

Service Request 81721

ScholarShare/transition from TIAA-CREF to FIDELITY – Payroll System (PPS)

Objective

Develop process to accommodate transition of the management of the ScholarShare program from TIAA-CREF (TC) to Fidelity Investments (Fidelity).

Introduction

Beginning November 2006, management of ScholarShare, California's 529 (Internal Revenue Code) educational savings program will be transferred from TIAA-CREF to Fidelity Investments following Fidelity's successful bid following expiration of TC's management contract with the Golden State ScholarShare College Savings Trust.

As part of the transition, TC will transfer existing employee ScholarShare accounts to Fidelity without the need for employees to make changes individually.

The payroll processing arrangements for ScholarShare enrollment and ACH transactions involving Fidelity will generally follow the procedures currently in place with TC. Fidelity will also retain the FTP file format currently used by TC to provide UC with initial employee ScholarShare deductions as well as subsequent changes.

In order to facilitate the transition from TC to Fidelity and the automatic conversion of employee accounts to Fidelity's management, Fidelity will use a new ABA/Bank Transit Number (EDB 0782) for United Missouri Bank (UMB) and Bank Account Number/Direct Deposit Account (EDB 0783). Fidelity will create new ScholarShare employee accounts and generate a full feedback file on or after 11/10/06.

Current Process

Twice a month, on the 5th and 20th or working day preceding if a holiday or non-business day, TIAA-CREF ftps a file containing add, change, and delete data to UCOP.

A program at UCOP converts the data in this file into transactions for processing by PPS. X1 transactions are created for the ScholarShare deduction amount for each employee, and DG transactions are created for the transit routing number and account number for each employee.

Transactions are sent to campuses in the daily afternoon set of transactions from UCOP. The PPP130 process that runs nightly to post transactions from UCOP updates the campus EDB with ScholarShare deduction amounts in GTN 600, and the transit routing number and account number are recorded on the employee's record (in the EDB DDG table).

ScholarShare deductions are taken in the PPS compute process, and ACH transactions are formatted using the deduction amount from the compute and the transit number/account number information from the DDG table.

Proposed Modifications

Fidelity will provide a file of ScholarShare add, change, and delete activity in the same format, and on the same schedule, as the file currently provided by TIAA-CREF. Changes may be necessary to allow the program that creates transactions for campuses to use the file from Fidelity instead of the files from TIAA-CREF. Testing will need to be done to verify that Fidelity provides data in the correct format and that appropriate transactions are created.

Because it has been determined that GTN 600 can continue to be used for ScholarShare deductions after Fidelity takes over management of ScholarShare, there is no need for a conversion program to change the deductions on the EDB. Fidelity will use new account numbers for individual employees. The transit number stored on the employee's DDG table will need to be changed to reflect the different destination for the ACH activity. At start-up, Fidelity will send a file to UCOP of ALL current UC ScholarShare participants.

Therefore, a one-time program will be required to convert the transit number and the Bank Account Number/Direct Deposit Account for all ScholarShare participants. In addition, testing must be done in PPS to ensure that the ACH process correctly directs ScholarShare activity to Fidelity instead of TIAA-CREF.

Modification Requested

A one-time program should be developed to convert existing entries on the PPPDDG table to the new bank transit number and Bank Account Number/Direct Deposit Account. For records where the GTN number (EDB 0780) is '600' ('ScholarShare'), the Bank Transit Number (EDB 0782) should be set to '101205681' and the Bank Account Number/Direct Deposit Account (EDB 0784) should be set to '39400000' followed by the nine digit employee Social Security Number (EDB 0111).

The one-time program should update the EDB and produce change records for the standard PPP180 audit report.

This service request asks for the modifications and testing in the Payroll/Personnel System (PPS) to accomplish the Proposed Process outlined above.

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Payroll Coordination
October 31, 2006

