

**Modifications to the Payroll/Personnel System to Accommodate the Addition
of Postdoctoral Scholars (Employees, Fellows, and Paid Directs)**

Service Request #16933

University of California
Office of the President
Payroll Coordination
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Table of Contents

1.0	Overview	1
	1.1 Assumptions	1
2.0	Current Process	2
3.0	Proposed Process	3
4.0	Control Tables	4
	4.1 Gross-to-Net	4
	4.2 Benefits Rates	4
	4.3 Description of Service	4
	4.4 Code Translation	6
	4.5 Non-Resident Alien Taxation Table (New)	6
5.0	New Data Elements	7
	5.1 New Benefits Plans & New Benefits Eligibility Level Indicator	7
	5.2 New Fellowship/Scholarship Reportable Gross	7
6.0	EDB Maintenance	8
	6.1 Retirement Derivation	8
	6.2 New Benefits Plans	8
	6.3 Insurance Reduction Code	8
	6.4 Taxation of Fellowships and Scholarships	9
7.0	EDB Edits	10
	7.1 Postdoc-Paid Direct (TC 3254) must have DOS of PDW	10
	7.2 Postdoc-Fellow (TC 3253) Not Compensated Through PPS	10
	7.3 DOS Code PDW and Time Report Code W	10
	7.4 DOS Code PDW, Time Report Code W, and Time Appointment Code	11
	7.5 Use of DOS PDW for Postdoc-Fellow (TC 3253) and Postdoc-Paid Direct (3254)	11
	7.6 Postdoc-Fellow (TC 3253) and DOS PDD-Postdoc-Differential	11
	7.7 Postdoc-Fellow (TC 3253) (Non-Resident Alien)	11
	7.8 Postdoc-Fellow (TC 3253) (Citizen or Resident)	11
	7.7 Insurance Reduction Code	12
8.0	History	13
9.0	Payroll Compute	14
	9.1 Taxation	14
	9.2 Imputed Income	14
	9.3 Forcing Benefits for Postdoc-Fellow (TC 3253) and Postdoc-Paid Directs (TC 3254)	15

Table of Contents, continued

10.0	Computation Edits	16
10.1	Postdoc-Fellow (TC 3253) Not Compensated Through the PPS	16
10.2	Postdoc-Fellow (TC 3253) (NRA)	16
10.3	Postdoc-Fellow (TC 3253) (Citizen/Resident Alien)	16
10.4	Postdoc-Fellow (TC 3253) and DOD PDD	16
11.0	Distribution of Payroll Expense	17
11.1	University Contribution – PSBP-Medical, Dental, and Vision	17
11.2	University Contribution – Life Insurance & Accidental Death and Dismemberment	17
11.3	University Contribution – Short Term Disability Insurance	17
11.4	Unemployment Insurance and Workers’ Compensation	18
11.5	Other Benefits (Retirement, Faculty Summer Salary, OASDI, and Medicare)	18
11.6	Broker/Administrative Fees	18
12.0	Self-Billing Process/Consolidated Billing	20
13.0	Year-End Processing	21
14.0	Screens	22
15.0	PAN/IDOC	23
16.0	Interface Files	24
17.0	Reports	25
	Attachments	
	A – Gross-to-Net Table for New Benefit Plans	
	B – Description of Service Table	
	C – Data Dictionary for YTD Fellowship/Scholarship Gross (NEW)	
	Reference	
	Summary of Benefits for Postdocs	
	Job Group Identifier Description Table 30	
	Job Group Identifier Title Code Table 31	

1.0 Overview

In May 2003, President Richard Atkinson (Emeritus) announced Academic Personnel Policy 390-Postdoctoral Scholars (Postdoc). This policy applies to the Postdoc-Employee, the Postdoc-Fellow and Trainee paid through University accounts, and the Postdoc-Fellows and Trainees, funded from fellowships or trainee-ships, paid directly to the individual. The new policy provides for consistent treatment for both the Postdoc-Employee and the Postdoc-Fellow or Trainee.

In response to Academic Personnel Policy 390-Postdoctoral Scholars (Postdoc), representatives from the University of California, Office of the President (UCOP)-Academic Advancement, UCOP Human Resources and Benefits (HR/B), and UCOP Financial Management have met and discussed with campus Graduate Division representatives at various intervals the topics relating to the administration of Postdoctoral Scholar Benefits Plan (PSBP). The document addresses the modifications needed in the Payroll/Personnel System (PPS) to accommodate the special coding needed for PSBP as it encompasses and affects the Postdoc-Employee (TC 3252), the Postdoc-Fellow (TC 3253), and the Postdoc-Paid Direct (TC 3254).

1.1 Assumptions

In order to proceed with the modifications to the PPS, the following assumptions have been made:

1. The Postdoctoral Scholar is at the University primarily for his/her Postdoc appointment.
2. A Postdoc-Fellow (TC 3253) and a Postdoc-Paid Direct (TC 3254) with a joint appointment (that is, with a part-time University appointment) is ineligible to participate in the pre-tax savings program.
3. All premiums will be taken in advance as are the University premiums.
4. The Postdoctoral scholars will not have default medical, dental, or vision plans.
5. The Postdoc-Employee (TC 3252), Postdoc-Fellow (TC 3253), and Postdoc-Paid Direct (TC 3254), at this time, are not eligible for HCRA or DCRA.
6. Campus Academic Advancement Offices will promote the appointment of non-postdoctoral scholar titles concurrent with a Postdoctoral appointment that will not cause the individual to become ineligible for Postdoctoral Scholar and House Staff Insurance Program (PSBP) benefits, in accordance with AVP Ellen Switkes' draft letter dated July 1, 2004.

2.0 Current Process

Currently, eligible Postdoc-Employees (TC 3252) may obtain University-Employee benefits. The Postdoc-Fellows (TC 3253) and Postdoc-Paid Directs (TC 3254) may purchase health insurance policies obtained locally at some campuses or may secure private policies.

3.0 Proposed Process

In order to incorporate Postdocs into the EDB as a unique group, new values should be added to the Benefits Eligibility Level Indicator (BELI), Description of Service Table, and Gross-to-Net Table. New health and welfare plan codes should be added to distinguish the PSBP from the existing University H&W plans. [A separate document will be prepared to describe the required changes needed in order to add the new benefit plans and the new BELI value “P-Postdoctoral Scholar Eligibility.”]

The payroll computation process should be modified so that Postdoc-Fellows (TC 3253) and Postdoc-Paid Directs (TC 3254) can have their PSBP premiums processed through a payroll compute cycle. The fellowship/scholarship payments made to Non-Resident Aliens¹ should be recorded in a separate gross field for reporting at year-end. Additionally, the Postdoc should be included in the Enrollment File process and the new PSBP plans should be added to the Self-Billing and Consolidated Billing processes.

The Distribution of Payroll Expense process should be modified so that it can identify and record the Postdoc benefits by unique Object Codes. Further, other reporting processes, such as the Corporate Personnel System and the Corporate Financial System, should be modified to identify Postdoctoral appointees. Modifications to the Form W-2 and Form 1042-S processes will be discussed in separate documents.

¹ C - U.S. Citizen (income reported on Form W-2)
R – Resident Alien (income reported on Form W-2)
N – Non-Resident Alien (subject to Federal withholding tax, income reported on Form W-2)
E – Non-Resident Alien (not subject to Federal withholding tax, income reported on Form 1042-S)
A – Non-Resident Alien from Canada, Japan, Mexico, South Korea, or student employee from India
X – Non-Resident Alien living and working outside the United States
F – Resident Alien for Federal income tax purposes (wages subject to FICA withholding but not subject to Federal income tax withholding, income reported on Form 1042-S)
P – Pending Permanent Resident (wages subject to withholding tax, income reported on Form W-2)
S – Non-Resident Alien, student employee from India (income reported on Form W-2)

4.0 Control Tables

4.1 Gross-to-Net

New Gross-to-Net (GTN) numbers should be assigned to the new Postdoc House Staff Insurance Program (PSBP).

G-T-N Number	Name (11 characters)	Description (27 characters)	Liability Account	Object Code
625	PSBP-MedHMO	PSBP-Medical-HMO	115322	
626	PSBP-HMOCnt	PSBP-Medical-HMO-Contr	115322	8720
627	PSBP-MedPPO	PSBP-Medical-PPO	115323	
628	PSBP-PPOCnt	PSBP-Medical-PPO-Contr	115323	8720
629	PSBP-Vision	PSBP-Vision	115327	
630	PSBP-VsnCnt	PSBP-Vision Contr	115327	8730
631	PSBP-DntHMO	PSBP-Dental-HMO	115324	
632	PSBP-DHMOCn	PSBP-Dental-HMO Contr	115324	8710
633	PSBP-DntPPO	PSBP-Dental-PPO	115326	
634	PSBP-DPPOCn	PSBP-Dental-PPO Contr	115326	8710

Attachment A is an update to the GTN Table for the PSBP.

To report the federal taxes withheld from fellowships and scholarships separately from other federal taxes collected, a new GTN should be established to capture all deductions withheld from fellowship and scholarship payments made to Postdoc-Fellows.

4.2 Benefit Rates

The Benefit Rates Tables for the medical, dental, vision, and non-UC paid disability rates will be discussed in a separate document. The PSBP includes only a flat rate life and accidental death and dismemberment coverage that is paid by the University; consequently, a Benefits Rates Table is not needed for Group Life

4.3 Description of Service

For the Postdoc-Fellow (TC 3253) who is a Citizen, Pending Permanent Resident or a Resident Alien, the University is not required to report or tax the fellowship or scholarship. Consequently, the existing DOS Code “FEN” should be modified so that it will have the attributes shown on the following table.

However, for the Postdoc-Fellow (TC 3253), who is a Non-Resident Alien, the University should report the fellowship or scholarship on Form 1042S. The existing DOS code FEL should be modified so that it has the attributes shown on the following table.

For the Postdoc-Fellow (TC 3253) or Postdoc-Paid Direct (TC 3254) who is without salary, regardless of Citizenship Code, the user should use the DOS code PDW. The PDW DOS code should function like the WOS DOS code.

For the Postdoc-Fellow (TC 3253) who receives a differential that brings his/her compensation to the minimum pay level established by the University, the user should use the DOS code PDD, which will be treated as salaries and wages payable. The attributes are below.

	Fellowship or Scholarship paid through PPS to a Postdoc Fellow or Paid Direct, who is a Citizen or a Resident Alien	Fellowship or Scholarship paid through PPS to a Postdoc Fellow or Paid Direct, who is a Non-Resident Alien	For PSBP Only; Fellowship or Scholarship NOT paid through PPS to a Postdoc Fellow or Paid Direct	Fellowship or Scholarship Differential paid through PPS to a Postdoc Fellow
Description of Service	FEN	FEL	PDW	PDD
Description	PDS-Fellow/Scholar STP	NRA PDS-Fellow/Scholar	PDS-WOS-Not UC Paid	PDS-Fellow/Scholar Differential
Abbreviated Description	PDS-F/S STP	NRA-PDS STP	PDS-WOS	PDS-DIFF
Pay Category	N	N	S	N
Type Hours				
Subject Grosses				
-Total	+	+	N	+
-Federal Withholding Tax	N	+(14% or 30%)	N	+
-FICA	N	N	N	+
-State Withholding Tax	N	+	N	+
-UCRS	N	N	N	+
-PERS	N	N	N	+
-Workers' Compensation	+	+	+	+
-Unemployment Insurance	N	N	N	+
<u>Fellowship/Scholarship</u>	±	±	<u>N</u>	±
Pre-Process				
Calculation Routine	03	03	04	03
Post Processing				
Calculation Factor				

Hours Balance Element Numbers				
Dollar Balance Element Numbers				
Object Codes				
-Academic	1000	1000	1000	1000
-Staff				
Distribution Priority	2	2	2	2
Indicators				
-Pay Status	N	N	N	N
-Time Benefits	N	N	N	N
-Leave Assessment	N	N	N	N
-Range Adjustment	N	N	N	N
-Insurance Benefits	Y	Y	Y	Y
Interface Codes				
-NSETC	N	N	N	ST
-TC	9	9	1	9
-FCP DOS	AF	AF	BA	AF
-No WSP				
-Sabbatical Indicator				
-Med Comp Plan				
-TOC Indicator				
-FLSA Indicator				
-CSER Indicator				
-FCSS Indicator				

The DOS Table changes are shown in Attachment B.

4.4 Code Translation (CTT)

The Code Translation Table should be modified to include the BELI code P in the translations.

Data Base ID	Data Element	Code Value	Translation Length	Code Translation
EDB	0360	P	18	PDS Bnfts Elgblty

4.5 Non-Resident Alien Taxation Table (New)

A new table should be added to the PPS so that the correct percentage (14% or 30%) can be withheld from Non-Resident Aliens who have Postdoc-Fellow (TC 3253) appointments. The percentages are subject to periodic change as governed by Internal Revenue Code.

An alternative to a table may be the use of including these rates in System Parameters. The choice of method is open.

5.0 Data Elements

5.1 New Benefits Plans and New Benefits Eligibility Level Indicator

A new BELI code should be added to distinguish the Postdoc Scholar from University Employees. It is suggested that the new code be “P.”

The suggested eligibility criteria for the new code “P” should consider

1. The Postdoc must have a 50% or greater appointment for one year or more or an appointment at 100% for three months or more.

For the Postdoc who has a 50% Postdoc appointment and a 50% appointment in non-Postdoc title, the Postdoc should remain in the PSBP.

Further details are in the requirements document specific to the benefits modifications for the Postdoctoral Scholars Benefits Plan.

5.2 New Fellowship and/or Scholarship Gross

To accurately report the fellowship or scholarship payments made to Postdoc-Fellows (TC 3253) on the Form 1042S at calendar year-end, the PPS should maintain a separate year-to-date gross. This gross should be reported at year-end as a separate entry with reference to Income Code 15 on the form 1042S. A suggested name for the new gross is “Year-to-Date Fellowship and/or Scholarship Gross.” Attachment C is a draft Data Dictionary definition.

5.3 New Fellowship/Scholarship FWT Deduction Balance

The PPS should maintain a separate deduction balance for the federal withholding taxes withheld from Fellowship/Scholarship grants issued to Non-Resident Aliens. A special reporting process will use this separate deduction balance to compare the actual FWT withheld to the projected FWT payable.

6.0 EDB Maintenance

6.1 Retirement Derivation

Academic Personnel Manual 390-75 states that the Postdoc-Employee (TC 3252), who is a Citizen or Resident Alien, will contribute to the Defined Contribution Plan (DCP) – Casual and Medicare as a Safe Harbor participant and the Postdoc-Fellow (TC 3253) and Postdoc-Paid Direct (TC 3254) are not eligible for DCP-Casual. The Postdoc-Employee (TC 3252), Postdoc-Fellow (TC 3253), and Postdoc-Paid Direct (TC 3254) are ineligible for the University of California Retirement Plan (UCRP) with the exception of those “grandfathered” during the Postdoc H&W transition period. These Post Graduate Researchers will remain in title code 3240.

In reviewing the retirement/FICA derivation process, no changes will be requested. The retirement/FICA codes for a Postdoc-Employee (TC 3252) without non-Postdoc appointments will be derived automatically as H/M. A Postdoc-Employee (TC 3252) who fits the criteria for participation into UCRS and/or FICA will be enrolled automatically based upon the non-Postdoc appointment or Citizenship Status Code and Visa Type. Once the Postdoc-Employee (TC 3252) becomes a participant in UCRS/FICA, all future Postdoc salaries and stipends will be subject to UCRS/FICA whether or not the Postdoc-Employee (TC 3252) continues in a non-Postdoc appointment. [It is anticipated that the number of Postdoc appointees will be extremely low and will be handled manually.]

The retirement/FICA codes for Postdoc-Fellow (TC 3253) will be automatically derived as DCP/Medicare (H/M), allowing for other non-Postdoc-Fellow salaries to be subject to DCP/Medicare deductions. However, departments will need to use a new Description of Service Code for the stipends of the Postdoc-Fellows (TC 3253), that is, not subject to DCP/Medicare, in order for the stipend to be excluded from DCP/Medicare.

Additionally, the Postdoctoral Scholar who accepts appointments outside of a postdoc appointment will be subject to the existing processes for the expanded career status (1,000 hour) and the non-senate faculty (750 hour) UCRP eligibility criteria.

A new report will be requested to monitor any individual in the Postdoc titles (3252, 3253, and 3254) who are in UCRS/FICA. This report will be described in an additional document.

6.2 New Benefit Plans (See Service Request 16935)

A separate document describes the new benefit plans.

6.3 Insurance Reduction Code

During the payroll computation, the system reduces the taxable gross pay by any premium payments for medical and/or dental plans pre-tax savings when the Insurance Reduction Code (EDB0299) is “Y,” “H,” or blank. Postdoc-Fellows (TC 3253) and Postdoc-Paid Directs (TC 3254) are not eligible to participate in the Insurance Reduction program, also known as the Tax

Incentive Program (TIP). It is requested that the PPS set the Insurance Reduction Code to “N-No Participation” whenever an individual has an active Postdoc-Fellow (TC 3253) or Postdoc-Paid Direct (TC 3254) appointment.

6.4 Taxation of Fellowships and Scholarships

The University is not required to withhold on or report Fellowship and Scholarship income for Postdoctoral Scholars who are Citizens or Resident Aliens of the United States. However, the Federal Government requires that the University tax Non-Resident Alien (NRA) Postdoc-Fellows (TC3253) (Citizenship Status Codes A, E, F, N, S, and X) at flat percentages based upon their visa types. Therefore, the Fellowship and/or Scholarship Grosses, which can be identified by the DOS code “FEL,” paid to Postdoc-Fellows (TC 3253) through the PPS should be recorded on the EDB in a bucket separate from the Federal Withholding Tax (FWT) Gross and the Tax Treaty Gross. A separate gross is needed so that a systematic approach can be taken to verify the appropriate amount has been withheld based upon the Non-Resident Alien’s taxable fellowship/scholarship gross. The federal tax deductions associated with the Fellowship and/or Scholarship payment should be held in the existing federal tax withholding bucket. A suggested name for the new gross is “Year-to-Date Fellowship and/or Scholarship Gross.” Attachment B is a draft Data Dictionary definition.

The payroll compute routine requires modifications so that the compute will withhold federal taxes based upon a flat percentage of the fellowship or scholarship payment paid to a NRA Postdoc-Fellow (TC 3253). All other non-fellowship or non-scholarship payments to the NRA Postdoc-Fellow (TC 3253) should be taxed according to the graduated federal tax tables and the Additional Federal Tax (EDB6010, currently \$33.10 per month). Non-Resident Alien employees paid salaries and wages through the PPS must pay an Additional Federal Tax, which currently is \$33.10. The Postdoc-Fellows (TC 3253) who are Non-Resident Aliens should not pay this Additional Federal Tax.

7.0 Edits

Locations should establish edits and message severity levels according to local convention and campus-specific treatment of the Postdoc-Fellow (TC 3253) and Postdoc-Paid Direct (TC 3254). Campuses should use “Suppress Print” when edits do not fit into campus conventions.

7.1 DOS must be PDW, PDD, FEN, or FEL

When the title code is Postdoc-Fellow (TC 3253) or Postdoc-Paid Direct (TC3254), the DOS code associated with the Distribution should be PDW, PDD, FEN, or FEL.

When the Postdoc-Fellow and Postdoc-Paid Direct are paired with an inconsistent DOS code, the system should issue the message “Invalid DOS Code for Postdoc Fellow or Paid Direct.” The message severity should be Employee Reject. The system should skip any remaining DOS code edits.

7.2 Postdoc-Paid Direct (TC 3254) must have DOS of PDW

When adding the appointment of the Postdoc-Paid Direct (TC 3254) to the EDB, the DOS code associated with the Distribution should be PDW (PDS-WOS-Not UC Paid).

When the Title Code is 3254 and the DOS Code is not PDW, the system should issue the message “Postdoc-Pd Direct must have DOS of PDW” with the severity of Employee Reject.

The user must correct the error before the system can continue the process and update the transaction. The Postdoc-Paid Direct should not be established with any other DOS code.

~~7.2~~7.3 Postdoc-Fellow (TC 3253), Not Compensated Through the PPS

Campuses will include Postdoc-Fellows (TC 3253) who do not receive income from the University and those who do receive income from the University onto the EDB for PSBP enrollment. An edit checking that the DOS should be PDW should be in place to issue a message when the campus does not compensate Postdoc-Fellows through the PPS.

When the Title Code is 3253 and the DOS is not PDW, the system should issue the message “Postdoc-Fellow (TC 3253) must have DOS of PDW” with the severity of Employee Reject.

For the campus that will compensate the Postdoc-Fellow (TC 3253) through the PPS, the campus should set the message severity to “Suppress Print.”

7.3.1 Postdoc-Fellow (TC 3253) (Non-Resident Alien)

When the title code is Postdoc-Fellow (TC 3253) and the Citizenship Status Code is A, E, F, N, S, or X, the DOS on the distribution may be FEL or PDD.

If the DOS is FEL, the title code is 3253, and the Citizenship Status Code is C, P, or R, the system should issue the message “DOS FEL is for NRA Postdoc only” with the severity of Employee Reject.

The user must correct the error before the system can proceed with the update.

7.3.2 DOS Code FEN and Title Code 3253

When then DOS is FEN and the Title Code is 3253, the system should check the Citizenship Status Code. If the Citizenship Status code is NOT C, P, or R, the system should issue the message “DOS FEN may not be used for NRA Postdoc. The message severity should be Employee Reject.

7.37.4 DOS Code PDW and Time Report Code (EDB 2017) “W”

Campuses that chose to add Postdoc-Fellows (TC 3253) not compensated through PPS and Postdoc-Paid Directs (TC 3254) to the EDB should use the DOS PDW with the Time Report Code W.

When the DOS Code is PDW and the Time Report Code is not “W,” the system should issue the message “DOS PDW must have Time Report Code of W.” The severity level should be Employee Reject.

Conversely, when the Time Report Code is W, the Title Code is 3253 or 3254, and the DOS is not PDW, the system should issue the message “Time Report Code W must have DOS PDW.” The severity level should be Employee Reject.

The user must correct the error before the system will continue the update process.

7.47.4.1 DOS Code PDW, Time Report Code W and Time Appointment Code (EDB 2012)

When the Title Code is 3253 or 3254, the Time Report Code is “W,” and the Time Appointment Code is not greater than .01, the system should issue the message “Postdoc w/o salary must have estimated Effort %.” The severity of the message should be Employee Reject.

The user must correct the error before the system will continue the update process.

7.57.4.2 Use of DOS PDW for Postdoc-Fellow (TC 3253) and Postdoc-Paid Direct (TC 3254)

The DOS “PDW” should be used only for the Postdoc-Fellow (TC 3253) and the Postdoc-Paid Direct (TC 3254) who are not compensated through the PPS.

When the DOS is PDW and the title code is not 3253 or 3254, the system should issue the message “DOS PDW is for TC 3253 & 3254 only.” The severity level should be Employee Reject.

The user must correct the error before the system will continue the update process.

7.67.5 Postdoc-Fellow (TC 3253) and DOS PDD-Postdoc-Differential

Often the income of a Postdoc-Fellow (TC 3253) receiving income from another agency may be less than the University minimum pay level. In these situations, the University will provide Postdoc-Differential pay (PDD) to the Postdoc.

When the DOS is PDD and the title code is not 3253, the system should issue the message “DOS PDD is for TC 3253 only.” The message severity is Employee Reject.

The user must correct the error before the system will continue the update process.

~~7.7 — Postdoc Fellow (TC 3253) (Non-Resident Alien)~~

~~When the title code is Postdoc-Fellow (TC 3253) and the Citizenship Status Code is A, E, N, S, or X, the DOS on the distribution may be FEL and/or PDD.~~

~~If the DOS is FEL, the title code is not 3253, and the Citizenship Status Code is not A, E, N, S, or X, the system should issue the message “DOS FEL is for NRA Postdoc only” with the severity of Employee Reject.~~

~~The user must correct the error before the system can proceed with the update.~~

~~7.8 — Postdoc-Fellow (TC 3253) (Citizen or Resident Alien)~~

~~When the title code is Postdoc-Fellow (TC 3253) and the Citizenship Status Code is C or R, the DOS on the distribution may be FEN and/or PDD.~~

~~If the DOS is FEN, the title code is not 3253, and the Citizenship Status Code is C or R, the system should issue the message “DOS FEN is for Postdoc only” with the severity of Employee Reject.~~

~~The user must correct the error before the system can proceed with the update.~~

7.6 DOS FEN and FEL and Postdoc Title 3253

When the DOS code is FEN or FEL and the title code is not 3253, Postdoc-Fellow, the system should issue the message “DOS code FEN or FEL is for Postdoc Fellow only” with the severity of Employee Reject.

The user must correct the error before proceeding with the transaction.

7.9.7 Income Code 15 and NRA Postdoc-Fellow and Postdoc-Paid Direct

When a user adds an individual as a Postdoc-Fellow (TC 3253) or Postdoc-Paid Direct (TC 3254) to the EDB and the individual is a Non-Resident Alien with a Citizenship Status Code of A, E, F², N, S, and X, the user must include the Income Code 15 on the individual's EDB record. If the user does not enter Income Code 15 on the EDB record, the system should issue the message "NRA Postdoc-Fellow or Postdoc-Paid Direct must have Income Code 15." The message severity should be Employee Reject.

7.8 Insurance Reduction Code

The Postdoc-Fellow (TC 3253) and Postdoc-Paid Direct (TC 3254) are ineligible for the Tax Incentive Program (TIP); thus, their Insurance Reduction Code should be "N."

When the title code is 3253 or 3254 and the Insurance Reduction Code is not N, the system should issue an override message "TC 3523 and 3524 are ineligible to participate in TIP" – Data Override. The Insurance Reduction Code should be returned to "N."

² Although F is a Resident Alien for Federal income tax purposes and the wages are subject to FICA withholding but not subject to Federal income tax withholding, because the income is reported on Form 1042-S, any individual with an F citizenship code must have an income code.

8.0 History

The new BELI code “P” and the PSBP data should be posted to the CICS IBN1 and IBN2 screens for each Postdoc as is the practice for all employees.

9.0 Payroll Compute

9.1 Taxation

During the compute cycle, a new procedure should look to the Title Code (PAR 3846) and DOS Code. If the Title Code is 3253, Postdoc-Fellow, and the DOS is FEL or FEN, the procedure should look to the individual's EDB record for the Citizenship Status Code (EDB 0109) and Visa Type Code (EDB 0110). If the Citizenship Status Code is "N," then the process should look to the Visa Type Code to determine whether a mechanism should be triggered to bypass the graduated federal tax tables and Additional Federal Tax and use one of two percentages to calculate the federal taxes. When the following conditions are found on the individual's EDB record at the time of a compute and when the pay transaction is associated with a Postdoc-Fellow title (TC 3253), the compute should calculate the taxes on the fellowship or scholarship amounts at 14% or 30% and accumulate the FWT deduction in the new GTN Fellowship/Scholarship FWT deduction balance.-

Whenever a pay transaction contains the Postdoc-Fellow title code (TC 3253) during the compute, the system should review the individual's Citizenship Status Code. If the Citizenship Status Code is "N" and the Visa Type is "F1" or "J1," the system should tax the income at 14%. If the Citizenship Status Code is "N" and the Visa Type is other than "F1" or "J1," or the Visa Type is blank, the system should tax the income at 30%. The following table shows the relationship between the TC, Citizenship Status Code, Visa Type Code and Federal Tax Withholding Percentage.

Title Code	Citizenship Status Code	Visa Type Code	Federal Tax Withholding Percentage
Postdoc-Fellow (TC 3253)	Non-Resident (N)	J1	14%
Postdoc-Fellow (TC 3253)	Non-Resident (N)	F1	14%
Postdoc-Fellow (TC 3253)	Non-Resident (N)	All others	30%
Postdoc-Fellow (TC 3253)	Non-Resident (N)	No Visa Type Code	30%

9.2 Imputed Income Generated from Benefits, including Domestic Partner Benefits

Postdoc-Fellow (TC 3253), or a Postdoc-Paid Direct (TC 3254), the imputed income for benefits, including domestic partner benefits, should be reported on the Form 1042S as non-qualified fellowship/scholarship. This amount can be recorded in the new Fellowship/Scholarship Tax Gross field.

The current process used to determine Imputed Income for Domestic Partners should apply to the Postdoc-Employees (TC 3252), who are Citizens or Resident Aliens and paid through the PPS.

For the Postdoc-Paid Direct (TC 3254) and the Postdoc-Fellow (TC 3253) who are not paid through the PPS and who are Citizens or Resident Aliens, no imputed income should be reported. For the Postdoc-Fellow (TC 3253) who is paid through the PPS and who is a Citizen or Resident Alien, no imputed income should be reported on Form W2. The Imputed Income is considered non-qualified fellowship income and is not reportable to the IRS.³

[A new reporting process will be introduced in a supplemental document so that locations can determine whether the appropriate amount of taxes has been withheld.]

9.3 Forcing Benefits for Postdoc-Fellows (TC 3253) and Postdoc-Paid Directs (TC 3254)

For the Postdoc-Fellow (3253) or the Postdoc-Paid Direct (3254) not paid through the PPS, departments must establish an EDB record for the individual so that the PPS can process and expense the PSBP benefits. The departmental user would establish the DOS PDW-Postdoc-WOS-Not UC Paid on the distribution of the Postdoc-Fellow (TC 3253) and Postdoc-Paid Direct (TC 3254). This distribution would have the attribute of Time Reporting Code of “W.”

During the regularly scheduled compute process for the Postdoc-Fellow and Postdoc-Paid Direct because there will not be gross pay, the medical, dental, vision, and supplemental disability insurance (employee-paid premiums) co-payments immediately should be suspended and turned into contributions. All contributions should then be charged to the designated FAU.

The Enrollment File should reflect the Postdoc enrollment data taken from the EDB. The Self-Billing Statements for each carrier should present the number of insured by coverage levels and the appropriate premium rate (co-payment and contributions).

When campuses run the Distribution of Payroll Expense, the FAUs recorded as the UCI-Benefit Accounts will be charged for the deductions turned into contributions and contributions.

³ TAX REPORTING OF BENEFITS

Activity	Responsibility of			
Year-End Tax Reporting	Accounting Office			
	Subject to Deductions for:		Reported on:	
	Federal Tax	State Tax	Federal Form	State Form
Postdoc-Pay Direct – Citizen	No	No	---	---
Postdoc-Pay Direct – Non-Resident Alien	Yes	No	1042-S	---
Postdoc-Fellow - Citizen	No	No	---	---
Postdoc-Fellow – Non-Resident Alien	Yes	No	1042-S	---
Postdoc-Employee – Citizen (a)	No	No	---	---
Postdoc-Employee – Non-Resident Alien (b)	No	No	---	---

(a) Imputed income due to the coverage of a domestic partner will be added to the Form W-2 of the Postdoc-Employee.

(b) Imputed income due to the coverage of a domestic partner will be added to the 1042-S of a Postdoc-Employee-Non-Resident Alien who is eligible to claim a tax treaty benefit; if not, the income is reported on a Form W-2.

10.0 Computation Edits

Locations should establish edits and message severity levels according to local convention and campus-specific treatment of the Postdoc-Fellow (TC 3253) and Postdoc-Paid Direct (TC 3254). Campuses should use “Suppress Print” whenever necessary to fit into local conventions.

10.1 Postdoc-Fellow (TC 3253) - Not Compensated Through the Payroll/Personnel System and DOS PDW

During the Payroll Compute Cycle, the system should compare the EDB record of the Postdoc-Fellow (TC 3253) to the pay transaction. When the Postdoc-Fellow (TC 3253) has a DOS equal to PDW and has a Time Reporting Code of W, the system should reject the pay transaction.

When the pay transaction contains the TC 3253 and the EDB record reflects a Postdoc-Without Salary DOS, the system should reject the pay transaction and issue the message “Postdoc Fellow w/WOS appointment cannot be paid through PPS.” The severity of the message should be Transaction Reject.

10.2 Postdoc-Fellow (TC 3253) (Non-Resident Alien)

During the Payroll Compute, the Non-Resident Alien Postdoc, who has an appointment with pay, must be compensated using the DOS FEL.

When the title code is Postdoc-Fellow (TC 3253), the Citizenship Status Code is A, E, F, N, S, or X ~~A, E, N, S, or X~~, and the DOS code is not FEL, the system should reject the pay transaction and issue the following message. “Postdoc-Fellow (TC 3253) is a Non-Resident; DOS must be FEL” with the message severity of Transaction Reject.

10.3 Postdoc-Fellow (TC 3253) (Citizen or Resident Alien)

During the Payroll Compute cycle, when the user submits payment for a Postdoc-Fellow (TC 3253) who is a Citizen, Pending Permanent Resident, or Resident Alien, the DOS on the distribution should be FEN.

When the title code is Postdoc-Fellow (TC 3253), the Citizenship Status Code is C, P, or R, and the DOS is not FEN, the system should reject the transaction and present the message “Postdoc-Fellow (TC 3253) is Citizen, Pending Permanent Resident or Resident Alien; DOS must be FEN” with the message Transaction Reject.

10.4 Postdoc-Fellow (TC 3253) and DOS PDD

During the Payroll Compute, the DOS PDD must be paid with the title code 3253.

When the DOS is PDD and the title code is not 3253, the system should reject the pay transaction and issue the message “PDD is reserved for TC 3253.” The message severity should be Transaction Reject.

11.0 Distribution of Payroll Expense

During the Distribution of Payroll Expense process, the system evaluates and calculates benefit expenditures based upon the individual's retirement code, student status code, and earnings. The calculated benefit expenditures include plans such as the University-paid life and disability insurance, Graduate Student benefits, and Unemployment Insurance.

In the expense distribution process, it is suggested that the process should use the BELI code "P" and the presence of PSBP GTNs to assess the University contributions toward PSBP medical, dental, and vision premiums. The contributions should be prorated across all funds from which the Postdoc receives income or according to the designated Full Accounting Units on the UCI FBA records.

11.1 University Contributions-PSBP-Medical, Dental, and Vision

The Postdoctoral Scholar (Employee, Fellow, and Paid-Direct) and, in the future, the House Staff will receive contributions for health and welfare plans separate from the University Employee plans. The separate programs include:

1. Medical Insurance (Two Plans)
2. Dental Insurance (Two Plans)
3. Vision Insurance

The University contributions for the PSBP medical, dental, and vision premiums should be placed in the same columns used for University medical, dental, and vision plans on the PPP5302 report. Each PSBP will have its own Object Code.

For the Postdoc-Fellow (TC 3253) and the Postdoc-Paid Direct (TC 3254) who are not compensated through the PPS, the individual's share of the premium and the University Contribution should be placed in the same columns used for the University medical, dental, and vision plans.

11.2 University Contribution-PSBP-Life Insurance and Accidental Death and Dismemberment

For all Postdocs, the coverage amount for PSBP Life/AD&D is a flat \$50,000 and the University will pay the full amount of the premium \$4.20 per individual. It is suggested that this rate be maintained on the Systems Parameter Table as the rate is expected to change periodically.

The University contributions for the PSBP Life/AD&D should be posted in the same column as University-Employer Paid Life. The liability account number is 115328 and the object code is 8750.

11.3 University Contribution-Short Term Disability Insurance

~~For the Postdoc-Employee (TC 3252), the University contribution amount for PSBP Short Disability is based upon 28 cents per \$10 (ten) of covered weekly payroll. The Postdoc-Fellow~~

~~(TC 3253) and the Postdoc-Paid Direct (TC 3254) should have the contribution amount of \$14 per week or \$56 per month. [This amount is based upon the average salary of \$36,600 at 60% coverage.] THIS IS STILL IN NEGOTIATIONS.~~

The University contribution amount for the PSBP Short Term Disability is \$12.09 per month per Postdoc.

The University contributions for the PSBP Short Term Disability Insurance should be posted in the same column as University-Employer Paid Disability. The liability account number is 115330 and the object code is 8740.

11.4 Unemployment Insurance and Workers' Compensation

The calculation of Unemployment Insurance and the Workers' Compensation Rate for the Postdoc-Employee (TC 3252) should be based upon the Description of Service Code and existing UI and Workers' Compensation rates.

A special procedure should be developed to withhold a flat-rated Workers' Compensation assessment for Postdoc-Fellows (TC 3253) and Postdoc-Paid Directs (TC 3254). The Risk Management Office at UCOP will announce the flat rate amount each fiscal year. This new Workers' Compensation assessment should be stored in the same column on the Distribution of Payroll Expense Report as the other Workers' Compensation assessments. Determination of the application of the existing Workers' Compensation Rate or the Flat Workers' Compensation Rate is dependent upon the title code. It is suggested that the Flat Workers' Compensation Rate be maintained on the System Parameter Table.

The current flat rate effective January 01, 2005 will be \$29.89 per month for each Postdoc-Fellow (TC 3253) and Postdoc-Paid Direct (TC 3254). (Average Salary per annum of \$36,600 multiplied by \$.98 per every \$100 divided by 12 months equals the monthly rate.)

11.5 Other Benefits (Retirement, Faculty Summer Salary, OASDI, and Medicare)

The expense process should assess other benefits (Retirement, Faculty Summer Salary, OASDI, and Medicare) for which a Postdoc may be eligible in the same manner as the University employee. That is, the expense program should use the same rates and methodology to determine the expense for both the University Employee and the Postdoctoral Scholar. It is unlikely that the Postdoctoral Scholar will be eligible for Graduate Student Fee Remission, Tuition Remission or partial Fee Remission. The Postdoctoral Scholar is ineligible for Annuitant Health/Dental, Administrative Fee, and Accrued Leave.

There should not be any Leave Assessment for the Postdoc titles. If the Postdoc appointee has a concurrent appointment in a non-Postdoc title, the non-Postdoc title may earn leave although the Postdoc position should not be included in the determination of earned leave or assessment.

11.6 Broker/Administrative Fees

Currently, the Distribution of Payroll Expense process assesses the Annuitant/Benefit Assessment, which is the combination of the Annuitant Health/Dental Insurance and the Administrative Fund fees. The system assesses the fee based upon the individual's participation in UCRS or PERS, the Subject Gross Indicator for UCRS and PERS on the DOS Table, and the Distribution Priority Code on the DOS Table. The expense process uses the rate located on a System Parameter.

Similar to the above assessment, modifications to the Distribution of Payroll Expense process should include a flat dollar assessment for a Broker Fee and an Administrative Fund Fee (Broker/Administrative Fee). For the calendar year 2005, the Broker Fee will be \$11.10 for each individual enrolled in the PSBP medical plan. The Administrative Fund Fee is optional at each campus. The criteria for charging the flat dollar assessment should be based upon the following:

If the individual has a BELI of "P" and the medical contribution amount is not zero, then the expense process should assess the Broker/Administrative Fee.

Conversely, if the individual has a BELI of "P" and the medical contribution amount is less than zero, then the expense distribution process should reverse the Broker/Administrative Fee.

If the individual has a BELI of "P" and the medical contribution amount is zero, the expense process should not assess the Broker/Administrative Fee.

The liability account for the Broker/Administrative Fee is _____ with a single object code _____.

[Based upon the count on the Self-Billing Statement for medical coverage, the Human Resources/Benefits-Accounting Unit should remit the Broker Fee to Garnett-Powers and Associates.]

12.0 Self-Billing Process/Consolidated Billing

Campuses must make available the PSBP Enrollment and Self-Billing Files at the same time that the campuses make the University-Employee Health and Welfare Enrollment and Self-Billing Files to UCOP. The Office of the President and the third-party vendor that encrypts the Enrollment file, then, should make available the Enrollment File of the PSBP to Garnett-Powers and Associates, the broker. The Self-Billing Files will be forwarded to the Human Resources/Benefits-Accounting Unit that in turn should initiate the remittance to the Broker. Other than the creation of additional Enrollment files and Self-Billing Statement files, there should be no changes to the existing Self-Billing and Consolidated Billing processes and formats.

13.0 Year-End Processing

Year-End Processing will be discussed in a separate document and presented outside of this project.

14.0 Screens

CICS Screen

The new GTN and the new YTD Gross should be added to the EDB Inquiry IBAL- Dollars Information screen. The following is the suggested placement of the YTD Fellowship and/or Scholarship Gross and Deductions.

PPIBAL0-I1400		EDB Inquiry		04/21/04 09:24:12	
04/12/04 10:58:33		Dollars Information		Userid: PAYUSR1	
ID: 00000001 Name: PRESIDENT,EXEC					
Hm Dept: 804918 CHAN OFFICE Emplmt Status: A Pri Pay: MO					
Tot Grs:	75900.00	Retir Grs:	75000.00	NTX Grs	: 14881.71
FWT Grs:	61018.29	SFHBR Grs:	.00	Other Inc	: .00
FWT Ded:	16649.46	OASDI Grs:	.00	Exec Life Inc	: 2286.00
SWT Grs:	61018.29	OASDI Ded:	.00	YTD Tax Trty Grs	: .00
SWT Ded:	4354.46	Medcr Grs:	.00	Alt YTD Tax Trty Grs:	.00
		Medcr Ded:	.00	EIC YTD Exempt Gross:	.00
QTD SWT Grs:	61018.29			Non Cash Fringe	: .00
QTD SWT Ded:	4354.46			YTD Regular Pay	: 75000.00
				YTD ESL Grs	: .00
OS Grs1:	.00	OS Ded1 :	.00	YTD WCR	: .00
OS Grs2:	.00	OS Ded2 :	.00	YTD Fellow/Sch Gross:	.00
OS Grs3:	.00	OS Ded3 :	.00	FYTD Ret Grs :	522550.00
OL DedA:	.00			FYTD SSDCP Grs:	.00
OL DedB:	.00			FYTD SFHBR Grs:	.00
OL DedC:	.00				
Next Func:	ID:	Name:		SSN:	
====>					
F:	1-Help	2-Browse	3-PrevMenu	4-Print	
F:		9-MainMenu		12-Exit	

15.0 PAN/IDOC

The PAN does not require any changes. An additional document will address the modifications to the IDOC.

16.0 Interface Files

The PPS should provide all EDB data currently gathered for an employee as for the Postdoc on all interfaces, such as the New Employee Reporting, Corporate Personnel System, and Corporate Financial Systems.

17.0 Reports

New reporting processes will be included in separate documents.

Attachment C

Data Dictionary - DRAFT

System Number: PARXXX

User Access Name:

Programming Name: XPAR-

Revision Date: PUBL. XX/XX/XX

Comments

Location(s): N/A

Name: YEAR-TO-DATE FELLOWSHIP & SCHOLARSHIP GROSS

Type: NUMERIC

Length: 9

Format

nnnnnnn.nn

General Description

The year-to-date fellowship and/or scholarship award gross amount paid through the Payroll/Personnel System to Non-Resident Alien Postdoctoral Scholar-Fellows.

Code Interpretation

N/A

System Number: EDB1170

User Access Name: 1170-3

Programming Name: TT INCOME CODE IN PPPAY

Revision Date: PUBL. 10/07/04

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.

18 - Compensation for teaching

19 - Compensation during training

20 - Earnings as an artist or athlete

Summary of Benefits for Postdoc

This table shows the benefits available to the old Post Doc-Employees by Title codes (3240 & 3370) and the benefits available to the new Post Doc-Employee (3252), the Post Doc-Fellow (3253), and the Post Doc-Paid Direct (3254).

Fringe Benefit	Post Doc-EE, Old Title Code-3240	Post Doc-Vstg EE, Old Title Code-3370	Post Doc-EE, New Title Code-3252	Post Doc-Fellow, New Title Code-3253	Post Doc-Pd Direct, New Title Code 3254
Accrued Sick Leave	Yes	Yes	No ⁴	No ¹	No ¹
Accrued Vacation	Yes	Yes	No	No	No
AD&D-Employee Plan	Yes	Yes	No	No	No
Auto/Homeowners Insurance	Yes	Yes	Yes	No ⁵	No ²
Business Travel Accident Insurance	Yes	Yes	Yes	Yes	Yes
DCP Casual/Medicare	Yes	Yes	Yes	No	No
DCRA (Dependent Care Reimbursement Account)	Yes	Yes	No ³	No ³	No ³
Dental-Employee Plan	Yes	No	No	No	No
Dental-Post Doc Plan	No	No	Yes	Yes	Yes
Disability-Employee-Paid	Yes	No	No	No	No
Disability-Employer-Paid	Yes	No	No	No	No
Disability-Post Doc Plan-STD	No	No	Yes	Yes	Yes
Disability-Post Doc Plan-LTD	No	No	Yes	Yes	Yes
HCRA (Health Care Reimbursement Account)	Yes	Yes	No ³	No ³	No ³
Legal	Yes	Yes	No	No	No
Life-Employee-Paid	Yes	Yes	No	No	No
Life-Employer-Paid	Yes	Yes	No	No	No
Life & AD&D-Post Doc Plan	No	No	Yes	Yes	Yes
Medical-Employee Plan	Yes	Yes	No	No	No
Medical-Post Doc Plan	No	No	Yes	Yes	Yes
One-Month Death Payment	Yes	No	No	No	No

⁴ “Unless the extramural funding agency has different sick leave requirements, Postdoctoral Scholars-Fellows and Postdoctoral Scholars-Paid Direct are also eligible for paid sick leave of up to twelve days per twelve-month appointment period.” APM 390 Departments must manually accrue and record the sick leave hours for all Postdoctoral Scholars, including the Postdoctoral Scholar-Employee.

⁵ Postdoc-Fellow and Postdoc-Paid Direct may be eligible for Auto/Home Insurance, but cannot have deductions withheld from income paid through payroll.

³Reinstatement of Postdoc-Employee eligibility for DCRA and HCRA will be considered in stage 2 of the postdoc benefit program implementation.

Pretax Parking	Yes	Yes	Yes	No	No
Tax-Deferred Programs	Yes	Yes	Yes	No	No
Tax Savings on Insurance Premium (TIP)	Yes	Yes	Yes	No	No
UCRS/FICA	Yes	No	No	No	No
Unemployment Insurance	Yes	Yes	Yes	No	No
Vision-Employee Plan	Yes	No	No	No	No
Vision-Post Doc Plan	No	No	Yes	Yes	Yes
Workers' Compensation	Yes	Yes	Yes	Yes	Yes