

Service Request 83938
Streamline Health Insurance Reporting for W-2s

Technical Specification

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Version History

Version #	Date	Revised By	Reason for Change
1.0	08/14/2013	Caroline Rider	Initial draft
1.1	08/20/2013	Caroline Rider	Added new GTNs; revised re-use of GTN Set Indicators, added more detail about the existing process to be retained
1.2	10/29/2013	Caroline Rider	Removed averaging of EAP costs; revised selection of GTNs for PPS medical to use GTN_SET_INDICATOR; included layout of reporting file; revised the description of the run spec to reflect modifications to UPAY934; DA transaction entries are to be written only if greater than zero; added Nadine Schumaker as an author
1.3	12/02/2013	Caroline Rider	Final – remove Draft, remove a use of set indicators that did not happen
1.4	01/02/2014	Caroline Rider	Revised to note use of the same liability account for the new GTNs that was used for GTNs 008 and 398.

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1 Introduction

The PPS process for reporting health insurance costs in Box 12-DD of the employee's W-2, introduced for the 2012 W-2s, should be modified to allow campuses more time to review and adjust the amounts prior to the production of W-2s.

1.1.1 Service Request SR83938

SR83938 asks for modifications to the process that creates the Box 12-DD amount so that all calculations and manipulations of the amount are removed from the process that generates the W-2s. Other issues noted during the 2012 W-2 process will also be addressed.

2 Background

Release 2044 introduced program PPSWEAPY, which calculated and reported the cost of StayWell and Employee Assistance Program (EAP) benefits for each employee. PPSWEAPY also produced a file for input to the W-2 process that was combined with the year-to-date summation of employee and employer costs for medical insurance to produce the Box 12-DD amount. During the production of 2012 W-2s, campuses noted that:

- some benefits not currently available in any form in PPS needed to be included (such as Housestaff insurance)
- there was no mechanism for adjusting any amounts prior to their reporting in Box 12-DD
- some employees may work in more than one campus location (identified by the department location indicator) in a month, and could be subject to different EAP rates; PPSWEAPY allowed only one department location to be processed at a time, and the amounts for an employee were averaged for up to two department locations in PPTAXEDB.

3 Overview of System Modifications

3.1.1 W-2 Process

Currently, PPSWEAPY creates a file of StayWell and EAP costs that is input to a W-2 program (PPTAXEDB); that data is combined with the YTD employee and employer costs for reporting in Box 12-DD, and a CSV reporting file (delimited by semi-colons).

A new program (PPP606) will be developed that will:

- calculate the EAP and StayWell amounts (as is currently done by PPSWEAPY, with minor modifications)
- calculate a total PPS employee and employer medical insurance amount (currently collected by PPTAXEDB)
- create a file of DA transactions to update YTD values for three new GTNs (EAP, StayWell, and total PPS employee and employer medical insurance)
- produce a reporting file (similar to the one currently produced by PPTAXEDB)

The run spec for PPP606 will include the same information that was included in the run spec for PPSWEAPY, and will also allow for the specification of the batch number for the DA transactions and whether the run is a Calculate run or a Report run. The DA transactions will be processed in a compute to update the campus Calendar Year End/W-2 EDB; until the DA transactions are processed, PPP606 can be re-run as needed (to allow campus adjustment of the underlying EDB values). Once the DA transactions have updated the EDB, campuses can apply further adjustments to the new balances on the EDB.

A fourth GTN will be established for campus use for additional non-PPS items that must be included in Box 12-DD; campuses will be responsible for the collection and updating of that data.

The W-2 programs will be modified:

- to remove the StayWell/EAP input file and the Box 12-DD reporting file
- to report Box 12-DD as the sum of the YTD balances for the four new GTNs for StayWell, EAP, total PPS employee and employer medical, and non-PPS health insurance

4 Design Considerations

4.1 Assumptions and Dependencies

- The four new GTNs to be included in Box 12-DD will be set up as inactive GTN codes
- The current Dept Loc Indicators (HME.HME_DEPT_LOC_IND, R1038 and R1549) are:
 - C or blank: campus
 - M: medical center
 - P: Office of the President (OP)
 - A: Agriculture and Natural Resources (ANR)
 - V: Merced
 - E: Continuing Education of the Bar (CEB)
 - B: UC Press/books
 - J: UC Press/journals
 - L: not in PPS, but reserved for the labs

5 Testing Considerations

Testing should be similar to the testing done for R2044 and R2053.

6 Mainframe Design

6.1 W-2 Process

6.1.1 COBOL Programs

6.1.1.1 PPSWEAPY (obsolete)

This program determines eligibility of EAP and StayWell benefits for each employee and derives employer-paid costs for a given tax year. It will be replaced by PPP606.

6.1.1.2 PPTAXEDB

PPTAXEDB generates the extracts for W-2 and/or UI processing and selected control and error reports. It will be modified to remove the StayWell and EAP costs input file and the Box 12-DD reporting file, and to report the Box 12-DD amount as the sum of the four new GTNs.

Inputs and Outputs

Remove EAP-STAYWELL-FILE (EAFIELD).

Remove HLTHCST-FILE (HLTHCST).

WORKING-STORAGE

Remove supporting data for EAP-STAYWELL-FILE and HLTHCST-FILE.

Remove message number 60147.

Add variables to support the accumulation of the four new GTNs for Box 12-DD.

PROCEDURE DIVISION

Remove code related to EAP-STAYWELL-FILE and HLTHCST-FILE, including the generation of message 60147.

Add code to support the accumulation of the four new GTNs for Box 12-DD.

6.1.1.3 PPP600

PPP600 is the base payroll system tax-reporting driver module responsible for Data Extract, UI Reporting, and W-2 Reporting. It will be modified to remove the error message related to the EAP/StayWell input file from PPSWEAPY.

WORKING-STORAGE

Remove message number 60147.

PROCEDURE DIVISION

Remove references to message 60147.

6.1.1.4 PPP606 (new)

PPP606 collects and reports the health insurance costs for Box 12-DD for the W-2. It will produce a reporting file and a DA transaction file to update the EDB via a compute with the StayWell, EAP, and medical insurance costs. It will be based on the StayWell and EAP calculations currently in PPSWEAPY, and the medical insurance calculations and health insurance reporting processes from PPP600.

The PPS medical insurance cost will be calculated as the sum of the YTD EDB balances for GTNs that have a GTN Set Indicators of 'J' and 'H'. The total will be reported in the reporting file; the total will be included in the DA transaction only if it is greater than zero.

The EAP cost will be calculated as:

For each month (based on XPAR-CHECK-DATE), look for a normal employer contribution for medical (XPAR-SPEC-TRAN() = ' ' and XPAR-SOURCE-CODE() = ' ', where XPAR-CUR-DED-CODE() is a GTN with GTN.GTN_SET_INDICATOR = ('J' or 'H')). In addition, identify the department location associated with the employee for the month (HME.HME_DEPT_LOC_IND, based on XPAR-DEPT-NR of the most recent PAR file record for the month.

If the employee has a normal employer contribution for medical for a month, set the EAP amount for that month to the EAP amount.

The total EAP amount for all months will be reported in the reporting file; the total will be included in the DA transaction only if it is greater than zero and the PPS medical insurance cost is greater than zero.

The StayWell cost will be calculated as:

For each month (based on XPAR-CHECK-DATE), look for a normal employer contribution for medical (XPAR-SPEC-TRAN() = ' ' and XPAR-SOURCE-CODE() = ' ', where XPAR-CUR-DED-CODE() is a GTN with GTN.GTN_SET_INDICATOR = 'J' or 'H'). XPAR-MED-PLAN-CODE must not be Kaiser (KS, KN, KW, KU). In addition, identify the medical coverage code (XPAR-MED-COVERAGE-WODM) associated with the record with the normal employer contribution for medical (and convert any 'X' to 'A' and any 'Y' to 'C'), as well as the EBEUC and EBERC (XPAR-EMP-BEN-ELIG-UNIT-CD AND XPAR-EMP-BEN-ELIG-REP-CD).

If the employee has a normal employer contribution for medical for a month and the bargaining unit is participating in StayWell (XPAR-EMP-BEN-ELIG-REP-CD not = 'C' or XPAR-EMP-BEN-ELIG-UNIT-CD is not in the run spec list of excluded bargaining units), set the StayWell amount to the amount from the run spec associated with the modified medical coverage code.

The total StayWell amount for all months will be reported in the reporting file; the total will be included in the DA transaction only if it is greater than zero and the PPS medical insurance cost is greater than zero.

If the employee is separated, and the PPS medical cost is zero or negative, set the EAP and StayWell amounts to zero.

Inputs and Outputs

Input: merged PAR file, to include the monthly PAR files from December of the previous year through December of the current tax year.

Input: Run specification – A two-record file; the first record to include the run mode (Calculate or Report), the tax year, the DA transaction file batch number, the StayWell per-month costs per coverage and the excluded bargaining units, and the second record to include the EAP per-month costs for up to 6 Dept Loc Indicators.

Output: report file – One record per employee in the PAR file. The file will be tab-delimited (value X'05'). The file will include a header record with value ‘**WARNING** SOME OR ALL GTN BALANCES FOR 604, 605, 606 HAVE ALREADY BEEN POPULATED. APPLYING THE DA TRANSACTIONS FROM THIS RUN MAY CREATE DUPLICATES’ if the program has been run in Calculate mode and there are already Box 12-DD YTD balances on the EDB. The file will always include a header record with the run date and mode (‘MODE: CALCULATE AND CREATE DA TRANSACTIONS’ or MODE: REPORT ONLY’, and will also include tab-delimited column headers.

Field	Length	Format	Source
Employee ID	9	X(9)	EMPLOYEE_ID
Employee name	26	X(26)	PER.EMPLOYEE_NAME
Employment status	1	X(1)	PER.EMP_STATUS
PPS medical insurance cost	9	-9(5).99	See above
StayWell cost	9	-9(5).99	See above
EAP cost	9	-9(5).99	See above
EDB GTN 606 amount	9	-9(5).99	DBL.GTN_AMOUNT, where DBL.GTN_NUMBER = ‘606’ and DBL.GTN_IND = ‘Y’
EDB GTN 604 amount	9	-9(5).99	DBL.GTN_AMOUNT, where DBL.GTN_NUMBER = ‘604’ and DBL.GTN_IND = ‘Y’
EDB GTN 605 amount	9	-9(5).99	DBL.GTN_AMOUNT, where DBL.GTN_NUMBER = ‘605’ and DBL.GTN_IND = ‘Y’
EDB GTN 607 amount	9	-9(5).99	DBL.GTN_AMOUNT, where DBL.GTN_NUMBER = ‘607’ and DBL.GTN_IND = ‘Y’

Output: DA transaction file (see <http://payroll.ucop.edu/forms/upay640c.pdf> for the layout); it will be used for the StayWell (6604Y), EAP (6605Y), and PPS medical (6606Y) Box 12-DD reporting GTNs.

WORKING-STORAGE

As needed to support the processing outlined above.

PROCEDURE DIVISION

As needed to support the processing outlined above.

6.1.2 Copy Members

6.1.2.1 CPWSWEAP (obsolete)

CPWSWEAP is the copylib member for the output file created by program PPSWEAPY.

6.1.3 UPAY Forms

6.1.3.1 UPAY934 – PPSWEAPY RUN SPECIFICATION

The UPAY934 form was created for use with the run specification card used in program PPSWEAPY. It will be modified to change the program name from PPSWEAPY to PPP606 (with two spaces trailing and grayed out, to leave the current record layout otherwise intact).

6.1.4 Control Table Updates

6.1.4.1 CTL Database

UPAY forms are included with the requirements document and will contain detailed CTL update transactions. These will be keyed by the programmer and applied to the CTL database by running program PPP004.

6.1.4.1.1 Gross-to-Net Table

The Gross-to-Net Table stores information that defines the deductions and employer contributions in use at the campus.

Four new GTNs will be added to carry the YTD amounts for EAP, StayWell, PPS medical insurance, and non-PPS health insurance:

- 604: StayWell YTD
- 605: EAP YTD
- 606: PPS medical YTD
- 607: Non-PPS health YTD

The GTNs will be set up as inactive deductions. The liability account will be set to the same liability account used for other special purpose, inactive DOS codes, such as 008 (403(b) total and cap) and 398 (457(b) total and cap).

6.1.4.1.2 System Messages Table

The Systems Messages Table contains the message text, severity, and reporting requirements for error and warning messages.

Message 60147 will be deleted.

Messages SWnnn will be replaced by 606nn messages.

6.1.5 JCL Changes

6.1.5.1 PPP606 (new)

Sample JCL will be provided for PPP606.

7 Unit Testing Requirements

7.1