

Business Requirements Document

SR101131 - Update Tax Treaty Income Code (EDB1170) and Tax Treaty Income Code – Alternate (EDB1171) in PPS with New IRS Values

Document Information

Document Attributes	Information
ID	SR101131
Owner	Payroll Coordination and Tax Services
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Revision History

Version	Issue Date	Changes
1.0	10/12/2015	1 st Draft
1.1	10/14/2015	B. Burkart – added functional requirements, scope, one-time process
1.2	10/14/15	JRE - functional requirements, scope, one-time process.
1.3	10/15/15	B. Burkart – file layout and data dictionary. CICS Help attachment. One-time process details.
1.4	10/20/15	B. Burkart – updated in team meeting 10/20.
1.5	10/20/15	B. Burkart – updated data dictionary pages
1.6	10/28/15	B. Burkart – updated in meeting with Mary.
1.7	10/29/15	B. Burkart – incorporated feedback from Jaime and Marcia.
1.8	11/4/15	B. Burkart – corrected “Visa status code” to say “Citizenship status code” in several places. Added screen shot from PPS web.

Document Approvals

Role	Name	Signature	Date
Controller	Peggy Arrivas		

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1 Overview

Update PPS Data Element 1170 and PPS Data Element 1171 with the new Tax Treaty Income Codes issued by the IRS for Tax Year 2015 1042-S reporting. One-time process to update existing employees with “old income codes” to the “new income codes” per the specified mapping will need to be run. Various programming changes will be made to the 1042-S process to align with the new income code mappings.

1.1 Background

The IRS has updated many of the income codes associated with payments made to nonresident aliens. Because all campuses utilize GLACIER for 1042-S processing and the Tax Treaty Income codes are used for this purpose, we rely on Arctic International, who owns GLACIER, to update users on any updates. Arctic International sent out the bulletin which outlined the changes on October 6, 2015. PPS must be updated with the new codes so data feeds into GLACIER will be accurate. GLACIER will begin using these new codes on October 15, 2015. The income code changes will take effect for 2015 1042-S reporting.

The existing codes for EDB1170 Tax Treaty Income Code are as follows:

- 15 - Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.
- 17 - Compensation for student dependent personal services
- 18 - Compensation for teaching
- 19 - Compensation during training
- 20 - Earnings as an artist or athlete – note: this was a previously valid code

The existing codes for EDB1171 Tax Treaty Income Code – Alternate are as follows:

- 15 - Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.
- 17 - Compensation for student dependent personal services
- 18 - Compensation for teaching
- 19 - Compensation during training
- 20 - Earnings as an artist or athlete – note: this was a previously valid code

1.2 Objectives

Update PPS Data Element 1170 (Tax Treaty Income Code) and PPS Data Element 1171 (Tax Treaty Income Code – Alternate) with the changes issued by the IRS for Tax Year 2015 (see mapping below):

Old Income Code	New Income Code	Definition
15	16	Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.
17	18	Compensation for student dependent personal services.
18	19	Compensation for teaching.
19	20	Compensation during training.

To accurately report Fellowship payments made to non-resident alien (NRA) Postdoc Fellows (TC 3253) or imputed income for NRA Postdoc Paid Directs (TC 3254) on the Form 1042-S at calendar year-end, PPS maintains a separate Fellowship/Scholarship Gross field(Data Element 5555) and a separate Gross-to-Net (GTN 636) which collects the Federal Tax for these payments. The Citizenship Status Code for these NRAs are A, E, F, N, S and X. The gross and tax collected in these buckets and reported at year-end are currently referenced to Income Code 15. There is also an Employee reject message in PPS if Income Code 15 is not used for TC 3253 and TC 3254 Postdocs with those Citizenship Status Codes. All references for Income Code 15 must now be changed to Income Code 16.

1.3 Related Projects & Dependencies

Although locations no longer use PPS to produce the 1042-S, they do extract PPS data to load into Glacier, the product that is used to produce the 1042-S.

1.4 Stakeholders

Acronym	Description	Role
*	Authorize	Has ultimate signing authority for any changes to the document
R	Responsible	Responsible for creating this document
A	Accountable	Accountable for accuracy of this document (e.g. project manager)
S	Supports	Provides supporting services in the production of this document
C	Consulted	Provides input
I	Informed	Must be informed of any changes

Name	Position	*	R	A	S	C	I
John Barrett	Director		X	X	X	X	X
Marcia Johnson	Sr. Analyst				X	X	
Peggy Arrivas	Controller	X					
Jaime Espinoza	Principal Analyst			X	X	X	X
Mary Meyer	Programmer Analyst III					X	X
Beth Burkart	Sr. Business Analyst				X	X	X

1.5 Proposed Strategy

Update PPS Data Element 1170 and 1171 with the Tax Treaty Income Code changes issued by the IRS. These values and descriptions should be reflected in on-line field-level help and in the Data Dictionary. Create a one-time process to update existing values for EDB1170 and EDB1171 in employee data. Programming changes to 1042-S will be made as necessary.

These changes should be implemented as soon as possible to avoid any interface issues with the Artic International GLACIER system that UC utilizes to manage their non-resident alien population.

1.6 Glossary

N/A

2 Product/Solution Scope

2.1 Included in Scope

- One time process to update employees with old codes to new codes per the mapping.
- Add new Income code 16 for EDB1170 and EDB1171, and update definition of Income codes 18, 19 & 20.
- Delete obsolete Income code 15 and 17.
- Data Dictionary Updates for Data Elements EDB1170 and EDB1171
- CICS Help changes
- CTT (Code Translation Table) updates per the new set of codes and descriptions
- Any reference used in PPS to Income Code 15 for amounts collected in Fellowship/Scholarship Gross Field (EDB5555) and the Federal Tax in GTN636 should now map to Income Code 16.
- Changes to employee reject edit and messages related to postdoc title codes
- Test codes and descriptions in EDB1170 drop-down in PPS Web (Web New Hire and Web EDB Update) to make sure results are as expected based on the CTT table updates.
- Programming changes in reports and other 1042-S processes to align with the latest revisions to the set of income codes.

2.2 Excluded from Scope

Removal of obsolete program code that is not being used is out of scope. This will reduce the amount of testing needed, and also reduce the risk of unintended consequences.

- PPTAXEDB and PP1042SP reference the old income code “20” then sets the recipient code. However, since recipient code is not currently used by the IRS, the reference will be left in place.
- PP1042SR references codes 12 and 16 for editing the name field for commas. This code will be left as is.
- PP1042SR references code 16 for the purpose of checking exemption code and then looking for a missing SSN. This will be left in place.
- IRS changes from 2014 related to code mapping will not be part of this project.

CTT updates to clean up a previous error in entries for data elements EDB1172, 1173, 1174, and 1175 will not be included in the scope of this project.

2.3 Assumptions & Constraints

2.3.1	No EEs should currently be using Income code 20 in PPS. If there are any such employees, they will be flagged as an exception when the one time process runs in report mode.
2.3.2	Locations should run in report mode until there are no more exceptions.
2.3.3	Locations should run the one time process in update mode only one time. Running it in update mode more than once will result in incorrect data.

2.3.4	Analysis revealed some obsolete programming. A decision was made to leave such code in place rather than remove it or comment it out, since locations are in the process of converting to UCPATH. Due to scarce resources and time constraints, only changes that need to be made for functionality that is being used by campuses can be programmed at this time.
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2.4 Outstanding Items

None

3 Business Services and Processes

N/A

4 Business Rules

N/A

5 Business Requirements

- PPS should reflect the 2015 mapping changes from the IRS.
- Any reference used in PPS to Income Code 15 for amounts collected in Fellowship/Scholarship Gross Field (EDB5555) and the Federal Tax in GTN636 should now map to Income Code 16.
- The employee reject message in PPS for TC 3253 and TC 3254 which is triggered if Income code 15 is not used in conjunction with the NRA Citizenship codes referenced above should now be changed to trigger if Income 16 is not used.
- PPP7308 & PPP7309 reports should reflect new Income codes.

5.1 User Requirements

N/A

5.2 Functional Requirements

Req ID	Requirement Type	Requirement Description	Priority [L/M/H]	Comments
R0001	New Code for Data Elements EDB1170 and EDB1171	Add new value for EDB1170 (Tax Treaty Income Code) and EDB1171 (Tax Treaty Income Code-Alternate). New value is: 16 Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.	H	
R0002	Update definition of code, 18, 19 & 20 in EDB1170 and EDB1171	18 Compensation For student dependent personal services 19 Compensation for teaching 20 Compensation during training.	H	
R0003	Delete codes for Data Elements EDB1170 and EDB1171	Codes 15 and 17 should be removed as valid codes from EDB1170 and EDB1171.	H	
R0004	One-time process	Create a one-time process to re-map existing employees into the new codes. Both separated and non-separated employees should be included. Re-mapping is as follows: If EDB1170 = "15" then change value to "16"	H	

		<p>If EDB1171 = "15" then change value to "16"</p> <p>If EDB1170 = "17" then change to "18"</p> <p>If EDB1171 value = "17" then change to "18"</p> <p>If EDB1170 = "18" then change to "19"</p> <p>If EDB1171 = "18" then change to "19"</p> <p>If EDB1170 = "19" then change to "20"</p> <p>If EDB1171 = "19" then change to "20"</p> <p>The one time process should flag employees with existing values other than 00, 15, 17, 18, or 19. A tab-delimited file should be produced containing employees whose codes will be changed or who have exceptions.</p>		
R0005	Data Dictionary	Update PPS Data Element 1170 (Tax Treaty Income Code) and PPS Data Element 1171 (Tax Treaty Income Code – Alternate) with the changes issued by the IRS for Tax Year 2015 (see mapping in Objectives section).	H	Show obsolete codes in a separate section
R0006	CICS Help	Update CICS Help for the Tax Treaty Income Code and Tax Treaty Income Code – Alternate per the new mapping.	H	Show obsolete codes in a separate section.
R0007		Any reference used in PPS to Income Code 15 for amounts	H	

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		collected in Fellowship/Scholarship Gross Field (EDB5555) and the Federal Tax in GTN636 should now map to Income Code 16.		
R0008	Edit	The employee reject message (hardcoded) in PPS for TC 3253 and TC 3254 which is triggered if Income code 15 is not used in conjunction with the NRA Citizenship codes referenced above should now be changed to trigger if Income 16 is not used.	H	
R0009	Reporting	PPP7308 & PPP7309 reports should reflect new Income codes. The process that produces the Federal and State reporting file should be modified so that old values for EDB1170 and EDB1171 are replaced by new values.	H	
R0010	Consistency edits	Updates to EDB edits and implied maintenance to reflect the new code mappings.	H	
R0011	Messages Table	Messages 08-677 and 12-677: Code 15 should be changed to 16. Messages should read: 08-677: NRA POSTDOC-FELLOW OR POSTDOC-PAID DIRECT MUST HAVE INCOME CD 16 12-677: NRA POSTDOC-FELLOW OR POSTDOC-PAID DIRECT MUST HAVE INCOME CD 16	H	

R0012	1042-S process	<p>Updates to the 1042-S process to reflect the new code mappings.</p> <ul style="list-style-type: none"> • The process that extracts 1042-S data from the accounts payable interface file to change references to value "15" for EDB1170 to "16." • Updates to the process that formats a 1042-S extract record from the EDB to change references to value "15" to value "16" for EDB1170 when fellowship gross is not = 0. • Changes to the process that produces the 1042-S confirmation and error reports are required to reflect the new code mappings. <ul style="list-style-type: none"> ○ Reference of value '15' for EDB1171 should be changed to '16'. ○ Editing of valid values for EDB1170 and EDB1171 and related messages (hardcoded, not in the message table) will be changed to reflect the new mappings. (See R0008) 	H	
R0013	PPS Web	The Citizenship and Taxes page in PPS Web New Hire and EDB Update contains the	H	Testing requirement. See attached screen

		<p>EDB1170 field, which is revealed when the checkbox “not a US Citizen” is checked. The user selects a value from a drop-down.</p> <p>Since the PPS Web references the CTT, it is expected that no changes are needed to the PPS Web application itself, because updates to the PPS control table will be reflected in the drop-down in PPS Web.</p>		shot.
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5.3 Reporting Requirements

N/A

6 Non-Functional Requirements

N/A

7 External References

N/A

8 Tab-Delimited File – Output of One-Time Process

Employee ID	
Employee Name	Combined name
Existing Income Code	EDB1170
New Income Code	
Existing Income Code - Alternate	EDB1171
New Income Code - Alternate	
Unexpected Inc Code Flag	Value = * if existing code in EDB1170 is other than 15, 17, 18, 19 or 00
Unexpected Inc Code - Alt Flag	Value = * if existing code in EDB1171 is other than 15, 17, 18, 19 or 00

9 Data Dictionary changes for EDB1170

System Number: EDB1170

User Access Name: 1170-3

Programming Name: TT_INCOME_CODE IN PPPPAY

Revision Date: 01/01/07

Comments

Location(s): N/A

Name: TAX TREATY INCOME CODE

Type: ALPHANUMERIC

Length: 2

Format

N/A

General Description

Code indicating a type of income the employee is receiving and claiming as exempt from federal tax under the provisions of a tax treaty.

Code Interpretation

~~15 - Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.~~
~~16 - Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.~~
~~17 - Compensation for student dependent personal services.~~
~~18 - Compensation for student dependent personal services.~~
~~19 - Compensation for teaching.~~
~~20 - Compensation during training.~~

Previously valid codes:

15 - Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.
17 - Compensation for student dependent personal services

10 Data Dictionary changes for EDB1171

System Number: EDB1171

User Access Name: 1171-4

Programming Name: ALT_TT_CODE IN PPPPAY

Revision Date: 01/01/07

Comments

Location(s): N/A

Name: TAX TREATY INCOME CODE-ALTERNATE

Type: ALPHANUMERIC

Length: 2

Format

N/A

General Description

Code indicating an additional type of income the employee is receiving and claiming as exempt from federal tax under the provisions of a tax treaty.

Code Interpretation

- 15 - Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.
- 16 - Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.
- 17 - Compensation for student dependent personal services
- 18 - Compensation for student dependent personal services
- 19 - Compensation for teaching
- 20 - Compensation during training

Previously Valid Codes

- 15 - Scholarship and Fellowship Grants given to an individual for study, training, or research, and which does not constitute compensation for personal services.
- 17 - Compensation for student dependent personal services

11 CICS Help

Help Updates: EDB 1170 : remove codes 15 and 17; add code 16, and update descriptions for codes 18, 19, and 20 – per the mapping table on page 5. Show obsolete codes 15 and 17 in a separate section.

```
EDB1170          TAX TREATY INCOME CODE
                                                    More:  +
Draft 01/01/07: "TAX TREATY INCOME CODE"

Description:      Code indicating a type of income the
                  employee is receiving and claiming as
                  exempt from federal tax under the
                  provisions of a tax treaty.

Format:          N/A

Code Interpr.:   15 - Scholarship and Fellowship Grants
                  given to an individual for study,
                  training, or research, and which does

Command ==>
F1=Help  F2=EX help  F3=eXit  F4=copy  F6=move  F7=BKwd
F8=FWd   F12=Cancel
```

```
EDB1170          TAX TREATY INCOME CODE
                                                    More:  -
                  not constitute personal services.
17 - Compensation for student dependent
    personal services
18 - Compensation for teaching
19 - Compensation during training
20 - Earnings as an artist or athlete

Command ==>
F1=Help  F2=EX help  F3=eXit  F4=copy  F6=move  F7=BKwd
F8=FWd   F12=Cancel
```

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Help Updates: EDB 1171 : remove codes 15 and 17; add code 16, and update descriptions for codes 18, 19, and 20, per the mapping table on p. 5. Show obsolete codes 15 and 17 in a separate section.

```
EDB1171          TAX TREATY INCOME CODE-ALTERNA          More: +
Draft: 01/01/07 "TAX TREATY INCOME CODE-ALTERNATE"

Description:      Code indicating an additional type of
                  income the employee is receiving and
                  claiming as exempt from federal tax under
                  the provisions of a tax treaty.

Format:          N/A

Code Interpr.:   15 - Scholarship and Fellowship Grants
                  given to an individual for study,
                  training, or research, and which does

Command ==>
F1=Help  F2=EX help  F3=eXit  F4=copy  F6=move  F7=BKwd
F8=Fwd   F12=Cancel
```

```
EDB1171          TAX TREATY INCOME CODE-ALTERNA          More: -
                  not constitute personal services.
17 - Compensation for student dependent
    personal services
18 - Compensation for teaching
19 - Compensation during training
20 - Earnings as an artist or athlete

Command ==>
F1=Help  F2=EX help  F3=eXit  F4=copy  F6=move  F7=BKwd
F8=Fwd   F12=Cancel
```

12 CTT – Code Translation Table Changes

Data Element	Code value	Translation length	Code translation	Action
EDB 1170	15	58	Scholarship and Fellowship Grants given to an individual	remove this value “15” from the table
EDB 1170	17	58	Compensation for student dependent personal services	remove this value 17 from the table
EDB 1170	16	58	Scholarship and Fellowship Grants given to an individual.	Add this new code to the table
EDB 1170	18	58	New code translation: Compensation for student dependent personal services.	Update the code translation
EDB 1170	19	58	New Code Translation: Compensation for teaching.	Update the code translation
EDB 1170	20	58	New Code Translation: Compensation during training.	Update the code translation
EDB 1171	15	58	Scholarship and Fellowship Grants given to an individual	Remove this value “15” from the table
EDB 1171	16	58	Scholarship and Fellowship Grants given to an individual.	Add this new code to the table

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EDB 1171	18	58	Compensation for student dependent personal services.	Add new code to table
EDB 1171	19	58	Compensation for teaching.	Add new code to table
EDB 1171	20	58	Compensation during training.	Add new code to table

13 PPS Web Citizenship & Taxes page Screen Shot

EDB Update System Web Interface to the Payroll/Personnel System

Employee Record Change Employee Name: WIEST, AARON ID: 851925809 Status: A - Active

ENTRY SCREENS	4. Citizenship & Taxes
1 Employee Identification	
2 Personal Information	
3 Address & Disclosures	
4 Citizenship & Taxes	<p>④ Citizenship status and tax withholding are two separate issues, but for all employees who are not U.S. citizens (aliens), the citizenship code may control the tax exemptions and filing status an employee may elect. Employees who are U.S. citizens simply fill out a W-4 form indicating their filing status and exemptions. For employees who are not US citizens, the W-4 is still the basis for completing the Citizenship and Taxes Page. However, aliens are required to follow IRS regulations for Alien employees. The filing status and exemptions are determined by these regulations.</p>
5 Employment Information	
6 Appointments & Distributions	
7 Education	
8 Pay Disposition	
9 Honors & Awards	
10 Leave of Absence	
11 Separation	
REVIEW AND SUBMIT	
12 Summary	
13 Review Messages and Update	
14 Post Authorization Notification (PAN)	
15 Confirmation	
	<p>* This employee is not a US Citizen: <input checked="" type="checkbox"/></p> <p>* What type of Non-Citizen is this employee? N - Non-Resident Alien</p> <p>Country of Residence: CH - CHINA, PEOPLE'S REPUBLIC OF <small>begin typing name or code here</small></p> <p>* Visa Type: J1 - Exchange visitor</p> <p>* Visa/Work Permit End Date: 08/31/15 <small>MM/DD/YYYY</small></p> <p>Tax Treaty Income Code: 16 - Scholarship and Fellowship Grants given to an individual 18 - Compensation for student dependent personal services 19 - Compensation for teaching 20 - Compensation during training</p> <p>US Date of Entry:</p>