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SR81797\_UCRP\_Employer\_Contrib\_Rates.doc

## **SR81797\_Requirements**

### **UCRP Employer Contribution Rates**

#### **Objective:**

To modify the PPS UCRP employer contribution assessment process to be collective-bargaining sensitive by moving the rates from the System Parameters Table to the Benefits Rates Table.

#### **Project Type:**

This is a modification to existing PPS functions, requiring changes to Control Tables and to the Expense Distribution process.

#### **Requested by:**

Gary Schlimgen, HR&B – Retirement Policy & Planning

#### **Analyst:**

Patricia Mashhoon

#### **Due Date:**

These changes must be put in place so that sufficient testing can be done by locations in preparation for the UCRP Retirement Restart which is planned for July 1, 2007.

#### **Background:**

Along with programming for the specific changes requested in SR81573, Release 1715 also provided a document entitled "UCRP Deduction Calculation Summary". Attachment B to this document described several considerations and limitations that arose from the review and testing of the existing UCRP employee deduction process. Item 7 states:

"In the Expense Distribution process, the matching University Retirement Contribution is developed using rates contained on the System Parameter Table (#s 133, 134,135, 141,142,143). If specific Bargaining Unit rates for employee deductions are implemented, the matching University Contribution should probably be adjusted (i.e., up or down) for these groups in order to maintain constant funding per unit of gross pay. Therefore, the University Retirement Contribution rates should also be maintained on the BRT (rather than as System Parameters)."

As of Release 1715, retirement rates for employee UCRP deductions were created in association with Bargaining Unit '00' on the Benefits Rates Table. In the event that unit-specific UCRP employee deduction rates are established, corresponding employer contribution rates may also need to be created. In this way, for processing under the current retirement program, PPS will be able to support several options as they relate to rate flexibility.

**Current Process:**

UCRP Employer contributions that are calculated in the Expense Distribution process are currently governed by rates that reside on the System Parameters Table. Currently, these entries are the following:

<b>Parameter No.</b>	<b>Value</b>	<b>Description</b>
133	0.0000	UCRS EMPLR CONTR
134	0.0000	UCRS FICA EMPLR CONT
135	0.0000	UCRS SAFETY EMPLR %
141	0.0000	UCRS TIER2 FICA
142	0.0000	UCRS TIER2 NOFICA
143	0.0000	UCRS TIER2 SAFETY

The benefits assessment for UCRP employer contributions in Expense Distribution is currently calculated without regard to employee-level collective bargaining code values.

**Proposed Process:**

This Service Request asks that the UCRP employer contribution assessment process be made collective-bargaining sensitive by moving the rates from the System Parameters Table to the Benefits Rates Table, and by modifications to Expense Distribution processing, as follows:

**1. Control Tables**

**1.1 System Parameters Table**

Update entries #133, 134, 135, 141, 142 & 143 by replacing the current descriptions with 'RESERVED-BASE', as follows:

<b>Parameter No.</b>	<b>Value</b>	<b>Description</b>
133	0.0000	RESERVED-BASE
134	0.0000	RESERVED-BASE
135	0.0000	RESERVED-BASE
141	0.0000	RESERVED-BASE
142	0.0000	RESERVED-BASE
143	0.0000	RESERVED-BASE

(Note that the values for these entries are currently '0.0000'.)

Attached is a completed form UPAY559 showing the requested changes. (Attachment 1)

**1.2 Benefits Rates Table**

1.2.1 The Control Table Update process must be modified to support the establishment of six new entries on the retirement rates portion of the table, as follows:

Line	Description	Rate
16	UCRP CON NOF	0.0000
17	UCRP CON W/F	0.0000
18	UCRP CON SAF	0.0000
19	TIER2 CN NOF	0.0000
20	TIER2 CON W/F	0.0000
21	TIER2 CN SAF	0.0000

1.2.2 Additionally, it is asked that the descriptions of entries on lines 01-04 and 12 be changed from 'UCRS' to 'UCRP'.

Attached is a completed Form UPAY676B showing the additional fields as 'add' transactions and the description modifications as 'change' transactions. (Attachment 2b)

## 2. Expense Distribution

### 2.1 Benefits Assessment Process

The program that reads the monthly PAR file and generates the expense distribution work file should be modified to obtain University Contribution rates from the Benefits Rates Table instead of the System Parameters Table. The following table shows the mapping of the old Parameters entries to the new BRT entries:

System Parameter	Description	BRT Line	Description
133	UCRS EMPLR CONTR	16	UCRP CON NOF
134	UCRS FICA EMPLR CONT	17	UCRP CON W/F
135	UCRS SAFETY EMPLR %	18	UCRP CON SAF
141	UCRS TIER2 FICA	20	TIER2 CN W/F
142	UCRS TIER2 NOFICA	19	TIER2 CN NOF
143	UCRS TIER2 SAFETY	21	TIER2 CN SAF

The logic that performs the calculations of benefits assessments should be modified to use the EBEUC and EBERC values retrieved from the PAR to query the BRT for the associated UCRP employer contribution rates. When the EBEUC = '99', or if no matching rate is found, then the BRT rates associated with default unit '00' should be used.

The expense distribution work file record created by this program should be populated with the values for the EBEUC (PAR2190) and EBERC (PAR2191).

## 2.2 Expense Distribution Reporting

Since the current PPP5302 report layout cannot accommodate the addition of any new fields, it is proposed that the program be modified to include the EBEUC and EBERC codes in the output file, but not to print them on the detail expense distribution report. For campuses that have developed local expense distribution reporting applications, they may choose to make modifications locally to display these fields.

No requirements for the modification of any printed reports are anticipated at this time.

## 3. Forms

### 3.1 UPAY676B

With the addition of retirement employer contribution entries to retirement portion of the Benefits Rates Table, the form UPAY676B (BENEFITS RATE TABLE – RETIREMENT II) must also be modified to reflect the additional new fields, as follows:

LINE NO.	RETIREMENT DESCRIPTION
16	UCRP CON NOF
17	UCRP CON W/F
18	UCRP CON SAF
19	TIER2 CN W/F
20	TIER2 CN NOF
21	TIER2 CN SAF

As previously described, it is asked that the descriptions of entries 01-04 and 12 be changed to use 'UCRP' instead of 'UCRS'. (See Attachments 2a and 2b for the mocked-up entries.)





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**BENEFITS RATE TABLE - RETIREMENT**  
 UPAY676A (R05/02) R1413

A /C /D	LINE NO.			RETIREMENT DESCRIPTION	RATE		B U C	R E P	S H C	D U C	EARNINGS EFFECTIVE DATE						
	1	2	3		4	6					7	8	23	31	61	62	63
C	14	RTR	01	UCRP NO FICA													
C	14	RTR	02	UCRP FICA OV													
C	14	RTR	03	UCRP FICA UN													
C	14	RTR	04	UCRP SAFETY													
	14	RTR	05	UCRP-DCP UN													
	14	RTR	06	UCRP-DCP UE+													
	14	RTR	07	UCRP-DCP UE-													
	14	RTR	08	UCRP-DCP SAF													
	14	RTR	09	CORE LI RATE													
	14	RTR	10	LI BEN RATE													
	14	RTR	11	UC-TD RATE													

CHANGE UCRS TO UCRP

PREPARED BY:	DATE	APPROVED BY:	DATE



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**BENEFITS RATE TABLE - RETIREMENT II**  
 UPAY676B (R07/06) R1715

Attachment 2b  
 Revised 02/22/07

A /C /D				LINE NO.			RETIREMENT DESCRIPTION	RATE		B U C	R E P	S H C	D U C	EARNINGS EFFECTIVE DATE				
	1	2	3	4	6	7		8	10					21	23	31	61	62
C	14	RTR	12				UCRP DCP CAS											
	14	RTR	13				SS DCP DED %											
	14	RTR	14				SS DCP CON %											
	14	RTR	15				REGNTS REDCT											
A	14	RTR	16				UCRP CON NOF			0.0000								
A	14	RTR	17				UCRP CON W/F			0.0000								
A	14	RTR	18				UCRP CON SAF			0.0000								
A	14	RTR	19				TIER 2 CN NOF			0.0000								
A	14	RTR	20				TIER 2 CON W/F			0.0000								
A	14	RTR	21				TIER 2 CN SAF			0.0000								
	14	RTR	22															

CHANGE UCRS TO UCRP  
 ADD RATES REMOVED FR SYSTEM PARAMETERS  
 TABLE

PREPARED BY:	DATE	APPROVED BY:	DATE