



UC HR/BENEFITS - INFORMATION SYSTEMS SUPPORT

SR83280

SERVICE REQUEST
UIRC 160ISS (R 01/00)

DATE 02/18/11	DATE/CYCLE DUE 01/01/12	ESTIMATE REQUIRED? <input type="checkbox"/> YES <input type="checkbox"/> NO
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PERSON AUTHORIZING REQUEST: Jennifer Damingo Murphy	SYSTEMS CONTACT: Kenneth Smith
DEPARTMENT: HW PLN	RECHARGE NO.: 0755
REQUESTOR: Michael Baptista	SYSTEMS/FILES/PROGRAMS: PAYROLL

RETRIEVAL/SYSTEM MODIFICATION: (Description of Request)
Stop Benefits on Last Day of Separation Month in PPS

PRODUCTION RUN			
SYSTEM	EFFECTIVE DATE OF INFORMATION	TYPE OF RUN <input type="checkbox"/> RERUN <input type="checkbox"/> ADD'L	TYPE OF OUTPUT <input type="checkbox"/> REPORT <input type="checkbox"/> EXTRACT FILE <input type="checkbox"/> LABELS

RETRIEVAL/PRODUCTION RUN
DISTRIBUTION OF OUTPUT INSTRUCTIONS: (FOR RETRIEVAL REQUESTS, INCLUDE LONG TERM FILE RETENTION INSTRUCTIONS IF APPROPRIATE)

IR&C USE ONLY								
<input type="checkbox"/> R	<input type="checkbox"/> NR	<input type="checkbox"/> IM STAFF	TO:	<input type="checkbox"/> RET	<input type="checkbox"/> CORP SYS	<input type="checkbox"/> M&O	<input type="checkbox"/> PAYROLL	<input type="checkbox"/> PRODUCTION CONTROL
DATE RECEIVED	REVISED DUE DATE	DATE COMPLETED	COMPLETED BY	COMPUTING TIME/CHARGES	STAFF TIME/CHARGES	BILLING NO	JOB NAME	
COMMENTS:								
ESTIMATE INFORMATION		COMPLETION DATE	STAFF HOURS	ESTIMATED COSTS COMPUTING COSTS		ESTIMATED TOTAL COSTS		
			\$	\$		\$		

APPROVAL TO PROCEED BASED ON ESTIMATE		KIRN II
	(SIGNATURE)	(NAME, TITLE, ADDRESS)

Created on: February 28, 2011
Last Modified on: March 2, 2012

SR83280 Requirements End Benefits Last Day of Separation Month

Objective:

Achieve a reduction in Health & Welfare Benefits Costs by ending medical, dental, vision and legal coverage on the last day of the separation month rather than the last day of the following month. For consistency and ease of administration, end employee paid Life Insurance and AD&D as well.

Project Type:

Modification to PPS EDB Maintenance, Compute, Bargaining Unit Table and a one-time process.

Requested by:

Mike Baptista, Executive Director Benefits Programs and Strategy

Analyst:

Business analyst: Ken Smith, Benefits Information Systems

Requirements analyst: Ken Smith, Benefits Information Systems

Urgency:

Date Mandated.

Implementation Deadline:

Requested to affect separations dated July 1, 2012 and beyond. Must be implemented prior to the first compute paying August benefits (i.e. the BW ending July 7, 2012).

Background:

UC employees who separate from service retain covered benefits until the end of the following month. The typical practice among both public and private employers is to terminate benefits on the last day of the separation month. The UC pays approximately 80% of medical premiums and 100% of dental and vision premiums, consequently substantial savings can be obtained by eliminating the additional month of coverage.

Current Process:

A module established in Release 1281 (April 2000) derives coverage end dates triggered by an update to Separation Date (EDB 0140). Medical (EDB 0300), Dental (EDB 0271), Vision (EDB 0346) and Legal (EDB 0380) end dates are derived as the last day of the month following the separation date.

“Advance” benefits deductions from employee paychecks apply to coverage for the following month. “Arrears” benefits deductions from employee paychecks apply to coverage for the earnings month.

Medical, Dental, Vision, Legal, AD&D and life insurance deductions are all “advance.” Medical, Dental, Vision, and Legal plans have coverage end dates stored in the EDB. AD&D and Life insurance do not have stored coverage end dates.

Benefits deductions are taken in a separating employee’s final paycheck.

Proposed Process:

Coverage end dates for medical, dental, vision and legal insurance should be derived as the last day of the separation month.

A means should be developed to prevent processing of “Advance” benefits deductions during the separation month for plans such as Life Insurance (Supplemental Life and Dependent Life) and AD&D that do not have stored coverage end dates. These “Advance” benefits deductions should not be taken on final paychecks issued through Rush Check or other processes.

The elimination of following month coverage must be selectable by bargaining unit (i.e. a bargaining unit that has not agreed to this proposed process would continue to be covered for the month following separation). **The extra month of coverage will continue for employees electing UCRP retirement and for survivors of a deceased UC employee.**

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System Requirements:

1.0 Overview of Modifications

A flag should be added to the Bargaining Unit Table to denote whether coverage for medical, dental, vision, legal, AD&D and life insurance should stop at the end of the month of separation (“Y”), or at the end of the month following separation (“N”). This table change impacts the processes that modify and report from Bargaining Unit Table data. UPAY565A will need to be modified to include this new data item. The flag will be appropriately initialized for all Bargaining Units at time of implementation.

The process that derives coverage end dates for medical, dental, vision, and legal insurance when Separation Date is entered/updated should be modified to check the Separation Reason Code. If the Separation Reason Code indicates a retirement election, or if the Separation Reason Code indicates the death of the employee and the employee has covered dependents, the coverage end dates should be the last day of the following month (as in the current process) where dependents have coverage, and the last day of the separation month where dependents are not covered. Otherwise, the process should check the employee’s Employee Benefit Eligibility Representation Code (EBERC) and Employee Benefit Eligibility Unit Code (EBEUC). If the new indicator described above is “N” or blank for the employee’s bargaining unit and Employee Benefit Representation Code is “C”, then the coverage end date should be set to the last day of the following month (as in the current process).

The gross to net process and rush check process should be modified so that the AD&D and life insurance premiums are not taken if the separation date is in the current month

A one-time process should be developed to modify coverage end dates for separations after a user-specified date that were entered prior to implementation or changed bargaining unit agreement. The one-time process should produce a tab-delimited file.

- **Control Table Updates:** The Bargaining Unit Table must be modified to add a flag for ending benefits at end of separation month.
- EDB Data Elements: n/a
- CICS Modifications: n/a
- Web Modifications: n/a
- **One-time Processes:** A one-time program to modify coverage end dates for separations entered prior to installing this release or prior a new bargaining agreement.
- **EDB Maintenance:** Coverage end date derivation when separations are entered.
- History Process: n/a
- **Compute Process:** Do not take deductions for advance benefits (Life Insurance, AD&D) if there is a separation date in the current month.
- Distribution of Expense: n/a
- Consolidated Billing and Self-Billing: n/a
- Interface Files: n/a
- Forms: UPAY565A

- Other Processes: n/a
- Reporting and Notification: n/a

2.0 Control Table Updates

A new flag indicating benefits end during separation month must be added to the Bargaining Unit Table.

2.1 Bargaining Unit Table Basic Data

A new flag “BEN SEP MONTH” must be added to the Basic Data area of the Bargaining Unit Table. A value of “Y” indicates that the bargaining unit ends benefits at the end of the separation month. A value of “N” or blank indicates that members of the bargaining unit are covered through the end of the following month. The “Y” code is merely notational, only “N” or blank codes are significant in the following business rules.

2.2 Control Table Maintenance

The Control Table Maintenance Program (PPP004) must be modified to input and edit transactions with the new flag. Valid values for the flag are “Y”, “N”, and blank. The corresponding report PPP0417 must be modified to include the flag on a new line following “UDUE RETENTION” with label “BEN SEP MONTH” and formatted consistently with the three preceding rows.

It is not required to capture history for BEN SEP MONTH in the Bargaining Unit History Table.

2.3 Initialization of New Flag

Transactions initializing the new flag to “Y” for bargaining unit “00” and other unrepresented units must be included in the release. Transactions initializing system wide represented bargaining units to “Y” or “N” depending on the status of their agreement must be included as well. The specific list of transactions needed will be under negotiation until shortly before the release.

2.4 Bargaining Unit not Found

For all business rules and processing logic described subsequently in this document, if an employees “Employee Benefits Eligibility Unit Code “ EBEUC is not found in the Bargaining Unit Table, the employee should be treated as a member of the unrepresented population (“99”).

3.0 One-time Processes

3.1 Process Description

For any employee having a future separation date after the date entered on a SPEC card, if Separation Reason Code (EDB 0141) is RA, RD, RF, RB or RC the coverage end dates should be the last day of the following month; If Separation Reason Code is KA and the employee has dependents enrolled in Medical, Dental, or Vision, the coverage end dates should be set to the last day of the following month where the dependents have coverage

and the last day of the separation month where the dependents do not; otherwise unless BEN SEP MONTH is equal to “N” or blank in the Bargaining Unit Table based on EBEUC, and unless EBERC is also equal to “C”, the one-time program should adjust their benefits coverage end date from the end of the month following separation to the end of the separation month. Coverage end dates already in the separation month require no adjustment and should not be reported on the output file. A change file should be created and applied to the HDB.

3.2 Outputs (files or reports)

The program should create a tab-delimited file listing the original and updated coverage end dates for all employees updated by the program. See Attachment A for a proposed layout. The standard PPP180 before/after report is not suitable for review by Benefits Departments or Labor Unions.

4.0 EDB Maintenance

4.1 Derivations

The existing derivation that sets coverage end dates for medical, dental, vision and legal must be modified.

If Separation Reason Code (EDB 0141) is RA, RD, RF, RB or RC the coverage end dates should be the last day of the following month; If Separation Reason Code is KA and the employee has dependents enrolled in Medical, Dental, or Vision, the coverage end dates should be set to the last day of the following month where the dependents have coverage and the last day of the separation month where the dependents do not; otherwise if the employee’s EBERC is ‘C’ and the Ben Sep Month for the employee’s EBEUC is ‘N’ or blank, the coverage end dates should be set as they are currently; otherwise, the coverage end dates should be the last day of the separation month.

5.0 Compute Process Changes

5.1 Gross-to-Net Process

The compute should be modified to look for a separation date and separation reason code before deducting AD&D or Life Insurance premiums.

If the separation date is in a future month the deductions should be taken.

If the separation date is in the current month, the employee’s EBERC is ‘C’ and the Ben Sep Month for the employee’s EBEUC is ‘N’ or blank take the deductions.

If the separation date is in the current month and the separation reason code is RA, RD, RF, RB, RC or KA take the deductions.

For any other case, (i.e., BEN SEP MONTH is not “N” or blank or separation date is in a prior month) do not take the deductions.

It is not required to test for the presence of a hire date after the separation date.

5.2 Online Compute Processing

5.2.1 On-line Rush Checks

Rush Checks should be modified to look for a separation date before deducting AD&D or Life Insurance premiums. Rush Checks should follow the same rules described in section 5.1 above.

6.0 Forms

6.1 UPAY 565A

Programming staff should recommend the placement of BEN SEP MONTH within the current transaction. Based on the recommendation, IR&C staff should develop a proposed revision to UPAY 565A. The proposed revision is included as Attachment B.

7.0 Testing

These requirements have assumed that no modification will be necessary to the Pending Premium Process, the Carrier File process, and Consolidated Billing. The correctness of this assumption should be verified during testing.

Attachment A – One Time Program Report

Column Heading	Data
Employee Number	Employee Number
Name	EDB 0105 EMPLOYEE NAME COMBINED
Home Department	EDB0114 HOME DEPARTMENT CODE- EDB
Separation Date	Separation Date
Original Coverage End Date Medical	EDB0300 before updating by program
Revised Coverage End Date Medical	EDB0300 after updating by program
Original Coverage End Date Dental	EDB0271 before updating by program
Revised Coverage End Date Dental	EDB0271 after updating by program
Original Coverage End Date Vision	EDB0346 before updating by program
Revised Coverage End Date Vision	EDB0346 after updating by program
Original Coverage End Date Legal	EDB0380 before updating by program
Revised Coverage End Date Legal	EDB0380 after updating by program
EBEUC	EDB0445 EMPLOYEE BENEFIT ELIGIBILITY UNIT CODE-EDB
EBERC	EDB 0446 EMPLOYEE BENEFIT ELIGIBILITY REPRESENTATION CODE-EDB

Attachment B – Revised UPAY 565A



PAYROLL/PERSONNEL BARGAINING UNIT TABLE UPAY565A (R??/??) RRRRR

A /C /D	1	2	3	BUC		6	7																				
17				U1				10	COLLECTIVE BARGAINING UNIT NAME					41	EXCLUSIVE REPRESENTATIVE?		42	RETAIN DUJES MONTHS		43	45	MERIT?		46		(Y/N)	
17				U2				10	BARGAINING AGENT		15	UNION LOCAL NO		24	BARGAINING AGENT FULL NAME										62		
17				U3				BARGAINING AGENT ADDRESS - LINE 1 (10 - 39)										BARGAINING AGENT ADDRESS - LINE 2 (40 - 62)									
17				U4				LINE 3										LINE 4									
17				U5				LINE 5 (10 - 39)										BEN SEP MONTH		40	(Y/N)						
A /C /D	1	2	3	BUC		6	R	S	D	GTN		13	GTN		17	GTN		21	GTN		25	GTN		29			
17				G																							
17				G																							
17				G																							
17				G																							
17				G																							
17				G																							
17				G																							
17				G																							

A /C /D	1	2	3	BUC		6	R	S	D	DESCRIPTION										41
17				T																
17				T																
17				T																
17				T																
17				T																
17				T																
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PREPARED BY:	DATE
APPROVED BY:	DATE

RETN: ACCOUNTING - UNTIL ACTION TAKEN