Release 1874

Service Request 82515
Add 409A Income and Deferrals and Unsubstantiated HCRA Claims to EDB

Detail Design

August 19, 2009
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Introduction

Service Request 82515

Service Request 82515 asks to set up three Data Elements to hold dollar amounts that will be entered by the campus Payroll Offices for the Deferrals under Section 409A Nonqualified Deferred Compensation (409A Deferrals), Income under Section 409A Nonqualified Deferred Compensation Plan (409A Income), and Imputed Income for Unsubstantiated HCRA claims (Unsubstantiated HCRA Claims).

Service Request 25145 provides the following background information:

IRC Section 409A:

The American Jobs Creation Act of 2004 added IRC section 409A, which provides that all amounts deferred under a nonqualified deferred compensation plan (“NQDC”) are included in gross income to the extent not subject to a substantial risk of forfeiture and not previously included in gross income, unless certain requirements are met. Among these requirements are rules regarding distribution, acceleration of benefit and election requirements that the beneficiary must meet and that the Plan must operate under.

An NQDC is any plan that provides for the deferral of compensation other than a qualified retirement plan, tax-deferred annuity, or eligible deferred compensation plan such as IRC Sec. 457(b) and 403(b) Plans. Examples of deferred compensation plans that could be subject to IRC Sec. 409A are certain severance agreements, delayed retirement bonuses and long term incentive pay plans.

HCRA Unsubstantiated Claims:

Under the 2007/2008 HCRA Plan, employees could set aside a portion of their income on a pre-tax basis for qualifying medical expenses. Employees could use a special debit card to charge medical expenses, which would then be verified as qualifying by the third party administrator, SHPS. The University paid all debit card charges to SHPS.

There were a number of unsubstantiated claims from the HCRA 2007 and 2008 plan years. These unsubstantiated claims are regarded as debts owed to the University and, in accordance with IRC Section 61, debts forgiven by the lender (the University) are taken into income by the debtor (employee) in the year in which the debt is forgiven. Unsubstantiated claims for 2007 and/or 2008 must be included on the 2009 Form W-2, the year in which the debts were forgiven.

Release 1738 (W-2 Processing for 2006, 12/15/06) established filler balances for future use as EDB5559-EDB5569. Three of these balance fields can be used for the new elements requested in this SR.

Error Report 2216

Release 1738 added two data elements: Form W-2 Box 11 – Nonqualified Plans (EDB5557), and Nonqualified Plan Section 457 Distributions and Contributions (EDB5558). These data elements were assigned the wrong field names in PPNRARPT. This error does not have impact on PPNRARPT because these data elements are not being used in the processing of the program.
Overview of PPS Modifications

W2 Process
New YTD dollar amounts for 409A income, 409A deferrals, and Unsubstantiated HCRA claims will be added to the PPPPCM table and HDA array using existing fillers. These new dollar balances will be used in the processing of W2. The new data elements will be displayed in the ‘Summary of Current EDB Balance’ screen, INBI (refer to Attachment A)

Programs

Modified Programs

PPEM001
PPEM001 performs maintenance on non-resident alien tax treaty data. The new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to the HDA list in this program.

PPEM004
PPEM004 performs consistency edits and maintenance on partial-year deductions. The new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to the HDA list in this program.

PPEM101
PPEM101 calculates executive life insurance imputed income. The new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to the HDA list in this program.

PPEXERPT
PPEXERPT writes the batch work file for executive life insurance imputed income. The new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to the HDA list in this program.

PPEY001
PPEY001 performs non-resident alien tax treaty processing at calendar year-end processing using the HDA array. The new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to the HDA list in this program.

PPEY101
PPEY101 performs non-resident alien tax treaty processing at calendar year-end processing after balance is cleared using the HDA array. The new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to the HDA list in this program.

PPEY200
PPEY200 updates prior year FWT gross and prior year total gross at calendar year-end processing using the HDA array. The new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to the HDA list in this program.
PPHDAUTL
PPHDAUTL is the utility program which loads hour and dollar totals into linkage copy member CPLNKHDA for use by various PPS programs. It will be modified to select the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561), and load them into the new balances fields defined in copy member CPLNKHDA.

PPKEYCHD
PPKEYCHD performs all the maintenance necessary to change/delete records on the EDB when the employee key (employee ID) is changed. The new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to the PPPPCM insert function in this program.

PPNRARPT
PPNRARPT is the non-resident alien tax treaty reporting program called by PPEY001. It uses the HDA array.

For SR 82515, the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to the HAD list in this program.

For Error Report 2216, the balances that should have been added by Release 1738 will be added. The balances that needs to be added to the HAD list are Nonqualified Plan 457 (EDB5557) and Nonqualified Plans for Box 11 (EDB5558).

PPPCMCHG
PPPCMCHG, as part of the standard EDB Fetch/Update complex, sets an appropriate flag in the XDEC Array for those data elements defined on the PPPPCM table that have changed in value. It will be modified to include the new dollar balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

PPPCMCFET
PPPCMCFET, as part of the standard EDB Fetch/Update complex, retrieves (fetches) the employee’s PPPPCM table row from the EDB. It will be modified to include the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

PPPCMUPD
PPPCMUPD, as part of the standard EDB Fetch/Update complex, determines which field(s) of the PPPPCM table has changed. When a field has been changed, the new value is moved in preparation for update. It will be modified to include the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

PPPCMUTL
PPPCMUTL as part of the standard EDB Fetch/Update complex is an access module designed to retrieve the PPPPCM row from the EDB for a specific employee. It will be modified to include the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

PPPCMUTW
PPPCMUTW as part of the standard EDB Fetch/Update complex is designed to delete, update, and insert PPPPCM rows. It will be modified to include the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

PPP130
PPP130 performs periodic EDB file maintenance uses the HDA array. It will be modified to include the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) in the HDA array and the update to the corresponding balances on the PPPPCM table.
PPP410
PPP410 updates the PAR with the HDA balances generated by the compute process. It will be modified to include the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) in the selection of data elements from the PPPPCM table and update of the PAR file.

PPSTARPT
PPSTARPT produces the calendar year-end reports for non-resident aliens and is called by PPEY001. The new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) will be added to this program.

USER12
USER12 is the main dual use driver for EDB edit/update process. It references the CPLNKHDA fields, and moves them to the appropriate columns of the PCM-ROW prior to posting changes for update and audit purposes. It will be modified to include the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

Copy Members

CPLNKGRS
This copy member provides the link between PPP390 (Gross Pay Compute) and/or the Rush Check process and the programs which calculate gross pay.

The following new fields using fillers will be defined for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

- KGRS-YTD-409A-DEFERRALS PIC 9(07)V99
- KGRS-YTD-409A-INCOME PIC 9(07)V99
- KGRS-YTD-HCRA-UNS-CLAIM PIC 9(07)V99

CPLNKGR1
This copy member provides the link between PPP390 (Gross Pay Compute) and/or the Rush Check process and the programs which calculate gross pay.

The following new fields using fillers will be defined for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

- KGR1-YTD-409A-DEFERRALS PIC 9(07)V99
- KGR1-YTD-409A-INCOME PIC 9(07)V99
- KGR1-YTD-HCRA-UNS-CLAIM PIC 9(07)V99

CPLNKHDA
This copy member is used to build an array of the 5100 hour balances and 5500 dollar balances used by many programs which use the HDA array.

The following new fields using fillers will be defined for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

- YTD-409A-DEFERRALS PIC 9(07)V99
- YTD-409A-INCOME PIC 9(07)V99
CPWSRPCM
This copy member defines the Working Storage layout of the EDB PPPPCM table.
The size of the available filler will be reduced from 385 to 370. And, the following new fields using fillers will be defined for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

- YTD-409A-DEFERRALS   PIC 9(07)V99
- YTD-409A-INCOME      PIC 9(07)V99
- YTD-HCRA-UNS-CLAIM   PIC 9(07)V99

CPWSXIC2
This copy member defines various Campus Specific constants.
The following new fields using fillers will be defined for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

- YTD-409A-DFRL-ELMT    PIC 9(04)    VALUE 5559
- YTD-409A-DFRL-DESC    PIC X(15)    VALUE '409A DEFERRALS'
- YTD-409A-INCM-ELMT    PIC 9(04)    VALUE 5560
- YTD-409A-INCM-DESC    PIC X(15)    VALUE '409A INCOME'
- YTD-HCRA-UCLM-ELMT    PIC 9(04)    VALUE 5561
- YTD-HCRA-UCLM-DESC    PIC X(15)    VALUE 'HCRA UNS CLAIMS'

Include Members

PPPVHDA2
This include member is the COBOL declaration for the view PPPVHDA2_PCM.
The new DB2 columns YTD_409A_DEFERRALS, YTD_409A_INCOME, and YTD_HCRA_UNS_CLAIM will be added to the above Include member associated with the EDB PPPPCM table.

PPPVPCM1
This include member is the COBOL declaration for the view PPPVPCM1_PCM.
The new DB2 columns YTD_409A_DEFERRALS, YTD_409A_INCOME, and YTD_HCRA_UNS_CLAIM will be added to the above Include member associated with the EDB PPPPCM table.

PPPVPCM2
This include member is the COBOL declaration for the view PPPVPCM2_PCM.
The new DB2 columns YTD_409A_DEFERRALS, YTD_409A_INCOME, and YTD_HCRA_UNS_CLAIM will be added to the above Include member associated with the EDB PPPPCM table.

PPPVZPCM
This include member is the COBOL declaration for the view PPPVZPCM_PCM.
The new DB2 columns \textit{YTD\_409A\_DEFERRALS}, \textit{YTD\_409A\_INCOME}, and \textit{YTD\_HCRA\_UNS\_CLAIM} will be added to the above Include member associated with the EDB PPPPCM table.

\section*{DDL Members}

\subsection*{PPPPCM Table}
The following columns are being added to the PPPPCM table:

- YTD\_409A\_DEFERRALS
- YTD\_409A\_INCOME
- YTD\_HCRA\_UNS\_CLAIM

The following \textbf{DDL member will contain an ALTER statement} for the new columns:

- TBPCM24A (new)

The following \textbf{DDL member defines} the PPPPCM table and will incorporate the new columns:

- TBPCM00C

The following view \textbf{DDL members} will incorporate the new columns:

- PPPVHDA2
- PPPVPCM1
- PPPVPCM2
- PPPVZPCM

\section*{Control Table Updates}

\subsection*{Data Element Table}
The following new EDB data elements will be defined using filler, and associated with the PPPPCM Table.

1. Deferrals under Section 409A NQDC Plans (EDB5559)
2. Income under Section 409A NQDC Plan (EDB5560)
3. Unsubstantiated HCRA Claims (EDB5561)

\section*{Data Dictionary Updates}
The following new Data Dictionary entry will be added:

\textbf{EDB5559 (new)}
YTD balance of Deferrals under Section 409A NQDC Plans (refer to Attachment B)

\textbf{EDB5560 (new)}
YTD balance of Income under Section 409A NQDC Plans (refer to Attachment C)
EDB5561 (new)

YTD balance of Unsubstantiated HCRA Claims (refer to Attachment D)
Attachments

**Attachment A - INBI CICS Screen**

<table>
<thead>
<tr>
<th>PPINB10-I0911</th>
<th>EDB Inquiry</th>
<th>03/18/09 11:30:34</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/05/09 11:04:46</td>
<td>Summary of Current EDB Balance</td>
<td>Userid: PAYEEB</td>
</tr>
<tr>
<td>ID: 333333039</td>
<td>Name: AARDVARK, FRANCIS</td>
<td></td>
</tr>
<tr>
<td>Hm Dept: 804918 CHAN OFFICE</td>
<td>Emplmt Status: N Pri Pay: MO</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Elemnt Y/Q Description</th>
<th>Amount</th>
<th>Elemnt Y/Q Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5515 3MTH DCP RATE</td>
<td>2.00</td>
<td>5516 UI GROSS QTD</td>
<td>3,000.00</td>
</tr>
<tr>
<td>5521 1MO OLD RTR GRS</td>
<td>3,000.00</td>
<td>5522 2MO OLD RTR GRS</td>
<td>3,000.00</td>
</tr>
<tr>
<td>5523 3MO OLD RTR GRS</td>
<td>3,000.00</td>
<td>5524 4MO OLD RTR GRS</td>
<td>3,000.00</td>
</tr>
<tr>
<td>5526 1MO OLD RED AMT</td>
<td>950.00</td>
<td>5527 2MO OLD RED AMT</td>
<td>950.00</td>
</tr>
<tr>
<td>5528 3MO OLD RED AMT</td>
<td>950.00</td>
<td>5529 4MO OLD RED AMT</td>
<td>950.00</td>
</tr>
<tr>
<td>5531 1MO OLD RTR RTE</td>
<td>2.00</td>
<td>5532 2MO OLD RTR RTE</td>
<td>2.00</td>
</tr>
<tr>
<td>5533 3MO OLD RTR RTE</td>
<td>2.00</td>
<td>5534 4MO OLD RTR RTE</td>
<td>2.00</td>
</tr>
<tr>
<td>5536 LAST MN RTN 15</td>
<td>12.00</td>
<td>5542 4MTH DCP RATE</td>
<td>2.00</td>
</tr>
<tr>
<td>5543 FYTD-RET-GROSS</td>
<td>18,000.00</td>
<td>5545 FYTD-FWT-GROSS</td>
<td>17,754.00</td>
</tr>
<tr>
<td>5547 SWT GROSS QTD</td>
<td>2,959.00</td>
<td>5560 409A INCOME</td>
<td>16,500.00</td>
</tr>
<tr>
<td>5561 HCRA UNS CLAIMS</td>
<td>43.50</td>
<td>5561 HCRA UNS CLAIMS</td>
<td>43.50</td>
</tr>
</tbody>
</table>

Next Func: ID: Name: SSN:

==>
F: 1-Help 2-Browse 3-PrevMenu 4-Print
F: 7-Backward 8-Forward 9-MainMenu 12-Exit
Attachment B - Data Dictionary Entry EDB5559

System Number: EDB5559

User Access Name: EDB5559-4

Programming Name: YTD_409A_DEFERRALS in PPPPCM

Revision Date: PUBL.08/19/09

Comments

Source(s):
Use(s):
Location(s):

Name: DEFERRALS UNDERA SECTION 409A NQDC PLAN

Type: NUMERIC

Length: 9

Format

nnnnnn.nn

General Description

Deferrals under Section 409A Nonqualified Deferred Compensation Plan (CODE Y).

Code Interpretation

N/A
Attachment C - Data Dictionary Entry EDB5560

System Number: EDB5560

User Access Name: EDB5560-2

Programming Name: YTD_409A_INCOME in PPPPCM

Revision Date: PUBL. 08/19/09

Comments

Source(s):
Use(s):
Location(s):

Name: INCOME UNDER SECTION 409A NQDC PLAN

Type: NUMERIC

Length: 9

Format
nnnnnnnn.nn

General Description

Income under Section 409A Nonqualified Deferred Compensation Plan (CODE Z).

Code Interpretation

N/A
Attachment D - Data Dictionary Entry EDB5561

System Number: EDB5561

User Access Name: EDB5561-3

Programming Name: YTD_HCRA_UNSCLAIM in PPPPCM

Revision Date: PUBL. 08/19/09

Comments

Source(s):
Use(s):
Location(s):

Name: UNSUBSTANTIATED HCRA CLAIMS

Type: NUMERIC

Length: 9

Format

nnnnnnnn.nn

General Description

Imputed Income for Unsubstantiated HCRA Claims.

Code Interpretation

N/A