BEATRICE CARDONA  BARBARA VANDEN BORRE
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Re: Release: 1874
Service Requests: 82515
Error Reports: 2216
Programs: PPEM001, PPEM004, PPEM101, PPEXERPT, PPEY001, PPEY101, PPEY200, PPHDAUTL, PKKEYCHD, PNRARPT, PPCMCHG, PPCMFET, PPCMUPD, PPCMUTL, PPCMUTW. PPP130, PPP410, PPSTARPT, USER12
Copy Members: CPLNKGRS, CPLNKGR 1, CPLNKHDA, CPWSRPCM, CPWSXIC2
Include Members: PPPVHDA2, PPPVPCM1, PPPVPCM2, PPPVZPCM
DDL Members: PPPVHDA2, PPPVPCM1, PPPVPCM2, PPPVZPCM, TBPCM00C, TBPCM24A
Bind Members: None
CICS Maps: None
CICS Help: None
Forms: None
Table Updates: PPPDET
Urgency: Date Mandated (see Timing of Installation below)

This release addresses the following Service Request and Error Report:

**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.

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) were 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) were 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) were 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) were 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) were 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) were 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) were 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) were 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) were added to the HAD list in this program.

For Error Report 2216, the balances that should have been added by Release 1738 were added. The balances that were 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 was modified to include the new dollar balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

PPPCMFET
PPPCMFET, as part of the standard EDB Fetch/Update complex, retrieves (fetches) the employee’s PPPPCM table row from the EDB. It was 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 was 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 was 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 was modified to include the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated (EDB5561).
PPP130
PPP130 performs periodic EDB file maintenance uses the HDA array. It was 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 was 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) were 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 was modified to include the new balances, 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

Copy Members

CPLNKRGRS
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 new fields that were defined using fillers are 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

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 new fields that were defined using fillers are 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

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 new fields that were defined using fillers are 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

CPWSRPCM
This copy member defines the Working Storage layout of the EDB PPPPCM table. The size of the available filler was reduced from 385 to 370. The new fields that were defined using fillers are 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561).

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

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_UNSCLAIM were added to the above Include member associated with the EDB PPPPCM table.
PPPVPDM1
This include member is the COBOL declaration for the view PPPVPDM1_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.

PPPVPDM2
This include member is the COBOL declaration for the view PPPVPDM2_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.

PPPVPZPCM
This include member is the COBOL declaration for the view PPPVPZPCM_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.

DDL Members

PPPVPDM2
This DDL creates the view PPPVPDM2_PCM for table PPPPCM. The new balances for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) were added to this CREATE statement.

PPPVPDM1
This DDL creates the view PPPVPDM1_PCM for table PPPPCM. The new balances for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) were added to this CREATE statement.

PPPVPZPCM
This DDL creates the view PPPVPZPCM_PCM for table PPPPCM. The new balances for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) were added to this CREATE statement.

TBPCM00C
This DDL creates the PPPPCM table. The new balances for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) were added to this CREATE statement.

TBPCM24A
This new DDL alters the PPPPCM table. The new balances for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) were added to the PPPPCM table using the ALTER statement.

Table Updates

Data Element Table
This contains data on each of the EDB data elements, including its format, permitted values, starting position in batch EDB update transactions, and the EDB edit/update routines (consistency, implied maintenance, and Gross-To-Net) that should be triggered when the data element is updated. The new balances for 409A Deferrals (EDB5559), 409A Income (EDB5560), and HCRA Unsubstantiated Claims (EDB5561) were added to the PPPPCM table using the ALTER statement.

Installation Instructions
A separate Installation Instructions document is provided for this release.

Test Plan
A separate Test Plan document is provided for this release.
**Timing of Installation**

The timing of this release is date mandated. It should be installed prior to the beginning of the third quarter of 2009, so that locations can start entering HCRA imputed income amounts into Payroll as soon as possible.

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 Pamela.Torres@ucop.edu, or call 510-987-0741.

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