Service Request 83846
Annual Base Benefit Rate in PPS – Phase 2

Technical Specification

December 1, 2013
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Office of the President
University of California
## Version History

<table>
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<th>Version #</th>
<th>Date</th>
<th>Revised By</th>
<th>Reason for Change</th>
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<tbody>
<tr>
<td>1.0</td>
<td>12/01/2013</td>
<td>Caroline Rider</td>
<td>Initial draft</td>
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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 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 2: modifications for the January 2014 annual salary base recalculation and ongoing maintenance of salary bases for all employees.

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 five salary bases in use in PPS; each of the bases currently 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. UCPath will calculate the salary bases all at the same time, for all employees, using a calculation that produces two values (ABBR, the anticipated annual salary, and ABBRFTE, the full-time equivalent annual salary) that will be the basis for all salary bases.

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

Phase 2 addresses the modifications for the January 2014 annual salary base recalculation and ongoing maintenance of salary bases for all employees.

3 Overview of System Modifications

3.1 Benefits Premium Audit Process

In Phase 1, the Benefits Premium Audit process was modified for December 2013 to calculate the employee-paid and UC-paid life insurance salary bases according to the UCPath calculation rules; the recalculation of the employee-paid life salary base was restricted to only employees currently in the benefit or in BELI 1, 2, or 3, and the recalculation of the UC-paid life salary base was restricted to employees who were members of a retirement plan. Those restrictions will be removed, and the salary bases will be calculated for all employees who are active or on leave. The salary bases for employee-paid disability, executive life insurance, and MCB-Next Year will be calculated according to the UCPath calculation rules, and will be calculated for all employees who are active or on leave.

3.2 EDB Maintenance Process

Currently, salary bases are calculated at different times and for different populations (typically, when the employee becomes eligible for a benefit), and the calculations do not all follow the same calculation rules. To align with UCPath, the salary bases will now be calculated when an employee is hired, or re-hired after a separation of more than 120 days. If the employee has no current or future distributions that can be used to calculate a salary base, the salary base will be calculated when those distributions become available.
4 Design Considerations

4.1 Assumptions and Dependencies

- Phase 1 addressed 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 addresses all salary bases that are recalculated annually, as well as ongoing salary base maintenance
- Phase 2 removes restrictions on population selection that were used for Phase 1

5 Testing Considerations

Testing of the Benefits Premium Audit should include the BOTH mode of PPP570. Testing of EDB maintenance should include new hires; rehires within 120 days of the separation date; rehires more than 120 days from the separation date; employees who move between appointments and distributions that do not generate salary bases (such as by-agreement) to appointments and distributions that do (such as regular pay); employees moving to or from an executive appointment; Monthly Maintenance.

6 Mainframe Design

6.1 Benefits Premium 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. Modifications: in addition to the UC-paid and employee-paid life insurance salary base, calculate the employee-paid disability salary base, the MCBs, and the executive life insurance salary base according to the UCP Path calculation rules; calculate the salary bases for all active or on leave employees.

The salary base calculation itself is revised to conform to the expected results for UCP Path (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 salary bases are then created as follows:

- UC-paid life insurance (EDB0330, LIFE-UCPAIDAMT): ABBR, capped at 50,000; stored as thousands (eg, 50,000 is stored as 050)
- Employee-paid life insurance (EDB0275, LIFE-SALARY-BASE): ABBRFTE; stored as thousands (eg, 115,000 is stored as 115)
- Executive life insurance (EDB0357, EXEC-LIFESALARY): ABBRFTE; stored as thousands
- Employee-paid disability (EDB0232, EPD-SALARY-BASE): ABBRFTE / 12, rounded up (always) to the nearest dollar; stored as dollars
- MCB Next Year (EDB0290, MED-CONT-BASE-NEXT): ABBRFTE; stored as thousands
- MCB Curr (EDB0289, MED-CONT-BASE-CURR): only if currently zero: ABBRFTE; stored as thousands

### 6.1.2 Control Table Updates

#### 6.1.2.1 CTL Database

CTL update transactions will be keyed by the programmer and applied to the CTL database by running program PPP004.

6.1.2.1.1 DOS - Description of Service Table

Modifications: DOS PDW is without salary, and should not be flagged as subject to insurance benefits; DOS_INS_BEN_IND should be N. Campuses should review the DOS table to ensure that the appropriate regular pay DOS codes (where DOS_PAY_CATEGORY is N and DOS_HOURS_CODE is R) or suspended regular pay DOS codes (DOS_PAY_CATEGORY is S and DOS_TIME_CD is 1) have the DOS_INS_BEN_IND set to Y.

### 6.2 EDB Maintenance

#### 6.2.1 COBOL Programs

6.2.1.1 PPEA001

PPEA001 performs edits and maintenance for a new hire (action code 01). Modifications: do not initialize the UC-paid life insurance salary base (LIFE-UCPAIDAMT) or the executive life insurance indicator (EXEC-LIFEFLAG).

6.2.1.2 PPEA002

PPEA002 performs edits and maintenance for a rehire (action code 02). Modifications: do not initialize the UC-paid life insurance salary base (LIFE-UCPAIDAMT).

6.2.1.3 PPEC104

PPEC104 performs consistency edits and maintenance on employee-paid life insurance enrollment. Modifications: allow a zero salary base for an enrollment (must have a plan and an effective date), and allow a non-zero salary base for no enrollment (where the plan and effective date are initial values); if the employee is not eligible, but is enrolled, allow the salary base to be changed.

6.2.1.4 PPEC106

PPEC106 performs consistency edits and maintenance on employee-paid disability insurance enrollment. Modifications: allow a zero salary base for an enrollment (must have a waiting period and an effective date), and allow a non-zero salary
base for no enrollment (where the waiting period and effective date are initial values); if the employee is not eligible, but is enrolled, allow the salary base to be changed.

6.2.1.5 **PPEI402**

PPEI402 performs maintenance on various groups of employee data. Modifications: sets the UC-paid life insurance effective date (LIFE-UCPD-EFFDATE) to initial values if the employee has no retirement plan or is in Safe Harbor, and sets it to the BELI effective date (BELI-EFF-DATE) otherwise.

6.2.1.6 **PPEI720**

PPEI720 performs consistency edits and maintenance on insurance salary bases and the Medical Contribution Salary Bases (MCBs). Modifications: also calculate the UC-paid life insurance salary base and the executive life salary base; all bases are calculated for new hires, rehires of more than 120 days since separation, and for employees with salary bases of zero; of that group, executive life is calculated (as the employee-paid life insurance base) only for employees who are eligible for executive life insurance (EXEC-LIFEPLAN is not ‘0’). The salary base calculation follows the same rules used in PPP570.

6.2.1.7 **PPEM106 (obsolete)**

PPEM106 performs consistency edits and maintenance on the UC-paid life insurance fields. The salary base (LIFE-UCPAIDAMT) is now calculated by PPEI720, and the effective date (LIFE-UCPD-EFFDATE) is set by PPEI402.

6.2.1.8 **PPEM116**

PPEM116 performs consistency edits and maintenance on executive life insurance fields and senior management severance pay fields. Modifications: calls to PPEXECLF no longer request a calculation of the salary base (the salary base is calculated by PPEI720).

6.2.2 **Control Table Updates**

6.2.2.1 **CTL Database**

CTL update transactions will be keyed by the programmer and applied to the CTL database by running program PPP004.

6.2.2.1.1 **DET – Data Element Table**

Modifications: add EDB0356 (EXEC-LIFEPLAN) as a trigger for PPEI720.

6.2.2.1.2 **PGT – Processing Group Table**

Modifications: remove PPEM106 (obsolete); move PPEM116 to be processed prior to PPEI720; move PPEI505 to a group that would otherwise be empty due to the movement of PPEM116

7 **Unit Testing Requirements**

7.1 **Benefits Premium Audit**

PPP570 will be run in BOTH mode for January 2014. A test run should be done with a full set of campus data. The resulting transactions should be processed in a batch EDB Update.

All salary bases should be calculated for employees who are not separated or inactive.

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 base is derived from ABBRFTE

• the UC-paid life salary base is derived from ABBR

• the executive life salary base is derived from ABBRFTE, for only those employees eligible for executive life insurance

• the employee-paid disability salary base is derived from ABBRFTE divided by 12, rounded up to the nearest dollar

• the MCB Next Year salary base is derived from ABBRFTE

Examples:

• an employee with a monthly rate of 6,000.00 and a distribution percent of .7000
  o ABBRFTE is 6000.00 * 12 * .7000 / .7000, or 72,000, for an employee-paid life base of 72
  o ABBR of 6000 * 12 * .7000, or 50,400, for a UC-paid life base of 51, capped at 50
  o employee is not full-time, so unlikely to be an executive
  o the employee-paid disability base is 72,000 / 12, or 6000
  o the MCB Next Year salary base is 72

• 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
  o ABBRFTE of (8333.33 * 12 * .5000) + (6666.67 * 12 * .2500) / (.5000 +.2500), or 93,333, for an employee-paid life base of 94
  o ABBR of (8333.33 * 12 * .5000) + (6666.67 * 12 * .2500), or 70,000, for a UC-paid life base of 70, capped at 50
  o employee is not full-time, so unlikely to be an executive
  o the employee-paid disability base is 94,000 / 12, or 7834
  o the MCB Next Year salary base is 94

• 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
  o ABBRFTE of 4000.00 * 12 * (.75) * 1.0000 / 1.0000, or 36,000, for an employee-paid life base of 36
  o ABBR of 4000.00 * 12 * (.75) * 1.0000, or 36,000, for a UC-paid life base of 36
  o employee is not an executive
  o the employee-paid disability base is 36,000 / 12, or 3000
  o the MCB Next Year salary base is 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
  o ABBRFTE of 4000.00 * 12 * (10 / 12) * .9000 / .9000, or 40,000, for an employee-paid life base of 40
  o ABBR of 4000.00 * 12 * (10 / 12) * .9000, or 36,000, for a UC-paid life base of 36
  o employee is not full-time, so unlikely to be an executive
  o the employee-paid disability base is 40,000 / 12, or 3334
  o the MCB Next Year salary base is 40
7.2 **EDB Maintenance**

Testing of EDB maintenance should include new hires; rehires within 120 days of the separation date; rehires more than 120 days from the separation date; employees who move between appointments and distributions that do not generate salary bases (such as by-agreement) to appointments and distributions that do (such as regular pay); employees moving to or from an executive appointment; Monthly Maintenance. The examples for Benefits Premium Audit testing apply here as well.