Service Request: SR 83175
Title: Process to capture HIRE Act data for later display on the Form W-2.

Objective:
The following PPS process requires modifications for the 2010 tax year:
Capture eligible HIRE Act social security wages and tips on the Awards Screen in order to populate the Form W-2 Box 12, Code CC. Modifications are related to the Hiring Incentives to Restore Employment (HIRE) Act.

Project Type:
This is an enhancement to PPS.

Requested by:
Mike O’Neill, Payroll Coordination

Analyst:
Business analyst: John Barrett, Payroll Coordination
Requirements analyst: Beth Burkart, IR&C

Urgency:
Date Mandated. These modifications affect the W-2’s for the 2010 tax year.

Implementation Deadline:
These changes must be implemented in time for campuses to install prior to tax reporting for the calendar year 2010.
Statement of Business Need:

The Hiring Incentives to Restore Employment (HIRE) Act: Form W-2 reporting requirements regarding HIRE Act wages and tips paid to qualified employees are effective for tax year 2010. Wages and tips covered by the HIRE Act are reported in Box 12, Form W-2, using code CC as specified in by the IRS. This service request addresses the process by which to capture the qualifying HIRE act wages and tips by having the campus enter the total amount of qualifying wages and tips for each employee on the Awards Screen using the code “HA.”

Background:

HIRE Act: The Hiring Incentives to Restore Employment (HIRE) Act exempts employers from the employer’s share of social security tax (referred to as the payroll tax exemption) on wages and tips paid to qualified employees from March 19, 2010 through December 31, 2010. Employers who hired a qualified employee under the HIRE Act must report the amount of social security (OASDI) wages and tips paid after March 18, 2010 for which the employer claimed the payroll tax exemption. A qualified employee is one who:

- Was hired after February 3, 2010 and before January 1, 2011
- Was not hired to replace another employee unless the other employee separated from employment voluntarily or for cause;
- Was not a family member or other related individual of the employer;
- Signed Form W-11, Hiring Incentives to Restore Employment (HIRE) Act Employee Affidavit, or another similar statement certifying that he or she had not worked more than 40 hours during the 60 days prior to beginning employment.

Current Process:

N/A as this is a new process for 2010 only.

Proposed Process:

The following changes must be made to PPS:

Allow the campuses to use the EAWD screen or the award batch transaction to input the total amount of qualifying wages and tips under the HIRE Act for each eligible employee. The award type code “HA” will used for this purpose.

Only one HA record per employee is allowed; therefore, there should be an edit in batch mode and online that will not let the processor enter an award type “HA” if there is already an “HA” record present for the employee. A message text will appear if this edit is triggered that states: “ERROR: No More than one HA record per employee” and the system should block the update.

There should be an edit in batch mode and online that will not let the processor enter an amount greater than $106,800 if the award type is “HA.” The message “Amount exceeds the OASDI Maximum of 106,800” should be displayed if this edit is triggered and the system should block the update.
There should be an edit in batch mode and online that will not let the processor enter an amount of $0 if the award type is “HA.” The message “Error: HA Amt must be greater than 0” should be displayed if this edit is triggered and the system should block the update.

- The data dictionary and help text do not need to be updated to meet this short-term need.
- The CTT (code translation table) does need to be updated as this is necessary because it affects what the preparer sees when they enter the data on the EAWD screen.

If necessary, the balances in the field for award type “HA” can be cleared out by the campuses after year-end. This will be a manual process.

The “HA” data will be captured in history for audit purposes, as is currently done with other award data.

**Processing Considerations:**

None.
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System Requirements:

1.0 Overview of Modifications

The purpose of this request is to allow campuses to enter the HIRE Act OASDI wages into the EDB so that they can be reported on the 2010 Form W-2 as applicable. This dollar amount will be entered in the “Award Amount” (EDB0746) field using an “Award Type” (EDB0743) of “HA.”

The new “award type” of “HA” should be added to the CTT so the description can be displayed on the CICS screens.

Edits must be added so that an award amount greater than 106,800 cannot be added for award type “HA” and multiple HA records cannot be added to the EDB for a given employee. In addition, there should be an edit to prevent entry of 0 in the amount field for award type “HA.”

- Control Table Updates: CTT update to add the “HA” award type code. New messages added to the System Messages table.
- EDB Data Elements: No changes. Data dictionary update is not necessary to meet this temporary business need.
- CICS Modifications: Modify the EAWD screen to insure consistent HA award data.
- Web Modifications: None. The award information is not available in the web applications. (confirm this)
- One-time Processes: None
- EDB Maintenance: consistency edits to prevent entry of:
  - HIRE Act amount values exceeding 106,800
  - more than one HA award record
  - HIRE Act amount value of 0
- History Process: It is assumed that HIRE Act “HA” award records will be captured for history, as award data is already being saved for history and reported on the IAWD screen.
- Compute Process: No changes
- Distribution of Expense: No changes
- Consolidated Billing and Self-Billing: No changes
- Interface Files: No changes
- Forms: No changes
- Other Processes: No changes
- Reporting and Notification: No changes

2.0 Control Table Updates

Modifications to the CTT and the System Messages table are needed.
2.1 Code Translation Table (CTT)
The new Award Type “HA” should be added to the CTT for data element EDB0743.

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<tr>
<th>Data Element</th>
<th>Value</th>
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<th>Translation</th>
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<td>0743</td>
<td>HA</td>
<td>25</td>
<td>HIRE Act Wages</td>
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2.2 System Messages Table
New messages should be added to the system messages table as follows:

- “Amount exceeds the OASDI Maximum of 106,800”
  - This message should be at the employee reject level online and transaction reject level in batch. See the EDB maintenance section for the related edit.

- “Error: No more than one HA record per employee”
  - This message should be at the employee reject level online and transaction reject level in batch. See the EDB maintenance section for the related edit.

- “Error: HA Amt must be greater than 0”
  - This message should be at the employee reject level online and transaction reject level in batch. See the EDB maintenance section for the related edit.

This is consistent with the way the existing “Award Date Required” and “Award Type Required” messages are handled.

3.0 CICS Modifications
A modification is needed to the EAWD screen processing. Edits are specified in the EDB Maintenance section.

3.1 EAWD Screen
Processing for the EAWD screen should be modified so that leading blanks in the award type code are removed before the data is stored in the EDB. This will insure consistency of entry and avoid entry of both “HA” and “_HA.” This is requested because the field is three characters and leading blanks are not currently stripped from the entered data.

3.2 Help Modifications
No changes to online help are needed.

3.3 History Reporting
The award data already appears on the IAWD. No changes are needed to this history screen.

4.0 Web Modifications
No web modifications are needed.

5.0 EDB Maintenance
No range and value edits are needed. Three new consistency edits are needed. There are no new derivations and no changes to periodic maintenance.

5.1 Consistency Edits
An edit should alert the user when an Award Amount (EDB0746) greater than 106,800 is entered with an Award Type (EDB0743) of “HA.” This edit applies to both online and batch and should be at a reject
level (employee reject level online and transaction reject level in batch). The message displayed should be: “Amount exceeds the OASDI Maximum of 106,800.”

An edit should alert the user if a new award record with award type “HA” is added and there is already another award with type “HA” present in the EDB, or if the user attempts to enter more than one record with “HA” award type. The message severity should be reject in on-line and in batch (employee reject level online and transaction reject level in batch). The message displayed should be: “Error: No more than one HA record per employee.”

An edit should alert the user if an Award Amount (EDB0746) of 0 is entered with an Award Type (EDB0743) of “HA.” This edit applies to both online and batch and should be at an employee reject level online and transaction reject level in batch. The message displayed should be: “Error: HA Amt must be greater than 0.”

If any of the above conditions is triggered, the update should be blocked.

### 6.0 History Process

Award records with award type “HA” will be captured for history. No PPS changes should be required to meet this need, as award data is already being captured for history and reported on the IAWD screen.
**UC HR/BENEFITS - INFORMATION SYSTEMS SUPPORT**

**SERVICE REQUEST**

UIRC 160ISS (R 01/00)

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**PERSON AUTHORIZING REQUEST:**

Michael O’Neill

**DEPARTMENT:** Payroll

**REQUESTOR:** John Barrett

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**RETRIEVAL/SYSTEM MODIFICATION:**

(Description of Request)

Process to Capture HIRE Act Data on the Form W-2

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**PRODUCTION RUN**

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**RETRIEVAL/PRODUCTION RUN**

DISTRIBUTION OF OUTPUT INSTRUCTIONS (FOR RETRIEVAL REQUESTS, INCLUDE LONG TERM FILE RETENTION INSTRUCTIONS IF APPROPRIATE)

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**COMMENTS:**

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**APPROVAL TO PROCEED**

Based on estimate

(Signature) 11/10/10

(NAME, TITLE, ADDRESS)