Service Request 83846
Annual Base Benefit Rate in PPS – Phase 1

Technical Specification

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### Version History

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1 Introduction

As part of the transition to UCPath, the salary bases for benefits in PPS need to better align with the proposed salary bases in UCPath. The PPS modifications will be done in two phases; the first phase will address the annual salary base recalculation that occurs in December 2013 for benefits that are paid in advance, and the second phase will address the annual salary base recalculation that occurs in January and the ongoing maintenance of salary bases for all employees.

This document addresses Phase 1: modifications for the December 2013 annual salary base recalculation.

1.1 Service Request 83846

Service Request 83846 asks for modifications to PPS so that salary bases in PPS will be calculated in a way that is consistent with the salary bases that will be used in UCPath.

2 Background

There are currently five salary bases in use in PPS; each of the bases has its own rules for the timing of its calculation, the population for which it is calculated, and the specifics of the calculation itself. In addition, there are several consistency edits for benefits enrollments that require or restrict the presence of salary bases.

Phase 1 addresses the one-time need for the December 2013 Benefits Premium Audit to calculate the employee-paid and UC-paid life insurance salary bases for the current populations, but with the new calculation rules.

3 Overview of System Modifications

3.1 Benefits Premium Audit Process

In December of each year, the Benefits Premium Audit process recalculates the salary bases for employee-paid life insurance and UC-paid life insurance.

4 Design Considerations

4.1 Assumptions and Dependencies

- Phase 1 addresses only the salary bases that are recalculated in December 2013: employee-paid life and UC-paid life; both will be recalculated in January as well. Note that the salary base for UC-paid life is not used in any calculations in PPS
- Phase 2 will address all salary bases that are recalculated annually, as well as ongoing salary base maintenance
- Phase 2 will remove restrictions on population selection that were used for Phase 1

4.2 General Constraints

- For December 2013, only the populations currently eligible for employee-paid life insurance (employees with a BELI of 1, 2, or 3) and UC-paid life insurance (retirement code is not blank, N, or H) will have salary bases recalculated; the Phase 1 release will apply only to the December 2013 ADVC run of PPP570.
5 Testing Considerations

PPP570 will be run in ADVC mode for December 2013. A test run should be done with a full set of campus data.

6 Mainframe Design

6.1 Annual Benefits Audit

6.1.1 COBOL Programs

6.1.1.1 PPP570

PPP570 calculates the salary bases of various insurance benefits and generates EDB update transactions (IE, DE, X1) to update the appropriate salary bases. It will be modified to support the calculation of the employee-paid and UC-paid life insurance salary bases for employees with BELI 1, 2, or 3 for employee-paid and retirement codes of other than blank, N, or H to conform to the current consistency edits for those salary bases.

The salary base calculation itself is revised to conform to the expected results for UCPath (current regular pay, prorated by the expected work period):

- Distributions are selected if they are current as of the run spec date, are in non-WOS appointments, are not START/ERIT-type DOS codes, are subject to insurance benefits (DOS_INS_BEN_IND is Y), and are regular pay (DOS_PAY_CATEGORY is N and DOS_HOURS_CODE is R – or DOS_PAY_CATEGORY is S and DOS_TIME_CD is 1).
- An annualized amount for each selected distribution is calculated as distribution rate * factor based on appointment rate code and pay schedule (if rate code is A, factor is 12 if MO or MA, 24 if SM, 26 if BW; if rate code is H, factor is standard working hours per year). If the appointment type is 5 (academic), the amount is prorated by the academic period in the Title Code Table for the appointment title, and if the appointment type is 7 (staff partial-year), the amount is prorated by the appointment academic basis. The amount is then multiplied by the distribution percent.
- The adjusted annualized amounts are summed, as are the distribution percents.

UCPath will use the concepts of ABBR and ABBRFTE. ABBR is the employee’s expected annual earnings (after accounting for full/part-time status), and ABBRFTE is the full-time equivalent rate. ABBR is the total adjusted annualized amount, truncated to whole dollars, then rounded up (always) to the nearest 1000 dollars. ABBRFTE is the total adjusted annualized amount divided by the total distribution percent, truncated to whole dollars, then rounded up (always) to the nearest 1000 dollars.

The December 2013 salary bases are then created as follows:

- UC-paid life insurance: ABBR, capped at 50,000; stored as thousands (eg, 50,000 is stored as 050)
- Employee-paid life insurance: ABBRFTE; stored as thousands (eg, 115,000 is stored as 115)

The other salary bases will be addressed in Phase 2.
7 Unit Testing Requirements

7.1 PPP570

PPP570 will be run in ADVC mode for December 2013. A test run should be done with a full set of campus data.

UC-paid life and employee-paid life salary bases should be calculated for employees who are not separated or inactive, and who are eligible for or enrolled in the benefit. Employees are eligible for UC-paid life if they are in a retirement plan (retirement code is not blank, N, or H. Employees are eligible for employee-paid life if their BELI is 1, 2, or 3.

Verify:

- salary bases for staff partial-year appointments (appt type 7) are prorated by the appointment academic basis amount
- salary bases for academic appointments (appt type 5) are prorated by the academic period from the TCT for the appointment title and the quarter/semester parameter; this is the same proration that currently occurs for the MCB calculation
- the employee-paid life salary basis is derived from ABBRFTE
- the UC-paid life salary basis is derived from ABBR

Examples:

- an employee with a monthly rate of 6,000.00 and a distribution percent of .7000
  - ABBRFTE is 6000.00 * 12 * .7000 / .7000, or 72,000, for an employee-paid life base of 72
  - ABBR of 6000 * 12 * .7000, or 50,400, for a UC-paid life base of 51, capped at 50

- an employee with two appointments: one with a monthly rate of 8,333.33 and a distribution percent of .5000 and one with a 6,666.67 rate and a distribution percent of .2500
  - ABBRFTE of (8333.33 * 12 * .5000) + (6666.67 * 12 * .2500) / (.5000 + .2500), or 93,333, for an employee-paid life base of 94
  - ABBR of (8333.33 * 12 * .5000) + (6666.67 * 12 * .2500), or 70,000, for a UC-paid life base of 70, capped at 50

- an employee with an academic title paid over 9 months at a quarter-based location with a monthly rate of 4,000.00 and a distribution percent of 1.0000
  - ABBRFTE of 4000.00 * 12 * (.75) * 1.0000 / 1.0000, or 36,000, for an employee-paid life base of 36
  - ABBR of 4000.00 * 12 * (.75) * 1.0000, or 36,000, for a UC-paid life base of 36

- an employee with a staff partial-year appointment of 10 months with a monthly rate of 4,000.00 and a distribution percent of .9000
  - ABBRFTE of 4000.00 * 12 * (10 / 12) * .9000 / .9000, or 40,000, for an employee-paid life base of 40
  - ABBR of 4000.00 * 12 * (10 / 12) * .9000, or 36,000, for a UC-paid life base of 36