

Release 1785

**Service Request 81962
Remove Shift from MCB Calculation**

Detail Design

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Introduction

Service Request 81962

Service Request 81962 asks for the removal of differentials (such as shift) from the Medical Contribution Base (MCB) calculation, which occurs in EDB update and maintenance processes and in the annual Benefits Premium Audit process (PPP570). In addition, the service request asks for a one-time process that will update the EDB with a recalculated next year MCB (originally calculated by PPP570 in January 2007), using the lower of a recalculated next year MCB from the 2006 Year End EDB and the current EDB.

Overview of PPS Modifications

One-time Recalculation Process

The MCB that will be used for 2008 premiums is MCB – Next Year (EDB 0290). This value was set by the January 2007 run of PPP570, and was set as needed by PPEI720 during EDB updates for employees newly eligible for benefits since then.

The one-time recalculation process will consist of:

- a one-time extract from the 2006 YE EDB with a recalculated next year MCB (PPO1785A – run 1)
- a one-time extract from a current EDB with a recalculated next year MCB (PPO1785A – run 2)
- a one-time update of the MCB – Next Year on the current EDB with the lowest non-zero value of the two extracts produced above (PPPO1785B).

EDB File Maintenance Process

The EDB File Maintenance Process will be modified to not include differentials in the calculation of MCBs (PPEI720).

Benefits Premium Audit

The Benefits Premium Audit process (PPP570) will be modified to not include differentials in the calculation of MCBs.

Programs

One Time Programs

PPO1785A

This one-time program will be developed to create an extract file of recalculated next year MCBs. It will be based on the one-time program developed for the analysis of the MCB issue (PPOT1767). It will have a parameter file that will contain a date to use to determine which distributions are current. This program will be run twice – once to create an extract file of recalculated MCBs from the 2006 Year End EDB, and once to create an extract file of recalculated MCBs from a current EDB.

An employee will be selected if the Benefits Eligibility Level Indicator (BELI, EDB 0360) is 1, 2, 3, or 4. All processing requiring an effective date will use the effective date from the parameter file.

For each employee, all appointments will be selected. For each appointment, the distributions are selected if the distribution begin date is less than or equal to the effective date and the distribution end date is greater than or equal to the effective date. In addition, the distribution DOS code must have the insurance benefits indicator set to 'Y' and the distribution DOS code

itself must not be one of the START reduction DOS codes (copy member CPWSTART). An annualized pay rate will be calculated for the distribution and categorized as:

- regular, if the pay category is 'N' and the hours code is 'R' OR if the pay category is 'S' and the time code is '1'; only the highest amount is stored (no accumulation)
- add-on, if the pay category is 'N' and the hours code is blank OR if the pay category is 'S' and the time code is '9'; these amounts are accumulated
- differential, if the pay category is 'D' OR the pay category is 'S' and the time code is '8'; only the highest amount is stored (no accumulation)

The annualized amount is first calculated as

- distribution pay rate * 12 if the appointment pay schedule is 'MO' or 'MA' and the rate code is 'A' or 'B'
- distribution pay rate * 24 if the appointment pay schedule is 'SM' and the rate code is 'A' or 'B'
- distribution pay rate * 26 if the appointment pay schedule is 'BW' and the rate code is 'A' or 'B'
- distribution pay rate * working hours per year if the rate code is 'H'

The annualized amount is then adjusted as

- annualized amount * DOS total gross indicator * DOS factor if the DOS calculation process is '02'
- annualized amount * DOS total gross indicator if the DOS calculation process is '01' or '03'

The old-style total annualized base is calculated as the sum of the regular, add-on, and differential amounts, divided by 1000; it is included for reference purposes only.

The modified annualized base is calculated as the sum of the regular and add-on amounts, divided by 1000.

Both the old-style and modified MCBs are examined to ensure that the proper rounding occurs during the division of the total annualized amounts by 1000 (cent values of .01 through .99 are treated as .00, and dollar values of 1.00 through 999.00 are treated as 1000.00). If the total annualized amount is greater than or equal to 999,001, the MCB is set to 999. If the employee has no current distributions, the MCB defaults to zero.

PPO1785B

This one-time program will be developed to update the EDB with the lowest possible next year MCB. It will update the EDB in place and create an EDB change file for use by PPP180; it will also create a tab-delimited electronic reporting file. It will have a parameter file that will allow an UPDATE mode and a REPORT mode; both modes will produce all of the output files, but the UPDATE mode is the only one that will actually update the EDB.

The parameter file will be validated for the parameter file ID and the UPDATE or REPORT (or blank) mode.

The two extract files from the two runs of PPO1785A will be merged into one work file; there will be one record for every employee who is in either of the two files. If the employee is in one file but not the other, the next year MCB values for the missing data in the work file are set to zero. An employee may be missing from an extract file if the employee was not yet on the EDB, or was not yet eligible for benefits (BELI was not 1, 2, 3, or 4).

An employee will be selected from the EDB for processing if the BELI code is 1, 2, 3, or 4.

If the employee is selected, and is in the work file, the employee will be reported; the EDB will be updated with the lower of the two next year MCB values in the work file (if it is lower than the current EDB value and is not zero).

If the employee is selected from the EDB, but is **not** in the work file, the employee will be reported and will not be updated.

If the employee is **not** selected from the EDB, but is in the work file, the employee will be reported (with blank or zero values in place of data from the EDB) and will not be updated.

If the employee is **not** selected from the EDB, and is **not** in the work file, the employee will be bypassed.

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New and Modified Programs

PPEI720

PPEI720 will be modified to separate the MCB calculation from the GLI and EPD salary base calculations; the MCB calculations will not include differentials.

PPP570

PPP570 will be modified to separate the MCB calculation from the GLI, UC-paid life, and EPD salary base calculations; the MCB calculations will not include differentials.

Bind Members

One-Time Binds

PPO1785A

This plan bind will be created for one-time program PPO1785A.

PPO1785B

This plan bind will be created for one-time program PPO1785B.

JCL Changes

PPO1785A

Sample JCL will be provided for one-time program PPO1785A for two runs with different effective dates.

PPO1785B

Sample JCL will be provided for one-time program PPO1785B