Objective:
Create an override for Executive Life Insurance coverage.

Project Type:
PPS Modification

Requested by:
Academic Personnel

Project Lead / Business Analyst
Shaun Ruiz, Payroll Coordination

Urgency
The requested modification is Date Mandated.

Implementation Deadline
Campuses must install the requested modifications after October month-end maintenance but before November month-end maintenance.
Background:
Effective, January 1, 2010, Deans were transferred from the Senior Management Group (“SMG”) personnel program to the Academic Personnel program.

APM – 240, Implementation Guidelines, states the following about SMG-related benefits for Deans who were transferred from SMG to the Academic Personnel (AP) program:

**Grandfathering of Certain Benefits:** The following SMG-related benefits will continue for those Deans who are being transferred from SMG to the Academic Personnel (AP) program, and who were enrolled in the following benefits programs prior to December 31, 2009:

- **Senior Management Life:** Two times the appointee’s annual salary to a maximum of $800,000. This benefit is in addition to Basic Life insurance coverage.

Current Process:
Coverage eligibility for Executive Life Insurance is based on title codes and personnel programs. Executive Life Imputed income is calculated and reported on a monthly basis.

Proposed Process:
Develop an override process for Executive Life Insurance. The process must incorporate a means to determine coverage eligibility, level of coverage, and salary base. In addition, overrides must trigger the calculation and reporting of Executive Life Imputed income.

Coverage Eligibility
A new Change Code will be used to determine coverage eligibility. It is suggested that the new Change Code value be equal to ‘O’. In addition to the new change code value, the following criteria must be met to activate the override:

- The employee must have a personnel program of 'A' (Academic)
- The employee must have an active appointment under Title Code 1000
- The employee must be appointed 100% under title code 1000

If the override is activated, the Executive Life Salary Base should only include earnings associated with the dean title code.

Level of Coverage
Existing logic should be invoked once eligibility is determined. As stated in APM-240, Implementation Guidelines, Deans who transfer from SMG to the Academic Personnel Program are entitled to coverage at, “Two times the appointee’s annual salary to a maximum of $800,000.”

Salary Base Calculation
Existing logic should be invoked once eligibility is determined. The salary base is the appointee’s annual salary, rounded to the highest thousand.
Executive Life Imputed Income

The Executive Life Imputed Income Report must be updated to display overrides. Overrides should be indicated with a ‘Y’. The suggested label and placement of the new display field is shown in Attachment A.

The following calculation is already contained in the PPS. It is being listed here for informational purposes.

The calculation of Executive Life Imputed Income is as follows:

1. Multiply monthly salary times 12
2. Round up annualized salary to the next highest thousand
3. Multiply the rounded annual salary by 2
4. Divide the result in Step 3 by 1,000
5. Multiply the result in Step 4 by the applicable IRS rate

The applicable rate is based upon the employee’s age as of the last day of the current year. The following rates are published in IRS Publication 15-B:

2010 Cost per $1,000 of Coverage for One Month

<table>
<thead>
<tr>
<th>Age</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>$.05</td>
</tr>
<tr>
<td>25 through 29</td>
<td>.06</td>
</tr>
<tr>
<td>30 through 34</td>
<td>.08</td>
</tr>
<tr>
<td>35 through 39</td>
<td>.09</td>
</tr>
<tr>
<td>40 through 44</td>
<td>.10</td>
</tr>
<tr>
<td>45 through 49</td>
<td>.15</td>
</tr>
<tr>
<td>50 through 54</td>
<td>.23</td>
</tr>
<tr>
<td>55 through 59</td>
<td>.43</td>
</tr>
<tr>
<td>60 through 64</td>
<td>.66</td>
</tr>
<tr>
<td>65 through 69</td>
<td>1.27</td>
</tr>
<tr>
<td>70 and older</td>
<td>2.06</td>
</tr>
</tbody>
</table>

New Executive Life Insurance Change Code and Help Text

Add a new Change Code value (EDB0358) to the list of acceptable codes. When used, the new code should trigger the system to re-derive the Executive Life Indicator (EDB0356) to a value of ‘2’. Help text for the new code is as follows:

• O= Override; Eligible for Executive Life Insurance

Note that a Change Effective Date value must be submitted with the new Change Code to activate the override. If a Change Effective Date value is not submitted, the system should reject the override (see Attachment B).
PAN Modification
The system must generate a PAN notice when an override is entered in the EDB. The PAN notice must contain the Change Code value.

Data Dictionary
The data dictionary should be updated to include information about the new Executive Life Insurance Change Code.

System Number: EDB0358
User Access Name:
Programming Name: EXEC_LIFECCHANGE IN PPPBEN
Revision Date: PUBL. 10/08/90

Comments
Location(s): N/A

Name: EXECUTIVE LIFE INSURANCE CHANGE CODE
Type: ALPHANUMERIC
Length: 1

Format
N/A

General Description
Code indicating the change to be made to the individual's Executive Life Insurance Indicator (EDB 0356).

Code Interpretation
O - Override; Change to participating
X - Change to non-participating
R - Reinstate participation
Blank - No change
## Attachment A – Executive Life Imputed Income Report

<table>
<thead>
<tr>
<th>EMPLOYER ID</th>
<th>EMPLOYER NAME</th>
<th>OVER</th>
<th>EXPL</th>
<th>BASE</th>
<th>PART</th>
<th>EMP</th>
<th>SEPARATION</th>
<th>LOA BEGN</th>
<th>LOA RET</th>
<th>PICA</th>
<th>OASDI</th>
<th>MEDICARE</th>
<th>PAY</th>
<th>ELIG</th>
<th>YTD GROSS</th>
<th>YTD GROSS SCHED</th>
</tr>
</thead>
<tbody>
<tr>
<td>000050070</td>
<td>TORY, SAL U.</td>
<td>Y</td>
<td>A</td>
<td>041</td>
<td>2</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$104.14</td>
<td>$416.56</td>
</tr>
<tr>
<td>07/04/96</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>04/01/05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>444000152</td>
<td>JEFFERSON, THOMAS</td>
<td>A</td>
<td>360</td>
<td>2</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/01/07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$108.00</td>
<td>$108.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Attachment B – Change Date Error Message

<table>
<thead>
<tr>
<th>ADIC</th>
<th>TBL NO</th>
<th>PROG ID</th>
<th>MSG NO</th>
<th>TRNSN</th>
<th>MSG</th>
<th>REF</th>
<th>GSTN</th>
<th>NEW GSTN</th>
<th>BSTALN</th>
<th>MESSAGETEXT</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>08</td>
<td>01</td>
<td>01</td>
<td>01</td>
<td>01</td>
<td>01</td>
<td>01</td>
<td>01</td>
<td>01</td>
<td>OVERRIDE FOR EXEC. LIFE REQUIRES CHANGE DATE</td>
</tr>
</tbody>
</table>
PAYROLL COORDINATION

DATE/CYCLE DATE
05/18/10

REQUEST FOR:
Pat Price

RETRIEVAL/SYSTEM MODIFICATION (Description of Request)
SMG Deans - Executive Life Override

PRODUCTION RUN

SYSTEM
RETAINED DATE OF
INFORMATION

TYPE OF
RUN

REPORT

RETRIEVAL/PRODUCTION RUN
DISTRICT OF OUTPUT INSTRUCTIONS. (FOR RETRIEVAL REQUESTS INCLUDE LONG.page 7 of 7