Re: Release: 1998
Service Requests: 83346
Error Reports: 2412
Programs: PPP400, PPCOVRGE, PPNETCLC
Copy Members: None
Include Members: None
DDL Members: None
Bind Members: None
CICS Maps: None
CICS Help: None
Forms: None
Table Updates: None
Urgency: Urgent (see Timing of Installation below)

This release addresses the following Service Request and Error Report:

**Service Request 83346**

California Assembly Bill 36 (AB36 - enacted on 4/7/11) amended the California personal income tax law to exclude the value of medical coverage provided to nondependent adult children under the age of 27 from gross income.

SR83346 proposes the following changes in the CA Imputed Income on the UC contribution to the health care provider:

In the calculation of California imputed income for the employees with Medical, Dental, and/or Vision coverage, the following dependent codes should be disregarded:

1) Dependent Code “T” (Non-Tax dependent Natural or Adopted Child)
2) Dependent Code “N” (Overage Disabled Child), only if the child will not reach age 27 as of the end of the employee’s taxable year
Error Report 2412

ER2412 reports the following imputed income (call modes: COMPUTE FEDERAL, CA, and CA SDDP) calculation issues:

- Program PPCOVRGE should check the Dependent’s Coverage End Date (valid date other than low date) against the input First Coverage Effective Date to be consistent with the existing logic for the COMPUTE PROCESS mode.

- In the calculation logic for First Coverage Effective Date using PPE Date before calling PPCOVRGE, to be consistent with the calling logic in program PPFCBBEN that inputs the 1st of next month’s date, programs PPP400 and PPNETCLC should move 1 to the day and add 1 to the month.

Programs

PPCOVRGE

PPCOVRGE derives an employee's “With Domestic Partner” and “Without Domestic Partner” coverage for a requested benefit (Medical, Dental, Vision, or Legal) type. It is called by various processes with the following Input data:

1. First and/or Second Effective dates populated differently depending upon the calling process
2. An array of the employee’s dependents with their coverage, relationship, and other details

To be consistent with the existing logic for the COMPUTE PROCESS, program PPCOVRGE was changed to check the Dependent’s Coverage End Date (valid date other than the low date) against the input First Coverage Effective Date for the COMPUTE FEDERAL / COMPUTE CA / COMPUTE CA SDDP calling modes.

The logic in PPCOVRGE was changed so that the Employee Level Dependent Relationship flag derivation for COMPUTE-CA and COMPUTE-CA-SDDP for the dependent relationship T and N match with that of COMPUTE-FEDERAL.

PPP400 / PPNETCLC

Program PPP400 performs the Gross-to-Net processing within the compute, develops employee deductions (and some employer contributions), derives Net Pay, and produces the Payroll Audit Record (PAR) file from the EDB details and preliminary PAR file with gross-to-net activity.

Module PPNETCLC is called by PPP400 and PPRCNET to develop current deduction amounts that require special calculation routines.

Both the programs PPP400 and PPNETCLC call the module PPCOVRGE to derive an employee's “With Domestic Partner” and “Without Domestic Partner” coverage by inputting Calling Mode, Benefit Type, First and Second Input Effective date, and an array of dependents details of an employee.

In order to be consistent with PPFCBBEN that inputs the 1st of next month’s date from PPED (COMPUTE PROCESS), programs PPP400 and PPNETCLC were changed to move 1 to the day and add 1 to the month before calling the coverage computation routine PPCOVRGE for the COMPUTE FEDERAL / CA / CA SDDP calling modes.
Installation Instructions

COBOL Program Preparation

At UCOP, all COBOL programs pass through the DB2 pre-compiler, whether or not the program contains embedded SQL, to resolve INCLUDE references. Your site may have different requirements.

"DUAL" programs must be compiled twice and linked into batch and online libraries ("LOADLIB" and "OLOADLIB" respectively). "CICS" programs must be CICS pre-compiled and compiled once and linked into OLOADLIB. "BATCH" programs must be compiled once and linked into the batch LOADLIB only.

Install, compile, and link the following modified programs:

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>DB2?</th>
<th>Compile Type</th>
<th>Package Bind?</th>
<th>Done?</th>
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<tbody>
<tr>
<td>PPP400</td>
<td>Yes</td>
<td>Batch</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>PPNETCLC</td>
<td>Yes</td>
<td>Dual</td>
<td>No</td>
<td></td>
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<tr>
<td>PPCOVRGE</td>
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Plan Binds

Bind the following plan:

<table>
<thead>
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<th>Bind Member</th>
<th>Done?</th>
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</thead>
<tbody>
<tr>
<td>PPP400</td>
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</tbody>
</table>

Test Plan

A separate Test Plan document is provided for this release.

Timing of Installation

The timing of this release is urgent.

The change in California tax law to discontinue the health coverage imputed income for non-tax dependent children (dependency codes “T” and “N”) is effective April 7, 2011. Therefore, this release should be implemented 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 baskar.chitravel@ucop.edu, or call (510) 987-0692.

Baskar Chitravel