Service Request SR100923
Include Wellness Costs in W-2 Box 12 DD Total for Employees with Kaiser Insurance

Technical Specification
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Technical Specification  
March 26, 2015  

## Version History

<table>
<thead>
<tr>
<th>Version #</th>
<th>Date</th>
<th>Revised By</th>
<th>Reason for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>3/25/2015</td>
<td>Nadine Schumaker</td>
<td>Initial Draft</td>
</tr>
<tr>
<td>1.1</td>
<td>4/08/2015</td>
<td>Nadine Schumaker</td>
<td>Corrected verification information in Unit Test Requirements</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Table of Contents

Version History .......................................................................................................................... 1
1 Introduction .............................................................................................................................. 3
2 Background .............................................................................................................................. 3
3 Overview of System Modifications ....................................................................................... 3
  3.1.1 W-2 Process .................................................................................................................. 3
4 Design Considerations ............................................................................................................ 3
  4.1 Assumptions and Dependencies ....................................................................................... 3
  4.2 External Impact .................................................................................................................. 3
5 Mainframe Design .................................................................................................................. 4
  5.1 W-2 Process ...................................................................................................................... 4
    5.1.1 Cobol Programs ....................................................................................................... 4
6 Unit Testing Requirements ...................................................................................................... 5
1 Introduction

The PPS process for reporting health insurance costs in Box 12 DD of the employee’s W-2 should be modified to include the Wellness component for employees with a Kaiser health plan.

2 Background

Release 2044 included 1Staywell (Wellness) and EAP costs in Box 12 DD of the W-2, beginning with the 2012 tax year. At that time, employees and their family members who were enrolled in Kaiser Permanente were not eligible to participate in StayWell. Wellness costs were, thus, not included in the total Box 12 DD amount for these employees.

3 Overview of System Modifications

When the total for Box 12 DD amount is calculated for employees with Kaiser plan coverage, the Wellness component must be included along with the other Box 12 DD components. Minor changes to one program are required.

3.1.1 W-2 Process

Currently, program PPP606 collects all health costs relating to Box 12 DD but it explicitly excludes only Kaiser plans for the wellness component. Remove code relating to the Kaiser exclusion.

4 Design Considerations

4.1 Assumptions and Dependencies

- With the inclusion of Kaiser plans for wellness component, there will be no excluded health plans
- There are no JCL changes required
- There are no changes to GTN 604 required (Wellness)

4.2 External Impact

Health Costs are reported to the IRS in the transmission of W2 data at the end of each year.

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1 StayWell was the name of the vendor of the Wellness program at the time these changes were implemented in the PPS.
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SR100923
Technical Specification
March 26, 2015

5 Mainframe Design

5.1 W-2 Process

5.1.1 Cobol Programs

5.1.1.1 PPP606

PPP606 creates a tab-delimited report file and a DA transaction file for use with health costs for the W-2. The DA transaction file can be processed by PPP004 to update the GTNs as follows:

- 604 – Wellness YTD total cost (includes employee and employee contributions for health insurance cost + EAP cost + Wellness cost)
- 605 – EAP YTD total
- 606 – PPS Medical Plan YTD total cost

DA transactions for 604 (Wellness) total will be impacted for this change.

PROCEDURE DIVISION

Correct a paragraph name by changing all references to paragraph name 24000-24000-EVAL-WELLNESS-COV to 24000-EVAL-WELLNESS-COV.

In paragraph 24000-EVAL-WELLNESS-COV, remove code relating to the exclusion of Kaiser plans:

```
000865  ******************************************************************
000866  24000-24000-EVAL-WELLNESS-COV.
000867  ******************************************************************
000868
000869       * KAISER PLANS NOT ELIGIBLE FOR WELLNESS
000870       IF YES-HEALTH-GTN AND
000871           XPAR-MED-PLAN-CODE = 'KS' OR 'KN' OR 'KW' OR 'KU'
000872       SET NOT-WELLNESS-ELIGIBLE TO TRUE
000873    END-IF.
000874  END-IF.
000875  END-IF.
000876       * DETERMINE IF BUC NOT PARTICIPATING IN WELLNESS
000877       IF YES-HEALTH-GTN AND YES-WELLNESS-ELIGIBLE
000878       SET WS-BUC-ELIGIBLE TO TRUE
000879       IF XPAR-EMP-BEN-ELIG-REP-CD = 'C'
000880       PERFORM 24100-CHECK-BUC-TABLE
000881       IF WS-NOT-BUC-ELIGIBLE
000882       SET NOT-WELLNESS-ELIGIBLE TO TRUE
000883    END-IF
000884    END-IF
000885    END-IF.
```
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SR100923
Technical Specification
March 26, 2015

Refer to the documentation for R2094 for more information regarding program PPP606.

6 Unit Testing Requirements

1) Run PPP460 to create a merged PAR flat file using as input all existing base 2015 monthly final PAR files that are available at the time this test was run. (Example: if Base Forwards have been processed up to April 1, 2015, then there would be 3 monthly final PAR files existing when creating the merged file).

2)  Create “Before Change” test results by running the current production version of PPP606 using the merged PAR file created in 1 above. Use the following Spec cards values for DD CARDI:

3) Create the “After Change” test results by running the test version of PPP606 using the same merged PAR file and the same Spec card values used in the step 2.

Verification:

The Wellness amount for one month for an employee with no dependents is $10.88 as provided by the Spec card:

A. In the test region, find an active employee with Kaiser health plan coverage for employee only (no dependent coverage) where the employee does not have a bargaining Unit Code of either BX, EX, HX, K7, NX, RX, SX, or TX.

B. In the TRANSO output file for the “After Change”, find the DA transaction GTN 604 for the employee identified in A above. The total amount in the transaction record for the “After Change” should be $10.88 times the number-of-monthly-final-PAR-files. In the “Before Change” TRANSO output file, the 604 transaction should not exist for the same employee. The number-of-monthly-final-PAR-files is the number of PAR files used to create the merged file in 1 above.

Page 5