

Release 1769

**Service Request 81769
OPEB Reporting Process Modifications**

Detail Design

June 13, 2007
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Introduction

Service Request 81769 includes the following background:

“In July 2007, the University will establish the OPEB Trust in response to the Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The University is required to record in its financial statements and to report in its footnotes regarding post employment benefits other than pensions. Other Postemployment Benefits generally includes medical, dental, and vision insurance, and other health benefits. The reporting changes are required for the fiscal year 2007-08, with restatements for the fiscal year 2006-07, if appropriate.

The GASB has taken the position that pension benefits including OPEB are part of the compensation earned by employees each year, although the employees do not receive these benefits until retirement. The University currently provides medical and dental benefits to its retirees; therefore the cost of these future benefits is part of the cost of providing services today. Among other matters, the Statement requires the University to record as an operating expense the actuarially determined, accrued annual cost of providing OPEB to employees. It also requires the University to record the accrued liability of its OPEB program.

The University must identify the annual OPEB costs and the outstanding obligations for the University as a whole and has developed a financial reporting approach for each separate reporting segment and affiliated entity participating in the University’s OPEB program.”

Service Request 81769 requests the following OPEB Reporting Process Modifications to the Payroll/Personnel System (PPS)

“During each payroll computation process, a new routine should calculate the estimated OPEB Assessment amount for that check write. The estimated OPEB Assessment amount should be debited automatically to the campus liability account and credited to a specific account assigned by HR/B Financial Services through the campus financial control. Campuses should then transmit the amounts in a single file to OP. EIA and HR/B Financial Services should have access to the file for their reporting use.

At the end of the Distribution of Payroll Expense process, a reconciliation of each estimated OPEB Assessment amount collected from each payroll compute for the expense period should be compared and balanced to the total amount assessed and reflected in the Distribution of Payroll Expense.”

Processing Overview

Summary of Modifications:

1. The control table System Messages Table (08) will be updated for the new error conditions for PPP520 and PPI735 programs.
2. New dual use Employer's OPEB and Benefit Administration calculation routine PPBENOPB will be written to calculate the OPEB and Benefit Administration benefits for the employee. It will get the OPEB Rate (parameter 126) and Benefit Admin Rate (parameter 128) from the PPPPRM parameter table. It will check the employee's DOS indicators and retirement code for the eligibility of the employee for the OPEB and Benefit Admin benefits before computing the benefit amounts using the benefit rates and the input gross salary. It will use a new linkage copy member CPLNKOPB to interface with the calling program.
3. The dual use edit routine PPEXPTLA and expense distribution batch program PPP520 will be changed to call the new OPEB and Benefit Administration benefits calculation program PPBENOPB with the input employee benefit details in the linkage copy member CPLNKOPB. They will check for errors provided by PPBENOPB program in the linkage copy member CPLNKOPB before moving the computed benefit amounts.
4. A new batch program PPI735 will be written for the Benefit Transaction Generation and Adjustment Process in the compute and month end mode.
5. A new UPAY form will be produced for the specification card of the new program PPI735.

Program Changes

PPBENOPB

PPBENOPB is a new dual use Employer's OPEB and Benefit Administration calculation routine that will calculate the OPEB and Benefit Administration benefits for the employee. It will get the OPEB Rate (parameter 126) and Benefit Admin Rate (parameter 128) from the PPPPRM parameter table. It will check the employee's DOS indicators and retirement code for the eligibility of the employee for these benefits before computing the benefits using the benefit rates and the input gross salary. It will use a new linkage copy member CPLNKOPB to interface with the calling program.

This program will contain the following logic:

1. It gets the OPEB Rate (parameter number 126) and Benefit Administration Rate (parameter number 128) from the PPPPRM control parameter table during the first call of this program and stores them to access for the benefit amount calculation for the whole run.
2. The following conditions are checked to verify that the current employee is eligible for OPEB and Benefit Administration benefits or not:
 - a. The input Retirement Plan Code must be other than **blank** or 'N' or 'H',
 - b. The input DOS Distribution Priority Code must be other than **zero**,
 - c. The input DOS UCRS Gross Indicator must not be **zero** when DOS PERS Gross Indicator is **zero**, and
 - d. The input DOS PERS Gross Indicator must not be **zero** when DOS UCRS Gross Indicator is **zero**.

The above calculation is now consistent across all the calls to this program. If the employee is not eligible for the benefits, then further computation is bypassed (go to step 4).

3. The OPEB Amount is calculated to be the multiplication of the input Gross Amount and the OPEB Rate (Parameter 126) after rounding the resultant amount to the nearest cent. The Benefit Administration Amount is calculated to be the multiplication of the input Gross Amount and the Benefit Administration Rate (Parameter 128) after rounding the resultant amount to the nearest cent.
4. Return to the calling program with the output values in the linkage copy member CPLNKOPB.

PPEXPTLA

PPEXPTLA is the routine called from CICS or batch programs to edit Leave Transfer transactions (TL) and compute the various benefits associated with the vacation leave details. It returns the results to the edit routine PPEXPTRN that creates E1, E2, and E3 records.

PPEXPTLA program will be modified to call PPBENOPB to calculate the OPEB and Benefit Administration Amounts.

PPP520

PPP520 is the expense distribution program, which calculates the amounts that are to be distributed to different accounts.

PPP520 will be modified to call PPBENOPB to calculate the OPEB and Benefit Administration amounts for both normal expense processing and expense transfer processing.

PPI735

PPI735 is a new program for the benefit transaction generation and adjustment process based on the Payroll Audit file (PAR) data produced after each compute. In addition, this program will be used to produce the month end processing using the expense distribution transactions and the output records from each compute run.

Program PPI735 runs in the compute and month end mode.

This program will contain the following logic:

1. Opens the output **report file** and moves initial values to the standard report headings.
2. Opens the input **specification card file**, reads the first record, checks the mode (mode should be compute or month end) of the run, and closes the input file. It issues error message if any error found (possible errors: not valid program ID, no specification card, or not a valid mode) and further processing is bypassed (go to step 15).
3. Opens the output **Campus GL file** to write '53' type transactions (record length 102) and the **UCOP GL file** to write '56' type transactions (record length 87).
4. If the mode is **Month End** then go to step 12.
5. Opens the **PAR file** and gets the first PCR header record. The PCR Pay End Date, PCR Check date and the first occurrence of the PCR Cycle Type are stored for further use in the reports. In addition, it formats the current record (OPEB amount zero at this time, Campus location taken from XPAR-CAMPUS of first employee PAR) to write to the output **OPEB Hold file** in the format shown in Appendix D. If no PCR records found (End of file), no employee PARs found (only PCR records), or more than one PCR record found (merged PARs), then further processing is bypassed (go to step 15).
6. **OPEB Hold file** stores the accumulated OPEB benefit amount for each Pay Period End Date and Cycle Type of a compute (record layout in Appendix D). Program PPI735 opens the input **OPEB Hold file**, read all the records in this file into the working storage table, match the Pay Period End Date / Cycle Type of each record with the record produced from the PCR header above (step 5). If a match is found (duplicate compute run), then further processing is bypassed (go to step 15).
7. For each PAR record read from the PAR file, until the end of the PAR file, program PPI735 calls the new benefit calculation program PPBENOPB to compute the employer's OPEB contribution, and accumulates the OPEB / Retirement Gross amounts.

8. Opens the output **OPEB Hold file** and writes the current accumulated OPEB Hold record with the accumulated OPEB benefit amount. In addition, it writes all the input OPEB Hold records stored into the working storage in step 6.
9. Formats '53' type GL transactions (**debit** campus liability account **115589** and **credit** financial control account **119500**) for the accumulated OPEB amount and writes into the **Campus GL file**. This file will be empty if the accumulated OPEB amount is zero.
10. Formats '56' type GL transactions (**debit** E FAU Accounts shown in Appendix A and **credit** E FAU accounts shown in Appendix B) for the accumulated OPEB amount and writes into the **UCOP GL file**. These GL transactions are always written even if the accumulated OPEB amount is zero.
11. Reports accumulated OPEB amount (with gross amount and OPEB rate) into the report file in the format shown in Appendix C and further processing is bypassed (go to step 15).
12. Opens the **EDW (Expense Distribution Work) file**, reads **all** the EDW **header** records, formats the EDW OPEB Hold record (same format as in Appendix D) except the OPEB amount, and holds them in the EDW OPEB hold working storage array. If no EDW header records found (End of file) or no employee EDW record found (only Header records), then further processing is bypassed (go to step 15).
13. Opens the input **OPEB Hold file**, reads all the records in this file and matches the Pay Period End Date / Cycle Type of each record with all the records produced from the EDW header above (step 12). All the matched records is stored into the OPEB Hold working storage array and the unmatched records will be written into the output OPEB Hold file (open it for the first record). If the number of input OPEB Hold matched records is not equal to the number of EDW Header records (Per compute run did not run for PAR file(s)), then further processing is bypassed (go to step 15).
14. For each EDW record read from the EDW file, until the end of the EDW file, program PPI735 accumulates the OPEB amount (SKL and VAC are excluded). A header record will be written as the first record of the **UCOP GL file** (format in Appendix E).

If the accumulated amount is same as the total amount of all the matched input OPEB Hold record's OPEB amount, then GL transactions are written only into the **UCOP GL file** with zero amount and further processing is bypassed (go to step 15). Otherwise, the difference is written into the **Campus GL file** and **UCOP GL file** in the same format as steps 9 and 10. Reports accumulated OPEB amount (from Month End accumulation and OPEB Hold records) into the report file in the format shown in Appendix F.

15. Program closes all the opened files, abends the program if necessary, and stops the run.

Copylib Members

CPLNKOPB

CPLNKOPB is a new copy member, which defines the linkage between program PPBENOPB and PPEXPTLA / PPP520 / PPI735 modules.

It has an input area to accept Retirement Plan Code, DOS Distribution Priority Code, DOS UCRS Gross Indicator, DOS PERS Gross Indicator, and Gross Amount.

It has an output area to send OPEB Amount, Benefit Administration Amount, Return Code, and a Failure Text to log additional information about the error if the Return Code is not zero.

In addition, it has a rate area to save the OPEB and Benefit Admin rates that are retrieved from the PPRM table by program PPBENOPB during the first call.

Control Table Updates

System Messages Table (PPPMSG)

The following Error Messages will be used while calculating OPEB and Benefit Admin contribution amounts.

The following message will be **added** into System Messages table (PPPMSG):

```
A08525410113 33OPEB AND BENEFIT ADMINISTRATION CONTRIBUTIONS ARE NOT CALCULATED
A087350101 5 9 OPER - INPUT SPECIFICATION FILE IS EMPTY
A08735020115 9 INVALID SPEC IDENTIFIER; MUST BE "PPI735-SPEC"
A08735030115 9 INVALID SPEC RUN MODE; MUST BE COMPUTE (C) OR MONTH END (M)
A087350401 5 9 OPER - INPUT PAR FILE IS EMPTY
A087350501 5 9 OPER - INPUT PAR CONTAINS NO EMPLOYEE RECORDS
A087350601 5 9 OPER - INPUT PAR CONTAINS MORE THAN ONE 'PCR' HEADERS
A087350701 5 9 INPUT PAR FILE WAS PROCESSED ALREADY (DUPLICATE PER COMPUTE RUN)
A087350801 5 9 OPER - INPUT EXPENSE DISTRIBUTION WORK (EDW) FILE IS EMPTY
A087350901 5 9 OPER - INPUT EXP. DIST. WORK (EDW) FILE CONTAINS ONLY HEADERS
A087351001 5 9 EDW HEADER(S) DID NOT MATCH WITH INPUT OPEB HOLD FILE RECORD(S)
A087351101 5 9 CALL TO OPEB CALCULATION PROGRAM 'PPBENOPB' IS FAILED
```

Bind Members

PPP350

Program PPBENOPB will be added to the PPP350 bind member.

PPP380

Program PPBENOPB will be added to the PPP380 bind member.

PPP450

Program PPBENOPB will be added to the PPP450 bind member.

PPP520

Program PPBENOPB will be added to the PPP520 bind member.

PPI735

A new bind member will be created for the new program PPI735.

PPBENOPB

A new bind member will be created for the new program PPBENOPB.

UPAY Forms

A new UPAY form UPAY926 will be created for the new program Specification Card.

APPENDIXES

Appendix A

Campus Financial Control Accounts for OPEB Assessment Transactions

Campus	Location Number	Financial Control Account
Berkeley	1, J	E-119510-90010
San Francisco	2, K	E-119520-90020
Davis	3, L	E-119530-90030
Los Angeles	4, M	E-119540-90040
Riverside	5, N	E-119550-90050
San Diego	6, O	E-119560-90060
Santa Cruz	7, P	E-119570-90070
Santa Barbara	8, Q	E-119580-90080
Irvine	9, R	E-119590-90090
Merced	10, S	E-119591-90091

Appendix B

Account/Fund	Type	Title
E-115101-69996	Liability	CL-Payable to OPEB Trust-ER-BK
E-115102-69996	Liability	CL-Payable to OPEB Trust-ER-SF
E-115103-69996	Liability	CL-Payable to OPEB Trust-ER-DV
E-115104-69996	Liability	CL-Payable to OPEB Trust-ER-LA
E-115105-69996	Liability	CL-Payable to OPEB Trust-ER-RV
E-115106-69996	Liability	CL-Payable to OPEB Trust-ER-SD
E-115107-69996	Liability	CL-Payable to OPEB Trust-ER-SC
E-115108-69996	Liability	CL-Payable to OPEB Trust-ER-SB
E-115109-69996	Liability	CL-Payable to OPEB Trust-ER-IR
E-115110-69996	Liability	CL-Payable to OPEB Trust-ER-MR

Appendix C

Standard Report Headings
 Location: X

Estimated Accumulated OPEB Assessment by Pay Date XXXX/XX/XX (MO, MA, BW, SM, or XX)

Accumulated Retirement Gross: XXX,XXX,XXX.XX

ER OPEB Assessment Rate: X.XXXX

Calculated Estimated ER OPEB Assessment Amount: XXX,XXX,XXX.XX

Appendix D

OPEB Hold File Format

This file stores one record each for a compute run of the program PPI735.

Position	Length / Format	Field Description	Comments
1-10	10	Hold Pay Period End Date	Pay period end date of the compute stored in CCYY/MM/DD format.
11-12	2	Cycle Type	The first occurrence of the cycle type from the first PCR header record of the PAR.
13-17	5	OPEB accumulated Amount	All the OPEB amount calculated for a compute is accumulated and stored in S9(7)V99 COMP-3 format.
18-19	2	Campus Location	
20-29	10	Hold Check Date	Check date of the compute stored in CCYY/MM/DD format.
30-50	21	Filler	

Appendix E

UCOP Month-End GL Header Record Format

Position	Length / Format	Field Description	Comments
1-2	2	GL Header Constant	The value is always 'HD'.
3-4	2	GL Campus Location	
5-10	6	GL Month End Date	End of the month date.
11-12	2	GL Cycle Type	The value is always 'XX'.
13-87	75	Filler	

Appendix F

Standard Report Headings
Month-End Accumulated OPEB Assessment
Location: X

	115586	Estimated ER Contribution
Accumulated OPEB Assessment Amount:	XXX,XXX,XXX.XX	
Pay Date: XXXX/XX/XX - Monthly Current		XX,XXX,XXX.XX
Pay Date: XXXX/XX/XX - Monthly Arrears		XX,XXX,XXX.XX
Pay Date: XXXX/XX/XX - Biweekly		XX,XXX,XXX.XX
Pay Date: XXXX/XX/XX - Biweekly		XX,XXX,XXX.XX
Pay Date: XXXX/XX/XX - Biweekly		XX,XXX,XXX.XX
Pay Date: XXXX/XX/XX - Semi-monthly		XX,XXX,XXX.XX
Pay Date: XXXX/XX/XX - Semi-monthly		XX,XXX,XXX.XX
Pay Date: XXXX/XX/XX - Supplemental		XX,XXX,XXX.XX
Total OPEB Assessment:		XXX,XXX,XXX.XX