

# UNIVERSITY OF CALIFORNIA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

OFFICE OF THE SENIOR VICE PRESIDENT —  
BUSINESS AND FINANCE

OFFICE OF THE PRESIDENT  
1111 Franklin Street  
Oakland, California 94607-5200

December 19, 2003

BEATRICE CARDONA  
GRACE CHIU  
HAI DOAN

RENATA ELLIS  
MABEL LAI  
BARBARA VANDEN BORRE

Re:	Release:	1542
	Service Requests:	14899
	Error Report:	1895
	Programs:	PPEM001, PPEY001
	CICS Programs:	None
	Copy Members:	None
	Include Members:	None
	DDL Members:	None
	Bind Members:	None
	CICS Maps:	None
	Forms:	None
	Table Updates:	None
	JCL Changes:	None
	Urgency:	Not Urgent

## **Service Request 14899**

The Internal Revenue Service (IRS) requires that payments to non-citizens be taxed according to their residency status. The Citizenship Status Code indicates an employee's United States residency status for Federal income tax purposes. Service Request 13216 requested that ability be added to the Payroll/Personnel System (PPS) to identify alien employees who are exempt from Federal Income Tax Withholding based upon a tax treaty agreement, but are subject to FICA (OASDI/Medicare) taxes. To accomplish this, Citizenship Status Code 'F' (DE 0109) was added in Release 1191.

The Service Request 14899 requests that if the Citizenship Status Code is 'F', it should be set to 'R' when either the Tax Treaty End Date (DE1172) or the Tax Treaty Limit (DE1174) has been achieved.

## **Error Report 1895**

There is a problem with the yearly program PPEY001 which updates the citizenship code and other data elements when either the Tax Treaty End Date or the Tax Treaty Limit has been achieved. When testing for the Tax Treaty Limit to be achieved, the program is taking action when the YTD Tax Treaty Gross is greater than the Tax Treaty Limit. It needs to be changed to take the same action when it is equal to Limit. This is especially true now that the compute has been modified to prevent the YTD TT Gross from going over the Limit. In the monthly program PPEM001, the test is already made for Greater than or Equal To.

## **Clarification of Requirements**

Setting the Citizenship Status Code to 'R' is already done when the Tax Treaty End Date (DE1172) has been achieved ( see Release 1279 ). However, it is set to 'R' only when the Country Code (DE 0143) value is 'MX', 'JA', 'KS' or 'CA'. Therefore, the two requirements for this SR are to 1) remove the test for the value of the Country Code (DE 0143) when testing the Tax Treaty End Date and 2) add the setting of the Citizenship Status Code to 'R' when the Tax Treaty Limit (DE1174) has been achieved.

## Programs

### PPEM001

PPEM001 performs Tax Treaty and Citizenship Status Code monthly periodic implied maintenance that resets values when the Tax Treaty End Date or Tax Treaty Limit is achieved. Currently when the Tax Treaty End Date (DE 1172) has been achieved, the following occurs.

- If the Country Code is 'CA','MX','JA', or 'KS' and the Citizenship Status Code is 'F', the Citizenship Status Code will be set to 'R'.
- If the Country Code is 'CA','MX','JA', or 'KS' and the Citizenship Status Code is 'E', the Citizenship Status Code will be set to 'A'.
- If the Country Code is **not** 'CA','MX','JA', or 'KS' and the Citizenship Status Code is 'F' or 'E', the Citizenship Status Code will be set to 'N'.

With this release when the Tax Treaty End Date (DE 1172) **or the Tax Treaty Limit (DE1174)** has been achieved the following will occur.

- If the Citizenship Status Code is 'F', the Citizenship Status Code will be set to 'R' **without consideration of the Country Code.**
- If the Country Code is 'CA','MX','JA', or 'KS' and the Citizenship Status Code is 'E', the Citizenship Status Code will be set to 'A'. This remains the same.
- If the Country Code is **not** 'CA','MX','JA', or 'KS' and the Citizenship Status Code is 'E', the Citizenship Status Code will be set to 'N'. This remains the same.

### PPEY001

PPEY001 performs Tax Treaty and Citizenship Status Code calendar year-end periodic implied maintenance that resets values when the Tax Treaty End Date or Tax Treaty Limit is achieved. The reset of the Citizenship Status Code is performed the same as in PPEM001. With this release, the same changes were made to this program as were made to PPEM001. See above.

A change was also made for Error Report 1895. When comparing the YTD TT Gross to the Tax Treaty Limit, the program now tests for the YTD to be greater than *or Equal To* the Limit.

## Installation Instructions

### 1. Program Preparation

Note: At UCOP, all COBOL programs pass through the DB2 pre-compiler, whether or not the program contains embedded SQL, to resolve INCLUDE references. Your site may have different requirements.

Note: "DUAL" programs must be compiled twice and linked into batch and online libraries ("LOADLIB" and "OLOADLIB" respectively), DUAL-ONLINE programs must be compiled once only and linked into the online library. "CICS" programs must be CICS pre-compiled and compiled once and linked into OLOADLIB. "BATCH" programs must be compiled once and linked into the batch LOADLIB only.

- a) Compile, and link the *modified* programs listed below:

Program Name	DB2?	Compile	Package Bind?	Done?
PPEM001	Yes	BATCH	No	
PPEY001	Yes	BATCH	No	

Beatrice Cardona, et al

Page: 3

December 19, 2003

2. Plan Binds

Bind the plan listed in the following table.

<b>Bind Members</b>	<b>Done?</b>
PPP130	

**Test Plan**

A complete test plan is provided with this release. Campuses are encouraged to use the base system test materials; as well as performing any other desired local tests.

**Timing of Installation**

The timing of this release is not urgent. As usual, campuses are encouraged to install this release in as timely a fashion as possible, and in the normal numeric sequence of releases.

If there are any questions, please send electronic mail to [Janet.Kennedy@ucop.edu](mailto:Janet.Kennedy@ucop.edu), or call (510) 587-6128.

Janet Kennedy

cc: Jerry Wilcox