

**Release 1753
Detailed Design**

**2006 1042-S Changes
Service Request 81763**

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Introduction

Service Request 81763

Service Request 81763 asks that modifications be made to the 1042-S processes for tax year 2006.

It is asked that modifications be made to the 1042-S Employee Selection Process, 1042-S Reporting Data File Process, 1042-S Edit Process, 1042-S Magnetic Media Process, and 1042-S laser Form Process.

In addition, it is asked that income code value of '17' be included in the list of valid income codes for existing data elements 1170 (Tax Treaty Income Code) and 1171 (Alternate Tax Treaty Income Code).

Overview of PPS Modifications

Existing Data Elements 1170 and 1171

New Income Code value of '17' will be added to the list of valid income codes for existing data elements 1170 and 1171. *See Attachments A-1 and A-2.*

System File Modifications

The 1042-S Reporting file will be modified such that the U.S. Federal Tax Withheld Indicator (length of one) will be added to the 1042-S record layout. *See Attachment B.*

1042-S Reporting Data File Process

Currently, for each selected employee whose Citizenship Code (EDB 0109) is *not* 'X', and the YTD Fellowship Gross (EDB 5555), YTD Tax Treaty Gross (EDB 5537), or Alternate Tax Treaty Gross (EDB 5538) is greater than zero, the process extracts the appropriate data from the Payroll/Personnel System's EDB and from the Accounts Payable System via an input Accounts Payable Interface file, and the data is recorded on the 1042-S Reporting Data File.

This process will be modified as follows:

- The existing logic that sets the Exemption Code to a value of '4' (exempt from federal taxes) when the YTD Fellowship Gross is not equal to zero and the Citizenship Code is 'E', 'F', or 'X' will be modified.

The above condition containing the Citizenship Code values of 'E', 'F', and 'X' will be modified such that the Citizenship Code value of 'X' will be removed from the existing condition; employees with a Citizenship Code of 'X' on the EDB are already **not selected** for processing in the 1042-S Employee Selection Process.

- It is required that the reported federal tax withheld for each employee be identified as being correctly withheld, over withheld, or under withheld. Thus, the 1042-S Reporting Data File Process will be modified to derive the value of the U.S. Federal Tax Withheld Indicator. The valid derived U. S. Federal Tax Withheld Indicator values will be as follows:

0 (zero) = YTD Federal Tax Withheld is correctly reported or,
1 (one) = YTD Federal Tax Withheld is over withheld or,
2 (two) = YTD Federal Tax Withheld is under withheld

Note that YTD federal taxes withheld apply only to Post Doctoral Employees selected from the EDB and individuals reported on the Accounts Payable Interface File. Non-Post Doctoral Employees selected from the EDB are exempt from federal income taxes.

The derived U.S. Federal Tax Withheld Indicator value will be determined via the employee's calculated YTD federal tax withheld. The IRS (Internal Revenue Service) has provided two separate formulas to determine whether the correct federal withholding tax has been taken. Formula A or formula B below, depending upon the condition(s), will be used to calculate the employee's YTD

federal tax withheld. *Note that that Derived YTD Federal Tax Withheld will be rounded to the nearest cent according to general rounding rules.*

Formula A:

Derived YTD Federal Tax Withheld = (YTD Gross Income – Withholding Allowance) x Tax Rate

Formula B:

Derived YTD Federal Tax Withheld = YTD Gross Income x Tax Rate

Thus, if the Derived YTD Federal Tax Withheld is equal to the employee’s reported YTD Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to ‘0’. If the Derived YTD Federal Tax Withheld is less than the reported YTD Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to ‘1’. If the Derived YTD Federal Tax Withheld is greater than the reported YTD Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to ‘2’.

1042-S Edit Process

An edit will be added to check the U.S. Federal Withheld Indicator value (taken from 1042-S Reporting record). If the U.S. Federal Tax Withheld Indicator value is ‘1’ and Citizenship Code (EDB 0109) is not ‘E’ or ‘F’, message “**THE FEDERAL TAXES ARE OVER REPORTED**” will be issued on the PPP7309 Report.). If the U.S. Federal Tax Withheld Indicator value is ‘1’ and Citizenship Code (EDB 0109) is ‘E’ or ‘F’, message “**TAX TREATY INDIVIDUAL AND TAXES WITHHELD**” will be issued on the PPP7309 Report. If the U.S. Federal Tax Withheld Indicator value is ‘2’, message “**THE FEDERAL TAXES ARE UNDER WITHHELD**” will be issued on the PPP7309 Report.

1042-S Reports Process

There are no required report format changes in the 1042-S Reports Process.

1042-S Magnetic Media Process

Modifications to the record layouts will be made to the following magnetic media record types:

- “W” Record Type – Withholding Agent Record

Withholding Agent Contact Name will be reported in positions 273 through 317.

Withholding Agent’s Department Title will be reported in positions 318 through 362.

The existing Contact Phone Number and Extension will be reported in new positions 363 through 382, originally in positions 273 through 292.

The existing Final Return Indicator will be reported in new position 383, originally in position 293.

Positions 384 through 770 will be made “reserved” (blank).

- “Q” Record Type – Recipient Record

The U.S. Federal Tax Withheld Indicator will be reported in position 761.

1042-S Laser Form Process

Currently, this process uses the data stored on the 1042-S Reporting Data File, and produces 1042-S laser forms for those employees selected for the 1042-S process.

The following changes will be made to the 1042-S form using the OGL (Overlay Generation Language) software installed on the MVS mainframe.

- The year of '2005' will be changed to '2006'.
- Currently, there are three check-off boxes and the word 'VOID', 'CORRECTED', and 'PRO-RATA BASIS REPORTING' displayed immediately to the right of each of the three check-off boxes. The word 'VOID' associated with the leftmost check-off box will be removed and replaced with the word 'AMENDED'. Both the second check-off box and the word 'CORRECTED' immediately to the right of the box will be deleted. The third check-off box and the words 'PRO-RATA BASIS REPORTING' immediately to the right of the box will remain on the form in their original positions.

Note that no programming logic is present to check off one of the three check-off boxes.

- The text '**OMB No. 1545-0096**' will be placed on the 'Copy B', 'Copy C', and 'Copy E' 1042-S forms. The text will be displayed above the existing line containing the words 'Copy B', 'Copy C', and 'Copy E'.

CICS Online Help

Currently, the CICS Help File contains field-level help texts and screen-level help texts.

The CICS Help File will be updated such that income code value of '17' will be added to the existing list of valid values associated with the Tax Treaty Income Code (EDB 1170) and Alternate Tax Treaty Income Code (EDB 1171). Note that the CICS field-level Help texts for EDB 1170 and EDB 1171 are displayed on the EALN and IALN screens when PF key F1 is pressed.

Data Dictionary Entry Updates

The Data Dictionary entries associated with EDB 1170 and EDB 1171 will be updated such that income code value of '17' will be added to the existing list of valid values associated with the Tax Treaty Income Code (EDB 1170) and Alternate Tax Treaty Income Code (EDB 1171).

System File Changes

1042-S Reporting Data File

The U.S. Federal Tax Withheld Indicator field with a length of 1 will be added to the 1042-S Reporting Data File.

Copylib Members

CPFD1042

This copymember contains the file definitions for the 1042-S Reporting Data File.

The record length will be changed from 372 to 373.

CPLN142E

This copymember contains the linkage data shared between PP1042SE and the calling module PPP730.

An internal array will be defined containing data of Social Security Numbers, Employee Name, and associated U.S. Federal Tax Withheld Indicator values of '1' and/or '2'.

CPLN142R

This copymember contains the linkage data shared between PP1042R and calling module PP1042S.

An internal array will be defined containing data of Social Security Numbers and associated U.S. Federal Tax Withheld Indicator values of '1' and/or '2'.

The Social Security Numbers, Employee Name, and associated U.S. Federal Tax Withheld Indicator data values stored in the array will be referenced in module PP1042SR to trigger the issuance of the appropriate error messages on report PPP7309 for employees with multiple 1042-S Reporting Data records from Accounts Payable Interface File only.

CPLN142S

This copymember contains the linkage data shared between PP1042S and calling module PPP730.

An internal array will be defined containing data of Social Security Numbers, Employee Name, and associated U.S. Federal Tax Withheld Indicator values of '1' and/or '2'.

CPWS142E

This copymember contains the record layout for the 1042-S reporting data record.

A length of 1 associated with the U.S. Federal Tax Withheld Indicator will be added to this record layout in position 310.

CPWS142T

This copymember contains the various record layouts of the magnetic media file.

The following items will be added to the record layout associated with the "W" record type for 1042-S Magnetic Media processing:

- Withholding Agent Contact Name for a length of 45 starting in positions 273 through 317
- Withholding Agent's Department Title for a length of 45 starting in positions 318 through 362

The following items will be moved to a different location on the record layout associated with the "W" record:

- The Contact Phone Number field and Extension field will be moved to positions 363 through 382, originally in positions 273 through 292.
- The Final Return Indicator field will be moved to position 383, originally in position 293.
- Positions 384 through 770 will be labeled as reserved.

The following items will be added to the record layout associated with the "Q" record type for 1042-S Magnetic Media processing:

- U. S. Federal Tax Withheld Indicator for a length of '1' in position 761.

CPWSXTRC

The following items will be added to the copymember containing campus-specific values for 1042-S processing.

- Withholding Agent Contact Name for a length of 45
- Withholding Agent's Department Title for a length of 45

Currently, the valid "Return Type Indicator" values are '0' (Original), '1' (Void), and '2' (Corrected). The "Return Type Indicator" value is set to an initial value of '0' (Original) in the copymember.

- The value of '1' will be disassociated with "Void Return" and instead will be associated with an "Amended Return", and the value of '2' "Corrected Return" will be deleted. Thus, the valid return type values are '0' (Original) and '1' (Amended). Since the "Return Type Indicator" in this copymember is currently initially set to a value of '0' (Original), no changes are required other than adding two 88 level values of '0' and '1' for documentation purposes. Note that it is the responsibility of the campus to determine the appropriate "Return Type Indicator" value for reporting on the magnetic media file.

Note that the values mentioned above in the three bulleted items are reported on the 1042-S "W" record type.

Program Changes

PP1042S

Currently, this driver module controls the calling of modules PP1042SF, PP1042ST, and PP1042SR.

The following modifications will be made to module PP1042S:

- The length associated with the 1042-S Reporting Data file will be increased by one to a total length of 373 on the File Description (FD) and Sort Description (SD).
- The internal array stored in the linkage section and defined in copymember CPLN142S will be moved to the linkage section defined in copymember CPLN142R, and will be passed to module PP1042SR.

PP1042SE

Currently, this module calls modules PP1042SP and/or PP1042SI to extract 1042S data from the EDB and/or the Accounts Payable Interface File respectively. An extract summary report is produced to show all reportable balances extracted from the EDB and/or Accounts Payable Interface File. Error messages are issued for all exceptions and warning conditions so that corrective action may be taken and the 1042-S extract process rerun.

Modifications will be made to module PP1042SE as follows:

- The YTD Fellowship Gross (EDB 5555) will be added to the existing edit that checks for negative amounts. If the YTD Fellowship Gross is negative, message 73-116 will be issued.
- YTD Fellowship Federal Tax Withheld (GTN 636-Y) will be added to the existing edit that checks for negative amounts. If the YTD Fellowship Federal Tax Withheld is negative, message 73-117 will be issued.

In addition, the following special modifications will be made to module PP1042SE as follows:

- Currently, after the last selected employee's data is extracted from the EDB (PP1042SP) and/or the last record processed from the Accounts Payable Interface File (PP1042SI), the existing logic closes the 1042-S Reporting Data File. A call is made to module PP1042S to open the 1042-S Reporting Data File, and then PP1042S passes each 1042-S Reporting Data record to module PP1042SR to produce the 1042-S reports.

When module PP1042SR processes the first 1042-S Reporting Data record of an employee, all appropriate error messages are printed on the PPP7309 Report (1042-S Error Conditions List) **before** the employee's actual 1042-S data is printed. However, for those individuals that have multiple 1042-S Reporting Data records, the data on the second and subsequent records are assumed correct. Thus, the printing of additional error messages related to the U.S. Federal Tax Withheld Indicator value of '1' or '2' on the second and/or subsequent records cannot be printed together with the earlier error messages.

To address the above problem, new logic has been added to open the 1042-S Reporting Data File and to check the U.S. Federal Tax Withheld Indicator value on each 1042-S Reporting Data record. If the 1042-S data originated from the Accounts Payable Interface file and the individual has multiple 1042-S records (record count greater than 1), and the second and/or subsequent 1042-S records contain a U.S. Federal

Tax Withheld value of '1' (YTD Federal Tax Withheld is over withheld) and/or '2' (YTD Federal Tax Withheld is under withheld), an entry is recorded in an internal array containing the individual's Social Security Number, Employee Name, and the appropriate U.S. Federal Tax Withheld Indicator value(s). A Maximum-Entries-Loaded-Counter is incremented by 1. The definition of the internal array has been defined in the linkage data in copymember CPLN142E. The internal array stored in the linkage section is passed to main driver program PPP730, which moves the internal array to the linkage section defined in copymember CPLN142S for passing to module PP1042S. Thus, PP1042S moves the internal array to the linkage section defined in copymember CPLN142R for passing to module PP1042SR. Finally, the 1042-S Reporting Data File is closed. This enables module PP1042SR to print the error messages related to the U.S. Federal Tax Withheld Indicator values of '1' and '2' together with the existing error messages.

PP1042SF

Currently, this module produces the 1042-S form for each selected employee using the data from the 1042-S Reporting Data File.

No programming logic changes will be necessary for the following changes to the 1042-S form:

- The year 2005 will be changed to year 2006 in two areas of the 1042-S form.
- The word "VOID" next to the right of the left-most check-off box will be replaced with the word "AMENDED". The middle check-off box and the word "CORRECTED" will be removed.
- The text 'OMB No. 1545-0096' will be placed on the 'Copy B', 'Copy C', and 'Copy E' 1042-S forms. The text will be displayed above the existing line containing the words 'Copy B', 'Copy C', and 'Copy E'.

Changes will be made in the working storage section to remove the extraneous fields related to the display of the tax rate as a single digit of '0' (zero).

PP1042SI

Currently, this module reads the Accounts Payable Interface File. A 1042-S Reporting Data record is generated for each Accounts Payable Interface record on the Accounts Payable Interface File.

Depending upon the condition satisfied, either Formula A or Formula B will be used to calculate the employee's YTD Federal Tax Withheld.

Formula A

Formula A will be used to calculate the individual's YTD federal tax withheld if the following condition is true:

- Accounts Payable Income Code is in the range of '15' through '19'

Derived YTD Federal Tax Withheld = (YTD Accounts Payable Gross Income – Accounts Payable Withholding Allowance) x Accounts Payable Tax Rate

If the Derived YTD Federal Tax Withheld is equal to the reported YTD Accounts Payable Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to '0'. If the Derived YTD Federal Tax Withheld is less than the reported YTD Accounts Payable Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to '1'. If the Derived YTD Federal Tax Withheld is greater than the

reported YTD Accounts Payable Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to '2'.

Formula B

Formula B will be used to calculate the individual's YTD federal tax withheld if the following condition is true:

- Accounts Payable Income Code is **not** in the range of '15' through '19'

Derived YTD Federal Tax Withheld = YTD Accounts Payable Gross Income x Accounts Payable Tax Rate

If the Derived YTD Federal Tax Withheld is equal to the reported YTD Accounts Payable Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to '0'. If the Derived YTD Federal Tax Withheld is less than the reported YTD Accounts Payable Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to '1'. If the Derived YTD Federal Tax Withheld is greater than the reported YTD Accounts Payable Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to '2'.

PP1042SP

Currently, this module extracts appropriate 1042-S data from the EDB tables PPPPAY, PPPPCM, PPPPER, PPPFAD, and PPPDBL, and from the CTL table PPPFCT. A 1042-S Reporting Data record is produced for each selected employee.

Modifications will be made to module PP1042SP as follows:

- For a Non-Post Doctoral employee whose YTD Fellowship Gross is zero, the ***employee's U.S Federal Tax Withheld Indicator will be set to a value of '0' (zero)***.
- For a Post Doctoral employee whose YTD Fellowship Gross is greater than zero,

If his/her Citizenship Code (EDB 0109) is 'E' or 'F' and the YTD Fellowship Taxes Withheld is equal to zero, the ***employee's U.S Federal Tax Withheld Indicator will be set to a value of '0' (zero)***.

If his/her Citizenship Code (EDB 0109) is 'E' or 'F' and the YTD Fellowship Taxes Withheld is not equal to zero, the ***employee's U.S Federal Tax Withheld Indicator will be set to a value of '1' (one)***.

If his/her Citizenship Code is **not** 'E' or 'F', the U.S. Federal Tax Withheld Indicator value will be determined via the Post Doctoral employee's derived YTD Fellowship Federal Tax Withheld. The following formula will be used to calculate the Post Doctoral employee's derived YTD Fellowship Federal Tax Withheld:

Formula

Derived YTD Fellowship Federal Tax Withheld = (YTD Fellowship Gross – Withholding Allowance) x Post Doctoral Tax Rate

If the Derived YTD Fellowship Federal Tax Withheld is equal to the reported YTD Fellowship Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to '0'. If the Derived YTD Fellowship Federal Tax Withheld is less than the reported YTD Fellowship Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to '1'. If the Derived YTD Fellowship Federal Tax

Withheld is greater than the reported YTD fellowship Federal Tax Withheld, the U.S. Federal Tax Withheld Indicator will be set to '2'.

- The YTD Fellowship Gross (EDB 5555) and YTD Fellowship Federal Tax Withheld (GTN 636-Y) will be included in the existing edit that checks for negative YTD amounts.
- The logic that directly calls the DB2 PPPPRM table to return the appropriate Post Doctoral Federal Tax Rate will be removed. Instead, the existing logic will be replaced such that utility module PPPRMUT2 will be called to return the appropriate Post Doctoral Federal Tax Rate.
- The logic that checks for a Citizenship Code (EDB 0109) value of 'E', 'F', or 'X' and YTD Fellowship Federal Gross is greater than zero will be modified such that the Citizenship Code value of 'X' will be removed from the existing condition; employees with a Citizenship Code of 'X' are already bypassed for 1042-S processing in the 1042-S Employee Selection Process (PP1042SE).

PP1042SR

Currently, this module contains logic to format and print the PPP7308 Report and PPP7309 Report. The data is taken from the 1042-S Reporting Data File.

Modifications will be made as follows:

- Currently, the appropriate Post Doctoral Tax Rates stored in the System Parameter table (Entries 193 and 194) are numeric. Therefore, the edit that checks for a non-numeric Post Doctoral Tax Rate will be removed.
- The following edits will be added to check the U.S. Federal Tax Withheld Indicator value on each 1042-S Reporting data record as follows:

If the value is equal to '1' and the Citizenship Code is **not** 'E' or 'F', the text of "The federal taxes are over reported" will be displayed on the PPP7309 Report (**1042-S Error Conditions List**), and the text "Editing Error" will be displayed on the PPP7308 Report (**1042-S DATA SELECTED FROM EDB AND AP**).

If the value is equal to '1' and the Citizenship Code is 'E' or 'F', the text of "Tax Treaty Individual and Taxes Withheld" will be displayed on the PPP7309 Report (**1042-S Error Conditions List**), and the text "Editing Error" will be displayed on the PPP7308 Report (**1042-S DATA SELECTED FROM EDB AND AP**).

If the value is equal to '2', the text of "The federal taxes are under withheld" will be displayed on the PPP7309 Report, and the text "Editing Error" will be displayed on the PPP7308 Report (**1042-S DATA SELECTED FROM EDB AND AP**).

The internal array passed in the linkage section from module PP1042S will be processed if the Maximum-Entries-Loaded-Counter is greater than zero. The employee's Social Security Number and Employee Name from the 1042-S Reporting Data record will be compared to each Social Security Number and Employee Name in the array. If the Social Security Number and Employee Name match, the entry containing the U.S. Federal Tax Withheld Indicator value(s) will determine the appropriate error message(s) to issue. If the U.S. Federal Tax Withheld Indicator value is '1', the text of "The federal taxes are over reported" will be issued. If the U.S. Federal Tax Withheld Indicator value is '2', the text of "The federal taxes are under withheld" will be issued.

PP1042ST

Currently, this module produces the 1042-S magnetic media file. The data is taken from the 1042-S Reporting Data File.

- “T” Record Type – Transmitter Record

No magnetic media logic changes will be necessary for the following item asked in the requirements:

- a) The tax year of ‘2006’ (value taken from the Specification Record of PPP730) will be moved to the “T” record.

- “W” Record Type – Withholding Agent Record

The following modifications will be made to the magnetic media logic:

- a) The Withholding Agent Contact Name (value taken from copymember CPWSXTRC) will be moved to the “W” record.
- b) The Withholding Agent’s Department Title (value taken from copymember CPWSXTRC) will be moved to the “W” record.

No magnetic media logic changes will be necessary for the following items asked in the requirements:

- a. The Return Type Indicator (value taken from copymember CPWSXTRC) will be moved to the “W” record in position 2.
- b. The Payment Year (value taken from Specification Record of PPP730) will be moved to the “W” record in positions 269 through 272.
- c. The Contact Phone Number and Extension (value taken from copymember CPWSXTRC) will be moved to the “W” record in new positions 363 through 382.
- d. The Final Return Indicator (value taken from copymember CPWS142T) will be moved to the “W” record in position 383.
- e. Positions 384 through 770 will be blank (Reserved).

- “Q” Record Type – Recipient Record

The following modifications will be made to the magnetic media logic:

- a) The U.S. Federal Tax Withheld Indicator (value taken from 1042-S record) will be moved to the “Q” record in position 761.

No magnetic media logic changes will be necessary for the following items asked in the requirements:

- a) The Return Type Indicator (value taken from copymember CPWSXTRC) will be moved to the “Q” record in position 2.

PPP730

Currently, this module is the main driver for the 1042-S process. PP1042SE is called to control the extraction of 1042-S data from the EDB and/or the Accounts Payable Interface File via calls to PP1042SP and PP1042SI respectively. PP1042S is called to control the production of 1042-S reports, 1042-S forms, and magnetic media via calls to PP1042SR, PP1042SF, and PP1042ST respectively.

PPP730 will be modified such that the internal array returned in the linkage section defined in copymember CPLN142E will be moved to the linkage section defined in copymember CPLN142S to pass to module PP1042S.

Bind Members

PPP730

Member PPPRMUT2 will be added to the plan bind for PPP730.

1042-S Form Changes

The following changes will be made to the form 1042-S using Overlay Generation Language (OGL):

- The displayed year of '2005' will be changed to '2006' in two areas of the 1042-S form.
- Currently, there are three check-off boxes displayed underneath the line containing the text "Subject to Withholding". Displayed immediately to the right of each check-off box, starting with the leftmost check-off box is the word '**VOID**', '**CORRECTED**', and '**PRO-RATA BASIS REPORTING**' respectively.

The word '**VOID**' will be removed and replaced with the word '**AMENDED**'. Both the second check-off box and the word '**CORRECTED**' will be removed. The third check-off box and the words '**PRO-RATA BASIS REPORTING**' will remain on the form 1042-S in their original positions.

- The text '**OMB No. 1545-0096**' will be displayed on the 'Copy B', 'Copy C', and 'Copy E' 1042-S forms above the existing line containing the words 'Copy B', 'Copy C', and 'Copy E'.

CICS Help Updates

CICS Help Texts

The CICS Help File will be updated such that the value of '17' will be added to the list of valid income codes for existing CICS Help Texts EDB 1170 (Tax Treaty Income Code) and EDB 1171 (Alternate Tax Treaty Income Code).

Note that the CICS field-level Help text for EDB 1170 or EDB 1171, when PF1 key is pressed, is displayed in functions EALN and IALN.

JCL Changes

PPP730

The JCL to run **PPP730** will be modified as follows:

- The coded length associated with DD name of **S1042FL** will be changed to 373.

PPP722

The JCL to run **PPP722** will be modified as follows:

- The coded length associated with DD name of **O1042FL** will be changed to 373.

Data Dictionary Entry Updates

The Data Dictionary will be updated to include income code value of '17' in the list of valid income codes for the following existing data elements:

EDB 1170 - Tax Treaty Income Code

17 – Compensation for student dependent personal services

EDB 1171 - Alternate Tax Treaty Income Code

17 – Compensation for student dependent personal services

System Control Table Updates

System Messages Table

The following messages will be added to the table:

- 73-116 (**FELLOWSHIP GROSS YTD IS NEGATIVE**) with a severity level of '7' (Employee Reject')
- 73-117 (**FELLOWSHIP TAX WITHHELD IS NEGATIVE**) with a severity level of '7' (Employee Reject')
- 73-118 (**PP1042SE: INTERNAL ARRAY HAS BEEN EXCEEDED - INCREASE LIMIT**) with a severity level of '8' (See Operations)

Data Element Table

New income code value of '17' will be added to the list of existing income codes of '15', '18', '19', and '20' associated with existing data elements 1170 and 1171.

Attachments

Attachments A1–A2 – Data Dictionary Entries

Attachment B – 1042-S Reporting Data File layout

Attachment C – Sample 1042-S Laser Form

Attachment A-1

System Number: EDB1170

User Access Name: 1170-3

Programming Name: TT_INCOME_CODE IN PPPPAY

Revision Date: 01/01/07

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.
- 17 - [Compensation for student dependent personal services](#)
- 18 - Compensation for teaching
- 19 - Compensation during training
- 20 - Earnings as an artist or athlete

Attachment A-2

System Number: EDB1171

User Access Name: 1170-4

Programming Name: ALT_TT_CODE IN PPPPAY

Revision Date: 01/01/07

Comments

Location(s): N/A

Name: Tax Treaty Income Code-Alternate

Type: ALPHANUMERIC

Length: 2

Format

N/A

General Description

Code indicating an additional 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.
- 17 - [Compensation for student dependent personal services](#)
- 18 - Compensation for teaching
- 19 - Compensation during training
- 20 - Earnings as an artist or athlete

Attachment B

1042-S Reporting Data File Record Layout (CPWS142E) As of Payroll Release 1753 – 01/29/07				
Employee Record				
Position	Length/ Format	Field Description	Data Element #	Comments
01 - 9	9	Employee Social Security Number	EDB 0111	
10 – 18	9	Employee ID	n/a	EDB record key
19	1	Employee Tax Identification Number (TIN) Type	n/a	
20 – 64	45	Employee Name	EDB 0105	
65 – 109	45	Employee Name 2	EDB 0105	
110	1	Employee Exception Flag	n/a	Determined in program
111	1	Employee Exception Country Origin Edit Flag	n/a	Determined in program
112	1	Employee Status	EDB 0144	
113 – 142	30	Address – Line 1	EDB 0204	
143 – 172	30	Address-Line 2	EDB 0205	
173 – 193	21	Address-City	EDB 0206	
194 – 195	2	Address-State	EDB 0207	
196 – 200	5	Address-Zip	EDB 0208	
201 – 204	4	Address –Zip Extended	n/a	
205	1	Foreign Address Indicator	EDB 0291	
206 – 207	2	Foreign Country Code	EDB 1118	
208 – 237	30	Foreign Country Name	n/a	From CTL – PPPFCT (Foreign Country Table)
238 – 252	15	Foreign Province	EDB 1120	
253 – 262	10	Foreign Postal Code	EDB 1119	
263 – 268	6	Home Department	EDB 0114	
269	1	Citizenship Code	EDB 0109	
270 – 271	1	Country Origin	EDB 0143	
272 – 301	30	Country of Residence	n/a	From CTL – PPPFCT (Foreign Country Table)
302 –303	2	Employee Visa Type	EDB 0110	
304 – 305	2	Employee Recipient Code	n/a	
306 – 307	2	Tax Treaty Income Code	EDB 1170	
308 – 309	2	Alternate Tax Treaty Income Code	EDB 1171	
310	1	U.S. Federal Tax Withheld Indicator	n/a	Determined in program
311	1	Exemption Code	n/a	
312 – 313	2	Employee Tax Rate	n/a	
314	1	Origin of Data Flag	n/a	Determined in program 'I' = Accounts Payable Interface File, 'P' = Payroll, EDB
315	1	Merged Record Flag	n/a	Determined in program

1042-S Reporting Data File Record Layout (CPWS142E)				
As of Payroll Release 1753 – 01/29/07				
Employee Record				
Position	Length/ Format	Field Description	Data Element #	Comments
316	1	SSN Match Flag	n/a	Determined in program
317 – 321	5 S9(7)v99	Employee YTD Total Gross	EDB 5501	
322 – 326	5 S9(7)v99	Employee YTD Federal Withholding Taxable Gross	EDB 5502	
327 – 331	5 S9(7)v99	Employee YTD State Withholding Taxable Gross	EDB 5506	
332 – 336	5 S9(7)v99	Employee YTD Tax Treaty Gross	EDB 5537	
337 – 341	5 S9(7)v99	Employee YTD Alternate Tax Treaty Gross	EDB 5538	
342 – 346	5 S9(7)v99	Employee Net Income	n/a	Set to constant zero for employees from EDB
347 – 351	5 S9(7)v99	Employee YTD Federal Withholding Tax	n/a	Set to constant zero for non-post employees from EDB only.
352 – 356	5 S9(7)v99	Employee YTD Withholding Allowance	n/a	Set to constant zero for employees from EDB
357 – 361	5 S9(7)v99	Employee YTD Fellowship Gross	EDB 5555	
362 – 366	5 S9(7)v99	Postdoc Employee YTD Federal tax withheld	GTN 636-Y	
367	1	Postdoc Employee Exemption Code	n/a	Set to constant '0' for Postdoc employees whose Citizenship Code is not 'E' or 'F'. Set to constant '4' for Postdoc employees whose Citizenship Code is 'E' or 'F'
368 – 369	2	Postdoc Employee Tax Rate	n/a	CTL – PPPPRM (System Parameter Table) – System Parameter Entry 193 if Visa Type is 'J' or 'F'. Otherwise rate from System Parameter Entry 194
370 – 371	2	Postdoc Employee Income Code	EDB 1170/ EDB 1171	Set to constant '15' for Postdoc employees with YTD fellowship Grosses
372 – 373	2	Postdoc Employee Recipient Code	n/a	Set to constant '01' for Postdoc employees with YTD fellowship Grosses

Attachment C

Form 1042-S		Foreign Person's U.S. Source Income Subject to Withholding				2006		OMB No. 1545-0088 Copy E for Withholding Agent	
Department of the Treasury Internal Revenue Service		<input type="checkbox"/> AMENDED		<input type="checkbox"/> PRO-RATA BASIS REPORTING					
Line	(1) Income code	(2) Gross income	(3) Withholding allowances	(4) Net income	(5) Tax Rate	(6) Exempt code	(7) U.S. Federal Tax withheld	(8) Amount repaid to recipient	
1	15	73,775.00			14.00	00	10,328.50		
2									
3	Total	73,775.00					10,328.50		
9 Withholding agent's EIN > 94-6002123 <input checked="" type="checkbox"/> EIN <input type="checkbox"/> QI-EIN				14 Recipient's U.S. TIN, if any > 501-55-5043 <input checked="" type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN <input type="checkbox"/> QI-EIN					
10 WITHHOLDING AGENT'S name and address (including ZIP code): UC OFFICE OF THE PRESIDENT 1111 FRANKLIN ST, 8TH FLOOR OAKLAND CA 94607-5201				15 Recipient's country of residence for tax purposes ARUBA			16 Country code AA		
11 Recipient's account number (optional): 501000043				12 Recipient code 01					
13 RECIPIENT'S name (first name, initial, street address, city or town, province or state, and country including postal code): CLYDE S. DALE 5656 PORKY PINE WAY MOUNTAINVIEW CA 90024				17 NONQUALIFIED INTERMEDIARY'S (NQI) or FLOW-THROUGH ENTITY'S name			18 Country code		
				19 NQI's flow-through entity's address					
				20 NQI's flow-through entity's TIN, if any >					
				21 PAYER'S name and TIN (if different from withholding agent's)					
				22 State income tax withheld		23 Payer's state tax no. 123-4567-8		24 Name of state CA	

For Privacy Act and Paperwork Reduction Act Notice, see page 15 of the separate instructions. Form 1042-S (2006)

Form 1042-S		Foreign Person's U.S. Source Income Subject to Withholding				2006		OMB No. 1545-0088 Copy E for Withholding Agent	
Department of the Treasury Internal Revenue Service		<input type="checkbox"/> AMENDED		<input type="checkbox"/> PRO-RATA BASIS REPORTING					
Line	(1) Income code	(2) Gross income	(3) Withholding allowances	(4) Net income	(5) Tax Rate	(6) Exempt code	(7) U.S. Federal Tax withheld	(8) Amount repaid to recipient	
1	15	46,475.00			14.00	00	6,506.50		
2									
3	Total	46,475.00					6,506.50		
9 Withholding agent's EIN > 94-6002123 <input checked="" type="checkbox"/> EIN <input type="checkbox"/> QI-EIN				14 Recipient's U.S. TIN, if any > 501-55-5010 <input checked="" type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN <input type="checkbox"/> QI-EIN					
10 WITHHOLDING AGENT'S name and address (including ZIP code): UC OFFICE OF THE PRESIDENT 1111 FRANKLIN ST, 8TH FLOOR OAKLAND CA 94607-5201				15 Recipient's country of residence for tax purposes ARUBA			16 Country code AA		
11 Recipient's account number (optional): 501000010				12 Recipient code 01					
13 RECIPIENT'S name (first name, initial, street address, city or town, province or state, and country including postal code): FUN E. MANN 5141 NORDHOFF AVE NORTHRIDGE CA 91316				17 NONQUALIFIED INTERMEDIARY'S (NQI) or FLOW-THROUGH ENTITY'S name			18 Country code		
				19 NQI's flow-through entity's address					
				20 NQI's flow-through entity's TIN, if any >					
				21 PAYER'S name and TIN (if different from withholding agent's)					
				22 State income tax withheld		23 Payer's state tax no. 123-4567-8		24 Name of state CA	

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