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SR81301-NonTaxDependentEditPayroll.doc

**SR81301 Requirements**  
**Add New Class of Dependent in Payroll**

**Objective:**

This service request addresses requirements to change the Payroll/Personnel System (PPS) to impute income for a new group of non-tax dependent children as a result of the legislation change made in 2004 (see Background section for more information about the Legislation).

**Project Type:**

This is an upgrade to the Payroll/Personnel System (PPS).

**Requested by:**

Mark Esteban, Director  
Policy & Program Design, H&W

**Analyst:**

Rowena Wong

**Due Date(s):**

These changes to Payroll are Date Mandated. The release must be installed and the changes in effect at all locations prior to the first payroll dated in January 2006.

**Background:**

The University's definition of a natural or adopted child for group health and welfare eligibility\* is generally broader than the tax laws allow under the definition of "qualifying child" and "qualifying relative" in Internal Revenue Code (IRC) Section 152 that was revised by WFTRA (Working Families Tax Relief Act of 2004) and signed by President Bush in October 2004. The revised definition of "qualifying child" announced in the WFTRA includes stipulation on residency, taxpayer support, student status, age and income limit for this group of children that may not be required by UC.

For individuals who are not qualifying dependents under IRC Section 152 and as such the employees are not entitled to the tax exemption on the premium for the dependents, the University must calculate imputed income on the employee's contributions for health coverage (medical, dental and vision). The Office of General Counsel and Aon Consulting concur that UC should take one of 2 options: 1) revise their definition of eligible dependent to align with WFTRA or, 2) impute income for this group.

HR&B Policy has determined that:

- There will be no change to UC Group Eligibility Requirements for dependents
- UC should impute income on UC dependents that are not tax dependents as soon as possible (01/01/2006)
- UC should ask employees to self identify whether any of their children are not-tax dependent children.

This service request addresses requirements to implement the changes required.

\* See Appendix A for Eligibility of Child Dependent in the *Your Group Insurance Plans*

**Current Process:**

All natural or adopted child dependents

Currently, all natural and adopted child dependents under age 23 are eligible without any additional requirements.

**Proposed Process:**

Natural or adopted child tax dependent/natural or adopted child non-tax dependent

A new relationship code "T" will be used to identify a natural or adopted child non-tax dependent while the code "C" will remain the same for a natural or adopted child tax dependent.

For all dependents currently enrolled in health plans, employee must self identify their children who are non-tax dependent. The relationship codes of these non-tax dependents must be updated manually in the EDB. For new dependents added after 01/01/2006, the online enrollment application will offer the choice of natural or adopted child non-tax dependent as an enrollment option. Effective 01/01/2006, the payroll computation cycle should impute income on the University's contribution to medical, dental or vision premiums for the dependents with a relationship code "T".

Dependent Relation Code and Dependent De-enrollment Control Code to be use for different group of natural or adopted child dependents:

Tax Dependent	Under 23	Disabled	Dependent Relation Code	Dependent De-enrollment Control Code
Yes	Yes	Yes	C	Y
Yes	Yes	No	C	N or blank
Yes	No	Yes	C	Y
Yes	No	No	Not Eligible	Not Eligible
No	Yes	Yes	T	Y
No	Yes	No	T	N or blank
No	No	Yes	N	Y
No	No	No	Not Eligible	Not Eligible

Dependent Relation Code and Dependent De-enrollment Control Code to be use for different group of natural or adopted child dependents if dependent reside in New Mexico:

Tax Dependent	Over 22 but under 25	Disabled	Dependent Relation Code	Dependent De-enrollment Control Code
Yes	Yes	Yes	C	Y
Yes	Yes	No	C	M
Yes	No	Yes	C	Y
Yes	No	No	Not Eligible	Not Eligible
No	Yes	Yes	T	Y
No	Yes	No	T	M
No	No	Yes	N	Y
No	No	No	Not Eligible	Not Eligible

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## **Requirements:**

### **1.0 Control Table Updates**

#### **System Messages**

Add new message:

"Use 'N' for not tax dependent disabled child"

#### **Code Translation (CTT)**

An entry should be made on the CTT table for the new Dependent Relationship value as follows:

EDB0635 T 20 Non-Tax Dep NatChild

### **2.0 Data Elements**

The value of 'T' should be added as a valid value in the Data Element Table entry for EDB0635 - Dependent Relationship to Employee Code. The Data Dictionary and on-line field-level help should be updated to include the additional value of 'T'. See Attachment B.

Update general description of Without Domestic Partner (WOD) Data Elements EDB0285, EDB0286 and EDB0287 to include the non-tax dependents natural or adopted children. See Attachment C.

General description for Data Elements EDB0285 - Dental COVERAGE WITHOUT DOMESTIC PARTNER (WOD)-EDB

Code indicating the dental plan coverage level without the inclusion of domestic partners (EDB0635 = D or L), children/grandchildren of domestic partners (EDB0635 = K), and non-tax dependent natural/adopted children (EDB0635 = N or T).

General description for Data Elements EDB0286 - MEDICAL COVERAGE WITHOUT DOMESTIC PARTNER (WOD)-EDB

Code indicating the Medical plan coverage level without the inclusion of domestic partners (EDB0635 = D or L), children/grandchildren of domestic partners (EDB0635 = K), and non-tax dependent natural/adopted children (EDB0635 = N or T).

General description for Data Elements EDB0287 - VISION COVERAGE WITHOUT DOMESTIC PARTNER (WOD)-EDB

Code indicating the Vision plan coverage level without the inclusion of domestic partners (EDB0635 = D or L), children/grandchildren of domestic partners (EDB0635 = K), and non-tax dependent natural/adopted children (EDB0635 = N or T).

### **3.0 EDB Maintenance**

#### **3.1 Explicit Maintenance**

##### **3.1.1 Range and Value Edits**

Add 'T' to the list of valid values to the EDB0635, Dependent Relationship to Employee Code.

Current validity edits can be use when an illegal value is entered on the EDEP Entry/Update screen. The transaction should be rejected and the following error message should be issued:

"FIELD OUT OF RANGE OR ILLEGAL VALUE"

### **3.1.2 Consistency Edits**

#### **Dependents Relationship Edit**

Modify age and de-enrollment control indicator edits to include the value 'T' for Non-tax dependent natural or adopted child:

If a family member has a relationship of 'T' and 'the De-enrollment Control Indicator (EDB0638) is set to 'N' or Blank and the age is 23 or greater, block enrollment and issue message "Dependent enrollment blocked because age is 23 or older".

If a family member has a relationship of 'T' and 'the De-enrollment Control Indicator (EDB0638) is set to 'Y' and the age is 23 or greater, block enrollment and issue new message "Use 'N' for not tax dependent disabled child".

If a family member has a relationship of 'T' and 'the De-enrollment Control Indicator (EDB0638) is set to 'M' and the age is 25 or greater, block enrollment and issue message "De-enrollment control code not valid, dependent age is 25 or older".

### **3.1.3 Implied Maintenance**

Modify the implied maintenance process to derive the appropriate Medical, Dental, and Vision Coverage Without Domestic Partner (WOD) codes (EDB0285, 0286, 0287) when 'T' is presented for a dependent relationship code. The value of T should be treated like the value of "K" when deriving WOD codes.

## **3.2 Periodic Maintenance**

### **3.2.1 Monthly Maintenance**

Currently, if a child dependent (EDB0635 = C, O, P, G, or K) will become 23 years old in either the month of the SCR Current Date or in the month following the SCR Current Date, and the Coverage Effective Date (EDB0639) is not initial values, and the Dependent De-enrollment Control Code (EDB0638) is 'N' or Blank, the Medical Dependent Coverage End Date (EDB0659), Dental Dependent Coverage End Date (EdB0656), Vision Dependent Coverage End Date (EDB0657) and Legal Dependent Coverage End Date (EDB0658) will be set equal to the last day of the month in which the child turns 23.

Add new dependent code "T" to dependent de-enrollment logic to de-enrollment child when turns 23.

if a child dependent (EDB0635 = C, O, P, G, or K) will become 25 years old in either the month of the SCR Current Date or in the month following the SCR Current Date, and the Coverage Effective Date (EDB0639) is not initial values, and the Dependent De-enrollment Control Code (EDB0638) is 'M', the Medical Dependent Coverage End Date (EDB0659), Dental Dependent Coverage End Date (EdB0656), Vision Dependent Coverage End Date (EDB0657) and Legal

Dependent Coverage End Date (EDB0658) will be set equal to the last day of the month in which the child turns 25.

Add new dependent code "T" to dependent de-enrollment logic to de-enrollment child when turns 25.

#### **4.0 History Process**

It is not thought that any changes are required to the history process, but verification should be made that the new value is correctly included in the dependent relationship to employee field.

#### **5.0 Compute Process Changes**

##### **5.1 Imputed Income for Non-tax Dependent Natural or Adopted Child**

Modify imputed income calculations so that Non-tax dependent natural or adopted child 'T' is treated the same as other eligible children subject to imputed income. Currently, non tax-dependent overage disabled child 'N' and Child/Grandchild of Domestic Partner 'K' are subject to both state and federal imputed income. See Release 1188, 1418 and 1608 for further details on the existing process. The compute process must calculate any imputed income (DPI) and/or TIP adjustments that result from the enrollment of a Non-tax dependent natural or adopted child.

#### **6.0 Interface Files**

It is not thought that any changes are required to the following interface processes, but verification should be made that the new value is correctly included in the dependent relationship to employee field:

CPS Interface File  
IVR/Web Extract File  
Carrier Files

#### **7.0 Forms**

The UPAY 850 (R10/03) Enrollment, Change, Cancellation or Opt-Out — For Employees Only form should be modified to include the new relationship code. UCOP Benefits will coordinate the required changes to this form.

#### **8.0 Reporting and Notification**

Reports should be modified, if needed, to report child dependents with new relationship code "T".

## Appendix A - Eligible Child page of Your Group Insurance Plans

### Eligible Child

You may enroll your eligible children in the health and welfare plans shown in the chart below. Your

eligible children must be enrolled in the same plans as you.

Note that your disabled child may be covered past age 23, subject to carrier approval.

You may enroll your domestic partner's child or grandchild even if you do not enroll your partner; however, your partner must be eligible for UC-sponsored coverage.

Eligible child	Eligibility	Must be	May enroll in					
			Medical	Dental	Vision	Dependent Life <sup>1</sup>	AD&D	Legal
<b>Natural or adopted child</b>	To age 23 <sup>2</sup>	<ul style="list-style-type: none"> <li>unmarried</li> </ul>	•	•	•	•	•	•
<b>Stepchild, grandchild, or step-grandchild</b>	To age 23 <sup>2</sup>	<ul style="list-style-type: none"> <li>unmarried</li> <li>living with you</li> <li>supported by you or your spouse (50%+)</li> <li>claimed as a tax dependent by you or your spouse</li> </ul>	•	•	•	•	•	•
<b>Domestic partner's child or grandchild</b>	To age 23 <sup>2</sup>	<ul style="list-style-type: none"> <li>unmarried</li> <li>living with you</li> <li>supported by you or your domestic partner (50%+)</li> <li>claimed as a tax dependent by you or your domestic partner</li> </ul>	•	•	•	•	•	•
<b>Legal ward enrolled 1/1/95 or after</b>	To age 18	<ul style="list-style-type: none"> <li>unmarried</li> <li>living with you</li> <li>supported by you (50%+)</li> <li>claimed as your tax dependent</li> </ul>	•	•	•	•	•	•
<b>Overage disabled child (except a legal ward) of employee</b>	Age 23 or older	<ul style="list-style-type: none"> <li>unmarried</li> <li>living with you (not required for natural or adopted children)</li> <li>enrolled in a UC-sponsored plan immediately prior to age 23</li> <li>incapable of self-support due to a mental or physical handicap incurred prior to age 23</li> <li>supported by you (50%+) and claimed as your tax dependent and/or eligible for Social Security Income or Supplemental Security Income (SSI) as a disabled person. The overage disabled child may be working in supported employment which may offset the Social Security or SSI.</li> <li>must be approved by the carrier by age 23 and periodically after</li> </ul>	•	•	•	•	•	•
<b>Newly acquired disabled child and disabled child of a newly hired employee (except for legal wards) (must be approved by the carrier and enrolled during the child's PIE)</b>	Age 23 or older	<ul style="list-style-type: none"> <li>unmarried</li> <li>living with you</li> <li>incapable of self-support due to a mental or physical handicap incurred prior to age 23</li> <li>continuously covered under a group plan since age 23</li> <li>supported by you (50%+) and claimed as your tax dependent and/or eligible for Social Security Income or Supplemental Security Income (SSI) as a disabled person. The overage disabled child may be working in supported employment which may offset the Social Security or SSI.</li> <li>must be approved by the carrier by age 23 and periodically after</li> </ul>	•	•	•	•	•	•

<sup>1</sup> Child must be 24 hours old before coverage begins.

<sup>2</sup> If you are a LANL employee or a resident of New Mexico, you may enroll eligible children in your dental or vision plan until age 25 (extended coverage for vision applies to active employees). (Note: this does not apply to legal wards; they are covered only to age 18.)

## Appendix B- Data Element EDB0635

*System Number: EDB0635*

*User Access Name: 0635-4*

*Programming Name: DEP\_REL\_TO\_EMP IN PPPDEP*

*Revision Date: 04/01/98*

### *Comments*

Location(s): BCS 4213 - Dependent Relationship to Employee Code

*Name: DEPENDENT RELATIONSHIP TO EMPLOYEE CODE*

*Type: ALPHANUMERIC*

*Length: 1*

*Format*

N/A

### *General Description*

Code indicating the familial relationship of the dependent to the employee.

### *Code Interpretation*

S	- Spouse
C	- Child (natural or adopted)
T	- Non Tax-dependent Child (natural or adopted)
O	- Other Child (e.g., foster child)
P	- Stepchild
W	- Legal ward
G	- Grandchild
D	- Domestic Partner
L	- Opposite Sex Domestic Partner
K	- Child/Grandchild of Domestic Partner
A	- Adult Dependent Relative
N	- Non Tax-dependent Overage Disabled Child

## Appendix C- Data Element EDB0285, EDB0286, EDB0287

**System Number:** EDB0285

**User Access Name:** 0285-7

**Programming Name:** DEN\_COVERAGE\_WODD IN PPPBEN

**Revision Date:** XX/XX/XX

### **Comments:**

Source(s):

Use(s):

Location(s):

**Name:** Dental COVERAGE WITHOUT DOMESTIC PARTNER (WOD)-EDB

**Type:** ALPHANUMERIC

**Length:** 3

**Format:** N/A

### **General Description:**

Code indicating the dental plan coverage level without the inclusion of domestic partners (EDB0635 = D or L), children/grandchildren of domestic partners (EDB0635 = K), and non-tax dependent natural/adopted children (EDB0635 = N or T).

### **Code Interpretation:**

A U indicates coverage exists both for WOD Dental Coverage and actual Dental Coverage. An X indicates a level of coverage including an adult that exists in the actual Dental Coverage but does not in the WOD Dental Coverage. A Y indicates a level of coverage including a child that exists in the actual Dental Coverage but does not in the WOD Dental Coverage.

U - Self only  
UA - Self and Adult  
UC - Self and children  
UAC - Self and Family  
UX - Self and Adult  
UY - Self and Children  
UXY - Self and Family  
UAY - Self and Family  
UXC - Self and Family

**System Number:** EDB0286

**User Access Name:** 0286-8

**Programming Name:** MED\_COVERAGE\_WODM IN PPPBEN

**Revision Date:** XX/XX/XX

**Comments:**

Source(s):

Use(s):

Location(s):

**Name:** MEDICAL COVERAGE WITHOUT DOMESTIC PARTNER (WOD)-EDB

**Type:** ALPHANUMERIC

**Length:** 3

**Format:** N/A

**General Description:**

Code indicating the Medical plan coverage level without the inclusion of domestic partners (EDB0635 = D or L), children/grandchildren of domestic partners (EDB0635 = K), and non-tax dependent natural/adopted children (EDB0635 = N or T).

**Code Interpretation:**

A U indicates coverage exists both for WOD Medical Coverage and actual Medical Coverage. An X indicates a level of coverage including an adult that exists in the actual Medical Coverage but does not in the WOD Medical Coverage. A Y indicates a level of coverage including a child that exists in the actual Medical Coverage but does not in the WOD Medical Coverage.

U - Self only  
UA - Self and Adult  
UC - Self and children  
UAC - Self and Family  
UX - Self and Adult  
UY - Self and Children  
UXY - Self and Family  
UAY - Self and Family  
UXC - Self and Family

**System Number:** EDB0287  
**User Access Name:** 0287-9  
**Programming Name:** VIS\_COVERAGE\_WODV IN PPPBEN  
**Revision Date:** XX/XX/XX

**Comments:**

Source(s):  
Use(s):  
Location(s):

**Name:** VISION COVERAGE WITHOUT DOMESTIC PARTNER (WOD)-EDB

**Type:** ALPHANUMERIC

**Length:** 3

**Format:** N/A

**General Description:**

Code indicating the Vision plan coverage level without the inclusion of domestic partners (EDB0635 = D or L), children/grandchildren of domestic partners (EDB0635 = K), and non-tax dependent natural/adopted children (EDB0635 = N or T).

**Code Interpretation:**

A U indicates coverage exists both for WOD Vision Coverage and actual Vision Coverage. An X indicates a level of coverage including an adult that exists in the actual Vision Coverage but does not in the WOD Vision Coverage. A Y indicates a level of coverage including a child that exists in the actual Vision Coverage but does not in the WOD Vision Coverage.

U - Self only  
UA - Self and Adult  
UC - Self and children  
UAC - Self and Family  
UX - Self and Adult  
UY - Self and Children  
UXY - Self and Family  
UAY - Self and Family  
UXC - Self and Family