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April 2, 2004

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Re:	Release:	1561
	Service Request:	80782
	Error Reports:	None
	Programs:	PPCTBRGE, PPCTR14, PPCTT14G, PPP400, PPRCNET
	Copymembers:	None
	Include Members:	None
	DDL Members:	None
	Bind Members:	None
	CICS Maps:	None
	Forms:	UPAY712
	Table Updates:	Benefits Rates Table, Gross-to-Net Table
	Urgency:	Date Mandated (See Timing of Installation)

## **Service Request 80782**

This service request addresses required changes to the CNA (NX) dues and agency fee structure:

- Monthly dues for employees working more than 30% of available pay period hours will pay 2.2 times their hourly pay rate, up to the maximum of \$80 per month; employees working 30% or less will be charged a flat dollar amount.
- For employees paid biweekly or semi-monthly, the multiplier, cap, and flat amounts are proportionately adjusted.
- Agency fees are calculated using the same formula, but with reduced multipliers, caps, and flat fees.
- The deduction calculation for the current pay cycle is “stand alone”. That is, caps and flat fees are applicable only to the pay cycle being processed (i.e., month-to-date deduction accumulation for cap maximum enforcement is no longer relevant for the CNA deduction).

To accommodate these new deduction calculation requirements, two associated areas of modification are necessary:

1. The Benefits Rate Table (BRT) Gross-to-Net Rates/Amounts format “003” record has been expanded so that the Rate/Amount, Cap, Deduction Percent, Reduced Deduction Amount, and Threshold Amount are all required for successful CNA deduction calculation.
2. A special CNA “average” hourly rate for the current pay cycle is developed prior to the deduction calculation.

Also refer to Service Request 80782 for additional details of the dues structure changes.

## Programs

### **PPCTBRGE**

PPCTBRGE performs various edits of the BRT GTN Rate/Amount row. It has been modified to allow input of both the Reduced Deduction Amount and the Deduction Percent fields (as well as the addition of the Cap Amount) on the Format "003" record.

### **PPCTR14**

On report PPP0414 (BRT GTN Rate/Amount section) the sub headings which stated "Monthly Cap", will now indicate only "Cap" (whether the cap is a monthly or pay cycle cap will depend on the specific unit being processed).

### **PPCTT14G**

Code has been added to the transaction assembly module to allow entry of Rate/Amount, Cap Amount, Deduction Percent, Reduced Deduction Amount, and Threshold Percent on the Format "003" record.

### **PPP400**

During the CALC15 Unit Earnings routine, a special "average" Unit Hourly Rate will be developed when the Title Unit Code (TUC) is "NX" (i.e., CNA). Note that standard decimal rounding will be used for all CNA hourly rate and deduction development:

1. When all the eligible earnings (DOS "regular pay" attributes and RAI exclusions) contain the same Hourly Rate, that Hourly Rate will be used as the Unit Hourly Rate. Note, an "annualized" Hourly Rate is developed for pay period rated earnings to insure that the employee's deduction will not vary for different pay periods (as does the standard hours). As examples, for monthly paid employees, the Hourly Rate is the Monthly Rate \* 12 / 2088. For biweekly paid employees, the Hourly Rate is the Biweekly Rate / 80.
2. When varying Hourly Rates are present for eligible earnings, the Unit Hourly Rate will be the total eligible gross divided by the total eligible hours. Note, the eligible gross for pay period rated earnings is re-derived as the product of the Earnings Hours times the "annualized" Hourly Rate. In this manner, the hours dictate the relative weight of the annualized pay rates.

During the CALC15 Deduction Development routine, when the NX unit is being processed, the Unit Percent Time is developed as the eligible hours divided by the PCR standard hours in the pay period. When the Unit Percent Time exceeds the BRT Threshold Percent (for the applicable GTN), the employee is considered "over" the threshold:

1. If the employee is not over the threshold, a reduced flat deduction is calculated to equal the BRT Reduced Deduction Amount times the BRT Deduction Percent times 12 divided by the Cycle Factor. Note that during these CNA calculations, the BRT Deduction Percent represents the Dues vs Agency Fee factor (i.e., 100% vs .9386%) and the Cycle Factor is a constant based on the pay schedule being processed (i.e., 12 for Monthly, 26 for Biweekly, and 24 for Semi-Monthly). That is, the BRT contains only the monthly values as supplied by CNA. Therefore, proportionate values are derived when biweekly and semi-monthly pay schedules are being processed.
2. If the employee is over the threshold, a four step process is necessitated:
  - a. First, a Multiplier is developed as the BRT Rate times the BRT Deduction Percent times 12 divided by the Cycle Factor.
  - b. Second, the unadjusted Deduction is calculated as the Multiplier times the Unit Hourly Rate.
  - c. Next, the pay cycle Maximum Deduction Amount is calculated as the BRT Cap Amount times the BRT Deduction Percent times 12 divided by the Cycle Factor.

- d. As a final step, if the unadjusted Deduction exceeds the Maximum Deduction Amount, the Deduction is reduced to the value of the Maximum Deduction Amount.

Note that CNA deductions are defined as “fixed” rated deductions and as such, they are only derived during the employee’s normal pay schedule.

## **PPRCNET**

PPRCNET is the Rush Check equivalent of PPP400. Similar changes were made to this program to support this modified calculation. However, be aware that the Rush Check process does not currently develop “fixed” rated deductions. Thus, these modifications are made to anticipate future Rush Check option as well as maintain consistency between the Rush Check and the batch compute process.

## **Forms**

### **UPAY 712**

The Format 003 form entry lines are applicable only to the CNA Dues/Agency Fee/Charity deductions. These entry lines have been changed to include the Cap Amount and the Threshold Percent.

## **Table Updates**

### **Benefits Rates Table**

Change entries have been provided to update the Benefits Rates Table for CNA Dues, Agency Fee, and Charities dues calculations. Entries for both the default unit (00) and unit NX-Covered are supplied. Note that the GTN numbers used should be reviewed and changed if necessary to match local campus usage. Also note that the new CNA rate values are common across all campuses (i.e., in prior years, BRT rate values for the CNA deductions varied per campus).

### **Gross-to-Net Table**

Change entries have been provided to update the Gross-to-Net Table for GTN Numbers 077, 460, 506, 507, 508 (Dues, Agency Fee, and Charities). These GTN numbers should be reviewed and changed if necessary to match local campus usage. These updates will ensure that the GTN Deduction Schedules for Monthly, Biweekly, and Semi-monthly cycles will be set to “A” (i.e., develop the deduction during every normal cycle). That is, the CNA deduction is no longer a monthly function (so the deduction must be developed on every normal cycle which includes the 3<sup>rd</sup> Biweekly cycle in a month when applicable).

## **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.

## **Installation Instructions**

Installation instructions are provided as a separate document.

## **Timing of Installation**

This release is Date Mandated. For Monthly pay schedules, it should be installed for April, 2004 earnings (i.e., Pay Period End Date of 4/30/04). For Biweekly pay schedules, this release should be installed just prior to the B2 cycle ending on April 24<sup>th</sup> and for Semi-Monthly schedules, installation should be completed prior to the first Semi-Monthly cycle ending on April 15<sup>th</sup>.

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This release and associated BRT updates should not be installed for pay schedules to be completed prior to the above indicated schedules.

Please address questions or comments via electronic mail to [Jim.Tuohig@ucop.edu](mailto:Jim.Tuohig@ucop.edu) or call (510) 987-0741.

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