EDB values in this screen for the test employee 000050017:

<table>
<thead>
<tr>
<th>Federal</th>
<th>Marital</th>
<th>State</th>
<th>Exempt</th>
<th>State</th>
<th>Exempt</th>
<th>Itemized</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>006</td>
<td>M</td>
<td>006</td>
<td>001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition, the Primary Pay Schedule for this employee in the EDB is Bi-Weekly. (Table PPPPCM - value of PRI_PAY_SCHED = ‘BW’).
Press F11 for RC11 Special Processes Rush Check Opt1 Earns & Deds screen and enter an AP transaction data for the employee 000050017 as shown below:

```
Press F5 to update the successfully edited AP transaction.

The RC10 screen is displayed with the system message “P0501 Transaction successfully processed - reports sent to printer”. The printed PPRCAUDT1 report should be as below:

```
Verify in the above screen that CA STATE TAX amount is 278.45. The steps performed in the state tax calculation to arrive at the value of 278.45 are briefly explained in the attachment A.
Rush Check option OPT2

Enter function SPCL in the option “Next Func:” option from the PPS Online Applications Main Menu screen and press Enter for the Special Processes Transaction Menu.

Enter function OPT2 in the option “Next Func:” and ID 000050065, and press Enter to go to the RC20 Special Processes Rush Check Opt2 Employee Data screen.

Note the following EDB values in this screen for the test employee 000050065:

<table>
<thead>
<tr>
<th>Federal</th>
<th>Federal</th>
<th>State</th>
<th>State</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital</td>
<td>Exempt</td>
<td>Marital</td>
<td>Exempt</td>
<td>Itemized</td>
</tr>
<tr>
<td>S</td>
<td>001</td>
<td>S</td>
<td>001</td>
<td>000</td>
</tr>
</tbody>
</table>

In addition, the Primary Pay Schedule for this employee in the EDB is Bi-Weekly. (Table PPPPCM - value of PRI_PAY_SCHED = ‘MO’).

Press F11 for RC21 Special Processes Rush Check Opt2 Earns & Deds screen and enter data for the employee 000050065 as shown below:

![Payroll Screen Screenshot]
Press F5 to update the successfully edited transaction.

The RC20 screen is displayed with the system message “P0419 Prospective Advice Model transaction successfully processed”. Scroll down to the third page on this screen by pressing F8 and the screen should be as below:

Verify in the above screen that CA STATE TAX amount is 158.88. The steps performed in the state tax calculation to arrive at the value of 158.88 are briefly explained in the attachment B.
Test Over Payment process in CICS for the Tax Rate changes

Description

Test the over payment process to verify that the new state tax rates are used in the state tax calculations.

After successful installation of the CICS programs, test the over payment process for the state tax rates.

Enter function **SPCL** in the option “Next Func:” option from the PPS Online Applications Main Menu screen and press **Enter** for the Special Processes Transaction Menu.

Enter function **OVPY** in the option “Next Func:” with ID 000050090 and PAR Control Number 271, and press Enter to go to the OVPY Special Processes ORCA Overpayment Transaction screen.

Enter the following data in the ORCA Overpayment screen as shown below:

1. Check Date 040109
2. Pay Schedule MO
3. Original Net 0417243
4. Move the cursor to the first transaction line and enter Dst ID 001
5. Original Payrate 0528200
6. ‘%’ for H or %
7. Orig Time 10000
8. ‘+’ for sign S
9. Correct Payrate 0491075
10. ‘%’ for H or %
11. Corr Time 09500
12. ‘+’ for sign S
Press enter and the ORCA screen will display a message “P0502 Transaction successfully edited - press update key for completion:”

Press F5 to update the successfully edited transaction.

The OVPY screen is displayed with the system message “P0501 Transaction successfully processed - reports sent to printer”. The printed PPRCAUDT1 report should be as below:

---

Press enter and the ORCA screen will display a message “P0502 Transaction successfully edited - press update key for completion:”

Press F5 to update the successfully edited transaction.

The OVPY screen is displayed with the system message “P0501 Transaction successfully processed - reports sent to printer”. The printed PPRCAUDT1 report should be as below:
Verify in the above screen that CA STATE TAX amount overpaid is 29.00, which is the difference between CA STATE TAX of 123.55 (from original pay) and 94.55 (from corrected pay).

The original CA STATE TAX from the PAR details (PPPDRC table, GTN Number 012) is 123.55.

The steps performed in the state tax calculation to arrive at the value of 94.55 (from corrected pay) are briefly explained in the attachment C.

**Test the Batch Compute (RUNB1) for the Bi-Weekly Tax Rate changes**

**Description**

Test the bi-weekly batch compute process to verify that the new bi-weekly state tax rates are used in the state tax calculations.

After the successful batch installation of the changed PPS programs, submit the job RUNB1, which is the B1 compute for the month of April (Pay Period End Date of 04/04/2009, Check Date of 04/15/2009).

**Verification**

After the successful completion of RUNB1, verify the state tax amount of 53.67 is calculated for the bi-weekly employee 000050024 (WILLING, ABE L. N.) in the PAR report PPP4401. The steps performed in the state tax calculation to arrive at the value of 53.67 are briefly explained in the attachment D.

In addition, verify that no CA State Tax calculated for the employee 000050107 (MART, WALLY C.) because the State Gross 433.94 is below the low income exemption amount of 434.00 (Table A, Single).
Test the Batch Compute (RUNMO) for the Monthly Tax Rate changes

Description

Test the monthly batch compute process to verify that the new monthly state tax rates are used in the state tax calculations.

After the successful batch installation of the changed PPS programs, submit the job RUNMO, which is the MO compute for the month of April (Pay Period End Date of 04/30/2009, Check Date of 05/01/2009).

Verification

After the successful completion of RUNMO, verify the state tax amount of 377.97 is calculated for the monthly employee 000050080 (TOESAKS, AL) in the PAR report PPP4401. The steps performed in the state tax calculation to arrive at the value of 377.97 are briefly explained in the attachment D.

In addition, verify the following state tax amounts calculated for the employees listed below in the PAR report PPP4401:

<table>
<thead>
<tr>
<th>Employee ID / Name</th>
<th>CA State Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>000050087 FORTH, SALLY</td>
<td>33.01</td>
</tr>
<tr>
<td>444000004 FRITZ, JOHN</td>
<td>90.01</td>
</tr>
</tbody>
</table>

In addition, verify that no CA State Tax calculated for the employee 333333009 (BANDERAS, ANTONIO) because the State Gross 1781.10 is below the low income exemption amount of 1880.00 (Table A, Married with 3 exemptions).
Attachment A

The following steps are performed in the state tax calculation to arrive at the value of **278.45**.

1. State gross amount inputted in the AP transaction = 5765.92.

2. The following are the EDB data for the employee 000050017:
   - State Marital Status ‘M’ (Married)
   - Primary Pay Schedule ‘BW’
   - State Exempt 6
   - State Itemized 1

3. Reductions that must be applied to the input gross = 432.44 (DCP Casual).
   The resulting state gross = 5333.48 (5765.92 - 432.44).

4. The state gross amount 5333.48 is greater than 868.00 (Low Income exemption from Table A, State Exempt = 6) for a married person with greater than 1 state exemption. Therefore further state tax calculations should be done.

5. Subtract 38 (Table B, State Itemized = 1) from the state gross 5333.48 to get the new state gross of 5295.48.

6. Apply the standard deduction of 284.00 (Table C, State Exempt = 6) for a married person with greater than 1 state exemption.
   The resulting state gross = 5011.48 (5295.48 - 284.00).

7. Calculate the state tax using the revised state tax rate table E as below:
   State Tax = 168.41 (tax amount till 3620.00) +
   (5011.48 - 3620.00) * .0955 (new tax percent from PPPSTR)
   State Tax = 168.41 + (1398.48 * .0955)
   = 168.41 + 132.89
   = 301.30

8. Subtract tax credit of 22.85 (Table D, State Exempt = 6) from the state tax 301.30 to get the state tax of **278.45** (301.30 - 22.85).
Attachment B

The following steps are performed in the state tax calculation to arrive at the value of 158.88.

1. State gross amount inputted in the OPT2 screen = 5000.00.

2. The following are the EDB data for the employee 000050065:
   - State Marital Status: ‘S’ (Single)
   - Primary Pay Schedule: ‘MO’
   - State Exempt: 1
   - State Itemized: 0

3. Reductions that must be applied to the input gross = 956.51.
   The resulting state gross = 4043.49 (5000.00 - 956.51).

4. The state gross amount 4043.49 is greater than 940.00 (Low Income exemption from Table A) for a single person. Therefore further state tax calculations should be done.

5. No deduction from Table B (State Itemized = 0) from the state gross.

6. Apply the standard deduction of 308.00 (Table C) for a single person. The resulting state gross = 3735.49 (4043.49 - 308.00).

7. Calculate the state tax using the revised state tax rate table E as below:
   - State Tax = 114.87 (tax amount till 3102.00) +
     (3735.49 - 3102.00) * .0825 (new tax percent from PPPSTR)
   - State Tax = 114.87 + (633.49 * .0825)
   - State Tax = 114.87 + 52.26
   - State Tax = 167.13

8. Subtract tax credit of 8.25 (Table D, State Exempt = 1) from the state tax 167.13 to get the state tax of 158.88 (167.13 - 8.25).
Attachment C

The following steps are performed in the state tax calculation to arrive at the value of **94.55**.

1. State gross amount inputted in the OVPY screen = 95% of 4910.75 = 4665.21.

2. The following are the EDB data for the employee 000050090:
   - State Marital Status: ‘M’ (Married)
   - Primary Pay Schedule: ‘MO’
   - State Exempt: 1
   - State Itemized: 3

3. Reductions that must be applied to the input gross = 74.30 (DCP Casual).
   The resulting state gross = 4590.91 (4665.21 - 74.30).

4. The state gross amount 4590.91 is greater than 940.00 (Low Income exemption from Table A, State Exempt = 1) for a married person with 1 state exemption. Therefore further state tax calculations should be done.

5. Subtract 250 (Table B, State Itemized = 3) from the state gross 4590.91 to get the new state gross of 4340.91.

6. Apply the standard deduction of 308.00 (Table C, State Exempt = 1) for a married person with 1 state exemption.
   The resulting state gross = 4032.91 (4340.91 - 308.00).

7. Calculate the state tax using the revised state tax rate table E as below:
   \[
   \text{State Tax} = 51.76 \text{ (tax amount till 2832.00)} + \\
   (4032.91 - 2832.00) \times .0425 \text{ (new tax percent from PPPSTR)} \\
   \text{State Tax} = 51.76 + (1200.91 \times .0425) \\
   = 51.76 + 51.04 \\
   = 102.80
   \]

8. Subtract tax credit of 8.25 (Table D, State Exempt = 1) from the state tax 102.80 to get the state tax of **94.55** (102.80 - 8.25).
Attachment D

The following steps are performed in the state tax calculation to arrive at the value of 53.67.

**Employee Details:**

<table>
<thead>
<tr>
<th>Employee ID</th>
<th>State Marital Status</th>
<th>State Exempt</th>
<th>State Itemized</th>
<th>Primary Pay Schedule</th>
<th>State Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>000050024</td>
<td>S (Single)</td>
<td>5</td>
<td>2</td>
<td>BW</td>
<td>1889.51</td>
</tr>
</tbody>
</table>

**State Tax Calculation:**

<table>
<thead>
<tr>
<th>Tax Table Amount</th>
<th>Table A</th>
<th>Table B</th>
<th>Table C</th>
<th>Table E Rates</th>
<th>Table D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1432</td>
<td>434</td>
<td>77</td>
<td>142</td>
<td>Up to 1811</td>
<td>19.04</td>
</tr>
<tr>
<td>Tax 53.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross &gt; 1432</td>
<td></td>
<td></td>
<td></td>
<td>Add % Tax 8.25%</td>
<td>19.04</td>
</tr>
</tbody>
</table>

**Resulting Gross**

| 1889.51         | 1812.51 | 1670.51 | 53.03 | 72.71 | 53.67 |

Attachment E

The following steps are performed in the state tax calculation to arrive at the value of 377.97.

**Employee Details:**

<table>
<thead>
<tr>
<th>Employee ID</th>
<th>State Marital Status</th>
<th>State Exempt</th>
<th>State Itemized</th>
<th>Primary Pay Schedule</th>
<th>State Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>000050080</td>
<td>S (Single)</td>
<td>3</td>
<td>1</td>
<td>MO</td>
<td>6618.76</td>
</tr>
</tbody>
</table>

**State Tax Calculation:**

<table>
<thead>
<tr>
<th>Tax Table Amount</th>
<th>Table A</th>
<th>Table B</th>
<th>Table C</th>
<th>Table E Rates</th>
<th>Table D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3922</td>
<td>940</td>
<td>83</td>
<td>308</td>
<td>Up to 83334 Tax 9.55%</td>
<td>24.75</td>
</tr>
<tr>
<td>Tax 182.52</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross &gt; 940</td>
<td></td>
<td></td>
<td></td>
<td>Add % Tax 220.20</td>
<td>24.75</td>
</tr>
</tbody>
</table>

**Resulting Gross**

| 6618.76         | 6535.76 | 6227.76 | 182.52 | 402.72 | 377.97 |