

Created on: June 10, 2009
Last Modified on: June 18, 2009

SR82628 Requirements Executive Salary Reduction Program, Fiscal Year 09-10

Objective:

The goal of this project is to reduce identified executive salaries by 5% for the fiscal year 2009-2010.

Project Type:

This is a request for new DOS codes, a budget initiative flag, and other PPS modifications to enable processing of voluntary executive salary reductions in PPS.

Requested by:

Mike O'Neill, Payroll Coordination

Analyst:

Business analyst: Shaun Ruiz, Payroll Coordination

Business analyst: Jennifer Damico, HR&B ISS

Requirements analyst: Beth Burkart, IR&C

Urgency:

This change is date mandated. Changes must be in effect for July 2009 earnings.

Implementation Deadline:

Changes must be in place in order to impact the July 2009 earnings for identified employees paid monthly.

Statement of Business Need:

The University of California has authorized an executive salary reduction program as a cost-saving measure in response to cuts in state funding. Effective with July 2009 earnings, a voluntary 5% salary reduction program will go into effect for a specified group of senior managers.

It is anticipated that salaries affected by this reduction program may be restored to pre-reduction levels at the end of this salary reduction program.

This salary reduction program has the following provisions:

- Highest Average Plan Compensation (HAPC) in UCRS will not be affected.
- Employees must accrue, on a month by month basis, UCRP service credit for each month at the rate accrued prior to commencement of the salary reduction program.
- Employees must accrue, on a month by month basis, vacation and sick leave credits at the rate accrued prior to the commencement of the salary reduction program.
- UC health and welfare, retirement, disability or survivor benefits should not be affected by the salary reduction program.

Participation in the salary reduction program will not change the applicability of layoff or termination policies consistent with the employee's regular appointment.

Background:

On 5/29/09, President Yudof announced a 5% pay cut for senior UC leaders – the President, all Executive and Senior Vice Presidents, the General Counsel and Vice President-Legal Affairs, all Chancellors, and all Executive Vice Chancellors. This voluntary pay cut is in response to the budget challenges currently facing the University. These pay cuts will be effective for the 2009-10 fiscal year, at the end of which they will be reviewed.

Current Process:

Not applicable.

Proposed Process:

Two new DOS codes will need to be established in PPS to support this salary reduction program, one related to Regular pay and one related to Stipends. The proposed mechanism for the salary reduction is similar to the START mechanism, in which a new distribution is established with a naturally-negative DOS code that will reduce the employee's earnings, but in this case the rate (rather than the time) will reflect the reduction.

Similar to START, a new Budget Initiative Flag of "SR" for "Salary Reduction" will be added in order to identify records with these new DOS codes for UCRS purposes.

Similar to START, new FCP DOS codes will be used for the new DOS codes, in order to support the corporate accounting process.

The retroactive rate process should be modified so that transactions with these new DOS codes are recognized as being “negative,” as was done with START.

The existing “43 – Change in Rate – Other” distribution-level Personnel Action Code will be used when the new distributions are added to the EDB.

Processing Considerations:

There may be an impact on UCRS, CPS and Web Merit. Web Merit impacts will be addressed in SR82601 (upcoming).

1.0	Overview of Modifications	5
2.0	Control Table Updates.....	5
2.1	DOS Code Table.....	5
3.0	EDB Maintenance	6
3.1	EDB Explicit Maintenance	6
3.1.1	Life Insurance Salary Base Calculation.....	6
4.0	Compute Process Changes	6
4.1	Online Compute Processing.....	6
4.1.1	On-line Rush Checks	6
5.0	Interface Files.....	6
5.1	Corporate Interface Files.....	6
5.1.1	UCRS	6
5.1.2	CPS	6
6.0	Other Processes	6
6.1	Retroactive Adjustments.....	6
	Attachment A - UPAY 650 – Description of Service Table	7
	Attachment B – UCRS File Layout.....	8

System Requirements:

1.0 Overview of Modifications

This request is for two new DOS codes to facilitate implementation of a 5% voluntary salary reduction for the selected senior executive population. In addition, a new Budget Initiative Flag of “SR” will be used to identify these records for the purpose of the UCRS interface. New FCP DOS codes will be used for the purpose of the CPS interface.

Updates to the EDB records of this population are outside the scope of this request, and will be handled manually.

- Control Table Updates:
 - DOS Code Table updates to add two new DOS codes that will provide the mechanism for reducing the employee’s pay. Attributes for these new DOS codes will include new FCP DOS codes.
- EDB Data Elements: No impact
- CICS Modifications: No impact
- Web Modifications: Possible Web Merit impacts will be addressed in SR82601.
- One-time Processes: No one-time processes
- EDB Maintenance: Explicit Maintenance is impacted.
- History Process: No impact
- Compute Process: No impact – testing will be needed.
- Distribution of Expense: No impact
- Consolidated Billing and Self-Billing: No impact
- Interface Files: Impact to UCRS interface – a new Budget Initiative Flag.
- Tax Processing: No impact
- Forms: No impact
- Other Processes: The Retroactive Adjustment process is impacted.
- Reporting and Notification: No impact

2.0 Control Table Updates

Two new DOS codes should be added to the DOS Code table.

2.1 DOS Code Table

The following DOS codes should be added to the DOS Code table:

DOS Code	Description
SRB	Salary Reduction – Base (Sal Red Base)
SRS	Salary Reduction – Stipend (Sal Red Stp)

See Attachment A for the UPAY form specifying the attributes of the new DOS Codes.

3.0 EDB Maintenance

3.1 EDB Explicit Maintenance

3.1.1 Life Insurance Salary Base Calculation

The process that performs consistency edits and maintenance on the UC-paid life insurance fields should exclude these new DOS code(s) when calculating life insurance salary base.

4.0 Compute Process Changes

The compute process should be tested to make sure these changes have the desired effect.

4.1 Online Compute Processing

4.1.1 On-line Rush Checks

The on-line rush check process should be tested.

5.0 Interface Files

There is an impact to the UCRS interface file. The CPS interface should be tested, since new FCP DOS codes will be used. There is no impact to government interface files or carrier interfaces.

5.1 Corporate Interface Files

5.1.1 UCRS

When the UCRS Payroll Activity File is created, distribution entries having the new SRB and SRS DOS codes should display a Budget Initiative Flag value of "SR" for "Salary Reduction." These records will be screened out of UCRS so that service credit and HAPC (Highest Average Plan Compensation) will not be impacted. Attachment B contains changes to the comments section of the Budget Initiative Flag field in the UCRS file layout

5.1.2 CPS

Currently, PPS produces the Distribution File for the Corporate Personnel System (CPS). A Distribution record is created for each distribution on the current month's PAR File if the PAR transaction is not for a Stop Payment or Unclaimed Check. If the distribution is associated with a DOS Code of 'SRB', the Distribution record will contain a value of 'DB' for the FCP Code, and if the distribution is associated with a DOS Code of 'SRS', the Distribution record will contain a value of 'DS' for the FCP Code. No programming changes are required. Existing logic searches for the appropriate FCP Code using the distribution's DOS Code as the key. If found, the FCP Code is moved to the Distribution record. Testing should be performed to make sure the appropriate data is being included in the CPS file.

6.0 Other Processes

6.1 Retroactive Adjustments

The process that handles retroactive adjustments should clear the RA Sign field when the RA DOS Code on the RA transaction is related to one of the new DOS codes set up for this reduction program (as was done for the START DOS codes in Release 1517).

Attachment B – UCRS File Layout

UCRS Transaction File Layout (PPI730) Service request 82628				
Service Credit Segment				
Relative Position	Length/Format	Field Description	Data Element #	Comments
1	1	Segment Type Code		'S' for Service Credit
2 – 6	5	Title Code		From PAR
7 – 14	8 ccyymmdd	Pay Period End Date		From PAR
15	1	Safety Code		'N' – Non-safety 'S' – Safety
16	1	Pay Cycle		'B' – Biweekly 'S' – Semi monthly 'M' – Monthly
17	1	Coverage Indicator		
18	1	Retroactive code		'0' – Normal current activity distribution '1' – Hours not to be included in service credit for retroactive distribution '2' – Hours should be included in service credit for retroactive distribution
19 – 23	5 S999V99 Hours S9V9999 Percent	Hours or Percent Time Worked		
24	1	Rate Code		'S' – Salaried amount 'H' – Hourly amount 'B' – By agreement amount
25 – 31	7 S9(5)V99	Covered Gross		
32-38	7 S9(5)V99 Salary S9(3)V9999 Hourly	Salary or Hourly Rate		
39	1	Med Comp Indicator		
40	1	Partial Year Indicator		Valid values are: 'blank', A, , B, C, D, E, and F
41-42	2	Title Unit Code		Collective Bargaining Unit to which the Title Code belongs
43	1	Appointment Representation Code		'C' – Covered 'S' – Supervisor (uncovered) 'U' – Uncovered
44 – 45	2	Budget Initiative Flag		Valid values are: 'TR' (Time reduction), 'SR' (Salary Reduction) or blank
46 – 63	18	Filler		Spaces