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November 7, 2005

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Re:	Release:	1672
	Service Requests:	81301
	Error Report:	None
	Programs:	PPCOVEDB, PPCOVRGE, PPEC704, PPEC705, PPEC706, PPEC707, PPEC708, PPEI360
	Copy Members:	None
	Include Members:	None
	DDL Members:	None
	Bind Members:	None
	CICS Maps:	None
	Forms:	UPAY 850 – Enrollment, Change, Cancellation or Opt Out - For Employees Only Health and Welfare Plans
	Table Updates:	CICS HELP, CTT, DET, MSG
	JCL Changes:	None
	Urgency:	Date Mandated

This release addresses the following service request:

Service Request 81301

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. See the *Eligible Child* page of the Employee's Group Insurance Plan Document. This is Appendix A of the Service Request. 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 employer's contributions for health coverage (medical, dental and vision) and must make TIP adjustments to the employee's contribution. 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 and/or make TIP adjustments on UC dependents that are non tax dependent as soon as possible (01/01/2006)
- UC should ask employees to self identify whether any of their children are non tax dependent children.

This service request addresses requirements to implement the changes required.

Differences from Requirements

During analysis it was determined that an additional relationship edit is required. For the new relationship code "T" the De-enrollment Control Indicator (EDB0638) cannot be "I", Ineligible for Medicare, since "I" applies to adult dependent relationships.

Programs

PPCOVEDB

PPCOVEDB is a program called to calculate an employee's Medical, Dental, Vision or Legal Coverage Code as of a passed date for the EDB File Maintenance process. The new relationship code "T" was added to be used to identify a non tax dependent natural or adopted child. This new dependent relationship will be treated the same as "K", child of a domestic partner, when deriving Coverage Without Domestic Partner (WOD) code.

PPCOVRGE

PPCOVRGE is a program called to calculate an employee's Medical, Dental, Vision or Legal Coverage Code as of a passed date for other PPS processes. A new relationship code "T" was added to be used to identify a non tax dependent natural or adopted child. This new dependent relationship will be treated the same as "K", child of a domestic partner, when deriving Coverage Without Domestic Partner (WOD) code.

PPEC704

PPEC704 is the program which performs the basic consistency edits for benefits dependent data. The new relationship code "T" used to identify a non tax dependent natural or adopted child was added to the edit process which insures that the Dependent De-enrollment Control Code is not equal to "I", Ineligible for Medicare, for other than an adult relationship.

PPEC705

PPEC705 is the program which performs the consistency edits for the dependent/employee membership medical plan data. The new relationship code "T" used to identify a non tax dependent natural or adopted child was added. This new dependent relationship will be treated the same as the other child relationships which have an age limit.

PPEC706

PPEC706 is the program which performs the consistency edits for the dependent/employee membership dental plan data. The new relationship code "T" used to identify a non tax dependent natural or adopted child was added. This new dependent relationship will be treated the same as the other child relationships which have an age limit.

PPEC707

PPEC707 is the program which performs the consistency edits for the dependent/employee membership vision plan data. The new relationship code "T" used to identify a non tax dependent natural or adopted child was added. This new dependent relationship will be treated the same as the other child relationships which have an age limit.

PPEC708

PPEC708 is the program which performs the consistency edits for the dependent/employee membership legal plan data. The new relationship code "T" used to identify a non tax dependent natural or adopted child was added. This new dependent relationship will be treated the same as the other child relationships which have an age limit.

PPEI360

PPEI360 is the program which performs the clearing of dependent coverage on a monthly basis. The new relationship code "T" used to identify a non tax dependent natural or adopted child was added. This new dependent relationship will be treated the same as the other child relationships which have an age limit when setting the Dependent Coverage End Date.

Forms

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

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Table Updates

CICS HELP

The HELPDDSE file contains the help text for Dependent Relationship to Employee Code. The new "T" code was added.

Code Translation Table

A code translation was added for the new relationship code "T", *Non Tax Dep NatChild*.

Data Element Table

The data element for the Dependent Relationship to Employee Code, EDB0635, was updated to include "T" as an allowable value.

System Messages Table

Error messages, *USE 'N' FOR NON TAX DEPENDENT OVERAGE DISABLED CHILD*, were added for the 08 and 12 processes to be displayed when an attempt is made to setup a Dependent Relationship to Employee Code of "T" with a Dependent De-enrollment Control Code of "Y", disabled.

Installation Instructions

A separate set of Installation Instructions has been issued with this release.

Test Plan

A complete test plan has been issued 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 date mandated. It must be **in effect** after the last 2005 December payroll and before the first payroll for January 2006, based upon check date. It can be **installed** anytime prior to the effective date. However, do **not** install the update to the Data Element Table, allowing the use of the new "T" code, until the effective date. This table update is found in CARDLIB member DETPROD. Every other object may be installed before that time.

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

Janet Kennedy