## Version History

<table>
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<tr>
<th>Version #</th>
<th>Date</th>
<th>Revised By</th>
<th>Reason for Change</th>
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<tr>
<td>1.0</td>
<td>08/09/2013</td>
<td>Caroline Rider</td>
<td>Initial draft</td>
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<td>1.1</td>
<td>09/18/2013</td>
<td>Caroline Rider</td>
<td>Revised PPNETCLC processing to reflect modifications identified during QA</td>
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<tr>
<td>1.2</td>
<td>09/25/2013</td>
<td>Caroline Rider</td>
<td>Final revisions</td>
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<td>1.3</td>
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<td>Caroline Rider</td>
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1 Introduction

UCRP deductions and DCP deductions – Faculty Summer Salary (FSS) and Safe Harbor – are subject to specific fiscal year-to-date (FYTD) gross earnings limits established by the IRS code, 401(a)(17). Now that the UCRP deduction is no longer being re-directed as a DCP deduction, the processes for enforcing the FYTD covered compensation limits in PPS need to be re-evaluated.

1.1.1 Service Request SR83936

Currently, the earnings subject to

- the UCRP deduction (which had previously been re-directed as a DCP deduction)
- the Faculty Summer Salary (FSS) DCP deduction
- the Safe Harbor DCP deduction

are combined for determining whether the employee’s deductions for UCRP (previously DCP), FSS, and/or Safe Harbor are to be capped. The effect noted has been to cap the UCRP deduction for some FSS earners before UCRP FYTD earnings have reached the established limits. It is also quite possible, depending how a campus academic calendar falls with respect to the Fiscal Year, that FSS deductions could be capped before FSS earning reached their respective limits. (Safe Harbor is primarily limited by the calendar year OASDI limit, which normally is more restrictive than the 401(a)(17) limit.) This Service Request asks for the earnings and limits to no longer be combined, and to be handled separately.

2 Background

The Compute process enforces the limits on the subject grosses for UCRP, FSS, and Safe Harbor.

3 Overview of System Modifications

3.1.1 Compute Process

Currently, the Compute process applies an initial limit on the UCRP subject gross during the Gross Pay calculation. During the Gross-to-Net process, the UCRP subject gross is reduced further by the grosses subject to FSS and/or Safe Harbor, and the Safe Harbor gross is also reduced further by the grosses subject to FSS.

The Compute process should no longer reduce the UCRP subject gross by the FSS and/or Safe Harbor grosses (UCRP is no longer a DCP deduction), and the Safe Harbor gross should no longer be reduced by the FSS gross (Safe Harbor and FSS have separate plan years, so the limits are applied separately).

4 Design Considerations

4.1 Assumptions and Dependencies

- The UCRP Covered Compensation limit is the IRC 401(a)(17) limit; for grandfathered employees (those who became eligible for UCRP or the UCRP redirect to DCP prior to 07/01/1994), the amount is in SYS PRM 023, and for non-grandfathered employees, the amount is in SYS PRM 067; only earnings subject to UCRP are to count toward the UCRP limit
- The DCP (Safe Harbor) Covered Compensation limit is the IRC 401(a)(17) limit, and the same grandfathered/non-grandfathered rules and parameters apply; only earnings subject to Safe Harbor are to count toward the DCP limit
The FSS Covered Compensation limit is 25% of the IRC 401(a)(17) limit, and the same grandfathered/non-grandfathered rules and parameters apply; only earnings subject to FSS are to count toward the FSS limit.

5 Testing Considerations

Include employees where the current month pay will bring them close to, exactly to, and over (or under, if negative) the UCRP, FSS, and DCP limits; include employees over the limits as well.

6 Mainframe Design

6.1 Compute Process

6.1.1 COBOL Programs

6.1.1.1 PPGRSPAR

PPGRSPAR is called by gross pay calculation programs to build the Payroll Audit file. It will be modified so that employees who exactly reach the UCRP covered comp limit in a compute will have the full deduction taken. It will also be modified so that the process that adjusts the monthly working grosses for employees who are exceeding (or dropping below) the covered comp limit checks the appropriate looping limit.

PROCEDURE DIVISION

Change the >= test of the FYTD retirement gross to a > only test.

In the processes that adjust the monthly UCRP grosses when the current gross crosses over the covered comp limit, ensure that the adjustments for amounts that cross work from the current month to the oldest.

6.1.1.2 PPNETCLC

PPNETCLC is called by net pay calculation programs to process deductions with special calculation routines. It will be modified so that FSS is limited only by the FSS limit (25% of SYS PRM 023 or 067, as appropriate), Safe Harbor is limited in this program only by the DCP limit (SYS PRM 023 or 067, as appropriate), and UCRP is not limited further by FSS or DCP (the limit for UCRP is set by PPGRSPAR, but is adjusted as needed in PPNETCLC for interactions with non-current activity such as Rush Checks).

WORKING-STORAGE

Add variables for UCRP limit.

PROCEDURE DIVISION

Remove code that establishes a combined DCP limit for FSS.

Remove code that establishes a combined DCP limit for Safe Harbor.

Revise code that establishes and applies a combined DCP limit to the UCRS gross to establish and apply a UCRP limit to the UCRS gross.

6.1.1.3 PPRCGRSS

PPRCGRSS calculates gross pay for online Rush Check processing. It will be modified so that employees who exactly reach the UCRP covered comp limit in a compute will have the full deduction taken. It will also be modified so that the process that adjusts the monthly working grosses for employees who are exceeding (or dropping below) the covered comp limit checks the appropriate looping limit.

PROCEDURE DIVISION
Change the \(\geq\) test of the FYTD retirement gross to a \(>\) only test.

In the processes that adjust the monthly UCRP grosses when the current gross crosses over the covered comp limit, ensure that the adjustments for amounts that cross work from the current month to the oldest.

### 7 Unit Testing Requirements

#### 7.1 Compute Process

7.1.1 Establish the Covered Comp Limits

PRM 023 and PRM 067 values

7.1.2 Establish the FYTD balances

Retirement (EDB5543), FSS (EDB5551), and Safe Harbor (EDB5552)

7.1.3 Run computes

Demonstrate the behavior of the retirement, FSS, and Safe Harbor calculation for employees whose earnings take them near to, exactly to, and over (or under, if negative) the covered compensation limits

7.1.4 Generate Rush Checks for employees

Demonstrate the behavior of the retirement, FSS, and Safe Harbor calculation for employees whose earnings take them near to, exactly to, and over (or under, if negative) the covered compensation limits