

Created on: October 23, 2008  
Revised on: December 10, 2008

**SR82395 Requirements**  
**Expand MCB Proration Calculation**

**Objective:**

Modify the current MCB calculation process in PPS that prorates the annualized distribution pay amount by removing the restriction to the 'IX' bargaining unit.

**Project Type:**

Modification to an existing process

**Requested by:**

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**Analyst:**

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**Due Date:**

The requested modification is date mandated.

This change must be in place for the January 2009 run of the Benefits Premium Audit so that the MCB-Next Year (affecting 2010 premiums) is calculated using the modified logic.

## **Background**

Release 1808 dated March 12, 2008 changed the way the Medical Contribution Base (MCB) is calculated for lecturers in the IX bargaining unit who are paid over either 9 months or 10 months. Done at the request of UAW, the modification was intended to address the assertion that these employees paid disproportionately higher premiums.

Health and Welfare Policy has since determined that all academic employees paid over 9 or 10 months – regardless of bargaining unit – are entitled to the special proration in the calculation of the MCB that has been applied to ‘IX’ lecturers.

## **Current Process**

During the Annual Benefits Premium Audit, EDB Explicit Maintenance, EDB Monthly Periodic Maintenance and Daily Maintenance for Web/IVR processes, the MCB calculation prorates the annualized distribution pay amount if that distribution is associated with an appointment that is:

- IX Covered
- Has an Academic Pay Period Code of ‘1’

The calculated annualized distribution pay amount is then prorated according to the following formula:

- For campuses on the quarter system, multiply the amount by 75%
- For campuses on the semester system, multiply the amount by 83.33%

## **Proposed Process**

In order to extend the special proration calculation to all 9- and 10-month academic employees, it is proposed that the logic be modified by the elimination of the condition that restricts it to the ‘IX’ covered unit. Since titles that are paid at the 1/9 or 1/10 rates are academic, the condition pertaining to the academic pay period code value of ‘1’ should still apply.

## **Requirements**

### **1.0 Annual Benefits Premium Audit (PPP570)**

MCB calculations should be modified such that the proration of the annualized distribution pay amount is performed if that distribution is associated with an appointment that meets the following criteria:

- Academic Pay Period Code (TCT2190) associated with the appointment title code = ‘1’

In other words, the current conditional statements that refer to Appointment Representation Code (EDB2031) value of 'C' and the Title Unit Code (EDB2029) of 'IX' should be removed.

## **2.0 EDB Explicit Maintenance**

MCB calculations should be modified as described in Section 1.0 above.

## **3.0 EDB Monthly Periodic Maintenance**

MCB calculations should be modified as described in Section 1.0 above

## **4.0 Daily Maintenance for Web/IVR Transactions**

MCB calculations should be modified as described in Section 1.0 above

### **Timing**

This change is to be effective on a prospective basis; that is, no recalculations of existing MCB-Current Year and MCB-Next Year values are necessary. It is required, however, that the new logic be exercised with the January 2009 run of the Benefits Premium Audit.