



OFFICE OF THE SENIOR VICE PRESIDENT —
BUSINESS AND FINANCE

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December 17, 2004

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Re: Release: 1614
 Service Request: 16939
 Programs: PP610, PPTAXEDB, PPTAXW2, PPTAXW2F, PPTAXW2R,
 PPTAXW2T
 Copymembers: CPFDTXW2, CPWSTXW2, CPLNKW2F, CPLNKW2R, CPLNKW2T,
 CPWSXTRC
 Include Members: None
 DDL Members: None
 Bind Members: None
 CICS Maps: None
 Forms: Laser W-2 Form
 Table Updates: System Messages Table, Foreign Country Table
 Urgency: Date-Mandated (see Timing of Installation)

This release addresses the following service request:

Service Request 16939

Modifications to the W-2 Processes for year 2004:

Below is a summary of the W-2 Processes for the year 2004. Refer to the detail design document for the details.

Copymember CPWSXTRC Updates

- Remove the alpha character in the Employer Identification Number (EIN)
- Deduction Number Updates related to 403(b) plans, and the removal of the old DepCare GTN 225.
- Internal IRS Country Code to SSA Postal Country Table Updates

W-2 Extract File Process

The Accumulated YTD 457(b) Amount should be extracted for reporting on the W-2 Extract File.

An Accumulated YTD 457(b) Negative Amount Flag and an Accumulated YTD 457(b) Amount Discrepancy Flag should be added to the W-2 Extract File layout for editing of the employee's Accumulated YTD 457(b) amount.

An Employee Invalid Name Flag field should be added to the W-2 Extract File layout for editing of the employee's first name (EDB 0250), middle name (EDB 0251), last name (EDB 0252), and name suffix (EDB 0106).

W-2 Extract Edit Process

New edits related to the Accumulated YTD 457(b) amounts should be added to the W-2 Edit Process.

An edit should be added to edit the employee's first name, middle name, last name, and name suffix (EDB 0106) for invalid characters.

W-2 Tape File

The employee's Accumulated YTD 457(b) Amount should be reported in the Employee Wage Record (Code RW). No negative 457(b) amounts are to be reported.

Laser Form W-2

The year should be changed from 2003 to 2004.

The employee's accumulated YTD 457(b) amount should be reported in box 12.

Annual State File

Beginning this year and in subsequent years, the Annual State File should not be produced.

W-2 Reports

The existing W-2 reports should be modified to include the Accumulated YTD 457(b) Plan Amounts.

Programs

PPP610

This program has been modified to include the Total 457(b) amount on the PPP6102 report.

PPTAXEDB

The 457(b) accumulator fields and 457(b) labels have been added to the Working Storage section.

The Set Indicator of '6' is passed to module PPSETUTL to return an internal GTN Array containing the GTN numbers associated with the individual 457(b) Plans.

The following data are captured and accumulated.

- GTN 396-Y (associated with the YTD flat dollar deduction for the 457(b) Plan)
- GTN 397-Y (associated with the YTD percentage dollar deduction for the 457(b) Plan)

The employee's accumulated YTD 457(b) Amount (GTN 396-Y + GTN 397-Y) is included in the W-2 Extract File.

Message 60-102 Severity Level Changes

Currently, if any of the individual 403(b) YTD balances is negative, message 60-102 (**TAX EXTRACT: EMPLOYEE HAS NEGATIVE DEFERRED COMPENSATION BALANCE**) is issued with a severity of '7' (Employee Reject).

- The severity level related to message 60-102 (**TAX EXTRACT: EMPLOYEE HAS NEGATIVE 403B DEFERRED COMPENSATION BAL**) has been changed from '7' (Employee Reject) to '3' (Warning).

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Extract Edits

- If the Individual YTD 457(b) Plan Amount is negative, message 60-140 (**TAX EXTRACT: EMPLOYEE HAS NEGATIVE 457B DEFERRED COMPENSATION BAL**) is issued with a severity of '3' (Warning).
- If the accumulated YTD 457(b) Amount is not equal to the 457(b) YTD Balance (GTN 398-Y), message 60-141 (**TAX EXTRACT: EMPLOYEE CALCULATED 457B NOT EQUAL TO YTD 457B**) is issued with a severity of '3' (Warning).
- If the accumulated YTD 457(b) Amount is negative, message 60-110 (**TAX EXTRACT: EMPLOYEE IS W2 EXCEPTION DUE TO NEGATIVE BALANCE(S)**) is issued with a severity of '7' (Employee Reject).
- If the Employee First Name, Employee Middle Name, Employee Last Name, or the Employee Name Suffix does not contain valid characters of blank, letters, numbers, hyphens, periods, or apostrophes, message 60-142 (**TAX EXTRACT: EMPLOYEE NAME CONTAINS INVALID CHARACTERS**) is issued with a severity of '7' (Employee Reject). In addition, the *Employee Invalid Name Flag* is set to a value of 'Y'.

Setting of flags

- *Negative 403(b) Amount Flag* (Flag is set to 'Y' when the Accumulated YTD 403(b) Amount is negative).
- *403(b) Discrepancy Flag* (Flag is set to 'Y' when the Accumulated YTD 403(b) Amount is not equal to the YTD 403(b) Amount (GTN 008-Y)). Note that no logic changes are required for setting this flag.
- *Negative 457(b) Amount Flag* (Flag is set to 'Y' when the Accumulated YTD 457(b) Amount is negative).
- *457(b) Discrepancy Flag* (Flag is set to 'Y' when the Accumulated YTD 457(b) Amount is not equal to the YTD 457(b) Amount (GTN 398-Y)).
- *Employee Exception Flag* (Flag is set to 'Y' if the Accumulated YTD 457(b) Amount or the employee's first name, middle name, last name, or name-suffix is invalid).

Setting of Pension Flag

- If the employee's Accumulated YTD 457(b) Amount is greater than zero, the existing Pension Flag is set to a value of '1'.

457(b) Accumulators for Totals Reporting

- The Accumulated YTD 457(b) Amount from the W-2 Extract record is added to the appropriate 457(b) accumulator extract reporting.

PPTAXW2

Working Storage Changes

- The length of the Sort-Extract-Record is changed from 991 to 999.
- The 457(b) accumulator fields are added.
- The label '457b' associated with the 457(b) Plan is added to the group of existing labels.

- The label '**FEDERAL AND STATE W2 TAPES W2 GROUP: REGULAR EMPLOYEES**' is changed to 'FEDERAL W2 TAPE. W2 GROUP: REGULAR EMPLOYEES'.
- The label '**FEDERAL AND STATE W2 TAPES W2 GROUP: MQGE EMPLOYEES**' is changed to 'FEDERAL W2 TAPE. W2 GROUP: MQGE EMPLOYEES'.

Totals Reporting

- The Accumulated 457(b) Amounts are assigned to the appropriate 457(b) accumulators for totals reporting.

Tape Totals Reporting

- The Accumulated State Gross and accumulated State Tax are removed from the Federal W2 Tape Totals Report (PPP6014). In addition, the display of the number of state employees written to the state tape is removed from the PPP6014 report.

PPTAXW2F

This module, which prints the data on the W-2 form, has been modified to print the employee's Accumulated YTD 457(b) Amount on the third line in box 12 (line identified as '12c') with the letter code of 'G'.

The Excludable Moving Expense amount, which originally printed on the third line in Box 12, is printed on the fourth line identified as line '12d' with the letter code of 'P'.

Box 13 (Retirement Plan) (originally below box 12) has been moved, and placed directly below box b (Employer identification number).

PPTAXW2R

W-2 Reporting

- The Accumulated YTD 457(b) amount is reported on line 5 on the existing PPP6007 (W-2 Confirmation and Summary), PPP6008 (Non-resident Exempt Alien), PPP6009 (W-2 Exception List), and PPP6019 (W-2 Editing Error Conditions List) reports. **Line 5 is displayed only if data is present for Alternate Tax Treaty Code, Fourth Address Line, Other State Tax Withholding Gross, Excludable Moving Expense Amount, YTD 457(b) Amount, or Other State Withholding Tax.**

Issue Hard-Coded Messages

- If the *Employee Invalid Name Flag* contains a value of 'Y', message '**EMPLOYEE NAME CONTAINS INVALID CHARACTERS**' is issued.
- If the employee's *457(b) Discrepancy Flag* contains a value of 'Y', message '**EMPLOYEE YTD 457B IS NOT EQUAL TO ACCUMULATED 457B**' is issued.
- If the employee's *Negative 457(b) Amount Flag* contains a value of 'Y', message '**EMPLOYEE HAS NEG 457B DEFERRED COMPENSATION BALANCE**' is issued.

Accumulate 457(b) Amount

- The Accumulated YTD 457(b) Amount is added to the appropriate total accumulators.

PPTAXW2T

Reporting of Foreign Country Code

The table in existing copymember CPWSXTRC containing the converted Foreign Country Codes to SSA Postal Country Codes is referenced.

If an employee's Foreign Country Code on the W-2 extract record matches an entry containing the Foreign Country Code and the U.S. Territory Flag contains a value of 'Y', the equivalent SSA Postal Country Code is assigned to the State Abbreviation field in columns 132 through 133 of the RW type record, and the Foreign Country Code field in columns 186 through 187 is initialized to blank.

Otherwise if the employee's Foreign Country Code on the W-2 extract record matches an entry containing the Foreign Country Code and the U.S. Territory Flag does *not* contain a value of 'Y', the equivalent SSA Postal Country Code is assigned to the Foreign Country Code field in columns 186 through 187 of the RW type record.

Annual State Tape

Logic that produces the Annual State Tape has been removed.

Copymembers

CPFDTXW2

Currently, this copymember contains the file definitions for the W-2 Extract File. The record length has been changed from 991 to 999.

CPWSTXW2

Currently, this copymember defines the record layout for the W-2 Employee Extract File used in program PPTAXEDB.

The following flags are added to the record structure:

- ***Negative 457(b) Amount Flag*** (set to 'Y' when YTD Plan Flat dollar Amount (GTN 396) or YTD Plan Percentage Deduction (GTN 397) is negative).
- ***457(b) Discrepancy Flag*** (set to 'Y' when Accumulated 457(b) Amount is not equal to YTD 457(b) Amount (GTN 398)).
- ***Employee Invalid Name Flag*** (set to 'Y' when employee's First Name, Last Name, Middle Name, or Name Suffix is invalid).

CPLNKW2F

Currently, this copymember contains the linkage between calling program and PPTAXW2F.

The Total YTD 457(b) Amount is added to the linkage.

CPLNKW2R

Currently, this copymember contains the linkage between calling program and PPTAXW2R.

The Total YTD 457(b) Amount is added to the linkage.

CPLNKW2T

Currently, this copymember contains the linkage between calling program and PPTAXW2T.

The Total YTD 457(b) Amount is added to the linkage.

CPWSXTRC

Currently, this copymember contains campus-specific values for the reporting of the W-2 Process and the 1042-S Process.

Internal IRS Country Codes to SSA Postal Country Codes Table

The Social Security Administration (SSA) uses the standard postal country code abbreviations that are slightly different from the Internal Revenue Service (IRS) country codes, which are maintained on the Foreign Country Code Table. Currently, the internal IRS Country Codes to SSA Postal Country Codes Table contains eight Foreign Country Codes that are linked to the SSA postal country codes. This table is referenced in module PPTAXW2T when building the type **RW** record.

For SSA reporting purposes, the U.S. territories are not considered to be foreign countries. *On the W-2 file only*, the SSA Postal Country Code is to be entered in the state abbreviation field (positions 132-133) and the country code field must contain blanks (positions 186 – 187). *On the W-2 form*, the country code, as it is defined on the employee’s EDB record (IRS Country Code from the Foreign Country Table) will be used for the mailing address.

- The countries listed in the table below will be identified in the Internal IRS Country Codes to SSA Postal Country Codes Table as ***U.S. Territories***.

Countries	IRS Country Codes	SSA Postal Country Codes	U.S. Territory Flag
American Samoa	AQ	AS	Y
Guam	GQ	GU	Y
Northern Mariana Islands	CQ	MP	Y
Puerto Rico	RQ	PR	Y
Virgin Islands	VQ	VI	Y

- The countries listed in the table below will be added to the Internal IRS Country Codes to SSA Postal Country Codes Table.

Countries	IRS Country Codes	SSA Postal Country Codes	U.S. Territory Flag
Benin (Dahomey)	BN	OC	
Congo (Brazzaville)	CF	CG	
Corsica	VP	OC	
Kosovo, Montenegro, Serbia, Yugoslavia	YO	YI	
United Arab Emirates	TC	AE	

The countries listed in the table below will be deleted from the Internal IRS Country Codes to SSA Postal Country Codes Table.

Countries	IRS Country Codes	SSA Postal Country Codes	U.S. Territory Flag
Rhodesia	RH	OC	
Trinidad and Tobago	TD	TT	

GTN Deduction Numbers

- GTN number of 398 related to the YTD-Balance for the 457(b) Plan is added to this copymember.
- GTN Number of 225 (Obsolete Dep Care) has been removed.

The following GTN numbers are added to the appropriate defined DCP tables:

345 – DCP Career BGF (Balanced Growth Fund)

346 – DCP Career TIPS (Treasurer’s Inflation-Protected Securities)

347 – DCP Casual BGF (Balanced Growth Fund)

348 – DCP Casual TIPS (Treasurer’s Inflation-Protected Securities)

349 – DCP Summer Salary BGF (Balanced Growth Fund)

350 – DCP Summer Salary TIPS (Treasurer’s Inflation-Protected Securities)

Employer’s Identification Number (EIN)

The ‘-’ (dash) and single letter at the end of the 12-byte EIN have been removed. Thus, the EIN field now contains 10 characters.

Laser W-2 Form

The year displayed on the W-2 Laser Form is changed to ‘2004’.

The employee’s YTD 457(b) amount is displayed on the third line identified as ‘12c’ in box 12 with a letter code of ‘G’.

To accommodate the addition of a fourth line in box 12, box 13 containing the Retirement check box is moved and placed directly below box b.

JCL Changes

PPP600

The coded length (LRECL) associated with DD Name of **W2FILE** is changed from 991 to 999.

DD Name of **CALW2** is removed; Annual State Tape is no longer produced.

PPP610

The coded length (LRECL) associated with DD Name of **W2FILE** is changed from 991 to 999.

Table Updates

System Messages Table

Transactions containing new messages and changed messages are provided to update the System Messages Table.

Foreign Country Table

Transactions containing new foreign countries and changed foreign countries are provided to update the Foreign Country Table.

Test Plan

A separate Test Plan document is provided with this release.

Installation Instructions

A separate Installation Instructions document is provided with this release.

Timing of Installation

The installation of this release is Date-Mandated.

Installation of this release is urgent in that it must be tested and ready to meet prescribed tax reporting deadlines.

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 Jackson.Quan@ucop.edu, or call at (510) 987-0464.

Jackson Quan