

PeopleSoft 8.00.01 Pension Administration PeopleBook

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ABOUT THIS PEOPLEBOOK

The book provides you with the information you will need for implementing and using PeopleSoft Pension Administration. You can order the online version by requesting SKU HRB8SP1R0, or the hard-copy version by requesting SKU MAPAr8SP1B 1200.

This section describes information you should know before you begin working with PeopleSoft applications and documentation, including PeopleSoft-specific documentation conventions, information specific to the PeopleSoft HRMS product line, how to order additional copies of our documentation, and so on.

Before You Begin

To benefit fully from the information covered in this book, you need to have a basic understanding of how to use PeopleSoft applications. We recommend that you complete at least one PeopleSoft introductory training course.

You should be familiar with navigating around the system and adding, updating, and deleting information using PeopleSoft menus and pages. You should also be comfortable using the World Wide Web and the Microsoft® Windows or Windows NT graphical user interface.

Because we assume you already know how to navigate around the PeopleSoft system, much of the information in this book isn't procedural. That is, it doesn't typically provide step-by-step instructions on using tables, pages, and menus. Instead, we provide you with all the information you need to use the system most effectively and to implement your PeopleSoft application according to your organizational or departmental needs. This book expands on the material covered in PeopleSoft training classes.

PeopleSoft Application Fundamentals

The *PeopleSoft Pension Administration PeopleBook* provides you with implementation and processing information for your PeopleSoft Pension Administration system. However, there is additional, essential information describing the setup and design of your system that is contained in a companion volume of documentation called *PeopleSoft Application Fundamentals.*

PeopleSoft Application Fundamentals consists of important topics that apply to many or all PeopleSoft applications across the HRMS product line. Whether you are implementing only PeopleSoft Pension Administration, some combination of applications within the product line (for example, PeopleSoft Benefits Administration, PeopleSoft Stock Administration, Time & Labor, and Pension Administration), or the entire PeopleSoft HRMS system, you should be familiar with the contents of this central PeopleBook. It is the starting point for fundamentals such as setting up control tables and administering security.

In the *PeopleSoft Applications Fundamentals* PeopleBook, we've included common information pertinent to all applications in the HRMS product line, such as defining general options. If you're

upgrading from a previous PeopleSoft release, you may notice that we've removed some topics or topic headings from the individual application PeopleBooks and consolidated them in this single reference book. You'll now find only application-specific information in your individual application PeopleBooks. This makes the documentation as a whole less redundant. Throughout each PeopleBook, we provide cross-references to *PeopleSoft Application Fundamentals* and other PeopleBooks.

Below you'll find a list of those *PeopleSoft Application Fundamentals* sections that apply specifically to PeopleSoft Pension Administration.

Introduction to PeopleSoft HRMS introduces you to the basic concepts of PeopleSoft Human Resources and reviews the various activities involved in using the system, including setting up system-wide and HR information, performing daily processes, working with PeopleSoft Human Resources menus, and generating reports.

Regulating HRMS System Data reviews the Business Unit/SetID feature which allows you to organize your businesses by dividing them into logical units other than Companies and Departments, and also allows you to control how your organizational data is shared among those organizational units.

Processing Transactions Using Regulatory Regions discusses the Regulatory Region concept, how Regulatory Regions are set up in your PeopleSoft HRMS, and how to set up additional Regulatory Regions, if necessary.

Working With Currencies explains how to track personnel salaries and reimbursement amounts in multiple currencies, or in multiple currency rate types, yet keep an eye on the bottom line by using one currency as a point of reference to track your expenses and costs worldwide.

Working With Languages discusses PeopleSoft's language support features.

Setting Up Control Tables discusses the different ways you can run PeopleSoft Human Resources and helps you decide which way it should be used. Setting Up Controls Tables also instructs how to set up data that serves as the foundation of your organization's human resource system. These tables are the basis not only for PeopleSoft Human Resources, but all your PeopleSoft HRMS applications.

E&G Setting Up Service Parameters is a section for Education and Government users that discusses how you set up methods to handle time duration for measuring accrued service for employees in public sector organizations.

USF Setting Up Your Work-In-Progress Management System is a section for U.S. Federal Government users that explains how to set up the system to automatically route a wide variety of requests directly to reviewing officials, and on to human resources, in the specific path that your organization chooses.

Administering Security reviews how to set up and maintain security for employee data by using a security tree. This allows you to view and update the reporting relationships among units and use this information to grant and deny user access to employee data. You can also choose to set up employee data security in other ways, if that is what you need.

Using Mass Change describes how you can select a particular set of employee records from the database, define the alteration you would like to perform on those records, and make those changes in the background, using scheduled processing.

Using Workflow discusses, at a high level, how workflow is used in HRMS and shows you how to set up approvals workflow for self-service transactions in collaborative applications such as PeopleSoft eRecruit and PeopleSoft eDevelopment. We also include detail information on some of the workflow processes delivered in PeopleSoft 8.00.01.

Working With Multiple Components of Pay discusses how you use the system to tailor unique compensation packages for each of your employees or create default pay component packages that are consistent for jobs and salary steps throughout your organization.

Working With Multiple Jobs explains how several PeopleSoft HRMS applications enable you to process information for employees who hold multiple, concurrent jobs within an organization.

Working With Groups shows you how to use the Group Build functionality in HRMS, which gives you a standardized way to create groups of employees and non-employees. Once you've created a group using this feature, you can use it across several HRMS applications for a wide variety of purposes.

Related Documentation

To add to your knowledge of PeopleSoft applications and tools, you may want to refer to the documentation of other PeopleSoft applications. You can access additional documentation for this release from PeopleSoft Customer Connection (www.peoplesoft.com). We post updates and other items on Customer Connection, as well. In addition, documentation for this release is available on CD-ROM and in hard copy.



Important! Before upgrading, it is *imperative* that you check PeopleSoft Customer Connection for updates to the upgrade instructions. We continually post updates as we refine the upgrade process.

Documentation on the Internet

You can order printed, bound versions of the complete PeopleSoft documentation delivered on your PeopleBooks CD-ROM. You can order additional copies of the PeopleBooks CDs through the Documentation section of the PeopleSoft Customer Connection Web site: http://www.peoplesoft.com/

You'll also find updates to the documentation for this and previous releases on Customer Connection. Through the Documentation section of Customer Connection, you can download files to add to your PeopleBook library. You'll find a variety of useful and timely materials, including updates to the full PeopleSoft documentation delivered on your PeopleBooks CD.

Documentation on CD-ROM

Complete documentation for this release is provided on the CD-ROM *PeopleSoft 8.00.01 HRMS* and *PeopleTools 8.12 PeopleBooks,* SKU CD-HRB8SP1R0.

Your access to PeopleSoft PeopleBooks depends on which PeopleSoft applications you've licensed. You may not have access to some of the PeopleBooks listed here.

The CD includes the following PeopleBooks (presented in HTML format) that you can print in whole or in part:

- *PeopleSoft 8.00.01* Application Fundamentals for PeopleSoft HRMS
- PeopleSoft 8.00.01 Base Benefits
- *PeopleSoft 8.00.01* Benefits Administration
- PeopleSoft 8.00.01 eBenefits
- PeopleSoft 8.00.01 eCompensation
- PeopleSoft 8.00.01 eDevelopment
- PeopleSoft 8.00.01 eEquity
- PeopleSoft 8.00.01 ePay
- PeopleSoft 8.00.01 eProfile
- PeopleSoft 8.00.01 eRecruit
- PeopleSoft 8.00.01 eTime
- *PeopleSoft 8.00.01* FSA Administration
- PeopleSoft 8.00.01 Global Payroll
- PeopleSoft 8.00.01 Human Resources
- *PeopleSoft 8.00.01* Payroll for North America
- *PeopleSoft 8.00.01* Payroll Interface
- *PeopleSoft 8.00.01* Pension Administration
- *PeopleSoft 8.00.01* Stock Administration

Hardcopy Documentation

To order printed, bound volumes of the complete PeopleSoft documentation delivered on your PeopleBooks CD-ROM, visit the PeopleSoft Press Web site from the Documentation section of PeopleSoft Customer Connection. The PeopleSoft Press Web site is a joint venture between PeopleSoft and Consolidated Publications Incorporated (CPI), our book print vendor.

We make printed documentation for each major release available shortly after the software is first shipped. Customers and partners can order printed PeopleSoft documentation using any of the following methods:

Internet	From the main PeopleSoft Internet site, go to the Documentation section of Customer Connection. You can find order information under the Ordering PeopleBooks topic. Use a Customer Connection ID, credit card, or purchase order to place your order. PeopleSoft Internet site: http://www.peoplesoft.com/.
Telephone	Contact Consolidated Publishing Incorporated (CPI) at **800 888 3559.**
Email	Email CPI at callcenter@conpub.com.

PeopleBooks Standard Page Element Definitions

Throughout our product documentation, you will encounter fields that are used on many application pages. This section lists the most common fields and provides standard definitions.

Field	*Definition*
Address 1, Address 2, Address 3	Freeflow text entry fields that enable you to describe street, street number, apartment number, and other address information.
As of Date	The last date for which a report or process includes data.
Block (Bloque)	In Spanish addresses, a building or buildings that are close together may be called a Block (Bloque). Include the Block name in the address, if necessary.
Business Unit	An identification code that represents a high-level organization of business information. You can use a business unit to define regional or departmental units within a larger organization.
City	Name of city for address.
Comment(s)	Freeflow text entry that enables you to add comments.
Company	A business organization. For US companies using PeopleSoft Payroll for North America or PeopleSoft Pension Administration, a business unit that has a unique federal Employer Identification Number (EIN) for payroll reporting purposes.
Country	Country for address. Other address fields will be adjusted to reflect Country choice.

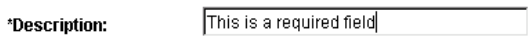
Field	*Definition*
County (also **Prefecture** and **Parish**)	Name of county (prefecture/parish) for address, if applicable.
Description	Freeflow text up to 36 characters that describes what you are defining.
Door (Puerta)	In Spanish addresses, identifies the door name or number.
Effective Date	Date on which a table row becomes effective; the date that an action begins. For example, if you want to close out a ledger on June 30, the effective date for the ledger closing would be July 1. This date also determines when you can view and change the information. Pages and batch processes that use the information use the current row. For more information about effective dates, see Learning about Effective Dates.
Email	The email address for a person or organization.
EmplID (employee ID)	Unique identification code for an individual associated with your organization.
Empl Rcd# (Employee Record Number)	A system-assigned number that indicate an employee has more than one record in the system.
Fax (also **Fax Number**)	The fax number for a person or organization.
Floor (Piso)	In Spanish addresses, identifies the floor name or number.
House	Identifies the type of house.
Initials	Initials of individual.
Language	Language spoken by employee/applicant/non-employee.
Language or **Language Code**	The language in which you want the field labels and report headings of your reports to print. The field values appear as you enter them. Language also refers to the language spoken by an employee, applicant, or non-employee.
Last Run On	The date that a report or process was last run.
Locality	A tax location within an organization.
Name	Name of individual.

Field	*Definition*
National ID	Identification code used by countries to track information on their residents for payroll, idenfication, benefits, and other purposes. For example, for US residents this would be their Social Security Number; for German residents it would be their Social Insurance Number, and for UK residents it would be their National Insurance Code.
Number	The number related to a street, avenue, or other address field in Spanish addresses. When an address has no number, enter s/n (sin numero) to indicate that there is no number.
Phone Extension	The phone extension number for a person or organization.
Phone Type	Identifies the type of phone number entered in the Telephone field. Valid values are ***Business, Campus, Cellular, Dormitory, FAX, Home, Other, Pager 1, Pager 2,*** or ***Telex.***
Post Code (also Postal)	Postal code for address.
Prefix	Prefix for individual (such as Mr., Ms., Mrs., Dr., and so on)
Process Frequency group box	Designates the appropriate frequency in the **Process Frequency** group box: **Once** executes the request the next time the batch process runs. After the batch process runs, the process frequency is automatically set to **Don't Run**. **Always** executes the request every time the batch process runs. **Don't Run** ignores the request when the batch process runs.
Process Monitor	This button takes you to the Process List page, where you can view the status of submitted process requests.
Report ID	Identifies a report.
Report Manager	This button takes you to the Report List page, where you can view report content, check the status of a report, and see content detail messages (which show you a description of the report and the distribution list).
Request ID	A request identification that represents a set of selection criteria for a report or process.

Field	*Definition*
Run	This button takes you to the Process Scheduler request page, where you can specify the location where a process or job runs and the process output format. For more information about the Report List page, the Process List page, and the Process Scheduler, see Process Scheduler.
Run Control ID	Identifies specific run control settings for a page.
Run Date	The date that a process was run or a report was generated.
Run Time	The time that a process was run or a report was generated.
SetID	An identification code that represents a set of control table information. SetIDs enable the sharing of a set of control table information across two or more Business Units.
Short Description	Freeflow text up to 15 characters.
Stair (Escalera)	In Spanish addresses, identifies the stair name or number.
State (also **Province**)	State (Province) for address.
Status	Indicates whether a row in a table is ***Active*** or ***Inactive***.
Street Type	Identifies whether an address is a place, street, avenue, road, or so on. Spanish law requires addresses in official documents to include the Street Type.
Telephone (Phone)	The telephone number for a person or organization.
User ID	The system identifier for the individual who generates a transaction.
User ID	Identifies the individual that generated the transaction.

Required Fields on Pages

When you see a field on a page with an asterisk (*) preceding the field name, it means the field is required. You can't save a page without entering data into all of the required fields on a page.



Example of a required field label

In some unique instances a field may be required even though there is no asterisk preceding the field name. In such cases, you will be prompted to enter data in these fields before saving the page.

Typographical Conventions and Visual Cues

To help you locate and interpret information, we use a number of standard conventions in our online documentation.

Please take a moment to review the following typographical cues:

`monospace font`	Indicates PeopleCode.
Bold	Indicates field names and other page elements, such as buttons and group box labels, when these elements are documented below the page on which they appear. When we refer to these elements elsewhere in the documentation, we set them in Normal style (not in bold). We also use boldface when we refer to navigational paths, menu names, or process actions (such as **Save** and **Run**).
Italics	Indicates a PeopleSoft or other book-length publication. We also use italics for *emphasis* and to indicate specific field values. When we cite a field value under the page on which it appears, we use this style: ***field value.*** We also use italics when we refer to words as words or letters as letters, as in the following: Enter the number *0*, not the letter *O*.
KEY+KEY	Indicates a key combination action. For example, a plus sign (+) between keys means that you must hold down the first key while you press the second key. For ALT+W, hold down the ALT key while you press W.
Jump links	Indicates a jump (also called a link, hyperlink, or hypertext link). Click a jump to move to the jump destination or referenced section.

Cross-references	The phrase For more information indicates where you can find additional documentation on the topic at hand. We include the navigational path to the referenced topic, separated by colons (:). Capitalized titles in *italics* indicate the title of a PeopleBook; capitalized titles in normal font refer to sections and specific topics within the PeopleBook. Cross-references typically begin with a jump link. Here's an example:

For more information, see Documentation on CD-ROM in *About These PeopleBooks:* Additional Resources.

• Topic list	Contains jump links to all the topics in the section. Note that these correspond to the heading levels you'll find in the Contents menu.
 Name of Page	Opens a pop-up that contains the named page. Click the button to display the page. Some screen shots may also appear inline (directly in the text).



Text in this bar indicates information that you should pay particular attention to as you work with your PeopleSoft system. If the note is preceded by **Important!,** the note is crucial and includes information that concerns what you need to do for the system to function properly.



Text in this bar indicates For more information cross-references to related or additional information.



Text within this bar indicates a crucial configuration consideration. Pay very close attention to these warning messages.

Page Introductory Table

In the documentation, each page description in the application will include an introductory table with pertinent information about the page. Not all of the information will be available for all pages.

Usage	Describes how you would use the page or process.
Object Name	GIVES THE SYSTEM NAME OF THE PAGE OR PROCESS AS SPECIFIED IN THE APPLICATION DESIGNER. FOR EXAMPLE, THE OBJECT NAME OF THE DETAIL CALENDAR PAGE IS

	DETAIL_CALENDAR1.
Navigation	Provides the path for accessing the page or process.
Prerequisites	Specifies which objects must have been defined before you use the page or process.
Access Requirements	Specifies the keys and other information necessary to access the page. For example, **SetID** and **Calendar ID** are required to open the Detail Calendar page.

USF U.S. Federal Government Functionality

Any functionality that is specific to the U.S. Federal Government sector will be designated by a USF marker. Most often this will appear at the beginning of a section heading (such as with this section), but the USF designation might also appear in a Note or within text, if appropriate.

E&G Education and Government Functionality

Any functionality that is specific to the Education and Government sector will be designated by a E&G marker. Most often this will appear at the beginning of a section heading (such as with this section), but the E&G designation might also appear in a Note or within text, if appropriate.

Comments and Suggestions

Your comments are important to us. We encourage you to tell us what you like, or what you would like changed about our documentation, PeopleBooks, and other PeopleSoft reference and training materials. Please send your suggestions to:

PeopleSoft HRMS Product Documentation Manager
PeopleSoft, Inc.
4460 Hacienda Drive
Pleasanton, CA 94588

Or send comments by email to the authors of the PeopleSoft documentation at:

mailto:DOC@PEOPLESOFT.COM

While we can't guarantee to answer every email message, we will pay careful attention to your comments and suggestions. We are always improving our product communications for you.

CHAPTER 1

Introduction to PeopleSoft Pension Administration

PeopleSoft Pension Administration supports a range of processes necessary for your day-to-day and periodic pension administration requirements. In this section you'll look briefly at what those processes are.

Why PeopleSoft Pension Administration?

PeopleSoft Pension Administration offers you all the advantages of a comprehensive pension management application. It's easy to use, easy to modify, yet powerful enough to meet even your most demanding pension administration requirements.

Who Can Use PeopleSoft Pension Administration?

PeopleSoft Pension Administration is designed specifically for U.S. defined benefit plans, including qualified and nonqualified, contributory, final pay, career average, and cash balance plans. The system supports the administration of multiple plans, both active and frozen.

The system calculates benefits based on employee data stored in PeopleSoft HRMS tables, notably, the employee job record.

The system assumes that a third-party trustee will determine tax withholding, calculate, and print your final pension checks; a trustee extract provides the trustee with the necessary payment information.

Centralized Employee Data

PeopleSoft Pension Administration enables you to centralize all aspects of pension plan administration. You no longer need to spend time collecting and consolidating data before performing pension calculations. With PeopleSoft Pension Administration, you store and maintain all pension data in one place. When integrated with PeopleSoft Human Resources, Payroll, and PeopleSoft Benefits Administration, all applications work together for maximum efficiency of time and resources. If you're not yet using other PeopleSoft applications, you can use PeopleSoft Pension Administration as a standalone application by loading data from your existing applications into the PeopleSoft integrated database for use by the PeopleSoft Pension Administration system.

Control Over Pension Plan Rules

Because every pension plan is unique, PeopleSoft Pension Administration offers maximum flexibility for implementing your plan rules. Nineteen core functions combine to produce a final pension benefit in all its optional forms of payment. Each of these functions has an extensive set of parameters for you to map to your plan rules. If you need to modify the parameters, there are numerous predefined exit points for your own custom code.

The effective date design of the PeopleSoft system gives you a complete history of your pension rules, whether you changed them two years ago or want them to go into effect in two months. With all this information at your fingertips, you can "roll back" your system to a particular point-in-time from which you can perform historical calculations for your employees to ensure against cutbacks due to plan amendments or regulatory changes. In addition, you can project the impact of potential plan changes on employee benefits.

Special employee group processing enables you to use different rules for employees that meet specific criteria such as eligibility for grandfathered benefits, eligibility for a special incentive early retirement offering, or any other criteria you specify.

In short, the combination of effective dating and grouping assures that the correct set of plan rules is applied to the correct group of employees every time.

Comprehensive Calculations

PeopleSoft Pension Administration enables you to produce on-demand pension calculations for individuals, groups, or to schedule batch calculation runs. Estimates and "what-if" calculations automatically incorporate the projection rules you've defined. Effective-dated plan rules enable you to produce historical calculations and allow for easy administration of grandfathering and "better of" benefits.

You can use calculation results for employee counseling and benefit statements. Pages provide easy access to the calculation results, and calculation worksheets offer detailed calculation breakdowns, showing each step used to produce a final amount in all its optional forms.

Retiree Administration

PeopleSoft Pension Administration tracks all types of pension payees: retirees, their beneficiaries, and alternated payees entitled to a portion of a pension benefit due to a Qualified Domestic Relations Order.

Activity and communications tracking enables you to monitor forms, waivers, verifications, and all the other paperwork associated with pension benefits.

PeopleSoft assumes that a third-party trustee will produce pension checks and W2-P or 1099-R forms. A trustee extract provides the trustee with the necessary payment instructions, including tax elections, direct deposit information, and deductions.

Payment tracking enables you to view past, future, and current payments. You can:

- Schedule payment changes as far ahead of time as you like.
- Start, stop, suspend, defer, or reinstate benefits at any time.
- Make one-time adjustments to payments and balances.
- Change payment amounts due to cost-of-living adjustments (COLAs) or, for retirees who elected a level income payment option, due to attainment of Social Security Retirement Age.

The system keeps a running summary of total taxable and non-taxable benefits paid so you can ensure that retirees completely recover any contributions they've made toward their pension benefits.

An actuarial valuation extract provides your plan actuary with the information needed to make a determination of plan liabilities. Participant counts facilitate your Form 5500 reporting.

Gearing Up PeopleSoft Pension Administration

There are two tasks you must complete before you use your PeopleSoft Pension Administration system:

- Establish all your processing rules. The biggest part of this job is setting up calculation rules, but you also need to set up pension status processing (to be used for Form 5500 participant counts and your actuarial valuation extract) and your retiree administration control tables.
- Get employee data into PeopleSoft tables. The nature of pension calculations may require that you move an entire career's worth of information into the system.

Establishing Pension Processing

Your implementation will consist of the following tasks:

Task	*For more information,* ***see:***
Creating the plan	Establishing Pension Plans

Setting up plan rules for individual plan components	Consolidated Earnings Consolidated Hours Consolidated Contributions Plan Eligibility Participation Service Vesting Benefit Eligibility Final Average Earnings Cash Balance Accounts Employee Accounts Social Security Covered Compensation Early/Late Adjustments Death Coverage Factors Benefit Formula Employee-Paid Benefit Optional Forms of Payment 415 Limits
Combining individual components into a single calculation "job stream" and establishing other plan information	Creating the Plan Implementation and Plan Aliases
Setting up pension status codes	Using Pension Statuses
Establishing retiree administration control tables	Establishing Retiree Administration Control Tables



For more information and a more detailed breakdown of your implementation steps, see Planning Your Implementation

Setting up rules for individual plan components really falls into two phases, analysis and setup. Because of the complexity of many plans, and because of the interdependencies of various pension components, it is absolutely critical for you to perform a detailed analysis of the different rules you'll need to establish. It's a good idea to diagram the relationships among plan components, as this will determine the entry order for your plan rules.

For more information and examples of diagramming plan components, see Implementing a Sample Plan.

Establishing Your Employee Data

Every part of your pension administration system is tied to information about your employees. Where does that information come from?

If the pertinent information exists in your PeopleSoft HRMS integrated database, it is automatically available to you. PeopleSoft Human Resources provides benefit plan data, personal data, and job data, and tracks HR events and statuses. PeopleSoft Payroll provides information such as hours and earnings. All of this data is automatically and transparently accessible to PeopleSoft Pension Administration.

If you are using another human resources system and a standalone version of PeopleSoft Pension Administration, you'll transfer biographical and startup data into the PeopleSoft system during your implementation, then periodically update the PeopleSoft tables as necessary.

Because pension calculations can require data from an employee's entire career, you may not initially have all the necessary information in your PeopleSoft system. You can opt to load entire working histories for your employees. Or you can use start-up values to represent accruals up to the time the history becomes available. For example, rather than loading 20 years of payroll data, you can load already calculated service amounts for those years.

For more information, see Loading Employee Data.

Setting up Administrative Information

Most of your day-to-day activities involve working with employees and other plan participants as they accrue and then receive pension benefits. However, there are also some more general administrative tasks relating to the plan itself rather than to specific plan participants.

Establishing Plan Administration Information

There are several types of plan administration information you'll set up in your PeopleSoft Pension Administration system.

First, you should set up some basic identifying information: the plan's administrator, the plan's Employer Identification Number (EIN), and the plan address.

Second, you need to establish valid funding providers for the plan. You'll select providers from this list when you identify the funding source on a pension payee's payment instruction. The

funding provider information then gets included in instructions you send to the third-party trustee who cuts the pension checks.

Third, you need to identify the company (or companies) used to house the plan's payees in the PeopleSoft system. Payee records in the PeopleSoft HRMS system use the same data structure as employee records, which means that you'll identify companies, jobs, locations, and other employment-related information in the payee record. Much of this data is generic to all payees. For example, you can establish a single job to use for all your retirees. It's important, however, to use the appropriate company for each plan so that you can link the payee's tax elections, which are entered by company in PeopleSoft Payroll pages, with the payments from that plan.

Finally, you can set up generic checklists, "activity lists, " to use for those administrative processes that involve working with plan participants. Set up checklists for different types of event processing such as terminations, retirements, and deaths. You can set up different checklists for different types of plan participants: retirees, beneficiaries, and QDRO alternate payees.

You'll establish all of this information using pages found in **Compensate Employees, Administer Pension Plan, Setup.**



For more information about plan administration information, funding providers, domiciling companies, and activity lists, see Maintaining Public Tables.

Maintaining Public Tables

During your PeopleSoft Pension Administration implementation, your organization set up all the processing for accurate pension calculations. The calculation rules may refer to certain public tables such as the Maximum Taxable Wage Base, Federal Mid-Term interest rates, or other tables related to Social Security calculations, interest rates, and Internal Revenue Code section 415 and 401(a)(17) limits.

Even though your calculation rules don't change, the tables referenced by those rules do change. Therefore, you need to update those tables on an ongoing basis to ensure that up-to-date values are available to be used in calculations.

You'll maintain the data in these tables using pages found in **Compensate Employees, Administer Pension Plan, Tables.**



For more information about updating public tables, see Maintaining Public Tables.



There are occasions such as plan amendments, mergers, and acquisitions which require that you revise your calculation rules. For more information about setting up your calculation rules, see Setting Up the Calculation Rules

Performing Pension Administration Processes

After you set up your employee data and your plan rules, you can start using PeopleSoft Pension Administration to help you with your ongoing administrative processes.

PeopleSoft Pension Administration is far more than a pension calculator. The system supports a broad range of processes necessary for your day-to-day and periodic business needs.

Viewing and Maintaining Employee Pension Data

Pensions are often based on the entire work history of an individual. This could be as much as 30, 40, or even 50 years. Many things can happen over such a period of time. People get raises, change work schedules, marry, divorce, name beneficiaries, change beneficiaries, take death coverage, cancel death coverage, go on disability, come off disability, retire, or die.

With PeopleSoft Pension Administration, your pension data is always available. Whether you need to verify tax elections, update beneficiary information, or look at any of the multitude of information that affects your plan participants, you can quickly call up the data you need. You'll find that the employee data pages are a great tool for employee retirement counseling. When employees have questions about their earnings or service history, you'll be able to review the data with them on the spot.

Administering Active Employees

Even before employees retire, you work closely with them. When employees ask about their pension accruals, you look up the information for them. You're concerned with the integrity of the personal and job information used in calculations.

Also, if you sponsor contributory plans, you'll be involved in a number of tasks specific to administering employee contributions.

Viewing Employee Data

PeopleSoft Pension Administration provides inquiry pages that enable you to view, but not update, certain information about your active employees. You'll find these pages under the Inquire menu.

In the Employee Information component, you'll look up personal data about employees and their beneficiaries.

In the Job History component, you'll view data related to employees' jobs. This data includes salary rates, hourly/salaried status, full- and part-time status, regular/temporary status, and the employee's Action/Reason history.



Data in these two components isn't editable from the pension pages because it is "owned" by your human resources department. To make changes to the data, select **Administer Workforce, Administer Workforce, Use, Personal Data** or **Use, Job Data**

In the Plan History component, you'll look at the results of certain periodic processing functions. You'll see results for:

- Eligibility and Participation History
- Service History
- Cash Balance History
- Employee Account History.



These pages show you the results of your periodic processing and thus aren't directly editable. You can make manual adjustments to the Service, Cash Balance, or Employee Account data by selecting **Compensate Employees, Use, Employee Plan Data.** The next periodic processing run will pick up the manual adjustments, at which point the Plan History pages will reflect the updated information.



For more information about viewing noneditable employee pension-related data, see Viewing Employee Data.

Maintaining Pension Data

PeopleSoft Pension Administration provides pages for you to maintain certain pension-specific employee data (some of it used in pension calculations) that the basic human resources records don't necessarily include. You'll find these pages under the Use menu.

In the Employee Pension Status page, you'll view and maintain employee pension statuses for each plan. For the most part these statuses are automatically maintained, but in some cases, notably when an employee retires or dies, you'll need to update the information manually.

In the Employee Plan Data component, you'll find six pages for entering employee pension information.

- In the Cash Balance Adjustments, Employee Account Adjustments, and Service Adjustments pages, you can make manual adjustments to each type of accrual.
- In the Startup History page, enter opening balances from before your PeopleSoft Pension Administration implementation.
- In the Prior Plan History page, enter information about minimum plan benefits based on amounts accrued under prior rules or under a prior plan such as a plan sponsored by a company that you've acquired. The calculation doesn't automatically apply these minimum benefits, but does produce a message on the calculation worksheet if any result is less than a stored minimum. Although you'll typically load both startup data and prior plan information as part of your initial data conversion, you can use these pages to view and maintain the data as needed.
- In the PRSA Coverage History page, record employees' coverage under a plan's Preretirement

Survivor Annuity (PRSA). This is death coverage that provides a benefit to the surviving spouse if the employee dies before retiring. You'll only need to record this information if you charge employees for this coverage.

In the Employee 415(e) Fraction page, you'll track information needed to apply Internal Revenue Code Section 415(e) limits on the combined benefit an employee can receive from defined benefit (DB) and defined contribution (DC) plans. Because PeopleSoft HRMS doesn't support the administration of defined contribution plans, you'll need to get the information from an outside source and enter it into the system. Specifically, the 415 function needs to know the "DC fraction," a number calculated according to specific IRS rules.

In the Employee Consolidated History component, you'll view the calculated results of PeopleSoft Pension Administration's consolidation process. This is the process that gathers payroll earnings, hours, and contributions into monthly or yearly accumulations. You can also override the information if necessary.

In the Employee Soc Sec Earnings page, you can enter career earnings data that the employee provides you in order to perform more accurate Social Security calculations.

In the Pension Plan Beneficiaries page, you can track employees' pension beneficiaries. You'll only use this page for recording nonspouse beneficiaries; in the absence of data in this page, the system assumes a spouse beneficiary.



For more information about maintaining editable employee pension-related data, see Maintaining Employee Pension Data.

Administering Defined Benefit Contributory Plans

There are several administrative tasks specific to contributory plans:

You need to work with the benefits and payroll departments to ensure the correct deductions, mandatory and voluntary, are taken out of employee's paychecks.

When contributing employees terminate, you may need to refund contributions. If those employees are rehired, you may need to administer any service buy back program available to employees who repay the withdrawn contributions.

If your plan offers a service purchase program, you'll need to establish purchasable service, track payments, and credit both the employee's contributory account and service account as payments are made.



For more information about maintaining editable employee pension-related data, see Administering Contributory Plans.

Recording Activities and Communications

PeopleSoft Pension Administration enables you to create checklists to use to record and track your many administrative activities. These "activity lists" help you to stay organized as you manage the myriad tasks, forms, verifications, waivers, elections, and other paperwork required.



For more information, see Maintaining Public Tables and Recording Communications.

Running Periodic Processes and Calculating Benefits

Gone are the days of laborious manual calculations. Now your data is at your fingertips, the formula is there, and all you need to do is start the process. This is where the up-front work of setting up your plan rules really pays off.

PeopleSoft Pension Administration efficiently handles the enormous amounts of data involved in pension calculations. In a single step you can estimate benefits for any combination of employees and plans or plan components.

You can get immediate results for small calculation runs, or schedule large runs for later. Save the calculation and you can re-run the process either with a revised set of assumptions or for a final calculation. You can also look at the new results online or print out worksheets to give employees the details of their pension calculation.

Periodic processing enables you to consolidate payroll data for use by the calculation process. Periodic processing also keeps certain plan information up to date so you can review plan data in the employee inquiry pages.

Calculating Benefits

One of the most important aspects of administering a pension plan is calculating pension benefits. You'll use periodic processing to keep certain plan information up-to-date, then you'll run calculations based on specific termination or retirement dates ("event dates") to calculate benefits.

Running Periodic Processes

Periodic processes are those processes you run on a regular basis in order to pre-process various calculation data. Pre-processing not only saves time, but also enables you to readily access up-to-date information when you research issues for specific employees.

Periodic processing performs certain housekeeping tasks in addition to pre-processing calculation data.

You can run the processes for all employees at once, for individual employees or for groups of employees. You can run the processes one plan at a time or all plans at once.

To run periodic processes, select **Compensate Employees, Administer Pension Plan, Process, Periodic Processes.**

Periodic pension processes include the following:

- Establishing history for plan eligibility and participation.
- Consolidating payroll data: earnings, hours, and contributions.
- Maintaining balances: service, cash balance accounts, and employee (contributory) accounts.
- Updating pension statuses.
- Updating plan dates.
- Archiving payroll data.
- Deleting calculations.

Periodic processes, by definition, run on a regular cycle. You can run several (or even all) processes together as a single job as long as they use the same cycle. If you run some processes monthly and others annually, however, you would run them as two different jobs.



For more information about periodic processing, see Running Periodic Processes.

Running Calculations and Accessing Results

Calculations determine the benefit owed to your pension plan participant. When you run a calculation, you're applying all your plan rules to a specific employee based on a specific event date. The "event" could be pre-retirement termination, retirement, or in-service death or disability, and a specific benefit commencement date. The calculation then produces a final benefit amount in all the available optional forms.

You can run estimates based on projected data: projected hours and earnings and specific assumptions for increase rate in the employee's salary, the taxable wage base, and other pension data.

If you want to run calculations for several employees in one batch job, for example, to produce annual benefit statements or notices for a special early retirement window, you can create calculation groups and run several calculations at once.

You can also produce detailed and non-detailed worksheets showing calculation results for individual employees.



For more information**,** see Calculating Pension Benefits, Viewing Calculation Results, and Reporting on Pension Administration: Generating Calculation Reports.

Retiring Employees and Paying Retirees

Before an employee can receive pension payments, there are a number of steps that must be completed. These steps include verifying birth dates and marital status, producing and verifying a final calculation, and obtaining spousal waivers and payment elections. Once these preretirement tasks are completed, you're ready to instruct the system to begin making pension payments.

Using PeopleSoft Pension Administration, you can track all these preretirement tasks, indicate the calculation on which you'll base payments, indicate the employee's optional form selection, and create the payment record that will be the basis for making payments. With PeopleSoft's effective date design, you can schedule payment instructions: start payments, stop payments, or payment adjustments, as far ahead as you like.

PeopleSoft Pension Administration assumes retirees will be paid by an external trustee and that the trustee will handle all W2-P and 1099-R reporting. The system includes a Trustee Extract, with all the information a third-party needs to produce checks and tax reports. This includes check date and pay period, payment amount, tax elections, and any benefit deductions.

Paying Pension Benefits

When a retiree decides to start receiving pension benefits, you'll have a number of activities to perform in order to start the payments.

Establishing Payees

There are three types of people who might receive a benefit under your pension plans: retirees (who were once your employees), their beneficiaries, and QDRO alternate payees, former spouses who have a court-ordered right to a portion of an employee's benefit.

You already track employee data through an Employee ID and all its associated data: personal data, job data, and so on. To track your pension payees, you'll also use the Employee ID and personal and job records.

For retirees, you'll use the existing Employee ID. For beneficiaries and QDRO alternate payees, who start out as dependent/beneficiaries of employees, you'll create new Employee IDs based on the person's existing dependent/beneficiary data.

All three types of payees require new job records reflecting their roles as pension payees. You'll create a concurrent job for each plan under which the person is receiving a benefit. You won't use existing employee job records; all payee jobs are specific to pension processing.



For more information**,** see Establishing Pension Payees.

Preparing and Making Pension Payments

PeopleSoft Pension Administration assumes retirees will be paid by your trustee or some other external provider and that this check writer will handle all W2 and 1099 reporting. The system

includes a Trustee Extract, with all the information a third-party needs to produce the check and tax reports. This includes the check date and pay period, the payment amount, the tax elections, and any benefit deductions.

To set up the system for payment processing, you'll create a retiree payment calendar where you create Run IDs for each pension check run.

To prepare payments for individual pension payees, you'll record a payee's check information, including tax elections, direct deposit information, and any deductions. You'll record the payee's optional form selection, except for beneficiaries, who use the same optional form as the original employees whose beneficiaries they are. Finally, you'll schedule recurring payment, using an effective date and status to indicate when the payments should start and stop. You can also schedule one-time payments or adjustments as needed.

During a pension pay run, the system gathers payment-related information for all the scheduled payments. This information includes not only payment amounts, but also the tax elections, deduction information, direct deposit information, funding providers for the payment. The payment process writes all this information to payment records that you can review online or in a report before making a final "confirmation" pay run.

When you process a confirmed pay run, the system creates a "Trustee Extract" to put all the payment information in a file that you can then transfer to the third-party trustee who will produce the pension checks. There are pages and a report for viewing the exact contents of the trustee extract.



For more information, see Preparing Pension Payments and Making Pension Payments.

Administering Payees

Certain events in the lives of pension payees require you to perform specific tasks.

Administering Payee Events

After employees retire and begin receiving payments, many things can still happen to affect their pensions. If a payee dies, you may need to stop making payment. Depending on the payment form, you may also need to begin payments to a beneficiary. If the payee chose a level income option, you may need to decrease payments when the retiree attains Social Security Retirement Age. Retirees may receive a cost of living adjustment.

You'll manage most of these tasks by modifying the payment schedule to stop, start, or change payments.



For more information, see Administering Pension Payees.

Managing Nonemployee Payees

There are two types of plan participants other than your employees and former employees: pension beneficiaries and QDRO alternate payees, former spouses who have obtained a right to a pension benefit as part of a court-ordered divorce settlement. With PeopleSoft Pension Administration, you'll enter both types of payees into the system as plan participants and store personal and payment-related information for them.

PeopleSoft Pension Administration can automatically determine beneficiary payment amounts based on the retiree's payment amount (including any cost-of-living adjustments) and the selected form of payment.

PeopleSoft Pension Administration tracks both types of nonemployees through their IDs, and cross-references nonemployees with the employees who originally earned the benefit.

Administering QDROs

When a Qualified Domestic Relations Order (QDRO) from the court instructs you to pay a specified portion of an employee's benefit to an alternate payee, there are a number of things you have to track, including information about the alternate payee and about the benefit owed to that payee.

The system enables you to track QDRO information and communications from the first time you receive notification that a divorce settlement may include a division of pension benefits. Once you've recorded the amount due to the alternate payee, you can apply early commencement reductions and convert the amount into the optional forms of payment available to the alternate payee.

There are two sides to the system's QDRO capabilities. On the administrative side, the system tracks information about the Domestic Relations Order (DRO), determines if it is, in fact, qualified and therefore a QDRO, determines the benefits due to the alternate payee, establishes the alternate payee in the system, and pays them through the same Trustee Extract that you use to pay your retirees.

On the implementation side, you have to be sure that you've set up plan rules in such a way that the QDRO calculations work correctly.



For more information, see Administering QDROs.

Producing Pension Reports and Data Extracts

PeopleSoft Pension Administration provides a number of sample participant letters, including a benefit selection letter outlining the available optional forms of payment.

The system also provides a calculation worksheet to use in detailing how a pension benefit was determined and a Social Security worksheet with similar information for detailing Social Security benefits.

To assist you with your plan administration, the system also includes a participant count report for your Form 5500 and an actuarial valuation extract, a data extract with information that your actuary can use to determine the plan's liabilities.

Working with PeopleSoft Pension Administration Pages

You'll find PeopleSoft Pension Administration pages in three components used exclusively for pension processing and two components used primarily by PeopleSoft Benefits.

Administer Pension Plan

To open the Administer Pension Plan page, select **Compensate Employees, Administer Pension Plan.** This page is where pension administrators will perform most of their ongoing tasks. This page includes links to pages for:

- Viewing and maintaining employee pension-related data, including data related to employee contributions.
- Running calculations and periodic processes.
- Looking at calculation results online and producing calculation worksheets.
- Tracking pension-related activities and communications.
- Establishing pension payees, including beneficiaries and QDRO alternate payees.
- Preparing pension payments and producing the trustee extract.
- Administering payees, for example, adjusting payment amounts, applying cost-of-living adjustments, and responding to the death of a payee.
- Tracking QDRO-related information.
- Maintaining public tables such as the Maximum Taxable Wage Base and various interest rate and Social Security tables.

Maintain Pension Plans

To open the Maintain Pension Plans page, select **Define Business Rules, Maintain Pension Plans.** This menu is where you will set up calculation rules for pension plans.

The **Define** menu contains the components used to enter modular rules – ***definitions*** **-** used by the system's sixteen calculation functions (you'll set up the other three functions, consolidations, in the Maintain Pension Parameters page).

The **Implement** menu includes additional pages that apply these definitions to a specific plan and construct the final calculation job stream for the plan. The ***Inquire*** menu contains pages with summary information about your plan rules.

Maintain Pension Parameters

To open the Maintain Pension Parameters page, select **Define Business Rules, Maintain Pension Parameters.** This page contains links to pages for establishing a variety of subcomponents for the core function definitions.

The **Variables** menu contains pages where you can set up different types of employee ***aliases,*** named variables that reference stored or calculated employee information. Specific variables include:

- Database aliases
- Table lookups
- Dates
- Durations
- Function result aliases
- Actuarial factor aliases
- Custom statements
- Spouse Eligibility Alias

The **Rules** menu contains four different types of pages:

- Pages to create definitions for three non-calculation functions: the consolidation function.
- Pages for establishing date and duration processing options.
- Pages for establishing employee pension status processing - processing that will provide employee information for your annual actuarial valuation.
- Pages for establishing subrules that can be incorporated into other definitions. This includes pages for creating:
  - HR Action/Reason categories
  - Actuarial assumptions
  - Interest methods
  - Internal Revenue Code section 401(a)(17) earnings limits
  - Projection rules
  - Self Service rules
  - Application Trace
  - Active

The **Tables** menu contains pages for setting up mortality tables and hours-to-service schedules.

PeopleSoft Benefits Pages

You'll use some PeopleSoft Base Benefits pages to set up your pension plans and (for contributory plans) set up employee deductions for pension contributions:

- To set up pension plans, use the Define Base Benefits.
- To sign employees up for deductions, use the Administer Base Benefits.

Generating Reports

Your pension administration system is only as useful as the information it gives you. You want effective, accurate, timely information in the hands of the right people. PeopleSoft Pension Administration comes with standard reports that support a range of pension administration functions, from a detailed calculation worksheet to Form 5500 participant counts.

We created many of our standard reports using MITI's Structured Query Report Writer (SQR). Because you can use SQR to extract data from any Structured Query Language (SQL) database, you can use this tool to create a wide variety of reports or to perform global database manipulations and interactive queries. You can use these reports as we've provided them or modify them to meet your specific needs.

Certain delivered SQR extracts provide data you can merge with Microsoft Word for Windows templates to produce form letters. We've provided several sample templates for you.

To streamline your reporting, you can use the Process Scheduler. This enables you to run reports locally on your client workstation or remotely on a server, without exiting PeopleSoft Pension Administration or resorting to a third-party scheduling program. What's more, if you schedule reports to run on a server, you can choose to run them at a later date and time. That way you can avoid tying up valuable personnel and printer resources during peak periods.

To perform ad hoc and repeated queries against your PeopleSoft database, you can use PS/Query, a powerful yet easy-to-use query tool that enables you to create new queries, run preexisting ones (queries you or others have created), and generate the results online or in printed reports.

Reporting

There are three types of pension reports:

- Calculation result reports
- Participant letters
- Data extracts: actuarial valuation, Form 5500, and trustee extract

Calculation result reports include the nondetailed calculation worksheet, the calculation worksheet, and the Social Security worksheet.

Participant letters aid with your employee communications. PeopleSoft Pension Administration includes several sample letters that you can easily modify to meet your organization's specific requirements.

The actuarial valuation extract contains data your actuary will need to determine plan liabilities. The extract consists of two separate parts: the "active" extract, for those whose benefits are still accruing, and the "inactive" extract, for those who are owed a benefit, but whose benefit is no longer accruing. Employees appear in one or both of these files based on their pension status codes and the rules you've defined for categorizing those codes.

The Form 5500 Participant Count report tallies participants based on their pension statuses to aid with your Form 5500 reporting requirements.

The trustee extract contains all the retiree payment information for a specific pay run. You'll give this to the third-party trustee who cuts your pension checks.



For more information, see Generating PeopleSoft Pension Administration Reports.

CHAPTER 2

Planning Your Implementation

The work of implementing PeopleSoft Pension Administration falls into three areas: defining processing rules, converting employee data, and testing your implementation. This book focuses almost entirely on the first area, establishing processing rules.

Although we can broadly categorize implementation tasks into these three categories, a useful checklist of implementation tasks is necessarily somewhat more detailed.

To make sure you complete all necessary tasks for setting up a pension plan:

1. Establish the plans.
2. Set up specific plan components.
3. String the components together to make the calculation "job stream."
4. Set up the "plan aliases," miscellaneous plan information.
5. Add the plan to the "Order Plan" page.
6. Create pension status codes.
7. Set up retiree administration "control tables," HR jobs, departments, and other structural entities that house your retirees.
8. Convert your employee data.
9. Test, test, test.

In the next section, you'll look briefly at each of these tasks to see what's involved.

Establishing the Plans

First you'll need to determine how you're going to map your existing plans into the PeopleSoft Pension Administration system. You'll take inventory of your existing plans and decide which ones to create in the system.

You may decide that you don't need to set up calculation rules for certain plans: old plans almost all participants have terminated, certain executive plans, or any other plan where you would only calculate benefits for a very small population. However, even if you aren't going to set up calculation rules, you'll still need to establish the plan in the system if you want to use PeopleSoft Pension Administration to administer participants and benefits.

You'll establish a plan using PeopleSoft Base Benefits pages. There are only two pages you will need to complete to create a pension plan.

In order to define a basic pension plan, you'll take the following steps.

1. Add the plan to the Benefit Plan Table Page page.

2. Add pension-specific information about the plan to the Pension Plan Table (U.S.) Page.



For more information on setting up plans, see Establishing Pension Plans.

If you're using PeopleSoft Benefits to deduct pension contributions from employees' paychecks, there are some additional considerations.



For more information on setting up deduction processing plans, see Deducting Pension Contributions.

Setting Up Specific Plan Components

You organize plan rules into nineteen distinct functional areas such as service, vesting, final average earnings, optional forms, and so on. These nineteen "core functions" represent the separate processes needed to produce a benefit amount in all of its optional forms. No plan will use every function; your analysis will determine which functions are appropriate for your particular plans.



For more information about the core functions, including a list of functions and their descriptions, see Setting Up the Calculation Rules

Once you've determined which functions a plan uses, you'll dig deeper into the specific plan rules. Some rules, such as your benefit formulas, are no doubt explicitly defined in your plan document. Other rules, such as the method used to calculate employee ages, might be written or unwritten administrative policies. In order to use PeopleSoft Pension Administration, you'll have to first be sure your policies are well-defined. If you are reengineering your administrative practices at implementation time, we suggest looking at the parameter pages first to determine which methods are most easily implemented.

Entering all your calculation parameters is the biggest implementation task besides converting your employee data. PeopleSoft Pension Administration takes a modular approach to setting up calculation rules. Because the modules are heavily interdependent, a key part of your analysis will be diagrams showing the relationships of the modules you need. Documenting and diagramming these relationships is extremely important, as it will be impossible for you to create any module until all of its prerequisite modules are in place. Once you have completed your analysis, you'll use your diagrams as a road map for actually entering the data in the system.

Diagramming Dependencies to see a diagram showing the modules used to create one particular sample service calculation rule.

For more information about diagramming interdependencies and several examples of such diagrams, see Implementing a Sample Plan.

During your implementation, you'll need to keep track of a large number of modular objects. You'll find this task much easier if you develop a naming standard for your pension objects.

Forming the Calculation Job Stream

You'll set up the calculation job stream under **Define Business Rules, Maintain Pension Plans, Implement, Plan Implementation.** Put all your plan components in the correct processing order in this page.

You order the components according to their interdependencies. For example, if you've defined participation as requiring service credit, then the "Participation Service" component should be placed before the "Plan Participation" component.

For more information**,** see Creating the Plan Implementation and Plan Aliases.

Setting Up Miscellaneous Plan Information

Under **Define Business Rules, Maintain Pension Plans, Implement, Plan Aliases,** you'll identify rules you've set up to calculate miscellaneous plan information such as the plan's normal and early retirement dates, the date of first vesting, and the plan's primary contributory account.

For more information**,** see Creating the Plan Implementation and Plan Aliases.

Putting Plans in Order

Each plan you create must be given a specific processing precedence. Precedence determines the order in which plans will run when you perform calculations or periodic processing for multiple plans at once. To order your plans, choose **Define Business Rules, Maintain Pension Plans, Implement, Order Plans.**

Adding plans to the Order Plans Page is important for another reason: many of the fields that prompt against pension plans will only recognize plans if they appear in the Order Plans page.



For more information, see Creating the Plan Implementation and Plan Aliases.

Creating Status Codes

Pension status codes categorize participants based on pension related information. Status codes are plan-specific and mutually exclusive. These status codes are more than just informational, they're also the foundation for your actuarial valuation extract and your Form 5500 reporting.

To define the criteria by which an employee will be assigned a particular status code, select **Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition.**

To match the status codes to the definitions you've created and to valuation categories, select **Define Business Rules, Maintain Pension Parameters, Rules, Status Codes.**

Finally, specify how the actuarial valuation extract should treat the different valuation codes, select **Define Business Rules, Maintain Pension Parameters, Rules, Actuarial Valuation Matrix.** The Actuarial Valuation Matrix applies to all plans; you won't have to repeat this step for additional plans.



For more information, see Using Pension Statuses.

Establishing Retiree Administration Control Tables

PeopleSoft Pension Administration tracks your payees through regular PeopleSoft Human Resources employee records. The record that reflects the person's status as a pension payee is the JOB record. This is the same record you use to track employee job information, it's just used a little differently for pension payees.

In order to accommodate pension payees, several fields in the JOB record require valid values specifically for pension payees. These fields include: Company, Department, Location, and Pay Group.



For more information about setting up your retiree administration infrastructure, see Establishing Retiree Administration Control Tables.

If you will be using PeopleSoft Base Benefits or PeopleSoft Benefits Administration for retiree deductions (for example to take deductions for retiree medical coverage), you'll need to set up your benefits processing accordingly.

For more information, see your PeopleSoft Base Benefits System and PeopleSoft 8 Benefits Administration documentation.

Converting Your Data

Because pension calculations require a career's worth of data, you'll have to load a lot of historical data even if you're already using PeopleSoft Payroll and PeopleSoft Human Resources.

When you move your historical employee data into the PeopleSoft system, you're dealing with two types of data. The first type isn't specific to a particular pension plan. This is descriptive data about the employees and their job histories.

The second type is plan-specific. This consists of calculated values for specific plan components, calculated according to specific plan rules. This category includes service accruals, cash balance accounts, and employee contributory accounts.

One type of data can go into either category: payroll data. If you load "raw" payroll information: earnings, hours, and contributions, PeopleSoft Pension Administration can consolidate that data using the consolidation rules you define. Alternatively, you can load data that has already been consolidated.

For current payees and their beneficiaries, you don't need to load all the data used to calculate their original pension benefits. However, you will need to load personal and payment related data.

For more information on loading payroll data, consolidation histories, and accrual histories, see Loading Employee Data.

Testing Your Implementation

Running calculations and periodic processes is the only way to verify that your plan produces the results you need. Be sure to thoroughly test each aspect of your calculations under a variety of conditions: employees with long and short service, with interrupted service, employees who moved in and out of eligibility, and as many other situations as you deem significant. If there are grandfathered rules, or frozen benefits because of regulatory changes, make sure that these are being properly applied as well.

Don't underestimate the importance of thorough testing.

CHAPTER 3

Setting Up the Calculation Rules

PeopleSoft Pension Administration handles your pension calculation rules through its nineteen "core functions." By mapping your plan rules into these functions, you can construct calculation components for the separate elements of your plan. You'll then bring all the individual components together to produce a final benefit.

One of the things your analysis will uncover is the various ways you perform calculations in different situations. Effective dating enables you to keep a history of plan provisions through all the plan amendments, mergers, and regulatory changes your plan has seen. Special group processing enables you to match employees to the correct processing rules.

PeopleSoft Pension Administration lets you use as many sets of rules as you need. You'll set up your rules and your employee groups independently, mix and match them, and effective date the particular combinations you've created.

In this section, we'll give you an overview of how to organize and implement plan rules.

Identifying the Core Functions

PeopleSoft Pension Administration organizes plan rules into nineteen functional areas. The nineteen functions represent the separate processes needed to produce a benefit amount in all of its optional forms. No plan will use every function; your analysis determines which functions are appropriate for a particular plan.

There are sixteen functions used during a pension calculation. The three other functions. the consolidation functions, only run during periodic processing. Consolidations gather payroll data into monthly or yearly buckets that are then available to other functions during calculations. The following table identifies the core functions and provides a brief description of each:

Function	***Description***
Plan Eligibility	Determines if employees meet a plan's job-based eligibility criteria. If employees move in and out of eligibility due to job changes, Plan Eligibility builds a complete timeline of eligible and ineligible periods.
Consolidated Earnings	Consolidates payroll earnings into periodic subtotals. Generates and adjusts earnings as necessary.

Consolidated Hours	Consolidates payroll hours into periodic subtotals. Generates and adjusts hours as necessary.
Consolidated Contributions	Consolidates employee contributions into periodic subtotals using payroll deduction records.
Participation	Determines when employees meet a plan's age and service requirements regardless of eligibility.
Service	Uses elapsed time, hours counting, or hours equivalencies methods to calculate an employee's service accrual. Tracks breaks in service and service restoration rules. Plan can have multiple service definitions for different purposes. For example, for participation, vesting, and service credit.
Vesting	Calculates an employee's service- and age-based vesting using cliff, step, or table lookup methods.
Benefit Eligibility	Determines if an employee is eligible for normal retirement, early retirement, or any other retirement benefits your plan offers, including death and disability retirement benefits.
Final Average Earnings	Determines appropriate earnings to use in a pension plan's average earnings formula. Includes options for limiting pensionable earnings.
Cash Balance Accounts	Tracks the growth of an employee's hypothetical account under a cash balance plan.
Employee Accounts	Tracks employee contribution balances and the interest they earn. Distinguishes between after-tax and before-tax amounts.
Social Security	Calculates an employee's estimated Social Security income. You can use independent Social Security calculations for retirement calculations, or you can integrate the Social Security amount into the benefit formula of a Social Security offset plan.

Covered Compensation	Determines an employee's Covered Compensation, the average of the Taxable Wage Base for the 35 years up to and including the year the employee attains Social Security retirement age. You'll integrate this into the benefit formula of a Social Security excess plan.
Early/Late Adjustments	Computes factors for early retirement reductions and late retirement increases to an employee's benefit.
Death Coverage Factors	Calculates the factor used to reduce an employee's benefit when the employee elects Preretirement Survivor Annuity coverage in a plan that charges for such coverage.
Benefit Formula	Puts together all the elements that go into determining a pension benefit to derive an employee's benefit in its normal form of payment.
Employee-Paid Benefit	Determines what portion of the employee's pension benefit can be attributed to the employee's own contributions to the plan.
Optional Forms of Payment	Converts the normal form of the pension benefit into the various forms that the plan offers: annuities, lump sums, term certain, level income.
415 Limits	Reduces pension benefits to comply with Internal Revenue Code Section 415 limits on combined benefits from all pension plans.

Parameter pages for the sixteen calculation functions are under **Define Business Rules, Maintain Pension Plans, Define.**

You'll find parameter pages for the consolidations functions under **Define Business Rules, Maintain Pension Parameters, Rules.**

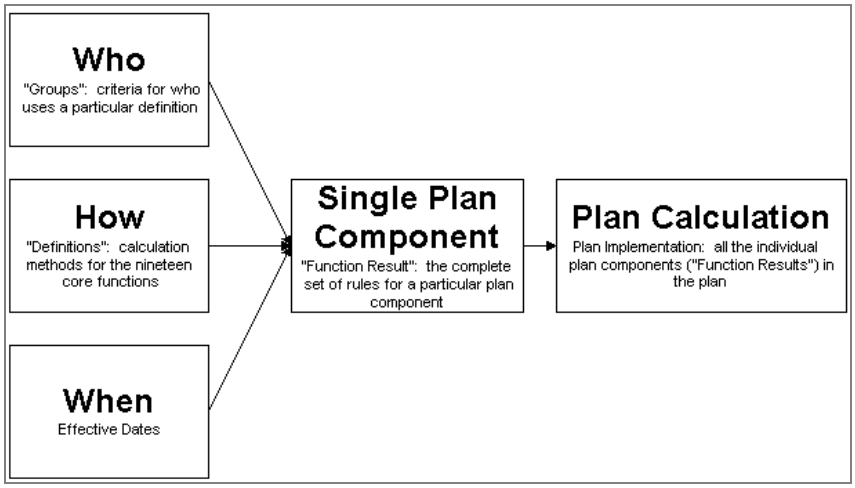
Understanding Modular Rules

PeopleSoft Pension Administration takes a modular approach to setting up calculation rules. You'll use different modules to establish:

- A calculation rule based on one of the core functions. This module is a *definition.*
- A calculation rule based on who uses the rule. This module is a *group.*

For more information on how additional "utility" modules work as subrules that you'll reference from within definitions or groups, see Understanding Pension Utilities.

When you put together a complete rule, you'll mix and match definitions and groups to specify who uses what calculation method when.



Assemble Modular Rules to Create a Pension Plan Calculation

For example, assume your plan vesting rules changed from seven-year step vesting to five-year cliff vesting in 1980. Employees hired before 1/1/1980 can use the better of the two rules, those hired afterwards must use the five-year cliff vesting.

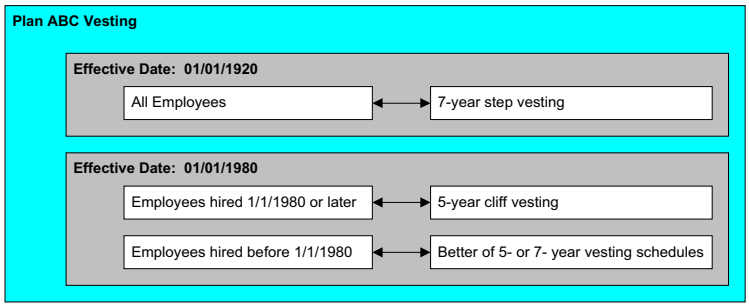
Your complete rules will have two effective dates. First, from the inception of the plan until 1980, there's just one rule (step vesting) available to all employees. Second, after 1/1/1980, employees hired after the rule change use the new rule (cliff vesting) while employees hired before the rule change use the better of the two rules.

You'll need to set up the following modules:

- Vesting definition 1: seven-year step vesting
- Vesting definition 2a: five-year cliff vesting
- Vesting definition 2b: better of the two vesting methods
- Group 1: all employees
- Group 2: employees hired 1/1/1980 or afterwards
- Group 3: employees hired before 1/1/1980

In reality, each of these modules would reference other modules as well, but this example won't drill down any further.

In the end, your rule will look something like this:



Vesting Rules Example

The page where you put all the pieces together is called the *Function Result* page. "Function Result" may sound like a funny term at first; it really just refers to the complete instructions for calculating the result for a function. Remember, the definition by itself isn't enough because there may be several different definitions used in different situations.

You'll create Function Results for as many of the core functions as are applicable to your particular plan. Certain functions will normally have just a single Function Result in the plan. For example, your plan will only use one Plan Eligibility Function Result because for each employee there is only one Plan Eligibility value.

Other functions may have multiple Function Results:

- Perhaps your plan calculates participation service, vesting service, and plan service separately. In this case, you would use three different service Function Results, one for each type of service you need to calculate.
- Benefit Eligibility usually uses several different Function Results: one to determine eligibility for normal retirement, one for early retirement, one for disability retirement, and so on.
- The plan may provide more than one benefit amount function, provided by the Benefit Formula.

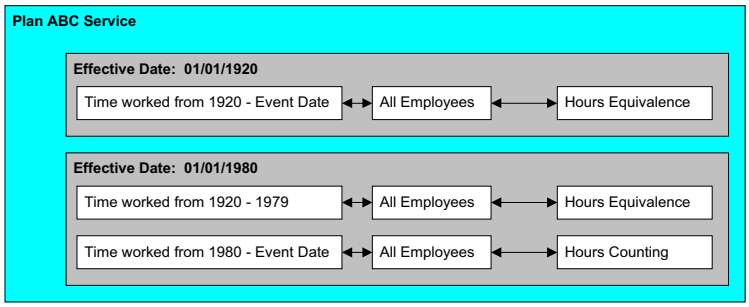


During your implementation, you'll need to keep track of a large number of modular objects: Function Results, definitions, and various definition subcomponents. You'll find this task much easier if you develop a naming standard for your pension objects. For example, you may want to set aside the first or last characters to identify the object type, ending all Function Results with "_F" and all definitions with "_D." You may want to incorporate a plan code into the name as well so you'll know which plan uses that object. Be sure your naming standard fits into the ten-character limitation.

Incorporating Time Segments into Function Results

Certain functions will sometimes apply different rules over different periods of an employee's career. For example, an employee may have accrued service using an hours counting method up

until a plan amendment in 1980, then started accruing service using an hours equivalence method. In this situation, you don't want the system to recalculate the earlier service using the changed rules, you just want to add together the service earned under the old rules and service earned under the new rules. That is, the rules are *simultaneously effective, but over different time segments.*



Service Function Result with Time Segments

In the Function Result page, you'll indicate the applicable time segment using the Start Date and Stop Date fields. The Stop Date for the final time segment will normally be the *event date*. That is, the date of separation from service, either due to termination or retirement.

Only specific functions will deal with multiple simultaneously effective time segments:

Function	***Example***
Consolidations	If consolidation rules change, the consolidated hours, earnings, or contributions for previous years can remain unchanged; the new rules would only be used only for future periods.
Service	Service accrued prior to the rule change remains unaltered, additional service accrual is based on the new rules. Results from each time segment are added together.
Cash Balance Accounts	If the cash balance rules change, the prior balance isn't affected, but future accruals are based on the new rules. Results from each time segment are added together.
Employee Accounts	If the employee account rules change, the prior balance isn't affected, but future accruals are based on the new rules. Results from each time segment are added together.
Death Coverage	If the death coverage rules change, the reduction that the employee has already incurred for coverage up to that point remains and any additional reduction is calculated using the new rules. Results from each time segment are added together.

Other functions don't use time segments to break an employee's career into sections. Therefore, the Start Date and Stop Date fields will always use values that define a time segment

encompassing the entire life of the plan. For example, all time segments for vesting could be 1/1/1900 to event date.

Planning Your Implementation

Setting up your plan rules is a complex task requiring a lot of detailed analysis. During your analysis, you'll be taking a very close look at your existing administration practices.

The analysis should be from the top down. That is, you'll look at broad functional areas of your rules and map them into the system's nineteen core functions. Determine which Function Results you'll need and what their processing order is. At the end of this first step, you'll have a list of all the Function Results you'll need.

Start with the first Function Result in your processing order and analyze the specific plan rules you'll be implementing. Continue this process through the entire job stream. At the end of this step, you'll have a list of all the definitions and groups you'll need.

Go back to the beginning and start examining the definition parameters. You'll discover other lower-level modules that will be needed. These modules are discussed in the section Understanding Pension Utilities.

Continue breaking down all your plan components until you have a complete inventory of the modules you'll need and you understand their interrelationships. Documenting and diagramming these relationships is extremely important, as it will be impossible for you to create any module until all of its prerequisite modules are in place. Once you have completed your analysis, you'll use your diagrams as a road map for actually entering the data in the system.

This analysis may have the ancillary benefit of identifying any practices which don't conform to the plan document. It is also an opportunity to codify any administrative practices which have been "word of mouth" rather than documented.

Diagramming Dependencies to see a diagram showing the modules used to create one particular sample service calculation rule.



For more information about diagramming interdependencies and several examples of such diagrams, see Implementing a Sample Plan.



Establishing the proper sequence for creating the different modules is critical to avoiding the frustration and setbacks of not having required objects when you need them.

CHAPTER 4

Understanding Pension Utilities

PeopleSoft Pension Administration handles pension calculations through its nineteen core functions. The system provides parameter pages used to create *definitions* for these functions.

The definition pages can, in turn, reference other utility rules. You'll set up all of these subrules under **Define Business Rules, Maintain Pension Parameters.** The three menus correspond to three different types of utilities: variables (also called *aliases*), tables, and rules.

In this section, we'll look at how you'll use the various pension utilities. You won't look at individual pages or learn to set up specific calculation components.

Understanding the Three Utility Types

There are three types of utilities: variables (also called "aliases"), rules, and tables.

Variables (aliases)	Aliases are calculated values that vary by employee. In the simplest case, you have the value for the variable stored in the PeopleSoft database. For example, you can look up an employee birth date in the database. Sometimes the values are calculated. For example, the employee's age at termination isn't stored, but can be calculated based on the birth date and the termination date. When you need to use multiple job processes, there are special rules when resolving aliases. Please see Defining the Primary Job Record and Multiple Jobs Considerations.
Rules	Rules support your core functions by providing rules that are then incorporated into the main parameter pages for a function. This modular treatment enables you to reuse specific subsets of your definitions. For example, you can use the projections rule to create an earnings projection method and then apply that rule within the Final Average Earnings function, the Cash Balance Accounts function, and the Employee Accounts function.
Tables	Tables are lists of values that you'll use for specific functions. For example, you can set up mortality tables that you can then reference from within an actuarial assumption set.

Using Variables

PeopleSoft Pension Administration provides eight different types of variables, known as *aliases,* that you can configure in order to calculate any type of value:

Alias Type	*Description*	*Example*
Database Alias	Look up information stored in a PeopleSoft database.	Birth date.
Date Alias	Derive a date by manipulating another date.	Normal retirement date: birthday plus 65 years, then rounded to the first of the following month.
Duration Alias	Find the length of time between two dates - think of this as an age.	Age at termination date: difference between termination date and birth date.
Table Lookup Alias	Look up one value based on another.	Early retirement factor: look up based on age at retirement.
Factor Alias	Calculate an actuarial factor for converting from one payment form to another.	Factor for converting from a lump sum to an annuity. This varies by employee because the factor depends on the employee and beneficiary ages.
Custom Statement	Perform mathematical or Boolean operations.	A benefit formula is a mathematical Custom Statement; Plan eligibility is a Boolean Custom Statement.
Function Result Alias	A secondary result produced by one of the system's core functions.	Participation date: the participation function's primary result is the participation status, but it also calculates the participation date.

Spouse Eligibility Statement	A specialized application of the Custom Statement that uses Boolean logic to determine whether a participant's spouse is eligible for an automatic joint and survivor benefit if the plan offers this benefit.	The plan may offer an automatic benefit only if the employee and spouse have been married for a full year.



For more information about variables, click the specific alias type.

Using Rule Utilities

PeopleSoft Pension Administration provides certain rule utilities that you can drop into other definitions as needed. By setting up separate, modular subrules, you can reuse a rule without having to set up all its parameters each time.

You can set up the following rules:

Rule	*Description*	*Where Used*
HR Action/Reason Code Categories	Similar job events such as hires and rehires or various categories of leave.	Consolidations; Service
Actuarial Assumptions	Mortality, interest, and payment frequency assumptions used for actuarial conversions.	Early/Late Adjustments; Optional Forms; Employee Paid Benefit (to convert the employee account to an annuity)
Interest Methods	Ways of applying full and partial period interest.	Cash Balance Accounts; Employee Accounts
401(a)(17) Rules	Internal Revenue Code limits on pensionable earnings.	Final Average Earnings; Cash Balance Accounts; Employee Accounts (projected)

Earnings and Hours Projection Methods	Future earnings and hours for estimating future benefits.	*Hours:* Service *Earnings:* Final Average Earnings; Social Security; Cash Balance Accounts; Employee Accounts



For more information about these rules and detailed instructions for setting them up, click the specific rule type.

Using Tables

There are two types of tables that you'll set up for very specific purposes: mortality tables and service schedules.

Mortality tables are part of an actuarial assumption set. When you create your actuarial assumptions, you'll specify which mortality table to include.

Service schedules show the amount of service credited for a particular service period based on the number of hours worked during that period. You'll reference these schedules from certain hours-based service definitions.

Customizing Plan Rules

Although we've provided extensive options for setting up your plan rules, it's possible that you'll also use your own custom code at certain points. PeopleSoft Pension Administration makes it easy to integrate your modifications by providing a simple way to reference your custom modules.

We've provided a number of predefined places in the parameter pages where you can indicate that the system should use your code in processing a specific function. These places are identified by a "User Code" option that you can select.

You can also insert user code modules directly into the calculation job stream. Unlike the predefined user code modules, which always produce a specific type of result, user code in the job stream can be set up to handle any functionality and produce any type of result.

To use a specific User Code parameter within a function, use clearly marked exit points within the associated parameter pages to execute your own custom code. These "predefined" user code options appear in your parameter sets as one of several options for a specific portion of the calculation.

This ability to exit the pension job stream, perform a custom calculation, then reenter the job stream with the results of that calculation, minimizes the impact of your modifications on the core system. Thus it significantly lessens their impact on subsequent upgrades.



For more information about User Code, see Customizing Calculations.

CHAPTER 5

Establishing Pension Plans

You set up your pension plans in PeopleSoft Base Benefits tables. Once you've set up your basic plan definition, you can begin setting up your calculation rules in PeopleSoft Pension Administration.

For contributory plans, you can use PeopleSoft HRMS to calculate payroll deductions for pension contributions. In this case, you'll have some additional setup steps to complete: you'll have to create deduction codes and deduction calculation rules and then put the plan into a benefit/deduction program.

Once a pension plan is part of a benefit/deduction program, you can enroll employees so that your deduction or payroll processing can take the deduction. Enrollment doesn't affect pension calculations; it is only used for payroll deductions.



For more information about enrolling employees, signing them up for pension deductions, see Deducting Pension Contributions

The PeopleSoft Pension Administration standalone configuration includes all the benefits pages and tables necessary to set up pension plans, but doesn't support payroll deduction processing.

Overview of Pension Plan Setup

There are only two pages you'll need to complete to create a basic pension plan. For contributory plans where PeopleSoft Base Benefits or PeopleSoft Payroll will be calculating the deductions, there are some additional steps.

Setting Up Basic Pension Plan Data

You'll use two pages to define a basic pension plan: the Benefit Plan Table Page to add the plan and the Pension Plan Table (U.S.) Page to add pension-specific information about the plan.

Adding Contributory Elements

Establishing deduction processing for contributory plans is a more complex process. The four steps are:

- Ensure there is a unique Plan Type. If you have more than six contributory plans, you'll need to add additional plan types in the translate table.
- Create a deduction code for each contributory plan under Define Business Rules, Define Payroll Process, Setup, Deduction Table.
- Set up the Benefit Plan Table Page and the Pension Plan Table (U.S.) Page just as described in Setting Up Basic Pension Plan Data.
- Add the plan to a benefit program under Define Business Rules, Define Base Benefits, Setup, Benefit/Deduction Program Table.



For more information on setting up benefit plans, see Designing Your Base Benefits System. For more information on setting up a benefit program, see Building Benefit Programs. For more information about setting up deduction codes, see Setting Up Benefit Deductions.

Overview of Plan Types

PeopleSoft Base Benefits uses plan type codes to control much of its processing. With the help of plan type codes, the system can distinguish pension plans from health plans, savings plans, and various other categories of benefit plans.

Plan types codes are two-character codes; the first character is a number, 1-9, that identifies the type of plan. Pension plan types begin with the number "8." Therefore, plan types 80-89 and 8A-8Z are all available for pension plans.

Canadian and US pension plans share the '8x' series of plan type codes - types 80 and 81 are reserved for Canadian plans, but other than this, all remaining 8x codes are available for U.S. Defined Benefit Plans.

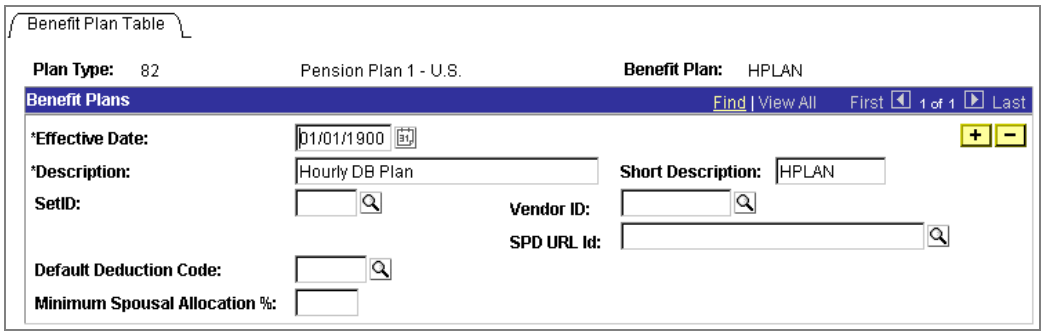
PeopleSoft Benefits processing, which handles paycheck deductions, permits employees to enroll in *one plan per plan type.* This ensures that employees don't enroll in two medical plans or two dental plans. If you have employees who contribute to more than one contributory plan, each plan must have a different plan type so that employees can enroll in multiple plans.

PeopleSoft delivers plan types 82-87 already defined as *Pension Plan 1 – US* through *Pension Plan 6 - US.* If you want to change the descriptions of these plan types, or if you need more plan types for your pension plans, you can edit the list of plan types in the translate table.

Defining Benefit Plans

Usage	Use the Benefit Plan Table page to set up a basic pension plan in PeopleSoft Base Benefits.
Navigation	**Define Business Rules, Define Base Benefits, Setup, Benefit Plan Table.**

Access Requirements	Enter a Plan Type, Benefit Plan and Description. Use any of the system's delivered pension plan types, *Pension Plan 1 – US* through *Pension Plan 6 - US* (codes 82 through 87). If you're planning to set up payroll deductions for employee contributions, the plan type must be unique.



Benefit Plan Table page

The following elements are common to multiple pages in this application and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Set ID, Vendor ID, Description, Short Description.**

Effective Date — Replace the default **Effective Date** - today's date - with the true effective date of the plan.

SPD URL ID — Select the **SPD URL ID.** This is for the PeopleSoft eBenefits self-service web, to provide access to the summary plan description. The **SPD URL ID** is defined on the Provider/Vendor Table - Policy Information Page.

Default Deduction Code — If you are defining a contributory pension plan, enter a **Default Deduction Code** from the Deduction Table, Setup Page. When you set up a **Default Deduction Code**, this code will appear on the Defining Benefit Deductions when you set up your deduction processing.

To set up the deduction codes, select **Define Business Rules, Define Payroll Process, Setup, Deduction Table.**

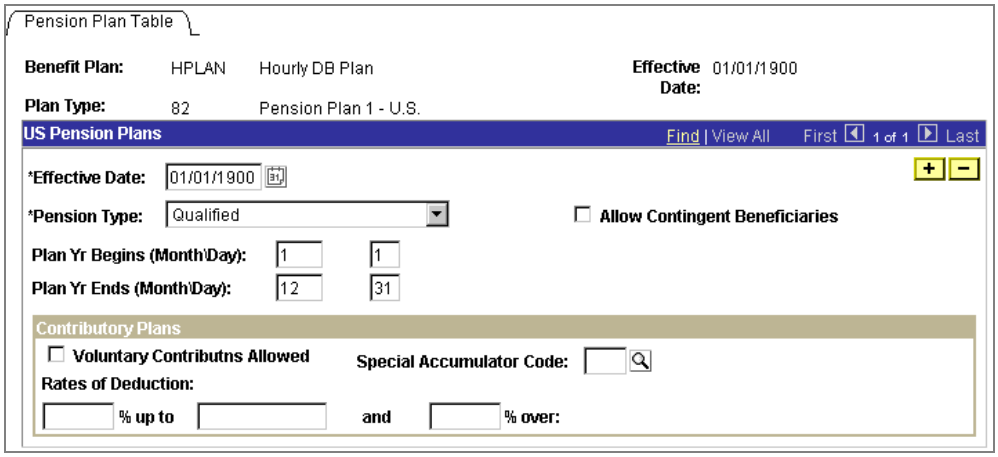
Minimal Spousal Allocation % — Certain qualified plans in the life, savings or pension category have mandated lower limits on the percentage amount that must be assigned to a spouse. Enter that amount here and the system will enforce or monitor compliance with this beneficiary right.

Provider ID, Group Number, and **Include in Nondiscrimination Testing** aren't used for pension plans and are unavailable for entry so you can't enter data.

For more information about setting up payroll deduction codes, see Defining Deductions.

Adding Pension Plan Detail

Usage	Use the Pension Plan Table page to complete your plan setup.
Navigation	**Define Business Rules, Define Base Benefits, Setup, Pension Plan Table (U.S.)**
Prerequisites	You must have first defined the Benefit Plans in the Benefit Plans Table using plan type 8x.
Access Requirements	Since the Benefit Plan table data isn't yet part of the Pension Plan Table, you'll use an Add action to access the plan.



Pension Plan Table (U.S.) page

The system makes no determination as to whether the calculation rules you set up meet Internal Revenue Code qualification standards. Such compliance is your responsibility.

US Pension Plans

Effective Date Enter the **Effective Date** of the plan information.

Pension Type Indicate whether the plan is ***Qualified*** or ***Non Qualified.***

Allow Contingent Beneficiaries Indicate if the plan will **Allow Contingent Beneficiaries.** Contingent beneficiaries are nonspouse beneficiaries.

Plan Yr Begins (Month\Day), Plan Yr Ends (Month\Day) (plan year begins, plan year ends)

Specify the month and day when the **Plan Yr Begins** and when the **Plan Yr Ends**. A plan year normally ends the day before the next one begins. However, if your plan has a change in plan year, you must set up a row for the resulting short plan year. That row will have nonconsecutive beginning and end dates.

For example, if the plan year changes from a July-June year to a calendar year resulting in a short plan year in 1980, the Pension Plan Table will include the following data:

Effective Date	*Plan Year Begin Date*	*Plan Year End Date*
1/1/1920	7/1	6/30
1/1/1980	7/1	12/31
1/1/1981	1/1	12/31



If you change your plan year, you must create two new entries in the Pension Plan (U.S.) table: one for the short year and one for the new plan year. Failure to do this could cause calculation errors.

Contributory Plans

Voluntary Contributions Allowed

The remaining parameters on the Pension Plan (U.S.) page are for contributory plans only. If the plan allows for voluntary contributions, select the **Voluntary Contributions Allowed** option. There are no parameters on this page for defining voluntary contribution rates; these are established on an employee-by-employee basis when you enroll employees in the plan.

Special Accumulator Code

Mandatory contributions are structured as a percent of pensionable earnings. Enter the payroll **Special Accumulator Code** that tracks pensionable earnings. If you don't enter a special accumulator, the system will use all earnings, even inappropriate earnings such as car allowance or expense reimbursement. When you enroll employees in the plan, you can enter a "Salary for Pension Calculation" override that the system will use instead of the special accumulator to determine the employee's pensionable earnings.



For more information about enrolling employees, signing them up for pension deductions, see Deducting Pension Contributions.

Rates of Deduction (% up to, and, % over)

Enter the contribution rates in the **Rates of Deduction** field. You can specify different rates above and below a particular threshold.

For example, employees could contribute 2% of earnings **% up to** $50,000 **and** 3% of earnings **% over** that amount. Enter the contribution percent to be used up to the threshold level in the first **Rates of Deduction** field, the actual threshold amount in the next field, and the contribution percentage rate to be used beyond the threshold in the final field.

If the threshold level changes, for example, if you use the Taxable Wage Base (TWB) as the threshold, you'll insert additional effective-dated rows to record the changes.

The system calculates pay-period contributions by annualizing the current earnings, calculating the total annual pension contribution for the annualized salary, and pro-rating the deduction to arrive at an amount for the pay period.

An example of defining contributory rates:

To illustrate: consider a plan that takes 2% of earnings up to $50,000 and 3% of earnings above that amount. Caesar is paid monthly; he earns $5,000 per month. Each month, the system annualizes the current $5,000 of earnings to arrive at an annual salary of $60,000. The system then calculates Caesar's total annual contribution based on that assumed annual salary: 2% of $50,000 is $1,000, and 3% of the remaining $10,000 is $300, for a total of $1,300. So each month, the system will deduct one twelfth of $1,300, or $108.33.

If Caesar were to leave the company after six months and $30,000 of earnings, his total contributions at that point would be $650, slightly more than the $600 he would have contributed if the system applied the deduction percentages based on year-to-date totals. You'll run into similar discrepancies with employees whose pay rate changes during the year or who don't always get the paid the same amount in each paycheck.

Building Benefit Programs

Benefit programs are a prerequisite for enrolling employees in a benefit plan. Remember, you'll only enroll employees in pension plans if the plan is contributory and you're using the PeopleSoft HRMS system to calculate deductions that should be taken from an employee's paycheck.

To create a program, select **Define Business Rules, Define Base Benefits, Setup, Benefit/Deduction Program Table.** Within the four Benefit Program pages, you'll establish a program, link the appropriate plan types to it, and associate a variety of plan-specific rules.



For more information on creating and using a benefit program, see: Designing Your Benefits Program.

CHAPTER 6

Establishing Plan Administration Information

Most of your day-to-day activities involve working with employees and other plan participants as they accrue and then receive pension benefits. However, there are also some more general administrative tasks relating to the plan itself rather than to specific plan participants.

You'll set up basic identifying information such as the plan's administrator, the plan's Employer Identification Number (EIN), and the plan address.

You'll also establish valid funding providers for the plan. When you set up retiree payments, you'll identify the funding source using the valid values you've established. The funding provider information then gets included in instructions you send to the third-party trustee who cuts the pension checks.

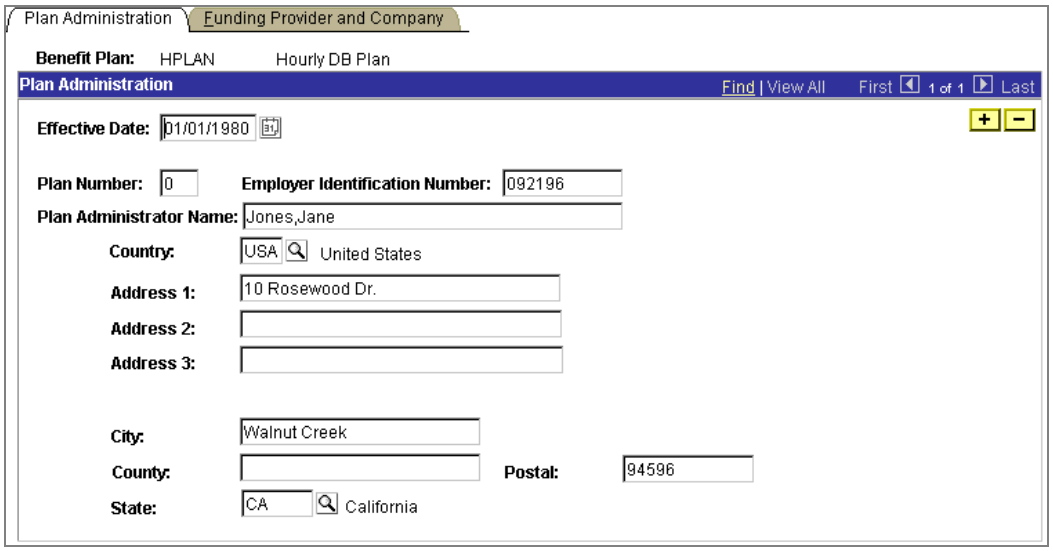
Another task is to identify the company (or companies) used to house the plan's payees in the PeopleSoft system. Payee records in the PeopleSoft HRMS system use the same data structure as employee records, which means that you'll identify companies, jobs, locations, and other employment-related information in the payee record. Much of this data is generic to all payees, for example, you can establish a single job to use for all your retirees. It's important, however, to use the appropriate company for each plan so that you can link the payee's tax elections, which are entered by company in PeopleSoft Payroll pages, with the payments from that plan.

Finally, you can set up generic checklists, "activity lists," to use for those administrative processes that involve working with plan participants. Set up checklists for different types of event processing such as terminations, retirements, and deaths. You can set up different checklists for different types of plan participants: retirees, beneficiaries, and QDRO alternate payees.

Plan Administration - Plan Administration Page

Usage	Use the Plan Administration - Plan Administration page to supply basic administrative information.
Object Name	PA_PLAN_ADMIN
Navigation	**Compensate Employees, Administer Pension Plan, Setup, Plan Administration, Plan Administration**
Prerequisites	In order to access a plan, you must have already added the plan to the Order Plans Page.

Access Requirements	Pension Benefit Plan



Plan Administration - Plan Administration page

The following elements are common to multiple pages in this application and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Country, Address 1, Address 2, Address 3, City, County, Postal, State.**

Effective Date Use the **Effective Date** to track changes to the plan information.

Plan Number Enter the number of the plan.

Employer Identification Number Enter an **Employer Identification Number** for the plan.

Plan Administrator Name Enter the **Plan Administrator Name** using the standard PeopleSoft name format (Last,First).

Plan Administration - Funding Provider and Company

PeopleSoft Pension Administration tracks pension payees through retiree "jobs" that are separate from and concurrent with employees' active employment jobs. These retiree jobs must be associated with specific retiree companies.

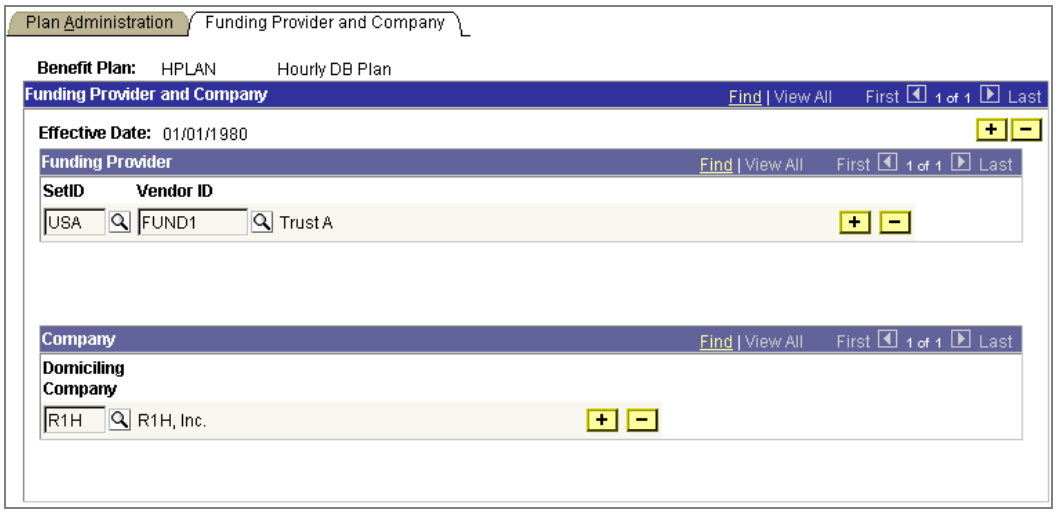
It's important to use the appropriate company for each plan so that you can link the payee's tax elections, which are entered by company in PeopleSoft Payroll pages, with the payments from that plan.

You'll establish one retiree company for each plan you sponsor. When a pension payee receives benefits from multiple plans, you'll create multiple retiree jobs for the person and associate each

job with the a different company. This enables pension payees to have different tax elections for each plan that's providing a benefit.

Plan Administration – Funding Provider and Company Page

Usage	Use the Plan Administration - Funding Provider and Company page to identify the retiree company associated with a particular plan and to identify valid funding providers for the plan.
Object Name	PA_PLAN_ADMIN_FUND
Navigation	**Compensate Employees, Administer Pension Plan, Setup, Plan Administration, Funding Provider and Company**
Prerequisites	You must first define a Plan Administration in the Plan Administration - Plan Administration Page.
Access Requirements	Pension Benefit Plan



Plan Administration - Funding Provider and Company page

Effective Date The funding providers and companies you list on this page become the only valid values when you set up payee information. The **Effective Date,** entered on the first page in this component, controls when the values become valid.

Funding Provider ID

Enter the valid funding providers for this plan in the **Funding Provider ID** list. This field prompts against existing providers in the Setting Up Vendors.

When you schedule payments for a pension payee, you'll be able to specify funding providers associated with individual payments. Providers included in the Funding Provider and Company page will be the only valid providers. Provider information is then included in the trustee extract in order to communicate this information to the third-party trustee that produces pension checks.

For more information about the provider table, see PeopleSoft 8 Base Benefits, "Setting Up Benefit Providers and Deduction Codes".

Domiciling Company

The **Domiciling Company** is the retiree company associated with the plan. This is the company to which you'll assign payees who are receiving benefits from this plan. This field accepts valid values from the Company Table. Companies included here will be the only valid companies when you create a retiree job.

For more information about the importance of companies to your retiree organization, see PeopleSoft Pension Administration, "Establishing Retiree Administration Control Tables"

Activity Lists

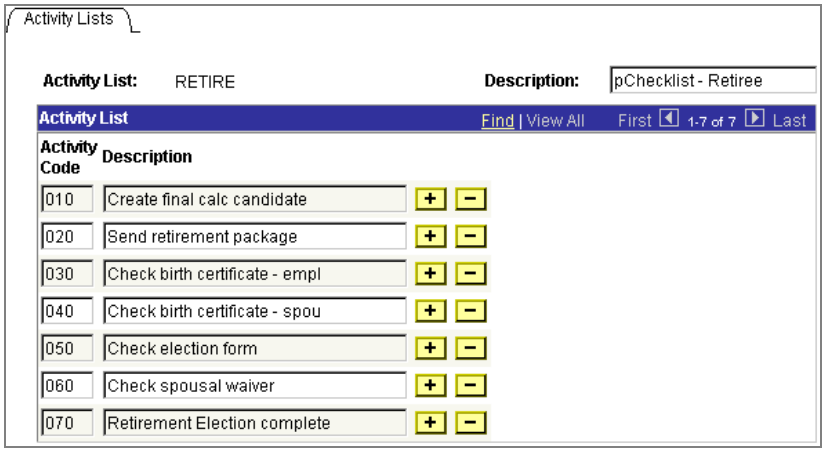
Events in the lives of employees and payees are frequently triggers for various administrative tasks. There are task lists when an employee retires, when a retiree dies, when you start payments to a beneficiary, and for many other occasions.

To help you monitor all the details associated with these various events, you'll find it helpful to use activity lists. Because your organization has its own requirements for various situations, you'll set up your own lists. You can set up checklists for different types of event processing such as terminations, retirements, and deaths. You can also set up different checklists for different types of plan participants: retirees, beneficiaries, and QDRO alternate payees.

Activity Lists Page

Usage	Use the Activity Lists page to set up lists for different types of events in the lives of plan participants.
Object Name	PA_RT_ACTIVITY

Navigation	**Compensate Employees, Administer Pension Plan, Setup, Activity Lists, Activity Lists**
Prerequisites	Create new lists with an Add action. The name you assign in the Add dialog box is the name you'll reference when you use the activity list, so be sure your list names make sense.
Access Requirements	Activity List/Description



Activity Lists page

CHAPTER 7

Setting Up Contributory Plans

Contributory plans present some special considerations when you're implementing PeopleSoft Pension Administration.

First, if you're using PeopleSoft Benefits and PeopleSoft Payroll, you'll need to establish deduction processing to take pension contributions from employee paychecks.

Second, you need to track contributions and the interest they earn.

Third, you need to determine how much of the final benefit is attributable to the employee contributions, and treat the employee-paid and employer-paid benefits differently. For example:

- Vesting: employees are always 100% vested in their contributions while the employer-paid portion of a benefit is subject to plan vesting rules.
- Of the 415 limits on defined benefit plans: you'll only apply the limits to the employer-paid portion. (Employee contributions, mandatory of voluntary are considered a defined contribution plan.)
- Optional forms of payment: employees may be entitled to withdraw contributions as a lump sum at benefit commencement, leaving the employer-paid portion to be paid out as an annuity.

Fourth, you'll need to keep track of the final employee contributory balances against benefits received, because employees are entitled to full recovery of their contributions. Furthermore, any after-tax contributions are recovered as nontaxable benefits while the interest is taxable.

Fifth, contributory plan participants can often withdraw their contributions when they terminate, forfeiting any associated service. Then, if the employee is rehired, the plan may enable the employee to repay the contributions with interest in order to buy back the forfeited service. This scenario is commonly associated with public plans.

Sixth, contributory plans may enable employees to purchase service for certain types of periods, such as time worked under another plan, or time spent on military leave. In order to purchase the service, employees must give the plan an amount of money equivalent to what they would have contributed had they been participating during that time. The purchase amount also includes appropriate interest.

In this section, you'll look at how to set up your plan to support these requirements unique to contributory plans.

Deducting Pension Contributions

You'll set up all your pension plans in the PeopleSoft Base Benefits system as a prerequisite to establishing the plan's calculation rules. When you're dealing with contributory plans, you'll have to perform some extra steps when you set up the plan.

PeopleSoft Base Benefits enables employees to enroll in only one plan per plan type. That is, employees can only enroll in one medical plan, one dental plan, and so on. If your employees ever contribute to more than one plan at a time, you need to ensure that each plan has a unique Plan Type. We've delivered six different plan types that you can use for your Pension Plans (U.S.) (types 82 through 87); if you need to create more, you'll create them in the Translate Table.

You'll also have to create a deduction code for each contributory plan.



For more information on setting up deduction codes, see The Deduction Table.

You'll set up the pension plan in the Benefit Plan Table and the Pension Plans (U.S.) table just as you would set up a noncontributory plan, except that you'll enter a default deduction code in the Pension Plan (U.S.) Table.



For more information on setting up pension plans, see Establishing Pension Plans.

Once you've established the plan, you'll add it to a benefit program. Employees are eligible for different benefit programs and can only enroll in the plans that are part of their benefit program.



For more information on benefit programs, see Building Benefit Programs.

On an ongoing basis, you'll need to enroll employees in the pension plans. Enrolling simply means that you've signed up the employees for deductions; it has nothing to do with an employee's eligibility as determined by the PeopleSoft Pension Administration eligibility function.



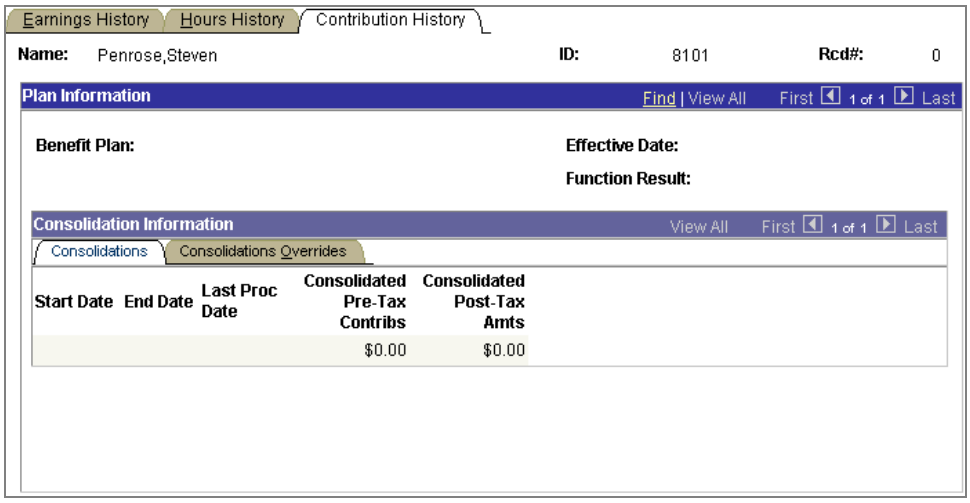
For more information on signing employees up for pension deductions, see Enrolling in US Pension Plans.

Tracking Contributions

PeopleSoft Pension Administration provides three functions specifically for contributory plans:

- Consolidated Contributions gathers contributory information from payroll data.
- Employee Accounts tracks the accumulation of the contributions and any interest up to the event date.
- The Employee Paid Benefit function projects the account balance to normal retirement date if necessary, then actuarially converts the balance to a single life annuity.

For more information about consolidations, see Consolidating Payroll Data: Consolidating Payroll Data. For more information about employee accounts, see Defining Employee Accounts. For more information about calculating the employee-paid benefit, see Defining the Employee-Paid Benefit.

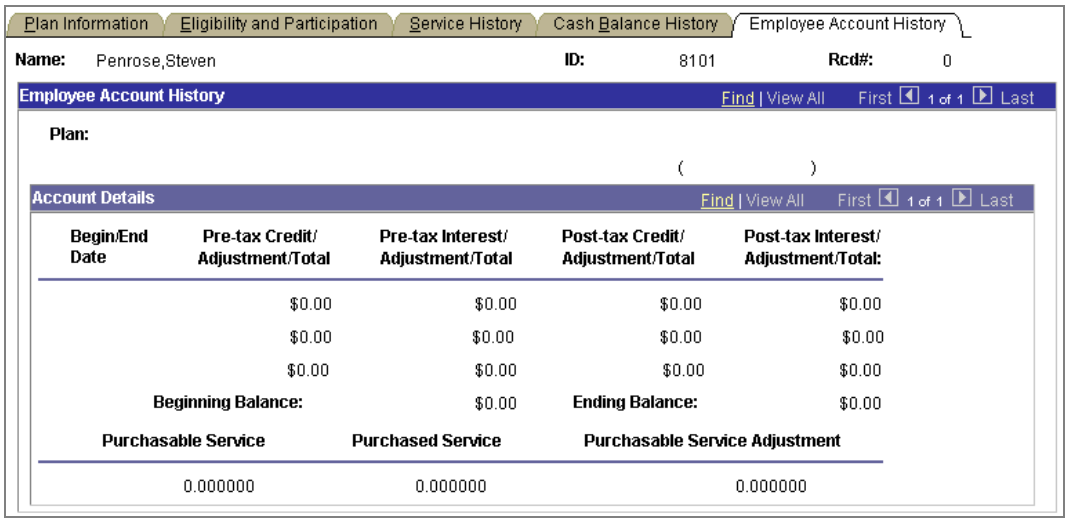


Employee Consolidated History - Contribution History page

Use the Employee Consolidated History – Contribution History page to view the results of periodic consolidation processing and override values for particular periods.

Periodic processing maintains consolidated contributions and employee accounts. During a calculation, the system uses the existing employee account information, and brings it up to the specified event date. If you run periodic processing beyond the event date, this extra information can affect the calculation results.

For more information about maintaining consolidated payroll data, see the Employee Consolidated History - Contribution History Page.

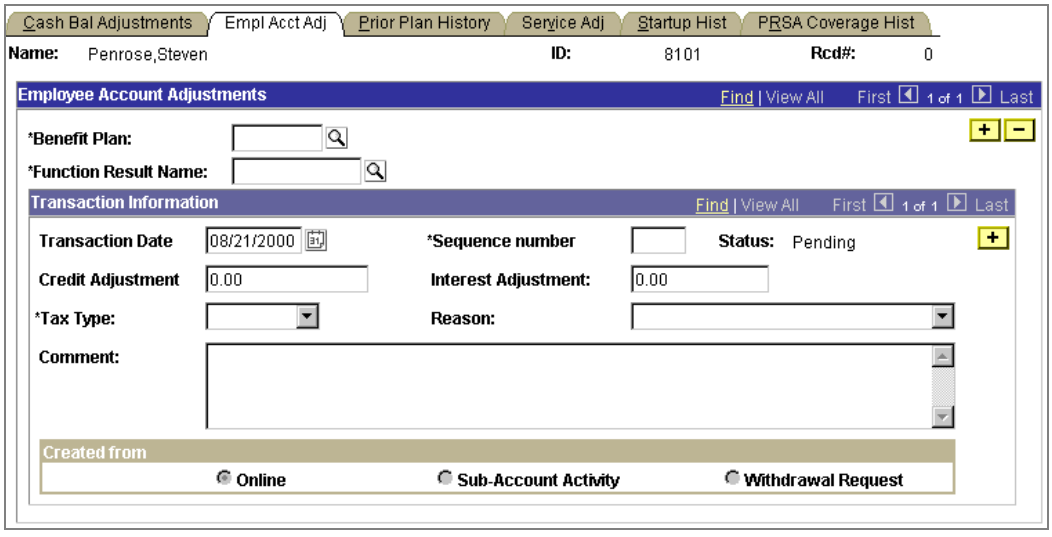


Plan History - Employee Account History Page

Use the Plan History - Employee Account History page to view the results of periodic processing for employee accounts.

You can't modify or override data on this page. If you need to correct the data, you have two options:

- Override the consolidation data that was the source for the employee account history: Employee Consolidated History - Contribution History Page.
- Enter an adjustment directly into the account: Employee Plan Data - Empl Acct Adj Page.



Employee Plan Data - Employee Account Adjustments page

The Employee Acct Adj page applies the adjustments during the next periodic processing and determines the employee-paid benefit during a calculation.

For more information on maintaining employee plan data, see the Employee Plan Data - Empl Acct Adj Page.

Managing the Employee- and Employer-Paid Benefits

By using the employee-paid benefit function to establish the value of the employee's contributions to the plan, you can establish the employer-paid portion of the benefit as well. How you do this depends on whether employee contributions are voluntary, and thus supplement the plan benefit, or whether they are mandatory, and thus offset the cost of providing the benefit:

If employee contributions *supplement* the employer-paid pension benefit, or example, if you permit employees to make voluntary contributions that increase the value of their pension benefits then the regular benefit formula provides the employer-paid benefit. In this case, you'll apply vesting and 415 limits to the regular plan benefit, then add the employee-paid benefit to that amount in a subsequent final benefit formula.

If employee contributions *offset the cost* of providing the benefit, but don't change the actual benefit amount, you'll subtract the employee-paid benefit from the total benefit to find the employer-paid portion. You'll then apply vesting rules and 415 limits to the employer portion, and finally add the employer-paid portion back to the employee-paid portion in a subsequent final benefit.

Let's look at how to set up the job stream for either of these situations in order to handle the three areas where you may have to treat the employee- and employer-paid portions differently:

- Vesting: employees are always 100% vested in their contributions, while the employer-paid portion of a benefit is subject to plan vesting rules. This means you need to isolate the employer-paid portion and apply vesting rules to that portion only.

- The 415 limits: these limits only apply to the employer-paid portion. This means you need to have both benefit formula and optional forms Function Results for the employer-paid benefit. This is necessary because the benefit formula feed values to optional forms, which in turn feeds values to 415 limits processing. Beware, because the limits aren't applied until *after* any total (recombined) benefit is calculated. This means that the total benefit will be based on the unlimited version of the employer-paid benefit and will be incorrect if, in fact, limits were applied.

You may need to consider the employee contributions in determining the 415 limits applicable to defined contribution (DC) plans. PeopleSoft Pension Administration doesn't calculation any DC limits.

- Payouts: if employees are entitled to withdraw contributions as a lump sum at benefit commencement, you may be paying out the employee- and employer-paid portions separately. This means you'll need both benefit formula and optional forms Function Results for both portions of the benefit. This is necessary in order for the system to feed the benefit amount to the payment process. If the two employee- and employer- paid portions are a single

inseparable benefit, you'll only need one benefit formula for the combined amount.

If employee contributions *supplement* the benefit, your end of the job stream will include some or all of the following Function Results:

Order	Function Result	Description
1	Employee-Paid Benefit.	Annuity value of employee contributions.
2	Benefit Formula - Employee.	The employee-paid portion is put into a benefit formula so it can flow through to optional forms, and from there into the payment schedule. You only need this if employees can take the two portions separately.
3	Optional Forms - Employee.	Optional forms associated with the employee-paid benefit; only needed if you enable employees to receive separate payments for the employee- and employer-paid portions of the benefit.
4	Benefit Formula - Employer.	Regular plan benefit, all employer funded. Vesting rules should be applied in this benefit formula.
5	Optional Forms - Employer.	Optional forms for the employer-paid benefit are only used for: A) Paying out this potion of the benefit if employees can take the two portions separately. B) Applying 415 limits; however, if the benefit is reduced by 415 limits, then the final recombined benefit (both benefit formula and optional forms) will be *incorrect* because they're processed before 415 limits, and thus, will be based on the unlimited amount, not the 415-limited amount. To work around this limitation, run a second calculation where you override the employer benefit with the limited result.
6	Benefit Formula - Final Combined.	Total benefit: add the employer and employee portions of the benefit. Make sure benefits are in the same payment form and frequency, such as the monthly value of a single life annuity. If necessary, divide annual amounts by twelve, or use the factor utility, to ensure both benefits are in the same payment form. Also be aware that this amount won't reflect 415 limits applied to the employer-paid benefit.
7	Optional Forms - Final Combined.	Optional forms associated with the final combined benefit.

8	415 Limits.	This is always processed at the end, regardless of actual position in the plan implementation (and should therefore be placed at the end for consistency's sake.) Processing for 415 limits will adjust the optional forms results for the employer-paid benefit, but won't recalculate the combined benefit.

If employee contributions *offset* a portion of the employer cost, the job stream will be somewhat different; **boldface** indicates rows that are new or different:

Order	*Function*	*Function Result Description*
1	**Benefit Formula - Total Before Vesting.**	**Regular plan benefit with no vesting rules applied.**
2	Employee-Paid Benefit.	Annuity value of employee contributions.
3	Benefit Formula - Employee.	The employee-paid portion is put into a benefit formula so it can flow through to optional forms and from there into the payment schedule. You only need this if employees can take the two portions separately.
4	Optional Forms - Employee.	Optional forms associated with the employee-paid benefit, only needed if you enable employees to receive separate payments for the employee- and employer-paid portions of the benefit.
5	**Benefit Formula - Employer.**	**The employer-paid benefit is calculated by subtracting the employee-paid benefit (row 2 or 3) from the regular plan benefit (row 1). This is also where you'll apply the vesting percentage.** **You could put this formula in a Custom Statement instead of a benefit formula if:** **you don't need to see this value in your calculation results, and** **you're not going to apply 415 limits, which pull the benefit amount from the benefit formula via optional forms.**

6	Optional Forms - Employer	Optional forms for the employer-paid benefit, only used for: A) Paying out this potion of the benefit if employees can take the two portions separately. B) Applying 415 limits; however, if the benefit is reduced by 415 limits, then the final recombined benefit (both benefit formula and optional forms) will be *incorrect* because they're processed before 415 limits and thus will be based on the unlimited amount, not the limited amount. To work around this limitation, run a second calculation where you override the employer benefit with the limited result.
7	Benefit Formula - Final Combined	Total benefit: add the employer and employee portions of the benefit. Make sure benefits are in the same payment form and frequency, such as the monthly value of a single life annuity. If necessary, divide annual amounts by twelve or use the factor utility to ensure both benefits are in the same payment form. Also be aware that this amount won't reflect 415 limits applied to the employer-paid benefit.
8	Optional Forms - Final Combined	Optional forms associated with the final combined benefit.
9	415 Limits	This is always processed at the end, regardless of actual position in the plan implementation, (and should therefore be placed at the end for consistency's sake.). Processing for 415 limits will adjust the optional forms results for the employer-paid benefit, but won't recalculate the combined benefit.

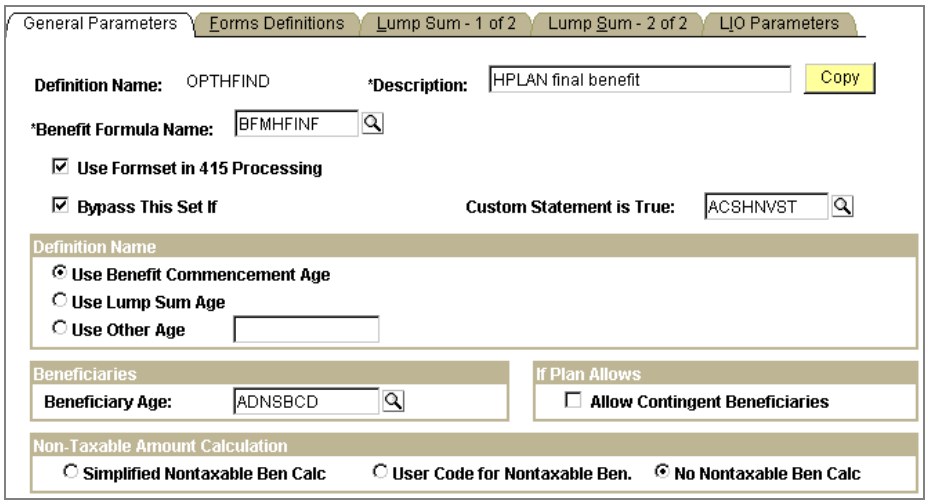


The system doesn't support recombining employee- and employer- paid benefit for highly compensated employees.

You can work around the limitation by running an initial calculation to find the limited employer-paid portion, then running a second calculation, where you override the employer-paid benefit with that limited amount in order to provide the appropriate amount to the combined benefit formula and optional forms.

Ensuring Employees Recover Their Contributions

You'll need to keep track of the final employee contributory balances against benefits received, because employees are entitled to full recovery of their contributions. Furthermore, any after-tax contributions are recovered as nontaxable benefits.

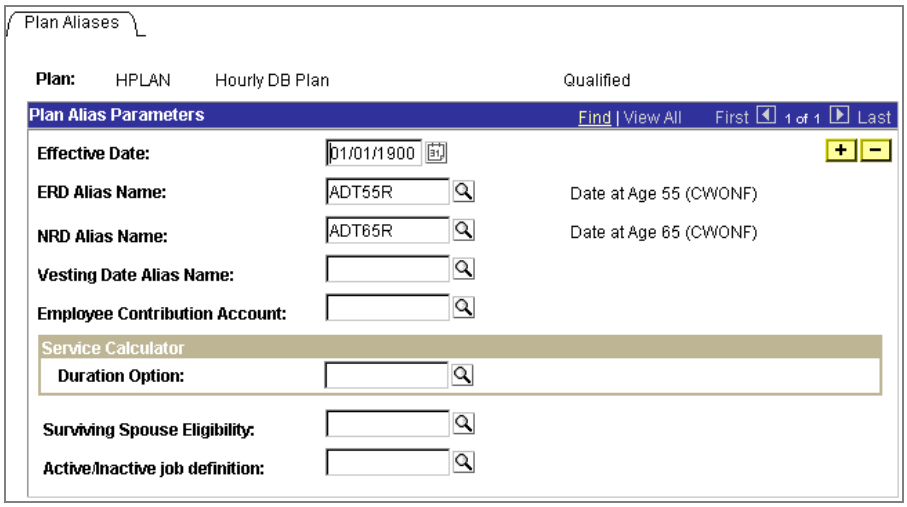


Optional Forms - General Parameters page
Use the General Parameters Page to set parameters in an optional forms definition.

The nontaxable amount appears in the optional forms results, and flows through to the payments based on those optional forms.

If an employee has been contributing after-tax money toward a pension, you'll have to determine what portion of the monthly pension check is attributable to those contributions, and is therefore nontaxable. PeopleSoft Pension Administration offers an option to calculate the nontaxable portion of the benefit using the Simplified Method published in IRS Notice 98-2. This method is applicable only to qualified plans.

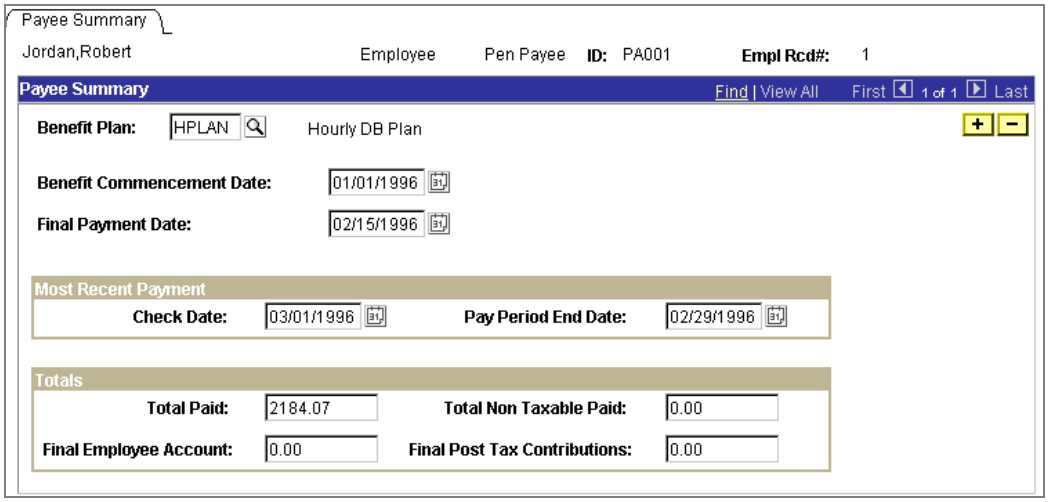
For more information about, as well as a detailed account of the processing involved to calculate the nontaxable portion of the benefit, see Calculating the Non-Taxable Portion of the Benefit.



Plan Aliases page

When you run the payment process for the first time for an employee, the system looks up the final employee account balances for the plan in order to track payments against these balances. Use the Plan Aliases page to identify the appropriate system Employee Account.

For more information about the Plan Aliases page, see Creating the Plan Implementation and Plan Aliases.



Payee Summary page

The pension payment process copies the account information to a payment summary record. This record is also where the system keeps a running balance of the total benefits paid and the nontaxable benefit paid. Use the Payee Summary page to view the final account balances and the running payments totals.

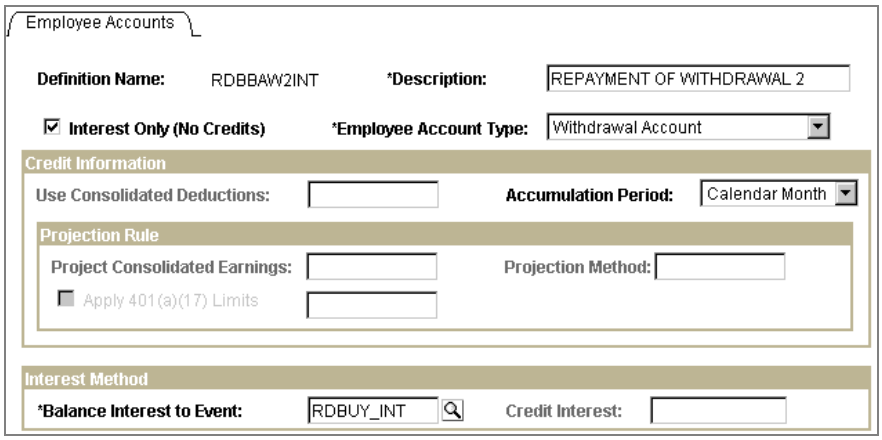
Every time you make payments, the system compares the employee's final after-tax contributions to the total nontaxable benefit paid out by the plan. Once the employee has recovered all the after-tax contributions as nontaxable income, the system will no longer treat any portion of the retiree's benefit payments as nontaxable; the system overrides any nontaxable portion with a zero.

For more information about tracking payment totals, see Tracking Running Payment Totals.

Implementing Service Buy Back

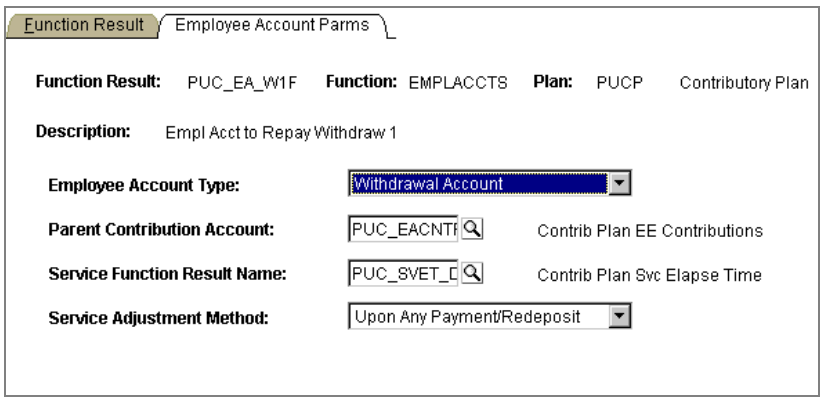
Employees in public contributory plans, who withdraw their pension contributions when they terminate, typically forfeit the corresponding service. If they're rehired, they can often buy back the forfeited service by repaying the contributions along with any accrued interest.

There are two sides to the service buy back functionality: administering the withdrawal of contributions, and zeroing out the associated Employee Account and Service accrual; and tracking repayments and the associated service credits.



Employee Accounts page

In your Employee Accounts definitions, you'll establish a special type of employee account especially for tracking withdrawals. You'll be able to pay employees out of this account, and accept repayments into this account. By entering a consolidated deductions data source in this definition, you provide a path for repayments made via payroll deductions to automatically be credited to the account.

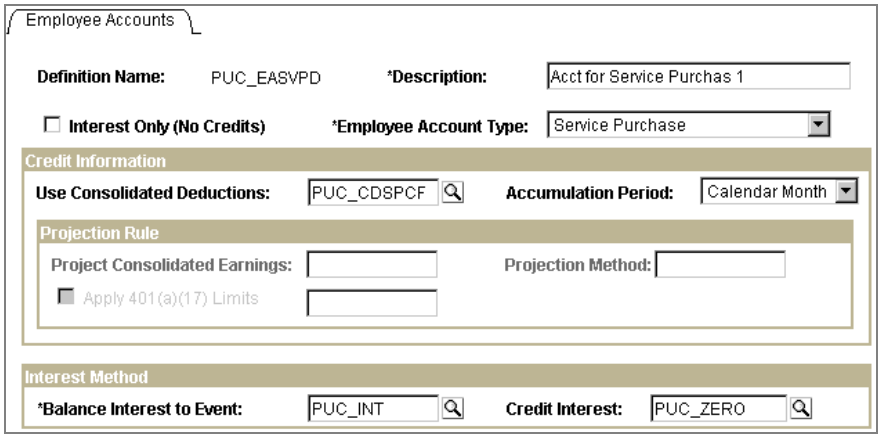


Function Result – Employee Account Parms page

In the Function Result page, you'll associate the withdrawal account with a parent account, the master contributory account, and with a particular service accrual. These associations ensure that transactions in the withdrawal account are automatically rolled up to the corresponding contribution and service accruals. You can specify that service be restored on full payment, on any payment, or on a prorated basis.

For more information about administering service buy back, see Administering Contributory Plans.

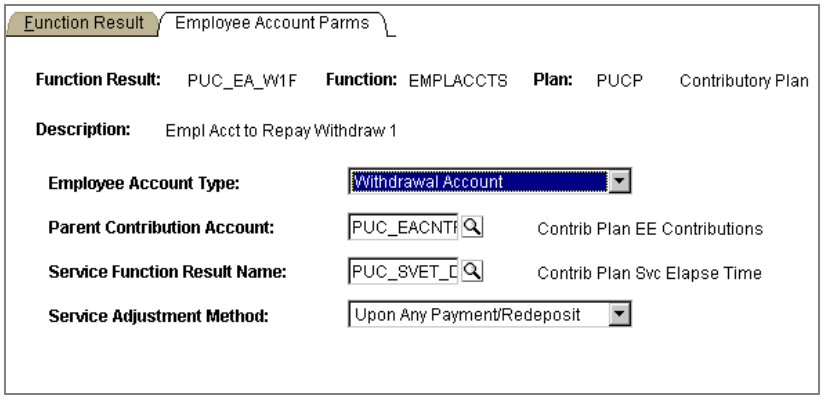
Implementing Service Purchase Provisions



Employee Accounts - Purchase Account page

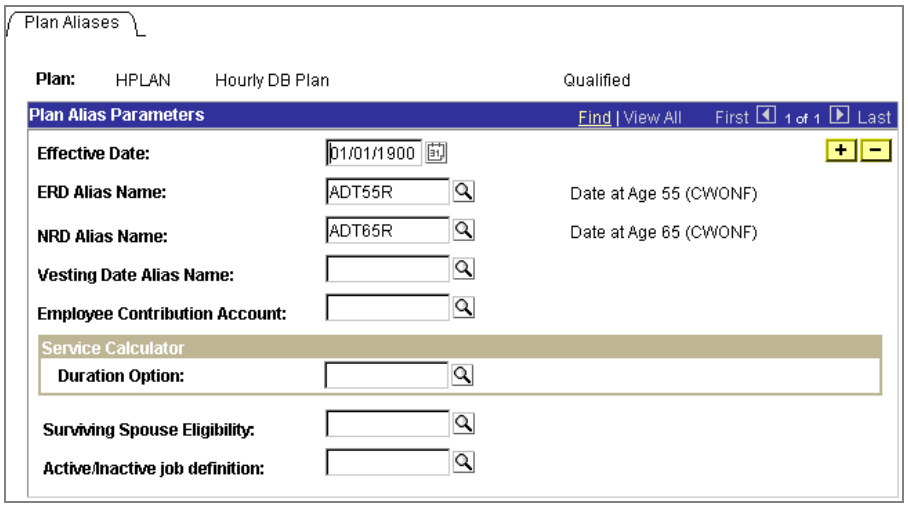
In certain situations, you might enable your employees to purchase service by paying the contributions and interest that the plan would have collected had the employee been working and contributing during that time. For example, this service purchase arrangement might be available for periods of military leave, or for periods where an employee was working but wasn't eligible to participate in the plan.

In your Employee Accounts definitions, you'll establish a special type of employee account especially for tracking employees' payments toward service purchase. By entering a consolidated deductions data source in this definition, you provide a path for payments made via payroll deductions to automatically be credited to the account.



Function Result - Employee Accounts Parameters page

In the Function Result page, you'll associate the purchase account with a parent account, the master contributory account, and with a particular service account, to ensure that transactions in the purchase account will automatically be rolled up to the corresponding contribution and service accruals. You can specify that service be credited on full payment, on any payment, or on a prorated basis.



Plan Aliases page

When a pension administrator sets up a service purchase program for an employee, the administrator will need to calculate the amount of purchasable service. The pages where the administrator sets this up includes a utility to help calculate the purchasable service amount. In order for this to work, you'll need to provide calculation rules for this service calculator. Do this in the Plan Aliases page.

Establish calculation rules for the **Service Calculator** by entering a **Duration Option.**



For more information about administering service purchase, see Administering Contributory Plans.

CHAPTER 8

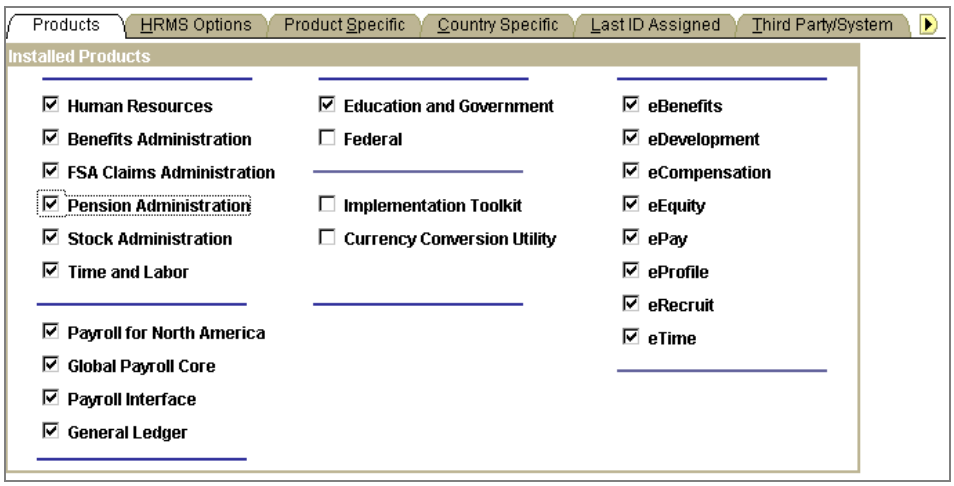
Establishing Retiree Administration Control Tables

In order to track pension payees, you need to establish the payees in your PeopleSoft system. Payees have employee identifications (IDs), personal data records, and job data records, just like everyone else in your PeopleSoft Human Resources system. There are a number of tasks you must perform in order to ready your system for your pension payees.

Many of the pages you'll use as you perform these tasks are more thoroughly described in your PeopleSoft Human Resources documentation. In this section we'll limit our discussion to those settings that directly affect your pension processing.

Installation Table - Products Page

Usage	Use the Installation Table - Products page to activate PeopleSoft Pension Administration.
Navigation	**Define Business Rules, Define General Options, Setup, Installation Table, Products**



Installation Table - Products page

PS/Pension Administration Ensure that the **PS/Pension Administration** check box is selected to indicate that you're using the PeopleSoft Pension Administration system.

PeopleSoft Pension Administration doesn't use the **Commit After # Empls Processes** (commit after number of employee processes) or **Max Number of Rows in Scrolls** (maximum number of rows in scrolls) settings.

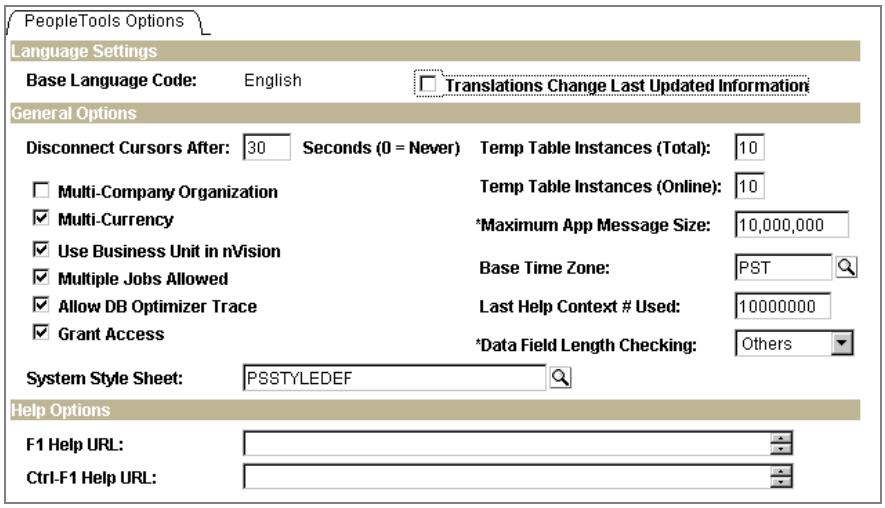
For more information about the Installation Table, see Setting Up Implementation Defaults.

Posn Mgmt (position management) If you are currently using PeopleSoft Human Resources full position management, consider switching to partial position management as you almost certainly won't want to manage your retirees by position. To change to partial position management, change the **Posn Mgmt** setting from ***Full*** to ***Partial.***

For more information about using Position Management, see Managing Positions.

PeopleTools Options Page

Usage	The PeopleTools Options page enables you to create multiple jobs and multiple companies.
Navigation	**PeopleTools, Utilities, Use, PeopleTools Options**



PeopleTools Options page

When you retire an employee with the PeopleSoft Pension Administration system, you'll create an additional retiree "job," concurrent with the employee's original job. Therefore, your PeopleSoft system must be configured to support concurrent jobs.

Additionally, your system should be set up to support multiple companies. Because your pension plans are independent tax-reporting entities, they'll normally have their own entries in the Company Table - Company Location Page, distinct from any other companies in your organization.

Ensure that the Setting Up HRMS Options on the PeopleTools Options Page option is on. This is mandatory because the PeopleSoft Pension Administration system uses additional jobs to track retirees.

For more information about how the system uses multiple jobs, see Establishing Pension Payees.

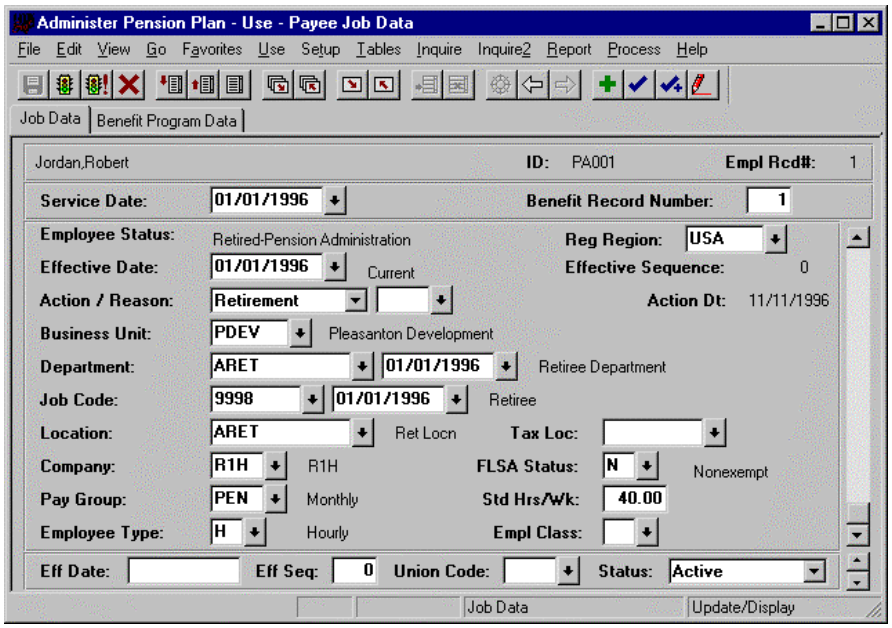
Turn on the Setting Up HRMS Options on the PeopleTools Options Page option. You'll be creating a company for each of your pension plans.

For more information about these fields in the PeopleTools Options, see Setting Up HRMS Options on the PeopleTools Options Page.

Multiple Jobs Allowed must be turned on in order to run PeopleSoft Pension Administration; however, companies who don't have employees with multiple concurrent jobs may still run the application as a single user environment by selecting the Single Job Environment option on the Plan Implementation Page page.

Payee Job Data Page

Usage	Use the Payee Job Data page to define your payee organization.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Job Data, Job Data**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name



Payee Job Data – Job Data page

All pension payees will have one or more job records dedicated to their role as pension payees. Payees will have one payee job for each plan providing a pension benefit, one job per income source.

This topic doesn't discuss the mechanics of setting up the necessary PeopleSoft Human Resources tables. For more information about and detailed instructions on setting up these tables, see Setting Up Control Tables.

Although many fields on the job record are irrelevant to the pension system, there are some fields with critical significance. **Company** identifies the tax reporting entity where payments originate; for pension payees, this is the pension plan itself for qualified plans or the company sponsor for nonqualified plans. **Department** controls security access to payee records. You must establish companies and departments for your retirees in addition to those you've created for your employees.

There are other fields that, while they don't have the same impact as **Company** and **Department,** are available to further define your payee organization. These are the **Job Code** and **Location** fields. Both fields are required, so even if you don't use them organizationally, you'll need to set

up suitable options. You can look at the Payee Job Data page to see what job data you'll need to provide for every retiree.

Many of the PeopleSoft Human Resources tables are effective-dated. When you enter values in the job record, you'll only be able to select values that are active as of the effective date of the job record. As you establish your payee organization, be sure you use effective dates early enough that the values will be available when you set up the payee job record.

Setting Up Retiree Companies

In PeopleSoft, a company is typically defined as a business unit that has a unique federal Employer Identification Number (EIN) for payroll tax reporting purposes. Because pension plans are distinct tax reporting entities, you'll set up companies for each plan you sponsor.

Set up companies using the Entering Company Information.



For more information about companies, see Setting Up Control Tables.

Setting Up Retiree Departments and Security

Within a company, payees need to belong to departments. You may want to create separate departments for different categories of payees: retired employees, beneficiaries of employees, and QDRO alternate payees. Alternatively, you could set up a single department and distinguish payee types through separate job codes.

Creating departments specifically for pension payees enables you to secure your payee data through the department security tree. Be sure to add your payee department(s) to the department security tree, otherwise users won't be able to access payee data.

An alternative approach to structuring your retiree organization is to create a retiree department organization that mirrors the organization for your active employees. You can then put payees into the same departments that housed them as employees. This approach offers the ability to report on payees based on originating department. However, this method also presents the significant maintenance burden of maintaining two or more identical organizations, particularly if your organization changes frequently. PeopleSoft doesn't recommend this approach unless you have a real need for the enhanced reporting capability.

To set up departments, use the Maintaining Departments.

To modify your department security tree, go to Tree Manager. Then select File, Open to open the appropriate tree.



For more information about department security, see Administering Security.

Setting Up Other Control Tables

The other control tables you'll need to set up for your payees include locations, job codes, and pay groups. Setting up the location requires you to create an Establishment ID first, and setting up the pay group requires you to create an earnings program first.



This topic doesn't discuss the mechanics of setting up the necessary PeopleSoft Human Resources tables. For more information about and detailed instructions on setting up the tables, see Setting Up Control Tables.

The pages you'll use to set up your retiree companies, job codes, and related data include:

Table	*Navigation*
Location Table	Define Business Rules, Manage Human Resources, Setup, Location Table
Job Code Table	Define Business Rules, Manage Human Resources, Setup, Job Code Table
Pay Group Table	Define Business Rules, Manage Human Resources, Setup, Pay Group Table
Establishment Table	Monitor Workplace, Report Regulations, Setup, Establishment Table
Earnings Program Table	Define Business Rules, Define Payroll Process, Setup, Earnings Program Table



Although **Pay Group** is a required field in pension payee job records, the system doesn't make pension payments using PeopleSoft payroll processing. Instead, the system produces a trustee extract to deliver pay-related data to a third-party that will produce checks.

Creating a Logical File for the Trustee Extract

PeopleSoft Pension Administration produces a trustee extract that provides payment information to the third-party trustee who actually produces pension checks.

When you run the trustee extract process, the system writes all the data to a file that you've defined using the system variable ***TRSPYMT.*** You can set up the variable to reside on any accessible drive.

How you define this variable is particular to your database platform. Under Sybase, you'll define this variable on the client. On a UNIX server, you'll define the variable on the server. See your database administrator for more information about defining a system variable.

For example, to set up this variable on a Windows NT client, go to the Control Page and double click the System button.

Enter TRSPYMT as the **Variable** name and provide a path for the **Value.** The path includes both a directory path and a file name.

CHAPTER 9

Defining the Primary Job Record and Multiple Jobs Considerations

Multiple Jobs Considerations

The PeopleSoft's Pension Administration system gives the option of handling benefit calculations for employees with multiple concurrent jobs. The Multiple Jobs functionality adds processing time. You have a choice of whether or not to run through these additional processes. If you are using single job processing, there is no need to have the multiple jobs option turned on.



For more information on selecting processing mode, see Plan Implementation Page.

Most of the documentation is applicable for both single job processing and multiple jobs processing. Additional documentation that is specific for multiple jobs will be designated by headings that contain "Multiple Jobs."

Overview of the System Process for Calculating a Primary Job Record

A primary job is the job that aliases use to get information.

In a single job environment, the primary job is clear: the only job. However, for multiple jobs, the question isn't quite as easily resolved.

If there are two or more jobs, the system determines which job should be the primary one based on when the employee is active and which jobs enable the employee to be eligible for the plan.

When setting up the system for calculation, you can accept the system-calculated primary record. You can also override this system default with your own definition of which job record should be the primary record.

In most cases, the system-calculated primary record will be sufficient. However, some flexibility is necessary when calculating eligibility and benefits for employees who hold multiple, concurrent jobs. In some instances, the record that the system chooses as primary may not be appropriate for your company's needs. In these situations, you will need to tell the system which job record it should consider primary.

By default, the system will determine which job is primary in a given time period by searching for records in the following sequence and choosing the lowest-numbered qualifying record:

1. Overrides

    1. The system first looks for any overrides a user might have entered for an employee. If it finds one, it will accept the override as the primary record for the period.

2. Eligible Active

    2. If there are no overrides for the period, the system then looks for an eligible active job. If it finds one, it will accept that active job as the primary record for the period.

3. Eligible Inactive

    3. In the absence of an eligible active job, the system will look for an eligible inactive job, which will then be designated as primary.

4. Non-eligible Active

    4. If a non-eligible inactive job is available, the system will search for any active job record not eligible by the plan.

5. Non-eligible Inactive

    5. If no non-eligible active jobs are available, the system will select a non-eligible inactive job.

For all of the above status categories, if the system finds more than one record of each kind, it will select the lowest-numbered record as the primary.

Whenever an alias needs to be resolved, the primary job record is used. For example, if you set up an alias that references the employee's monthly rate of pay, the alias will return to the primary job record's monthly rate of pay.

Using the Active/Inactive Page

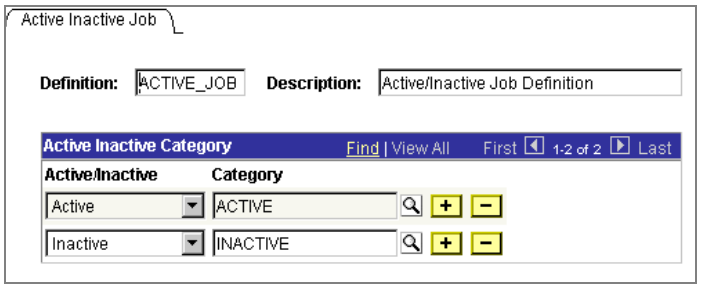
One way to control which record the system selects as primary is by controlling what makes a job active or inactive. On the Active/Inactive Job page, you do this by creating custom definitions of which action/reason categories activate or inactivate a job record. PeopleSoft delivers two action/reason categories that serve as the default active and inactive definitions for your plan: Active and Inactive. Instead of being individual action/reason categories, they are sets of common occurrences that cause a job to be active or inactive.

If you want to modify your active/inactive definitions, you can modify one of the delivered categories or create your own.

Active/Inactive Job Page

Usage	Use the Active/Inactive Job page to set up modified definitions of what

	makes a job active or inactive.
Object Name	PA_ACTIVE_JOB_RULE
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Active/Inactive Jobs, Active Inactive Job**
Prerequisites	You must have your action/reason categories set up before using this page. PeopleSoft Pension Administration is delivered with a table of predefined action/reason categories that may be used and/or modified for this purpose. You also can add custom categories of your own.
Access Requirements	Enter the name of a new or existing Active/Inactive job definition.



Active/Inactive Job page

Definition Enter the alias name you want to give the new active/inactive definition set.

Description Enter a descriptive name to identify the new definition set.

Active/Inactive Use this field to select the status the system will give a job record if it goes through one of the changes contained in the action/reason categories listed in the **Category** field.

Your choices are ***Active*** or ***Inactive***.

Category Use this field to select either the ***ACTIVE*** or the ***INACTIVE*** HR category. PeopleSoft created these categories to contain common actions that activate or inactivate a job. The status option you selected in the **Active/Inactive** field will determine whether this category activates or inactivates a job.

For example, in the page illustrated above, an HR category of ***ACTIVE*** will activate a job, while a category of ***INACTIVE*** will make the job inactive.

You can modify the delivered ***ACTIVE*** and ***INACTIVE*** categories or create new HR categories – for instance, ACTIVE2 and INACTIVE2.

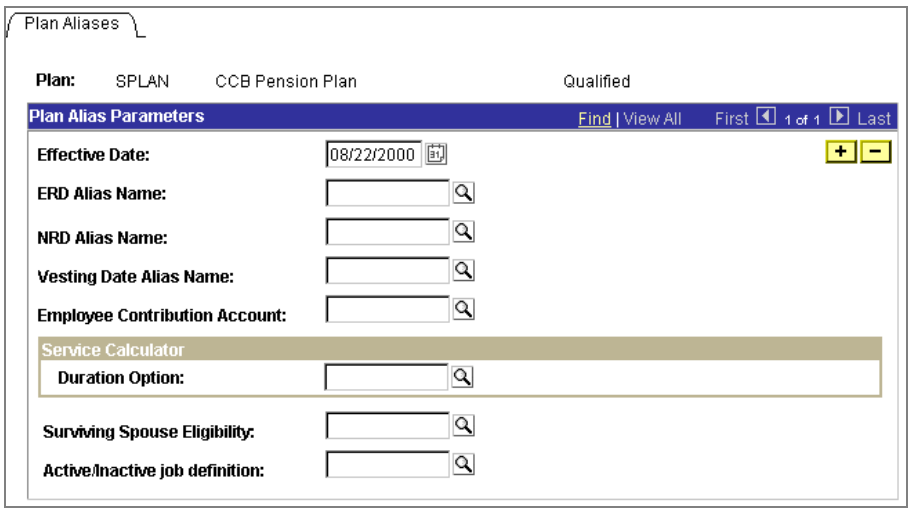
Note. If you modify the ACTIVE or INACTIVE action/reason category, keep in mind that you don't need to account for all existing action/reason categories. The system looks for only those that affect the active status of a position in this instance. If the system finds an unassociated category, it will simply ignore it when determining active/non-active status.



For more information about setting up and referencing action/reason categories, see Defining HR Action/Categories or HR Action/Category - HR Action/Reason Page.

Attaching Active/Inactive Definitions to the Plan Aliases Page

Once you have created a set of active/inactive job definitions on the Active/Inactive page, you should attach the set to a pension plan. You can do this by going to the Plan Aliases page. In the prompt box for the Active/Inactive job definition field, you will select the definition name you created on the Active/Inactive page.



Attaching an active/inactive definition alias on the Plan Aliases page

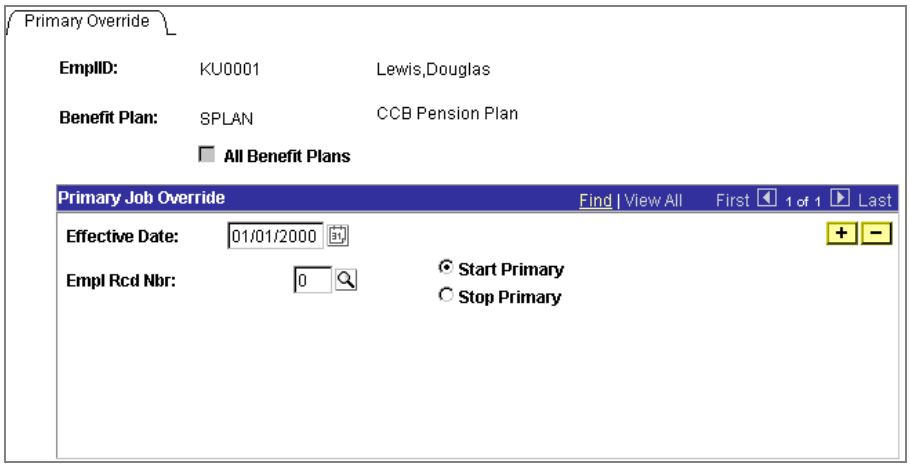
For more information on the Plan Aliases Page see Plan Aliases Page.

Using the Primary Job Override Page

If you don't want the system to determine the primary job record, then you can override it here by specifying which employee record the system should consider primary.

Primary Job Override Page

Usage	Use the Primary Job Override page to manually select a job record as primary, thereby overriding the system default.
Object Name	PA_PRIMJOB_OVRD
Navigation	**Compensate Employees, Administer Pension Plan, Use, Primary Job Override, Primary Job Override**
Access Requirements	Enter an employee's identification number and benefit plan.



Primary Job Override page

Upon entering this page, you will see the name, employee ID, and benefit plan of the employee whose primary job record you want to change.

Effective Date — Enter the date that this change in primary job record will take place.

Empl Rcd Nbr (employee record number) — Indicate the record number that will become primary.

Start Primary — In order to override the system-calculated primary job record and designate another record as primary, you will select this option. This will automatically remove primary status from any other existing primary record.

CHAPTER 10

Consolidating Payroll Data

A pension calculation can use vast amounts of historical payroll data. Earnings, hours, and contribution histories can cover twenty years or more. If every calculation involved looking up each paycheck an employee received over that amount of time, you would have to keep all that data available indefinitely rather than eventually archiving it. Processing also would be much slower.

A more efficient way to deal with this data is to use a periodic consolidation process. This gathers the paycheck data and stores yearly or monthly totals. Using consolidations, you can archive your raw payroll data and still have the relevant information available during calculations.

Understanding Consolidations

Consolidations produce monthly or annual payroll accumulations. In order to set up your consolidation rules, you need to understand how they fit into your pension plan.

Processing Consolidations

As employees are paid, you'll need to update your consolidated data. You'll do this through periodic processing.

Keep in mind that when you run a calculation, the system uses the most recent consolidation data. If your consolidations are not up-to-date, the calculation won't know about the most recent payroll information.

By separating the consolidation process from the rest of the pension calculation, you can schedule this time-consuming operation for more convenient times.

New payroll information is available for consolidation after each payroll run. At a minimum, you should regularly process consolidations after the last pay run of each consolidation period.

A "process through" date associated with each consolidation period tells you when the data was last updated. A process through date earlier than the period end date tells you that you don't yet have final data for the period.

Generally you'll process consolidations for similar employees at the same time. For example, you might process all weekly-paid employees together.



For more information on running consolidations, see Running Periodic Processes.

What Functions Use Consolidations?

There are two functions that always require Consolidated Earnings: Final Average Earnings and Cash Balance Accounts. Social Security calculations can also be based on Consolidated Earnings, or, if you so choose, on a Final Average Earnings amount. Consolidated Hours can also be based on Consolidated Earnings if you provide an earnings-to-hours divisor.

Service is the only function that uses Consolidated Hours.

Employee Accounts is the only function that uses Consolidated Contributions.

What Data Does Consolidating Produce?

The three consolidation functions: Consolidated Earnings, Hours, and Contributions, calculate periodic payroll accumulations.

Consolidated Earnings and Hours arrive at this information in three stages:

- Actual hours, earnings, or contributions from payroll.
- Amounts after generating any hours or earnings.
- Final amounts after any other adjustments.

Consolidated Earnings has one additional result: the *partial period fraction*. This indicates what portion of the consolidation period an employee actually worked. For example, if you've consolidated earnings using calendar years and an employee terminates on April 1, the employee only worked 25% of the year and the partial period fraction is .25.

To see the details of an employee's consolidation history, select Compensate Employees, Administer Pension Plan, Use, Employee Plan Related Info. This component includes pages showing the detailed consolidated data.

Where Does the Data Come From?

Consolidations get all the earnings, hours, and contributions data from PeopleSoft Payroll tables. If you are running a standalone version of PeopleSoft Pension Administration, you'll have to bring your payroll data into the PeopleSoft tables before running your consolidation.

If you're using PeopleSoft to track multiple concurrent jobs, and have the Single Job Environment turned off, be aware that consolidations don't distinguish earnings, hours, or contributions based on job. Whereas other calculation functions only use data from the first job (Rcd #0), consolidations will incorporate all data regardless of the job.

Following are the payroll tables that provide data to each consolidation function. When you populate these tables, whether during your initial data conversion or to bring data into a standalone system, be sure to populate *all* of the tables indicated. Consolidations won't work when an employee doesn't have data in every table. If real data is unavailable, create a row with zeros in all of the numeric fields.

Earnings	***Hours***	***Contributions***
PAY_EARNINGS	PAY_EARNINGS	PAY_DEDUCTIONS
PAY_OTH_EARNS	PAY_OTH_EARNS	
PAY_SPCL_EARNS	PAY_SPCL_EARNS	
PAY_CHECK	PAY_CHECK	
W2_AMOUNTS	W2_AMOUNTS	
EARNINGS_BAL		

PeopleSoft Pension Administration includes a periodic process to copy payroll data into pension history tables. This enables you to purge data from your payroll tables while still leaving the necessary information available for pension processing.

The consolidation process always uses data from the payroll tables if it is available, but if the payroll tables don't have data for the time period in question, the consolidation process will look to see if there is any data in the pension archive versions of the tables. If you've entered an override in the pages where you maintain consolidated data the process doesn't look at either table for that particular period.

If you have to reconsolidate after purging data from the payroll tables, data for the reconsolidation will come from the pension archive tables. The pension archive tables have names similar to the payroll source tables, but have a prefix of "PA_HST."

Payroll Source Table	***Pension Archive Table***
PAY_EARNINGS	PA_HST_PAY_EARN
PAY_OTH_EARNS	PA_HST_OTH_EARN
PAY_SPCL_EARNS	PA_HST_SPL_EARN
PAY_CHECK	PA_HST_PAY_CHK
W2_AMOUNTS	PA_HST_W2_AMTS
EARNINGS_BAL	PA_HST_EARN_BAL
PAY_DEDUCTIONS	PA_HST_PAY_DED

You'll also use the pension archive tables if you load historical payroll data at the time of your initial PeopleSoft Pension Administration implementation. If you use Application Designer to look at the pension archive tables, you'll see exactly which fields the system copies.

Multiple Jobs Considerations for Consolidating Hours

To distinguish multiple jobs for consolidating hours, the Single Job Environment must be turned off. Only jobs that the employee is eligible for within the specified plan will be considered for consolidations, unless the W-2 option is used. Most job consolidations are done one job at a time. The results of each job's consolidations are then added per calculation period.

Hours consolidations based on consolidated earnings are treated differently when processing multiple jobs. The consolidated earnings are divided by the first primary job record's rate it finds.



For more information on hours consolidations for Multiple Jobs based on consolidated earnings, see Consolidated Earnings - Earnings Parameters Page.

Keeping Uninterrupted Consolidations

An employee's consolidation history must always be uninterrupted. If an employee leaves your organization and gets rehired later, you could end up with gaps in the consolidation history. The same thing is true if an employee transfers jobs and becomes ineligible for a particular plan but then transfers back and becomes eligible again later.

If there are such gaps in the consolidation history, you won't be able to calculate a pension benefit. Therefore, you must set up your consolidation rules to prevent these gaps. You'll do this by specifying consolidation definitions used specifically during periods of ineligibility. You'll associate the different definitions with eligible and ineligible periods in the Function Result page.

If you use the same definition for eligible and ineligible periods, you'll have zero earnings and hours for the periods between a termination and a rehire. If, however, the employee transferred jobs within your organization, there may actually be earnings or hours from that ineligible job. For this reason, you should instead create definitions specifically for the ineligible periods. Configure these definitions to always produce zeros.

To do this, base the definitions on actual payroll earnings or payroll hours and specify a "dummy" earnings code that will have no actual associated earnings or hours.

For consolidated hours, you have another alternative. Use the same consolidated hours definition for eligible and ineligible periods, but configure your service definition to suppress service during periods of ineligibility regardless of any consolidated hours.

Setting Up Earnings Consolidations

To set up the rules for earnings consolidations, select Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings.

Calculation Details

To process the earnings consolidation:

1. Determine the accumulation period and the actual earnings for the period.
2. Generate earnings if necessary.
3. Adjust hire periods if necessary.
4. Adjust any termination periods preceding a rehire.
5. Add any additional earnings.
6. Apply any minimums or maximums.
7. Calculate the partial period fraction.

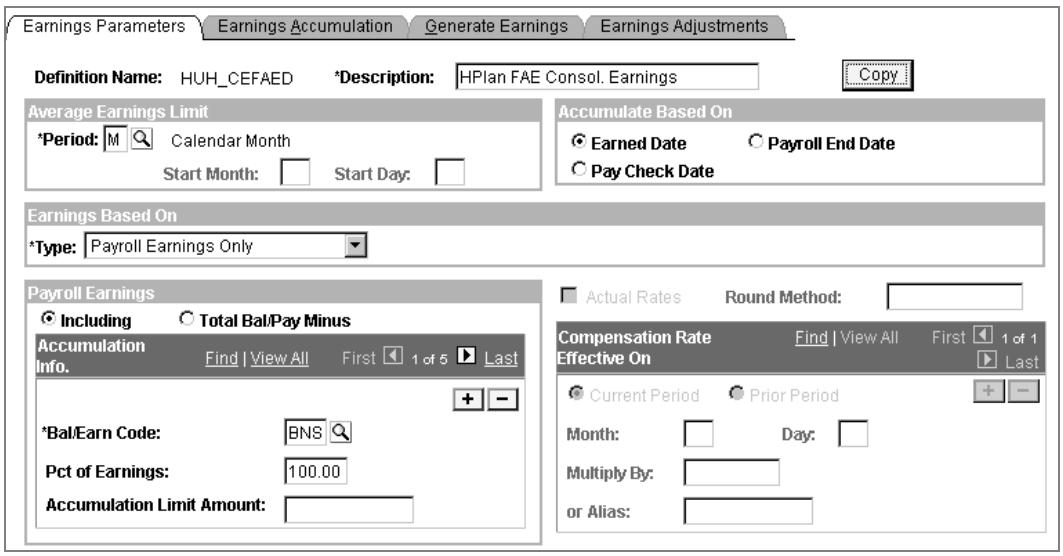


Termination periods are only adjusted if an employee has been rehired. Final termination periods aren't adjusted by the consolidation process; functions using consolidated data will have other parameters for dealing with the final period.

When any of the core functions use consolidated earnings, they use the final adjusted earnings amount produced after step six. However, the system also stores the intermediate amounts produced by steps one and two and the fraction produced by step seven. These intermediate amounts are informational only; they are displayed in the Employee Consolidated History - Earnings History Page, but don't get used during the calculation.

Consolidated Earnings - Earnings Parameters Page

Usage	Use the Consolidated Earnings - Earnings Parameters page to establish the accumulation period and to identify the earnings data to be included in the periodic totals.
Object Name	PA_CONS_EARN_PARMS
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings, Earnings Parameters**
Access Requirements	Definition Name



Consolidated Earnings - Earnings Parameters page

Copy

Because consolidated earnings definitions can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar definitions. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will clone the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Setting Up the Accumulation Period

Accumulation Period

The consolidation process produces periodic earnings totals to provide a period-by-period earnings history. Enter the appropriate **Accumulation Period,** selecting from the following options: ***Calendar Month, Calendar Year, Plan Year, Employee's Anniversary Year,*** and ***Other Year.***

If you select ***Other Year,*** specify the **Start Month** and **Start Day** of that year. Use a number 1-12 to represent the month. The day will usually be the first of the month.

Depending on the function that's going to use this definition, there are certain restrictions:

- Earnings that will be used by Final Average Earnings can use any accumulation period.
- Earnings that will be used by Cash Balance Accounts must use the same accumulation period as the Cash Balance Accounts definition. Valid values include ***Calendar Month, Calendar Year,*** and ***Plan Year.***
- Earnings that will be used by Consolidated Hours must use the same accumulation period as the Consolidated Hours definition, which must, in turn, use the same accumulation period as the corresponding service definition. Valid values include ***Calendar Month, Calendar Year, Plan Year,*** and ***Anniversary Year.***
- Earnings that will be used by Social Security must use a calendar year consolidation.

Allocating Earnings to Periods

Accumulate Based On

If you base your earnings on pay period data, you need to align your payroll dates with your consolidation dates. Choose which period earnings fall into by completing the **Accumulate Based On** choices.

If you base your earnings on ***Earnings Balance Table*** or ***Payroll W2,*** your earnings data is already aligned with your consolidation period. If you base earnings on compensation rate, there are no earnings periods to align. You can ignore this section in these cases.

Earned Date: Select ***Earned Date*** to put earnings into the period containing the day the money was actually earned. Because payroll data doesn't include an earnings-by-day breakdown, total earnings for the pay period are divided evenly among days to produce daily earnings amounts. For example, a weekly pay period from June 26 to July 2 includes pay from both June and July. If you're consolidating monthly, 5/7 of the earnings would fall into the June period and 2/7 of the earnings would fall into July. Proration by day always includes all days in the accumulation period, not just workdays.

Payroll End Date: Select ***Payroll End Date*** to put earnings into the period containing the last day of the pay period.

Pay Check Date: Select ***Pay Check Date*** to put earnings into the period containing the date printed on the check.

Indicating the Earnings Basis

Consolidated earnings are based either on actual earnings as recorded in your PeopleSoft Payroll system or on compensation rate as recorded in your PeopleSoft Human Resources system.

Earnings Based On

In the **Earnings Based On** group box, you will choose one of the following as your earnings **Type:** ***Both Payroll Earns and Rate, Payroll Earnings Only, Compensation Rate Only, Payroll Special Accumulator, Earnings Balance Table,*** and ***Payroll W2 Accumulator.***

If you select ***Compensation Rate Only***, you'll complete the **Compensation Rate Effective On** parameters on this page. All of the other options are payroll-based and require you to complete the **Payroll Earnings** parameters.

If you select ***Both Payroll Earnings and [Compensation] Rate,*** you'll complete both sets of parameters. and the system will add the earnings data (as specified in the **Payroll Earnings** box) with the compensation data (as specified in the **Compensation Rate Effective On** group box). This means that you have to set up the blend proportions using the **Pct of Earnings** and **Multiply Comp Rate By** fields. For example, for a 50-50 mix, you would set up the definition to take 50% of earnings and to multiply the comp rate by .5

For more information**,** see the example topic for this page.

If you select ***Payroll Special Accumulator,*** use the **Special Accum** field to indicate which payroll accumulator holds the pensionable earnings.

If you use ***Earnings Balance Tables,*** you're accessing earnings that have already been subtotaled to produce month- quarter- and year-to-date balances. As long as you allocate earnings based on **Earned Date,** the system will prorate these amounts to find earnings for the consolidation period. The results will be the same as if you chose ***Payroll Earnings Only*** and allocated earnings based on the **Pay Check Date,** but the payroll system has already done much of the work for you. If your consolidation period is a month or calendar year, using earnings balance tables is more efficient.

If you select ***Payroll W2 Accumulator,*** PeopleSoft Pension Administration will get the data from the appropriate PeopleSoft Payroll table. Again, as long as you allocate earnings based on **Earned Date,** the system will prorate these amounts to find earnings for the consolidation period.

Note. When you use ***Earnings Balance Tables*** and ***Payroll W2 Accumulator,*** you must allocate earnings based on Earned Date.

Multiple Jobs Considerations for Earnings based on

If you are using the Multiple Jobs functionality, jobs used for earnings consolidations are selected in two ways. If you select Payroll W-2 Accumulation as the method of accumulation, consolidations will use the W-2 amounts without regard to the job. In all other cases consolidation will only include the jobs which make the employee eligible for the plan.

Selecting and Adjusting Earnings Amounts

Payroll Earnings

If your consolidated earnings use any of the payroll-based earnings types, go to the **Payroll Earnings** group box to further specify which earnings types to use. Use one of the following two earnings types: ***Including*** or ***Total Bal/Pay Minus.***

Including: To list the earnings or balance types to be included, select ***Including.***

Total Bal/Pay Minus**:** To list the types to be excluded, select ***Total Bal/Pay Minus***. Build your list of earnings types in the scrolling region of the box.

Bal/Earn Code

Specify a **Bal/Earn Code** for the plan you select.

Pct of Earnings

For each **Bal/Earn Code** you specify, you can adjust the earnings to a specified **Pct of Earnings.** For example, you can use 100% of regular earnings and 50% of overtime earnings. If you're excluding earnings, you can exclude 50% of overtime earnings.

Limit Earnings To

You can also limit the amount of earnings for any particular earnings code by entering the limit in the **Limit Earnings To.** Don't use the limit field to implement 401(a)(17) limits. Set up those limits in separate 401(a)(17) pages and apply them within your Average Earnings or Cash Balance function.

For more information, see PeopleSoft Pension Administration, "Applying 401(a)(17) Earnings Limits"

Setting Up Compensation Rate Options

If you base your earnings data wholly or partially on compensation rate, you need to specify how to use the rate. Rate information comes from the employee's job record.

Actual Rates

If you select **Actual Rates,** each compensation rate in effect during a period is prorated for the portion of the period it was effective. All these prorated rates are added to calculate the earnings for the period. For example, if Lewis's annual rate was $40,000 on January 1 and $44,000 starting April 1, the system would take three months of the first rate ($10,000) and nine months of the second rate ($33,000) for a final amount of $43,000.

Round Method

You can round the effective dates of rate changes by specifying a **Round Method** you've defined.

Compensation Rate Effective On	If you don't use the actual rates, complete the **Compensation Rate Effective On** options. Use the scrolling region of this box to list one or more dates to check the compensation rates.
Month	Enter the **Month** the compensation rate becomes effective on.
Day	Enter the **Day** the compensation rate becomes effective on.
Current Period/Prior Period	Choose whether to check the compensation rate during the **Current Period** or during the **Prior Period.**
Multiplied By	Especially if you incorporate rates from multiple dates, you need to indicate how to weigh each rate. Enter a factor for each rate in the **Multiplied By** field. For example, you could use 1/2 of an employee's Jan 1 rate and 1/2 of the employee's July 1 rate. Your factors can be constant numbers or aliases. If you leave the field blank, the system assumes a factor of one.

Example of Setting Up Compensation Rates

When you consolidate based on Both Payroll Earnings and [Compensation] Rate, the system adds the earnings data (as specified in the **Payroll Earnings** group box) with the compensation data (as specified in the **Compensation Rate Effective On** group box).

Suppose you consolidate monthly, but pay employees every two weeks. Let's see what happens when you use a 50/50 blend of payroll earnings and compensation rate for an employee earning $60K per year.

For the compensation rate portion: the employee will have $5K per month of earnings. Take 50% of that and each consolidation period has $2.5K from the compensation rate source.

For the payroll portion: there will be ten months where the employee gets $4.6K and two months where the employee gets $6.8K (these numbers are rounded rather than exact). Take 50% of these numbers and you get ten months of $2.3K and two months of $3.4K.

Add the two together and you end up with ten months of $4.8K and two months with $5.9K.

Compare the blended method to using just payroll earnings or just compensation rate:

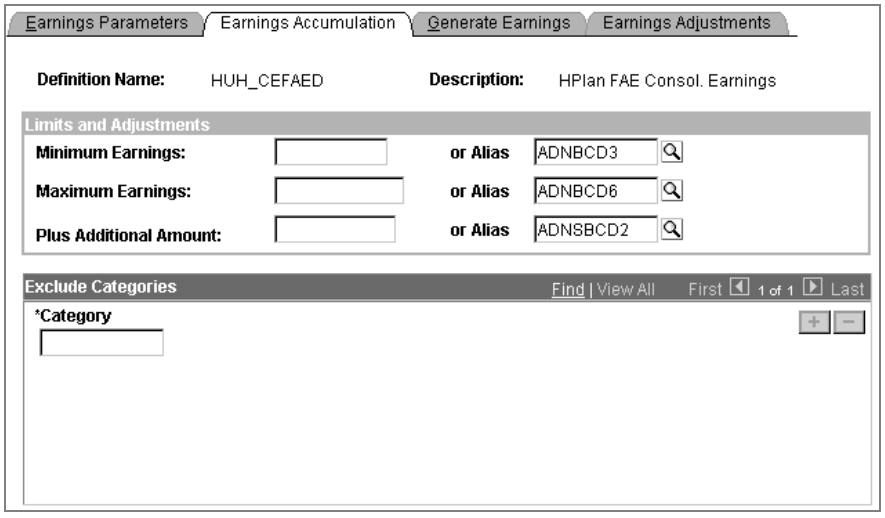
- Using only payroll earnings, there would be 10 months of $4.6K and two months of $6.8K
- Using only compensation rate, there would be 12 months of $5K
- Using a 50/50 blend of the two there are 10 months of $4.8K and 2 months of $5.9K

So by blending the two, we've decreased the discrepancy between the months when the employee receives two paychecks and the months when the employee receives three paychecks.

Note that in this example we've assumed that we're allocating payroll data by either paycheck date or payroll end date. Allocating based on *Earned Date* would be somewhat different since that already works to spread earnings more evenly among consolidation periods. It wouldn't necessarily make sense to blend payroll earnings and compensation rate when you allocate the payroll data by earned date, though it might possibly make sense if employee earnings vary a lot from period to period because of bonuses or commissions.

Consolidated Earnings - Earnings Accumulation Page

Usage	Use the Consolidated Earnings - Earnings Accumulation page to set limits and adjustments. These apply to all complete consolidation periods, whether full or partial. The system doesn't apply limits and adjustments before the period end date, so most final periods won't have these adjustments. If you're consolidating based on compensation rate, you can also specify statuses during which the employee shouldn't be credited with earnings.
Object Name	PA_CONS_EARN_ACCUM
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings, Earnings Accumulation**
Prerequisites	Earnings Accumulation is the second page in the Consolidated Earnings component. You must first enter data on the Earnings Parameters page.
Access Requirements	Definition Name



Consolidated Earnings - Earnings Accumulation page

Setting Limits and Adjustments

Minimum Earnings To limit the total earnings per period, you can enter a **Minimum Earnings** amount.

Maximum Earnings To limit the total earnings per period, you can enter a **Maximum Earnings** amount.

Plus Additional Amount If you want to add earnings to the period total (subject to any maximum you set), enter that amount in the **Plus Additional Amount** field. To subtract earnings, enter a negative number in this field. All of these fields can be either constants or aliases you've created.

Excluding Earnings Based on Employee Status

Exclude Categories If your consolidation is based on annual compensation rate rather than actual earnings, you need a way to recognize periods of time when the employee shouldn't receive any earnings credit. For example, if an employee who earns $36,000 per year goes on leave for a month, you need to exclude one month's worth of earnings to reduce the consolidated earnings for the period to $33,000. Use the **Exclude Categories** group box to enter codes that would cause you to ignore earnings.

Note. The **Exclude Categories** field only applies when you're basing the earnings consolidation at least partially on compensation rate.

Category Enter each **Category** of Action/Reason codes that would cause you to ignore earnings. Use the categories you've set up in the HR Action/Reason Categories page.

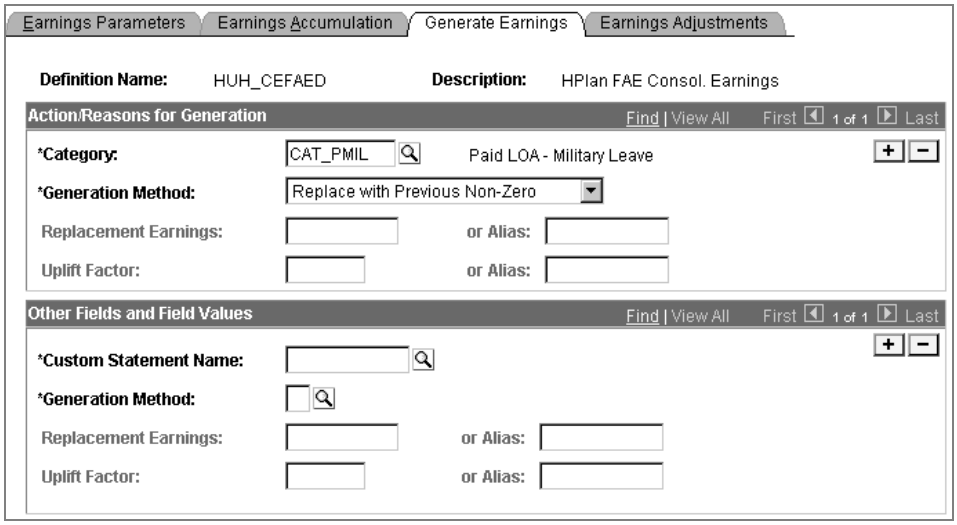
For more information about HR Action/Reason categories, see PeopleSoft Pension Administration, "Creating Action/Reason Categories"

The system won't credit the employee with earnings until the next relevant Action/Reason event in the employee's job record, in this case, a return from leave. However, the system only recognizes this action as "relevant" if you reference it elsewhere in the consolidated earnings definition.

To ensure that the system recognizes the return from leave action (and thus stops excluding earnings), include that action in the "Include Category" on the Consolidated Earnings - Earnings Adjustments Page page, the last page in this component.

Consolidated Earnings - Generate Earnings Page

Usage	Use the Consolidated Earnings - Generate Earnings page to establish generation conditions and methods.
Object Name	PA_CONS_EARN_GEN
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings, Generate Earnings**
Prerequisites	Generate Earnings is the third page in the Consolidated Earnings component. You must first enter data on the Earnings Parameters page.
Access Requirements	Definition Name



Consolidated Earnings - Generate Earnings page

Establishing Conditions for Earnings Generation

Action/Reasons for Generation Enables you to generate earnings based on employee status or other criteria.

Category You can generate earnings based on employee status or on other criteria. Use the **Category** field to identify the HR Action/Reason code categories that require generated earnings. You can insert additional rows as necessary.

Custom Statement Name

To indicate other conditions for earnings generation, you'll have to first set up a Custom Statement outlining those conditions. Enter the name of the Custom Statement in the **Custom Statement Name** field of the **Other Fields and Field Values** group box. If the Custom Statement conditions are met, the system will generate earnings for all periods being processed. This means that during a delete-and-rebuild consolidation, which processes several periods at once, the system might generate earnings for all periods.

Warning! Don't generate based on Custom Statements unless you permanently disable the delete-and-rebuild consolidation mode.

For more information about setting up Custom Statements, see PeopleSoft Pension Administration, "Using Custom Statements".

If a single period contains multiple reasons for generation, for example, a military leave at one point and a disability leave later in the year, they are processed in chronological order. If your generation method replaces earnings for the entire period, earnings generated for the final reason will replace earnings generated for earlier reasons.

Ending a Generation

If you're generating earnings based on an HR Action/Reason category, the system uses the employee's Action/Reason history to judge when to stop the generation. The system will continue to generate earnings for the employee until the next relevant Action/Reason event in the employee's job record. For example, if Belinda goes on leave at the end of 1992 and returns from leave a year and a half later, at the beginning of 1994, the system will generate earnings for all three years: 1992, 1993, and 1994.

The system only recognizes the return from leave action as "relevant" if you reference it elsewhere in the consolidated earnings definition. To ensure that the system recognizes the return from leave action (and thus stops generating earnings), include that action in the Include Category on the Consolidated Earnings - Earnings Adjustments page, the last page in this component.

If you're generating earnings based on Custom Statement criteria, the system will generate earnings for all periods being processed. If the statement is no longer true during your next period processing, then the system won't generate at that time.

Multiple Jobs Considerations for Earnings Consolidations

When you are using the Multiple Jobs processing, the PeopleSoft Pension Administration system generates earnings for each job as needed, then adds the results to create one total generated earning for each computation period.

Generation Method

For each earnings generation condition you set up, select a **Generation Method:** ***Replace with Fixed Amount, Replace with Previous Complete, Uplift with a Factor, Replace with Previous Non-Zero, Replace with Compensation Rate or User Code.***

If you select ***Replace with Fixed Amount,*** indicate an amount in the **Replacement Earnings** field.

If you select ***Replace with Previous Complete,*** the system will look back at previous consolidated years and use the most recent full period earnings. A full period is any period where the partial period fraction is one.

If you select ***Uplift with a Factor,*** enter the factor in the **Uplift Factor** field. The actual earnings are then multiplied by the factor to yield the generated amount. For example, if disability earnings are always half of normal earnings, you might uplift the earnings by a factor of two in order to make your consolidation reflect nondisability earnings.

Note. When you choose ***Uplift with a Factor,*** all earnings from the period are uplifted, not just those earned during a particular status. An alternative method of uplifting earnings is on the Consolidated Earnings - Earnings Parameters Page, where you can specify a **Pct of Earnings** to include in the consolidation. For our disability example, you could enter 200% of disability earnings. The earnings would then be considered "actual" earnings instead of generated earnings.

If you select ***Replace with Previous Non-Zero,*** the system will look back for the most recent period - partial or full - that doesn't have zero earnings and use the earnings from that period.

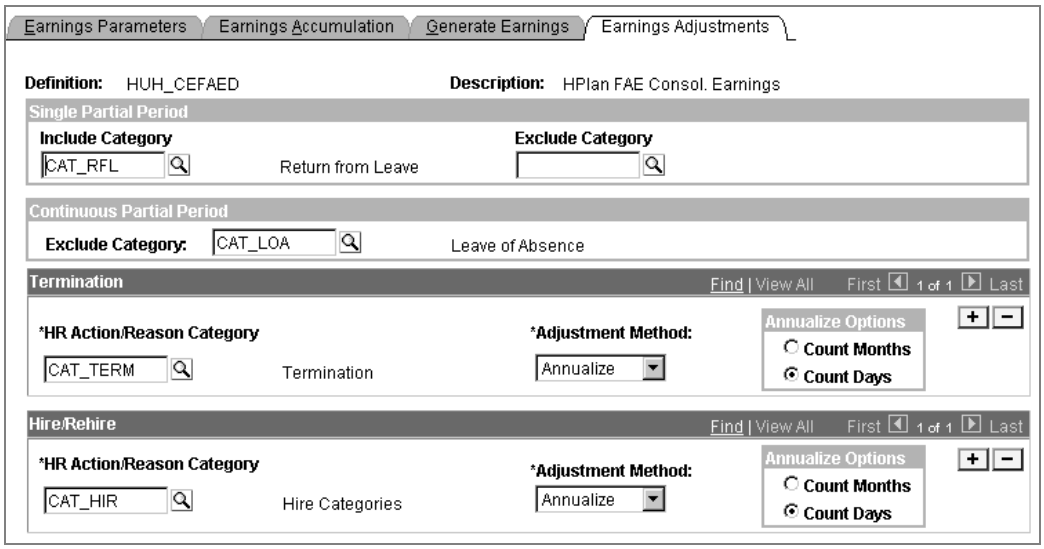
If you select ***Replace with Compensation Rate,*** the system prorates the employee's compensation rate over the duration of the generation status and adds that amount to the actual earnings for the period.

If you select User Code, the system will use your custom code to produce an earnings amount.

Most of the methods replace all the earnings for the period, only the ***Replace with Compensation Rate*** method can generate earnings for the period of time the employee actually meets the generation conditions. For example, consider Belinda, who went on leave at the end of 1992 and returned at the beginning of 1994. If you ***Replace with Compensation Rate,*** the system will generate earnings for the time she was on leave and add those earnings to her actual 1992 and 1994 earnings. With any other method, the system would overwrite the actual earnings from early 1992 and late 1994 with the generated earnings for those periods.

Consolidated Earnings - Earnings Adjustments Page

Usage	Use the Consolidated Earnings – Earnings Adjustments page to: • Establish the criteria for calculating the partial period fraction. • Annualize or otherwise adjust hire and termination periods. • Indicate "include" categories of Action/Reason codes that signal the end of a generated earnings period. • Indicate "include" categories to balance the compensation rate "exclude" categories if your consolidation is based on compensation rate.
Object Name	PA_CONS_EARN_BRK
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings, Earnings Adjustments**
Prerequisites	Earning Adjustments is the fourth page in the Consolidated Earnings component. You must first enter data on the Generate Earnings page.
Access Requirements	Definition Name

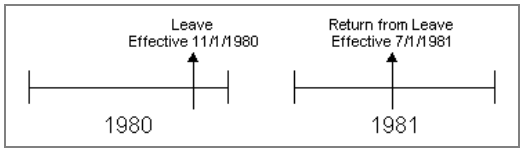


Consolidated Earnings - Earnings Adjustments page

Understanding the Partial Period Fraction

The partial period fraction indicates what portion of a consolidation period an employee actually worked. For example, if you consolidate using calendar years and an employee terminates on October 1, 1990, the employee will have a partial period fraction of .75 for the 1990 consolidation period. If the employee gets rehired the following May 1, the 1991 period will have a partial period fraction of .66.

The system determines the partial period fraction by breaking the period into included and excluded segments. These segments are, in turn, based on the employee's Action/Reason history. For example, assume that leaves of absence are in your exclude category and returns from leave are in your include category. Jasmine has the following Action/Reason history:



Sample Action/Reason History

The system always determines the partial period fraction by counting the included *days*, not the included months. Because 302 days of 1980 were included, the 1980 fraction will be 302/365, or .8274. In 1981, 183 days were included and the fraction is therefore .5014.

Notice that you assumed the leave status continued into the next period. You could have instead set up your rules so that the exclude status will stop when the consolidation period ends. In that case, Jasmine's 1981 partial period fraction would have been one, even though she actually was still on leave for the first part of the period.

Configuring Include and Exclude Categories

You've already set up two types of exclude segments: generation Action/Reason codes and "Exclude Category" action/reason codes (for excluding earnings when you consolidate based on

compensation rate). Both of these types of exclude segments can continue beyond the end of the consolidation period until the next include segment starts.

Single Partial Period In the **Single Partial Period** group box enter **Include** and **Exclude Categories.**

Include Category Enter an **Include Category** with *all* the Action/Reason codes that start an include period, including those that end the generated earnings exclude segments and the compensation rate exclude segments.

Exclude Category Enter an **Exclude Category** for other Action/Reasons that will start an exclude segment *that will stop no later than the end of the consolidation period.*

Continuous Partial Period In the **Continuous Partial Period** group box, enter an **Exclude Category** for Action/Reasons that will start an exclude segment *that continues until the next "include" Action/Reason.*

Note. Make sure no Action/Reason code appears in more than one Consolidated Earnings category. For example, if you generate earnings during maternity leaves and military leaves, don't include either of those leave types in either of the partial period exclude categories.

Multiple Jobs Considerations for Continuous Partial Period

Partial periods for employees with multiple jobs are calculated by subtracting the number of days the employee is inactive in the specified accumulation period from the total number of days in an accumulation period. The difference is then divided by the total number of days in an accumulation period.

Adjusting Hire and Termination Periods

Termination/Hire/Rehire Use the **Termination** and **Hire/Rehire** group boxes to set up adjustments for hire and termination periods.

For purposes of calculating the partial period fraction, Hire actions are treated as "include" actions and termination actions are treated as "exclude" actions.

The consolidation process will only adjust termination periods after a subsequent rehire. If Quentin terminates in 1994, the 1994 consolidation period will be his last. If he is rehired in 1996, the system will at that point adjust the 1994 period, create a zero-earnings 1995 period, and create a 1996 period. The 1996 period, because it includes the rehire action, will incorporate the hire period adjustment method you specify.

HR Action/Reason Category

To set up adjustments for hire and termination periods, you first must indicate how to recognize these periods. Enter the HR Action/Reason categories that indicate hire termination periods in the **HR Action/Reason Category** fields of the **Termination** and **Hire/Rehire** group boxes.

Adjustment Method

For each Action/Reason category you've entered, select an **Adjustment Method** for adjusting the earnings for the resulting partial period: ***Annualize, Use As Is, Ignore,*** or User Code.

To ignore this period altogether, select ***Ignore.*** To treat the existing earnings as the total earnings for the period, select ***Use As Is.*** If you want to use the period only if it produces a better average earnings, you'll set up that condition in your Average Earnings definition.

Note. Be sure to coordinate how your consolidation handles hire and termination periods with how your Final Average Earnings definition handles the same situation.

If you select ***Annualize,*** choose one of the **Annualization Options: Count Months** or **Count Days.** If you count months, the system divides the earnings by the number of whole months in the included portion of the period, then multiplies the result by twelve, the total number of months in the year. If you count days, the system divides the earnings by the number of included days in the period, then multiplies the result by the number of days in the month.

If your consolidation period is months, you *must* choose to count days. Regardless of your consolidation period, counting days will always yield a more accurate result because counting whole months understates the amount of time over which the earnings are accumulated and therefore overstates total earnings.

For example, to annualize calendar year earnings of $15,000 as of April 15 (only halfway though the fourth month), counting months yields:

```
($15,000 / 3) * 12 = $5,000 * 12 = $60,000
```

Annualizing the same amount by counting days yields:

```
($15,000 / 105) * 365 =  142.86 * 365 =
$52,143.90
```

Multiple Jobs Considerations for Adjustment Method

Multiple Jobs are generally consolidated one job at a time. Rates and earnings are computed by job, so there is never any ambiguity concerning which earnings and rates are being used.

Setting Up Hours Consolidations

To set up the rules for hours consolidations, select Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours.

Calculation Details

To process the hours consolidation:

1. Determine the accumulation period and the actual hours for the period.

1. Generate hours if necessary.

2. Adjust hire periods if necessary.

3. Adjust any termination periods preceding a rehire. Note that termination periods are only adjusted if an employee has been rehired. Final termination periods aren't adjusted by the consolidation process; functions using consolidated data will have other parameters for dealing with the final period.

4. Add any additional hours.

5. Apply any minimums or maximums.



Consolidated hours doesn't include a partial period fraction. Instead, there is a flag that identifies partial periods without specifying the portion of the period worked.

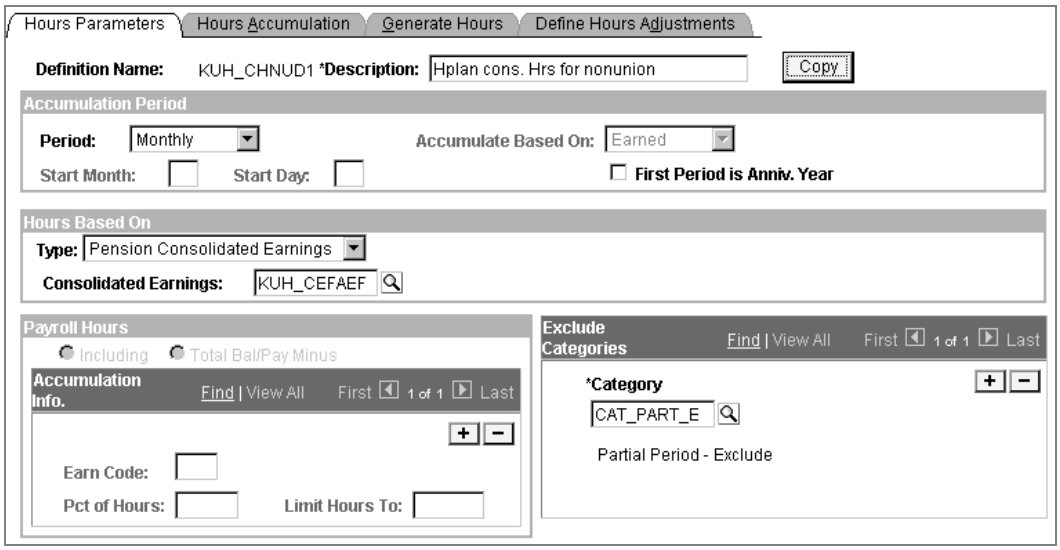
When the Service functions uses consolidated hours, it uses the final adjusted amount produced after step six. However, the system also stores the intermediate amounts produced by steps one and two. These intermediate amounts are informational only; they are displayed in the Employee Consolidated History - Hours History Page but don't get referenced in the calculation.



When you are using the Multiple Jobs functionality the PeopleSoft Pension Administration system applies maximum and minimum adjustments to the total consolidated earnings of all jobs.

Consolidated Hours - Hours Parameters Page

Usage	Use the Consolidated Hours - Hours Parameters page to establish the accumulation period and to identify the hours data to be included in the periodic totals.
Object Name	PA_CONS_HOUR_PARMS
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours, Hours Parameters**
Access Requirements	Definition Name



Consolidated Hours - Hours Parameters page

Copy

Because consolidated hours definitions can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar definitions. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will clone the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Setting Up the Accumulation Period

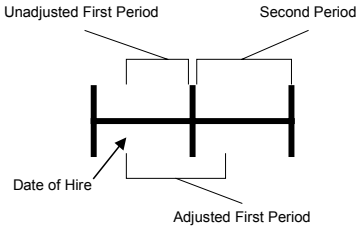
Accumulation Period

The consolidation process produces periodic hours totals to provide a period-by-period hours history. Enter the appropriate **Accumulation Period,** selecting from the following options: ***Calendar Month, Calendar Year, Plan Year, Employee's Anniversary Year,*** and ***Other Year.***

If you select ***Other Year,*** specify the **Start Month** and **Start Day** of that year. Use a number 1-12 to represent the month. The day will usually be the first of the month.

The accumulation period must align with the accumulation period for the Hours Counting Service definition where you use your consolidated hours. Because the service definition doesn't support the ***Other Year*** option, you won't use that option in your consolidated hours definition unless you're planning modifications.

For computation periods other than an anniversary year, an employee's first period will usually be a short period. If your service definition gives employees the benefit of a full year for the first period, select **First Period is Anniv Year.** If you do this, your adjusted first period will overlap with the second period as follows:



Adjusted First Period

For example, if the usual computation period is a calendar year, but the employee was hired on March 5, 1980, an anniversary year first period would be from 3/5/1980 to 3/4/1981. The second period would be from 1/1/1981 to 12/31/1981.

Note. If you select this option, be sure to also select it in your Service definition in order to keep your hours and service periods aligned.

Indicating the Hours Basis

Hours Based On

Hours data is based on information from your payroll system. Specify exactly which hours to use in the **Type** field, selecting from the following options: ***Pension Consolidated Earnings, Payroll Hours, Payroll Special Accumulator, Earnings Balance Table, Payroll W2.***

Pension Consolidated Earnings and ***Payroll W2*** represent earnings, not hours. Choices for converting earnings to hours are on the next page.

If you select ***Pension Consolidated Earnings,*** enter the earnings consolidation name in the **Consolidated Earnings** field. Be sure the earnings period is the same as the hours consolidation period.

If you select ***Payroll Hours,*** you'll need to indicate how to allocate hours to the accumulation periods. You'll also specify the types of hours to be included: regular, overtime, and others.

If you select ***Payroll Special Accumulator,*** use the **Special Accum** field to indicate which payroll accumulator holds the pensionable hours.

If you use ***Earnings Balance Tables,*** you're accessing hours that have already been subtotaled to produce month-quarter- and year-to-date balances. As long as you allocate earnings based on **Earned Date,** the system will prorate these amounts to find hours for the consolidation period. The results will be the same as if you chose ***Payroll Hours*** and allocated earnings based on the **Pay Check Date,** but the payroll system has already done much of the work for you. If your consolidation period is a month or calendar year, using earnings balance tables is more efficient.

If you select ***Payroll W2,*** the system will get the data from the appropriate PeopleSoft Payroll table. Again, as long as you allocate hours based on **Earned Date,** the system will prorate these amounts to find hours for the consolidation period.

Multiple Jobs Considerations for Hours Based On

If you are using the Multiple Jobs processing, when the consolidated hours are based on pension consolidated earnings or the Payroll W-2, the earnings consolidations needs to be converted to hours consolidations. For multiple jobs processing, the primary job rate at the beginning of the accumulation period is used to "back-into" the hours.

Allocating Hours to Periods

Accumulate Based On

If you base your hours on pay period data, that is, if you base it on ***Payroll Hours*** or ***Payroll Special Accumulator,*** you need to align your payroll dates with your consolidation dates. Choose which period earnings fall into by completing the **Accumulate Based On** choices.

If you base your hours on ***Pension Consolidated Earnings, Earnings Balance Table,*** or ***Payroll W2,*** your hours data is already aligned with your consolidation period and you can ignore this section.

Earned Date puts hours into the period containing the day the hours were actually worked. Because payroll data doesn't include an hours-by-day breakdown, total hours for the pay period are divided evenly among days to produce daily hours amounts. For example, a weekly pay period from June 26 to July 2 includes hours from both June and July. If you're consolidating monthly, 5/7 of the hours would fall into the June period and 2/7 of the hours would fall into July.

Note. Proration by day always includes all days in the accumulation period, not just workdays.

Payroll End Date puts hours into the period containing the last day of the pay period; ***Pay Check Date*** puts hours into the period containing the date printed on the paycheck.

Indicating Included Hours

Payroll Hours

If you base your hours on actual payroll hours, complete the **Payroll Hours** section of this page. Choose from among the following field values: ***Including*** or ***Total Hours Minus.***

Including: Select including to list the hours types to be included.

Total Hours Minus: Select total hours minus to list the types to be excluded.

Build your list of hours types in the scrolling region of this group box.

Earn Code

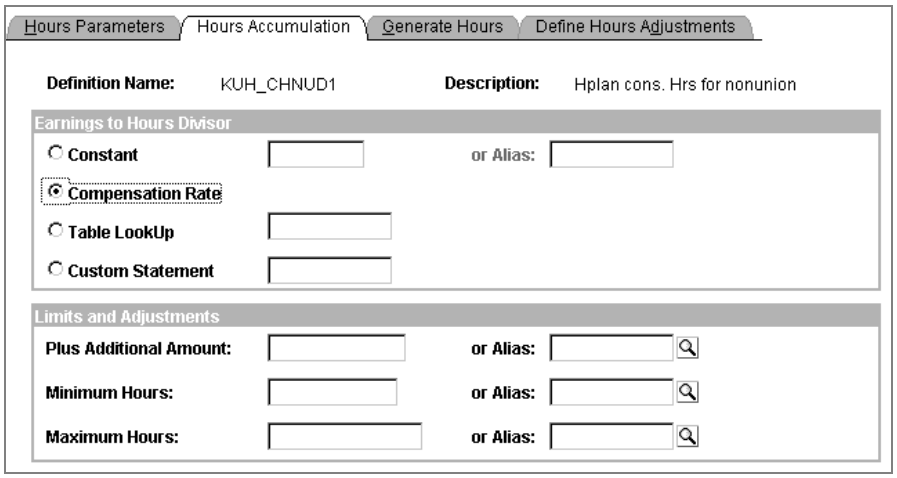
Enter the earnings codes associated with pensionable hours in the **Earn Code** field.

Pct of Hours You can adjust the amount of hours from any particular code by entering an adjustment percentage in the **Pct of Hours** field. For example, you can use 100% of regular hours and 50% of overtime hours. If you're listing excluded hours, you can specify to only exclude 50% of the overtime hours.

Limit Hours To You can limit the number of hours for any particular type using **Limit Hours To.**

Consolidated Hours - Hours Accumulation Page

Usage	Use the Consolidated Hours - Hours Accumulation page to set up earnings-to-hours conversion methods and to set limits and adjustments. The system doesn't apply limits and adjustments until after the period end date, so final periods won't have these adjustments.
Object Name	PA_CONS_HOUR_ACCUM
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours, Hours Accumulation**
Prerequisites	Hours Accumulation is the second page in the Consolidated Hours component. You must first enter data on the Hours Parameters page.
Access Requirements	Definition Name



Consolidated Hours - Hours Accumulation page

Setting the Earnings to Hours Divisor

Earnings to Hours Divisor If you base your hours consolidation on any of the earnings options, convert the earnings to hours with simple division using one of the **Earnings to Hours Divisor** options. Select from among the following options: ***Constant, Compensation Rate, Table Lookup, Custom Statement.***

Constant: You can use a **Constant,** which can be either a fixed amount or an alias you create. If you select this option, enter the divisor in the adjoining field.

You can also use the ***Compensation Rate*** effective at the beginning of the consolidation period, a ***Table Look-Up*** or a ***Custom Statement*** as your divisor.

For more information about Table Lookups, see PeopleSoft Pension Administration, "Creating Table Lookup Aliases" For more information about Custom Statements, see PeopleSoft Pension Administration, "Using Custom Statements".

Setting Limits and Adjustments

Minimum Hours To limit the total hours per period, enter a **Minimum Hours** amount.

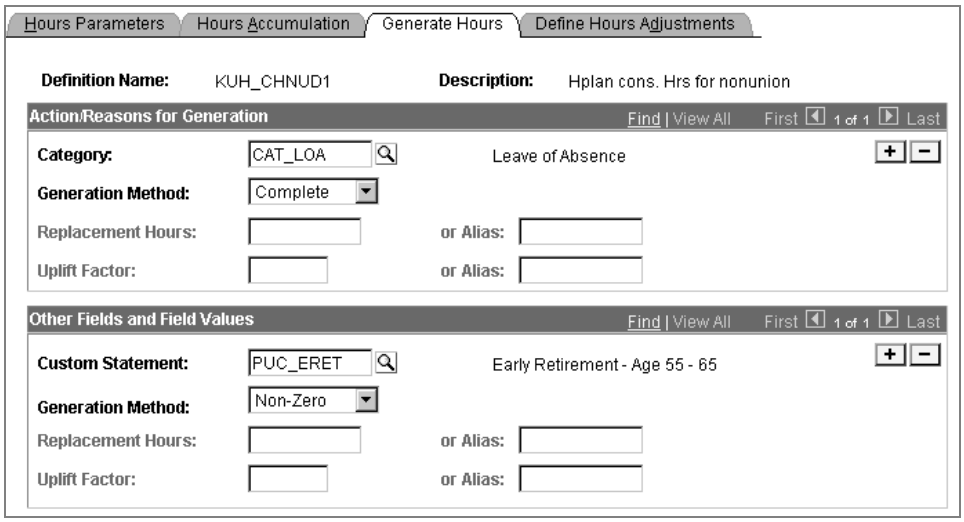
Maximum Hours To limit the total hours per period, also enter a **Maximum Hours** amount.

Plus Additional Amount If you want to add hours to the period total (subject to any maximum you set), enter that amount in the **Plus Additional Amount** field. To subtract hours, enter a negative number in this field. All of these fields can be either constants or aliases you've created.

Consolidated Hours - Generate Hours Page

Usage	Use the Consolidated Hours - Generate Hours page to set up conditions and methods for generating hours.
Object Name	PA_CONS_HOUR_GEN
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours, Generate Hours**
Prerequisites	Generate Hours is the third page in the Consolidated Hours component. You must first enter data on the Hours Accumulation page.

Access Requirements	Definition Name



Consolidated Hours - Generate Hours page

Establishing Conditions for Hours Generation

Action/Reasons for Generation Enables you to generate hours based on employee status or on other criteria.

Category Use the **Category** field to identify the HR Action/Reason code categories that require generated hours. You can insert additional rows as necessary.

Custom Statement Name To indicate other conditions for hours generation, you'll have to first set up a Custom Statement outlining those conditions. Enter the name of the Custom Statement in the **Custom Statement Name** field. If the Custom Statement conditions are met, the system will generate hours for all periods being processed. This means that during a delete-and-rebuild consolidation, which processes several periods at once, the system might generate hours for all periods.

For more information about setting up Custom Statements, see PeopleSoft Pension Administration, "Using Custom Statements".

If a single period contains multiple reasons for generation, for example, a military leave at one point and a disability leave later in the year, they are processed in chronological order. Hours generated for the final reason will replace hours generated for earlier reasons.

Ending an Hours Generation

If you're generating hours based on an HR Action/Reason category, the system uses the employee's Action/Reason history to judge when to stop the generation. The system will continue to generate hours for the employee until the next relevant Action/Reason event in the employee's job record. For example, if Liam goes on leave at the end of 1992 and returns from leave a year and a half later, at the beginning of 1994, the system will generate hours for all three years: 1992, 1993, and 1994.

The system only recognizes the return from leave action as "relevant" if you reference it elsewhere in the consolidated hours definition. To ensure that the system recognizes the return from leave action (and thus stops generating hours), include that action in the Single Partial Period HR Action/Reason Category field on the Define Hours Adjustments page, the last page in this component.

If you're generating hours based on Custom Statement criteria, the system will generate earnings for all periods being processed. If the statement is no longer true during your next period processing, then the system won't generate at that time.

Generation Method

For each earnings generation condition you set up, select a **Generation Method:** ***Replace with Fixed Amount, Replace with Previous Complete, Uplift with a Factor, Replace with Previous Non-Zero, Replace with Compensation Rate or User Code.***

If you select ***Replace with Fixed Amount,*** indicate an amount in the **Replacement Hours** field.

If you select ***Replace with Previous Complete,*** the system will look back at previous consolidated years and use the most recent full period hours. The partial period flag indicates which periods are partial periods and which are full periods.

If you select ***Uplift with a Factor,*** enter the factor in the **Uplift Factor** field. The actual hours are then multiplied by the factor to yield the generated amount. For example, if disability hours are always half of normal hours, you might uplift the hours by a factor of two in order to make your consolidation reflect nondisability hours.

Note. When you choose ***Uplift with a Factor,*** all hours from the period are uplifted, not just those accumulated during a particular status. An alternative method of uplifting hours is on the Hours Parameters page, where you can specify a Pct of Hours to include in the consolidation. For our disability example, you could enter 200% of disability hours. The hours would then be considered "actual" hours instead of generated hours.

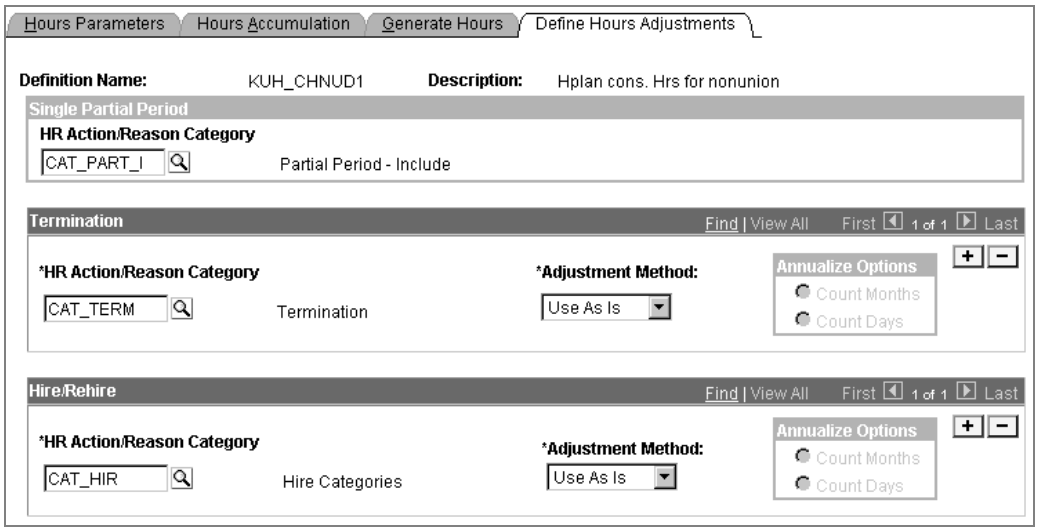
If you select ***Replace with Previous Non-Zero,*** the system will look back for the most recent period - partial or full - that doesn't have zero hours and use the hours from that period.

If you select User Code, the system will use your custom code to produce an hours amount.

All of these methods replace all the hours for the period. For example, consider Liam, who went on leave at the end of 1992 and returned at the beginning of 1994. If you generated hours during his leave, the system would overwrite the actual hours from early 1992 and late 1994 with the generated hours for those periods.

Consolidated Hours - Define Hours Adjustments Page

Usage	Unlike Consolidated Earnings, the Consolidated Hours function doesn't produce a partial period fraction. It does, however, produce a partial period flag to identify partial periods. This flag is used during hours generation if the generation method is ***Replace with Previous Complete.*** Use the Consolidated Hours - Define Hours Adjustments page to establish the criteria that determines whether or not a period is a partial period. This page also includes parameters for adjusting hire and termination periods.
Object Name	PA_CONS_HOUR_ADJ
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours, Define Hours Adjustments**
Prerequisites	Define Hours Adjustments is the fourth page in the Consolidated Hours component. You must first enter data on the Generate Hours page.
Access Requirements	Definition Name



Consolidated Hours - Define Hours Adjustments page

Defining Partial Periods

Single Partial Period In the **Single Partial Period** group box, identify the Action/Reason codes that indicate a partial period.

HR Action/Reason Category

Enter a **HR Action/Reason Category** with all those Action/Reason codes that indicate a partial period. For example, you might include Action/Reason codes for leaves of absence and returns from leave. This information is used to set a partial period flag for the period. Because there is only one field for single partial periods, you'll have to create a single category with all the relevant Action/Reason combinations.

The single partial period category shouldn't include Action/Reason codes that appear in any other Action/Reason categories in this definition, including generation categories, exclude categories, and hire and termination categories.

Adjusting Hire and Termination Periods

Termination, Hire/Rehire

Use the **Termination** and **Hire/Rehire** group boxes to set adjustments for hire and termination periods.

HR Action/Reason Category

Enter the HR Action/Reason categories that indicate hire and termination periods in the **HR Action/Reason Category** fields of the **Termination** and **Hire/Rehire** group boxes.

Adjustment Method

The consolidation process will only adjust termination periods after a subsequent rehire. For example, if Quentin terminates in 1994, the 1994 consolidation period will be his last. If he is rehired in 1996, the system will at that point adjust the 1994 period, create a zero-hours 1995 period, and create a 1996 period. The 1996 period, because it includes the rehire action, will incorporate the hire period adjustment method you specify.

For each Action/Reason category you've entered, choose an **Adjustment Method** for adjusting the hours for the resulting partial period: ***Annualize, Use As Is, Ignore,*** or User Code.

Note. Be sure to coordinate how your consolidation handles hire and termination periods with how your Service definition handles the same periods.

To ignore this period altogether, select ***Ignore.*** To treat the existing hours as the total earnings for the period, choose ***Use As Is.***

If you select ***Annualize,*** choose one of the **Annualization Options: Count Months** or **Count Days.** If you count months, the system divides the hours by the number of whole months in the included portion of the period, then multiplies the result by twelve, the total number of months in the year. If you count days, the system divides the hours by the number of included days in the period, then multiplies the result by the number of days in the month.

If your consolidation period is months, you *must* choose to count days. Regardless of you consolidation period, counting days will always yield a more accurate result because counting whole months understates the amount of time over which the hours are accumulated and therefore overstates total hours.

For example, to annualize 600 calendar year hours as of April 10 (only part way though the fourth month), counting months yields:

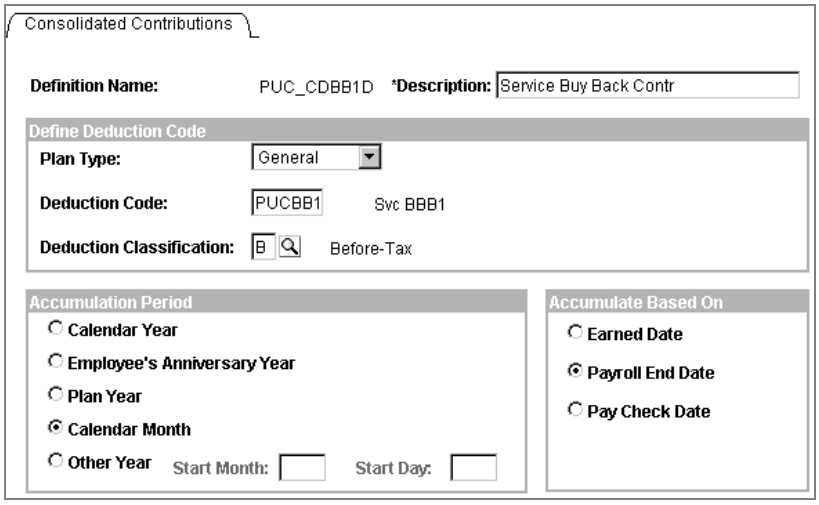
```
(600 / 3) * 12 = $200 * 12 = 2400
```

Annualizing the same amount by counting days yields:

```
(600/ 100) * 365 =  6 * 365 = $2190
```

Consolidated Contributions

Usage	When your employees contribute toward their pensions, you need to keep track of the amounts they have contributed. Since contributions are deducted from employee paychecks, contributions are recorded in your payroll system. Consolidated Contributions gathers this information and produces annual or monthly totals. The Employee Accounts function can then use this consolidated data to keep track of total contributions and interest.
Object Name	PA_CONS_DED_PARMS
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Contributions, Consolidated Contributions**
Access Requirements	Definition Name



Consolidated Contributions page

Identifying Deductions

Define Deduction Code Employees contribute to their pensions through payroll deductions. Consolidated contributions tracks all deductions with a specified deduction code. Enter your plan specifics under **Define Deduction Code.**

Plan Type/ Plan

Enter the **Plan Type** and **Plan** under which you set up the deduction. For regular pension deductions, you'll use plan types 82-89 and 8A-8Z.

If you're setting up consolidations to track service buy back or service purchase payments, you'll use a "general" deduction rather than a plan-specific deduction. In this case the **Plan Type** is ***00 - General;*** you won't enter a plan.

For more information about service buy back and service purchase, see PeopleSoft Pension Administration, "Setting Up Contributory Plans"

Deduction Code

Enter the **Deduction Code** used to identify payroll deductions.

Deduction Classification

Enter the **Deduction Classification** - ***Before-Tax*** or ***After-Tax*** - that goes with the deduction code. The deduction code must already exist in the system and must already be associated with the indicated plan on the Benefit Plan Table.

If you have both before- and after-tax contributions, create separate consolidated contributions definitions (and Function Results) for each.

Setting the Accumulation Period

Accumulation Period

Consolidated contributions are subtotaled by accumulation period. Use the following options to specify this period: ***Calendar Year, Employee's Anniversary Year, Plan Year, Calendar Month,*** or ***Other Year.***

The accumulation period must align with the accumulation period for the Employee Accounts definition where you use your consolidated hours. Because the service definition doesn't support the ***Employee's Anniversary Year*** or ***Other Year*** options, you won't use those options unless you're planning modifications.

Start Month/Day

If you select ***Other Year,*** you'll also need to specify the **Start Month** and **Start Day** of that year. Use a number one through twelve to represent the month.

Allocating Contributions to Periods

Accumulate Based On

Because contribution data comes from payroll, you need to align your payroll dates with your consolidation periods. Select which period earnings fall into by completing the **Accumulate Based On** choices: ***Earned Date, Payroll End Date*** or ***Pay Check Date.***

Earned Date: If you select ***Earned Date,*** total contributions for the pay period are divided evenly among days in the period to produce daily contribution amounts. For example, a contribution deducted from a paycheck that covered the one week period from June 26 to July 2 includes pay from both June and July and would be prorated so that 5/7 of the earnings would fall into the June period and 2/7 of the earnings would fall into July.

Note. Proration by day always includes all days in the consolidation period, not just workdays.

Payroll End Date puts contributions into the period containing the last day of the pay period.

Pay Check Date puts contributions into the period containing the date printed on the paycheck.

CHAPTER 11

Defining Plan Eligibility

The Plan Eligibility function determines which employees are allowed to participate in a particular plan. Plan eligibility is almost always based on job-related information such as company, job, location, department, union code, active/inactive status, or salaried/hourly status.

Plan Eligibility is *always* the first process in your calculation job stream. This enables the system to avoid processing employees who are ineligible.

Eligibility processing establishes an effective-dated timeline of eligible and ineligible periods. Processing eligibility first ensures that this timeline is available to those functions that process employees differently during periods of eligibility and ineligibility. For example, if an employee changes jobs and becomes ineligible for a particular plan, that plan will probably exclude hours, earnings, and service from the period of ineligibility.

Eligibility Versus Participation

Eligibility is based on job criteria such as company, union affiliation, or job classification. Eligibility establishes that you have a right to participate in a pension plan by virtue of the job you perform.

However, an eligible employee isn't necessarily a plan participant. For example, there may be age and service requirements that an eligible employee hasn't yet met. These requirements are handled by the Participation function.



For more information about the Participation function, see Defining Plan Participation.

Using Plan Eligibility

The Plan Eligibility function establishes which of your employees are allowed to participate in a plan. Eligibility criteria is based on job data that your PeopleSoft Human Resources system tracks such as salaried or hourly status, full-time or part-time status, location, and so on. Eligibility status can change over time as employees change jobs, unions, full- or part-time status, or other aspects of their employment.

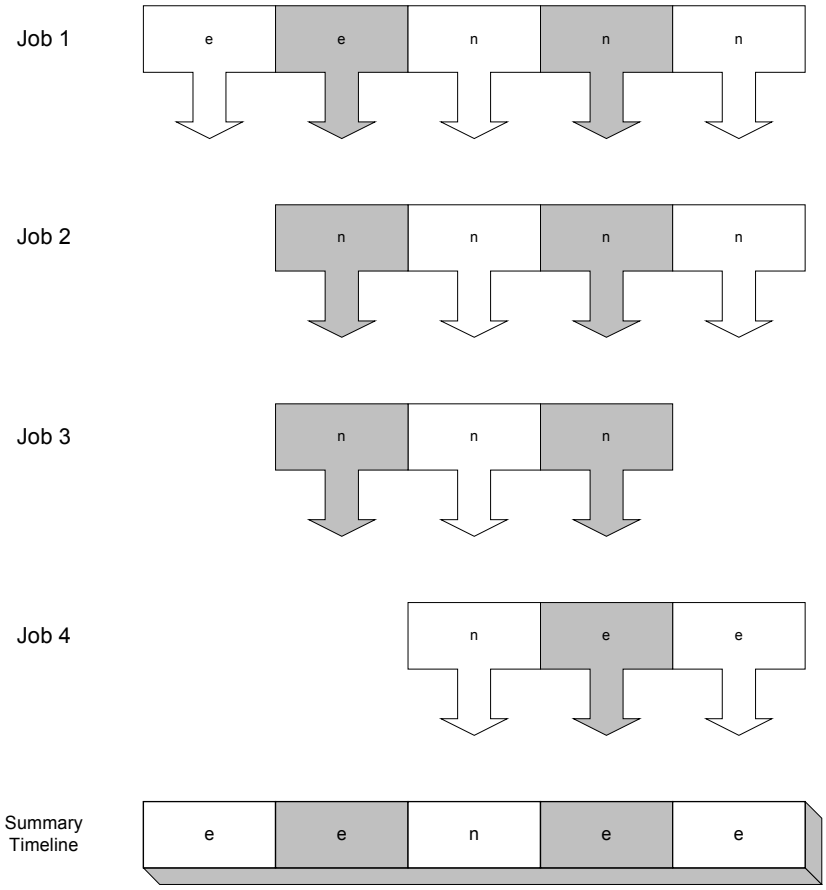
Plan Eligibility provides two critical pieces of information. The first is simply the eligibility status: whether or not the employee has ever been eligible for the plan. The system assumes that

an employee who isn't eligible won't have any benefit accrued. Therefore, a calculation won't finish when either the eligibility or participation result is negative.

Secondly, the Plan Eligibility function produces a timeline of eligible and ineligible periods. This is more subtle, but equally important, since certain functions such as Consolidations, Service, and Cash Balance Accounts will use different rules during periods of eligibility and ineligibility. Simply put, most benefits accrue only during eligible periods. You'll reference the eligibility timeline when you create the Function Results for those functions. You'll do this via a set of options that indicate whether the rules apply during periods of eligibility, ineligibility, or both.

Using Plan Eligibility for Employees with Multiple Jobs

For employees with only one job, the Plan Eligibility function will create one timeline of eligible and ineligible periods. For employees with multiple jobs, the function will use a blending process to create a summary timeline of all eligible and ineligible periods from all of an employee's jobs. First the system will create a timeline for each job, then it will combine them into one overall summation timeline. If an employee was eligible in any of his jobs during a time period, the system will consider them to have been eligible for that period, even if the employee was ineligible in all of his other jobs at the time.



Employee Eligibility Timeline

This graphic illustrates how the system blends all of an employee's job eligibility timelines to form one summary timeline. In this example, an employee has had four jobs throughout their

employment at Company A. The summary timeline demonstrates that the system considers the employee eligible (e) for any period in which they have at least one eligible job, even if their other three jobs don't fulfill eligibility standards (n).

Periodic Processing and the Plan Eligibility Process

Periodic processing runs Plan Eligibility every time you run any process, you can't turn this off, and saves this history so you can view it online. When you run a calculation, the system uses the existing timeline created during periodic processing and brings the timeline up to the event date if necessary.



Plan Eligibility should always be the first function you run for a plan. Even users of a standalone system, who may only load data for eligible employees, need to run Plan Eligibility in order to build a timeline of eligible and ineligible periods, a timeline that can affect service and cash balance accruals.

Using the Eligibility Status

By running the Plan Eligibility function at the beginning of each calculation, you ensure that each employee in the calculation is in fact eligible for the plan.

Notice that Plan Eligibility is different from most other functions, which produce a result that you explicitly incorporate into other steps of the calculation. For example, you'll incorporate your service result into your benefit formula, but you won't incorporate your eligibility result into any other functions.

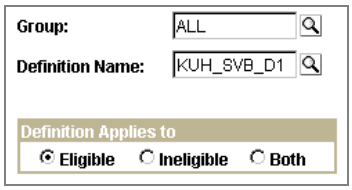
A Function Result for plan eligibility returns one of three possible statuses: *Eligible, Ineligible* (that is, never eligible), or *Previously Eligible.*

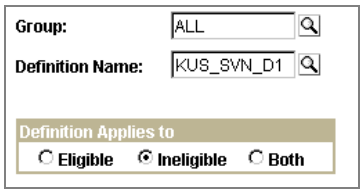
Plan Eligibility acts as the gatekeeper for the entire calculation process: if an employee is ineligible, the system will bypass the rest of the calculation job. If an employee is eligible or previously eligible, the system will process the employee.

Using the Eligibility Timeline

The eligibility timeline shows eligible and ineligible periods. You'll use this information when you create Function Results for those functions that track accruals: all consolidations, Service, Cash Balance Accounts, and Employee Accounts.

When you set up Function Results for those functions, you'll use the "This Definition Applies to…" field on the Function Result page. This field enables you to apply definitions to only the eligible periods, only the ineligible periods, or both eligible and ineligible periods. This is a handy shortcut for adding incorporating eligibility criteria, it's much easier than explicitly adding eligibility criteria to your Group.





Grouping Based on Eligibility on the Function Result page

Don't incorporate Plan Eligibility Function Results directly into group Custom Statements. Use the **This Definition Applies to** parameters on the Function Result page instead.

For functions other than the accrual functions identified above, you'll set **This Definition Applies to** field to **Both.** However, those functions that deal with amounts that accrue over time may accrue differently during eligible and ineligible periods. For example, service and consolidations typically accrue only during periods of eligibility (although vesting service may accrue even if the employee is working an ineligible job), and Cash Balance Accounts and Employee Accounts typically accrue only interest during periods of ineligibility. In these cases, you'll create two definitions and set one up with the **This Definition Applies to** field set to **Eligible** and another up with **This Definition Applies to** set to **Ineligible.**

Always use **This Definition Applies to Eligible** and **Ineligible** in pairs. If you have a definition for eligible periods, you absolutely must have another definition to cover the ineligible periods.

Following are some examples of when you would use eligibility history as grouping criteria.

Service

Service only accrues while employee meets plan eligibility criteria:

Definition Applies To	*Service Definition*
Eligible	Plan service rules
Ineligible	No service accrues

Elapsed time and hours equivalence service accrue based on an employee's action/reason history. If your set up fails to establish eligible and ineligible definitions, employees will continue to accrue service for time worked while ineligible. For example, an hourly employee who used to

be salaried could continue to accrue service under the salaried plan. This may be desirable for vesting service, but is likely undesirable in other situations.

Hours counting service accrue based on consolidated hours. If the consolidated hours definition already distinguishes between hours worked while eligible and hours worked while ineligible, you may not need to create separate eligible and ineligible definitions for this service type.

Employee Accounts

Accounts earn interest at all times, but contributions are only counted during periods of eligibility:

Definition Applies To	*Employee Accounts Definition*
Eligible	Contributions of 2% of salary and interest
Ineligible	Interest only

If the consolidated contributions definition only includes eligible contributions, you may not need to set up eligible and ineligible groups for employee accounts.

Cash Balance Accounts

Accounts earn interest at all times, but only get additional earnings-based credits during periods of eligibility:

Definition Applies To	*Cash Balance Accounts Definition*
Eligible	Cash balance credit of 4% of salary and interest
Ineligible	Interest only

If the consolidated earnings definition excludes ineligible earnings, you may not need to set up eligible and ineligible groups for cash balance accounts.

Earnings

Final average earnings (FAE) only uses earnings from periods when the employee met the plan's eligibility requirements. Since FAE uses the consolidated earnings result, you'll restrict earnings at the consolidation level:

Group Criteria	*Consolidated Earnings Definition*
Eligible	Plan consolidated earnings definition
Ineligible	Zero earnings



Be sure you set up your FAE definition to ignore zeros, otherwise you can lower the average by picking up zeros from periods of ineligibility.

Behind the Scenes Using the Eligibility Timeline

PeopleSoft Pension Administration includes a delivered alias, PLAN_ELIG, that references the effective-dated eligibility history that we've referred to as the eligibility timeline. When you set the Definition Applies To field to either Eligible or Ineligible**,** behind the scenes the system is appending an evaluation of PLAN_ELIG to the Group definition

Choosing Eligible adds an "and employee is eligible" clause to your group statement. Selecting Ineligible adds an "and employee is ineligible" clause to your group statement. Both clauses evaluate eligibility over time, so employees use the appropriate definition based on their changing eligibility status.

If you select Both**,** your group statement remains untouched; it won't have any eligibility criteria unless you've explicitly put such criteria in. In this case, employees could continue to accrue service plans for which they are no longer eligible.

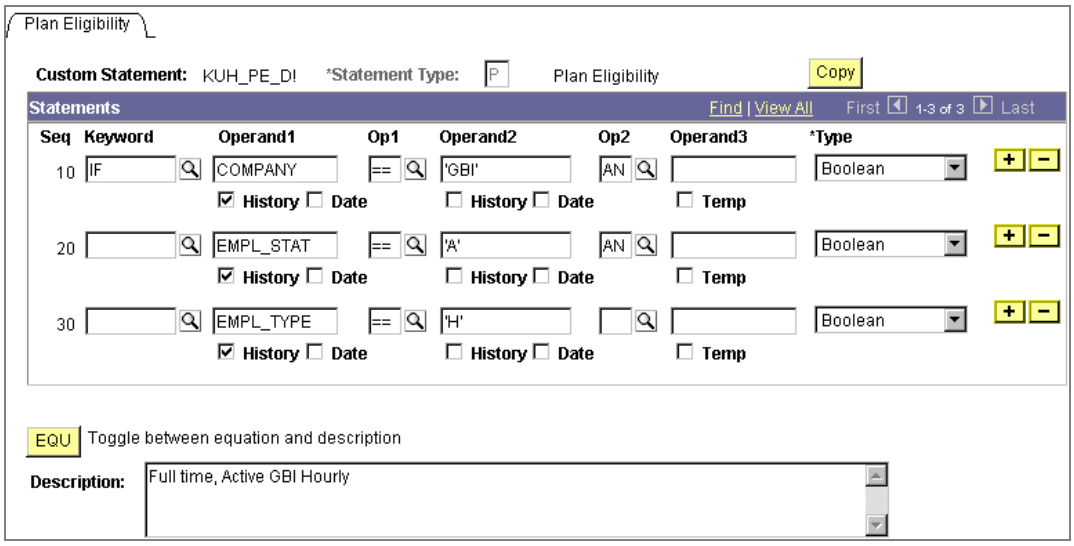
Plan Eligibility Function Results Don't Use Groups

As with all other PeopleSoft Pension Administration functions, you'll implement your eligibility criteria in a plan-specific Function Result. Note, however, that Eligibility Function Results don't have a "group" component. The definition incorporates that functionality.

Plan Eligibility Page

Usage	The Plan Eligibility page is actually the Custom Statement page with a noneditable Statement Type of "P" (Plan Eligibility). Before setting up eligibility parameters, be sure to look at Using Custom Statements in this book to be sure you understand the proper syntax for your Boolean clauses. It allows you to set up plan eligibility requirements.
Object Name	PA_CUSTOM_PNL
Navigation	• **Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition, Status Code Definition** • **Define Business Rules, Maintain Pension Parameters, Variables, Custom Statement, Custom Statement** • **Define Business Rules, Maintain Pension Parameters, Variables, Spouse Eligibility, Spouse Eligibility** • **Define Business Rules, Maintain Pension Plans, Define, Benefit Formula, Benefit Formula**

	• **Define Business Rules, Maintain Pension Plans, Define, Plan Eligibility, Plan Eligibility** • **Define Business Rules, Maintain Pension Plans, Implement, Group Definition, Group Definition**
Prerequisites	Before setting up eligibility parameters, be sure to look at Using Custom Statements in this book to be sure you understand the proper syntax for your Boolean clauses.
Access Requirements	Select a Custom Statement Name.



Plan Eligibility page

Statement Type

Your **Statement Type** is always ***P*** (Plan Eligibility) to indicate that you are setting up eligibility requirements.

Copy

Because eligibility conditions can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar statements. After establishing the first definition, click the **Copy** button, enter a new name and description, and the system will copy the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Statements

Seq (sequence)

Keyword	To set up an IF clause, enter "IF" into the **Keyword** field in row one. This automatically sets the **Type** to ***Boolean.***
Type	To set up an IF clause, enter "IF" into the **Keyword** field in row one. This automatically sets the **Type** to ***Boolean.***
Operand1	Normally you reference an employee variable through an alias that you've created: a database lookup, a date, or some other criterion. Enter this variable in the **Operand1** field.
Op1	Indicate an operator such as "equal to" or "greater than" in the **Op1** field.
Operand2	Enter the looked-for value in the **Operand2** field. If the looked-for value is a constant, you must put quotations marks around your entry. Otherwise, the Custom Statement will look for an alias with that name.
Op2	When you add additional rows of criteria, use the **Op2** field to indicate an ***And*** or ***Or*** connection between the new line and all the previous criteria.
Operand3	



For more information about the rest of the page controls, see Tips for Eligibility Statements in this section or the section Using Custom Statements.

Tips for Eligibility Statements

The Using Custom Statements section in this book describes in detail how to use all the page controls on the Plan Eligibility page to build formulas. However, you may want to read the following topics for a summary of information most likely to be needed while building eligibility formulas.

Setting Eligibility Requirements

When you set up plan eligibility, you'll enter your requirements in an "IF" or "IN" clause setting forth the conditions for eligibility. If you use an IF statement, the system assumes that employees are eligible when the condition is true. For this reason, IF clauses don't use a final assignment or "THEN" clause. This also means you can't have more than one IF in the definition. IN clauses, on the other hand, do require assignments, and you can have as many as you like in the statement.

Using "IN" Clauses

Use IN clauses, clauses with the keyword "IN," to check for several different values for a single field. For example, you can check if the employee status is "in" the set of values "active," "deceased," "leave," or "leave with pay." When you use IN clauses, you'll assign a temporary variable to the result. You can then reference that variable from within an IF clause.

Key	*Operand1*	*Op1*	*Operand2*	*Op2*	*Operand3*	*Type*
IN	UNION_CD		"81"			FUNCTION
	"82"		"83"	=	TEMPC01	FUNCTION
IF	TEMPC01	==	"Y"	AND		BOOLEAN
	EMPL_TYPE	==	"S"			BOOLEAN

This is a particularly useful technique when you're checking a large set of valid values: because the IN statement uses an implied "or" condition, it separates all the "or" clauses from the "and" clauses of the final IF statement.

You can use an IN clause as your eligibility criteria as long as you make a final assignment to the definition name:

Key	*Operand1*	*Op1*	*Operand2*	*Op2*	*Operand3*	*Type*
IN	UNION_CD		"81"			FUNCTION
	"82"		"83"	=	ELIG_DEF	FUNCTION

Using the Equation and Description

The long text field at the bottom of the page toggles between a Description field, where you can enter information about the formula, and an Equation field that translates your statement into an equation, using parentheses to show precedence among the operations. Use the EQU (Equation) button to toggle between these displays and to refresh the equation. Always check the parentheses in your equation.

Using History

When you calculate plan eligibility, the Custom Statement evaluates the eligibility requirements over time and builds a timeline of eligible and ineligible periods. This is a very powerful feature, key to implementing your plan rules. To activate this feature, select the History check box underneath any effective-dated variables.

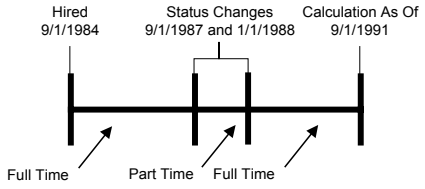
Always turn on the History option under any effective-dated variables.

For example, suppose you are setting up a group for full time employees.



Group Definition Based on Historical Data

Because **History** is selected under the alias ***FORP_TIME,*** the system will look at an employee's full or part time status over time when determining eligibility. If Julius Jones worked part time for three months after his daughter was born, the Plan Eligibility function would produce the following three work history segments.



Formatting Date Constants

In most PeopleSoft pages, you can enter an unformatted date. For example, you could enter 01011988 to mean January 1, 1988, and the system will automatically reformat your entry to 01/01/1988. There's no need to enter the slashes or any other separator.

However, if you enter an unformatted date into one of the Operand fields, the Custom Statement will treat it as a number. In order to indicate that the eight digits actually represent a date and not a number, select the Date check box beneath the operand in question. This is simply a data entry alternative and is only necessary when you enter unformatted dates: if you include a separator (a slash, dash, or space) when you enter a date, you don't have to select this box.

Custom Statement pages require you to enter eight digit dates that include the century in the year. This is different from most PeopleSoft pages, which accept six digit dates. For example, in the Custom Statement page you would enter January 1, 1995 as 01/01/1995, not as 01/01/95.

When you use a date alias, there's no reason to select the Date check box, since the system already knows the value is a date and has formatted it appropriately.

CHAPTER 12

Defining Plan Participation

Use the Participation function to establish requirements that employees must meet before beginning to accrue pension benefits. Participation requirements are typically age and service requirements, and possibly plan entry dates.

If you have a service requirement, you'll have to create a service Function Result to measure service for participation purposes. This may be different from the service Function Result used when measuring plan service accrual because the participation service often will measure service beginning with the hire date, whereas plan service measures service beginning with the participation date.

Using Participation Results

A participation Function Result returns two values: a Yes/No status for the given event date, and the date, actual or projected, when the employee met or will meet the participation requirements. The participation Function Result name references the status.

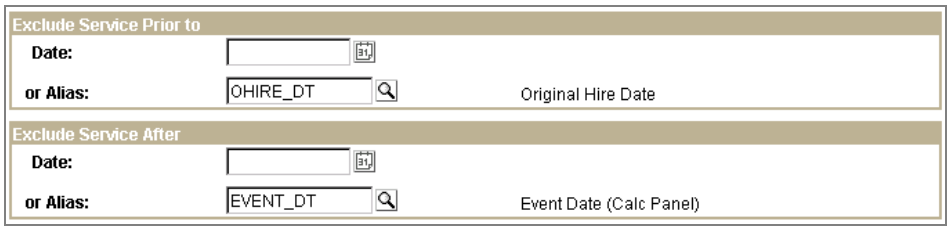
When the participation status is *Not Participating,* the calculation will end without calculating a benefit. This is normally the only use for the participation status result. However, if you find you need to reference this status for some other reason, you can do so using the Function Result name.

In order to reference the participation date, you'll have to set up a Function Result alias. Select **Define Business Rules, Maintain Pension Parameters, Variables, Function Result Alias.** Although this Function Result alias isn't required, the calculation will give a warning message if there isn't one. Therefore, we suggest you define the Function Result alias even if you're not going to use it in order to spare your users this message.



For more information about setting up a Function Result alias to reference the participation date, see Using Function Result Aliases.

You can integrate participation requirements into other functions (such as service) by referencing the participation date. For example, on the service parameter pages you can exclude service prior to this date.

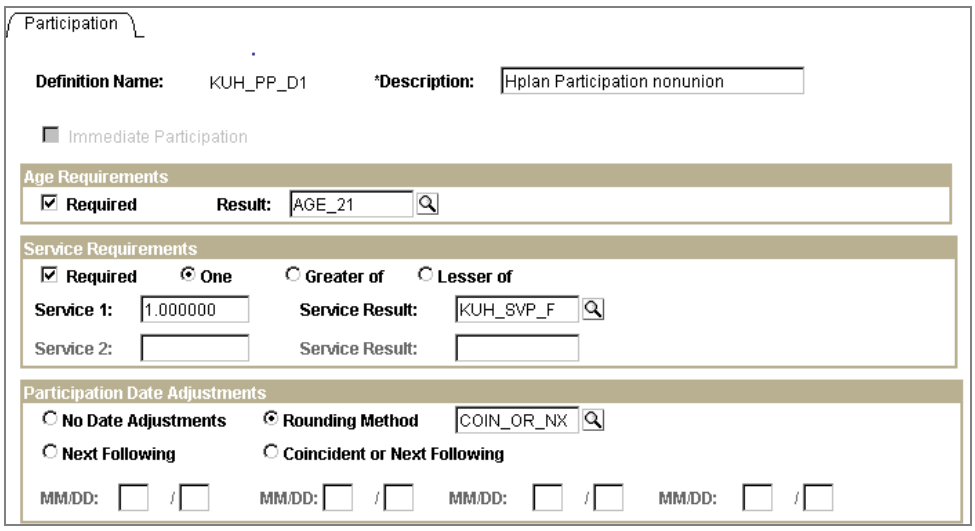


Using Participation Results on the Service Parameters page

You can also refer to the participation status, the yes or no result, if you need to. For example, you can incorporate participation requirements into a Custom Statement with criteria such as "If participation status equals Y...." In this case you can reference the result with the Function Result name.

Participation Page

Usage	Use the Participation page to set up plan participation requirements.
Object Name	PA_PARTIC_PARMS
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Participation, Participation**
Access Requirements	Enter a Definition Name.



Participation page

Establishing Immediate Participation

Immediate Participation If your plan doesn't have participation requirements, select **Immediate Participation.** Fields for age and service requirements options on the page are then unavailable for data entry. You can still defer participation until a plan entry date specified in the **Participation Date Adjustments** group box.

Age Requirements

Age Requirements If you have an age requirement for plan participation, go to the **Age Requirements** group box.

Required If you have an age requirement for plan participation, go to the **Age Requirements** group box and select the **Required** option.

Result Enter a date alias **Result** for the date the employee meets the age requirement. For example, if the requirement is age 21, create a date alias that adds 21 years to the employee's date of birth.

For more information about setting up date aliases, see PeopleSoft Pension Administration, "Using Date Aliases and Date Options"

Service Requirements

Service Requirements If you have a service requirement for plan participation, go to the **Service Requirements** group box.

Required

If you have a service requirement for plan participation, go to the **Service Requirements** group box and select the **Required** option.

You can enter one or two service requirements. Select ***One*** if there is a single service requirement. Otherwise, indicate whether employees begin participation after meeting the ***Greater of***, the later of, the two requirements or the ***Lesser of*** the two requirements.

Service 1, Service 2

Enter the required years of service required in the **Service 1** and **Service 2** fields. You must express the requirement in years even if you're measuring service in months. If the service requirement is less than a full year, use a fraction. For example, enter ***.5*** for a six month requirement.

Service Result

Enter the service Function Results used to measure participation service in the **Service Result** fields. Remember, if participation is a prerequisite for service credit, your participation service Function Result has to be different than the service credit Function Result.

Be sure to place the participation service Function Result before the participation Function Result in the calculation job stream. For more information, see Creating the Plan Implementation and Plan Aliases, "Creating the Plan Implementation and Plan Aliases"

Participation Date Adjustments

Participation Date Adjustments

Employees may not become eligible to participate on the exact day they meet the above participation requirements. They may have to wait until the following month, the following quarter, or some other plan entry date. You'll specify this in the **Participation Date Adjustments** group box using the following options: ***No Date Adjustments, Rounding Method, Next Following*** or ***Coincident or Next Following.***

No Date Adjustments: If there are no adjustments, select ***No Date Adjustments.***

Rounding Method: To use a user-created rounding option, for example, round to the first day of the following month. Select ***Rounding Method*** and indicate the method in the adjoining field.

For more information about date rounding methods, see PeopleSoft Pension Administration, "Using Date Aliases and Date Options"

Next Following, Coincident or Next Following: Select either ***Next Following*** or ***Coincident or Next Following*** to set specific plan entry dates, up to four per year, and the participation date will be delayed until the next one.

MM/DD

To select specific plan entry dates using the ***Next Following*** or ***Coincident or Next Following*** fields, indicate the entry date(s) in the adjoining **MM/DD** month and day fields. For example, if you have quarterly plan entry dates, you could enter ***1/1, 4/1, 7/1,*** and ***10/1*** as your plan entry dates.

Calculating the Participation Date

When participation is based on age, the participation date will be the same day the employee attains the specified age, subject to any date adjustments you specify, either date rounding or plan entry dates.

When participation is based on service however, the system doesn't necessarily determine the exact day the employee attains the specified amount of service. Instead, the system looks at the service history, finds the period when the employee attained the specified service amount, then uses *the first day of the next period.* How exact this date is depends on how you set up your service requirement.

If participation requires one year of elapsed time, you can set up an elapsed time service definition to use months or anniversary years; in this case, employees who attain one year of service in exactly a year will use the day after their one-year anniversary as the participation date.

Results will be less accurate for employees who take leaves of absence or otherwise don't attain a full year of service during their first year.

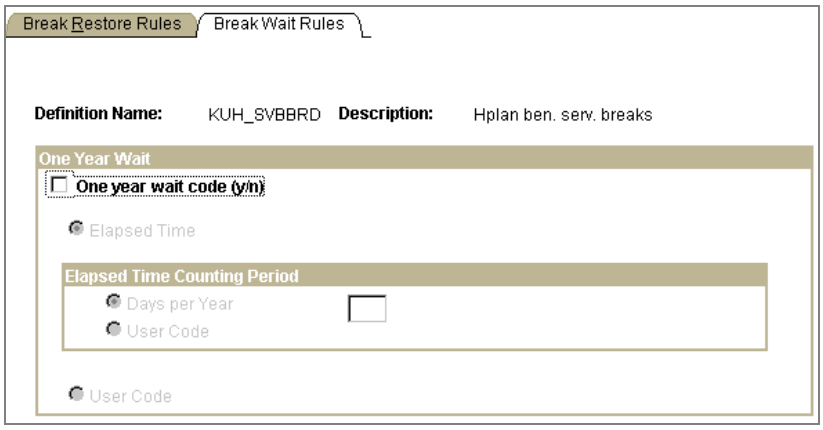
You can generally attain greater accuracy in calculating the participation date by measuring participation service in months rather than years. This strategy means that when the system looks for the first day of the next period, this day will be within a month of the actual participation date rather than being within a year of the date.

You can also create a date alias or a series of aliases that adjust the participation date in order to attain greater accuracy. You would then use this alias instead of the participation date anywhere you require this information.

Finally, you can set up the participation date using a date alias to begin with. In this case, you'll enter that date alias as the Age Requirement in the participation parameters. Even though the alias doesn't necessarily reflect the date the employee attains a specific age, it does reflect the date the employee meets participation requirements.



Regardless of other parameters, the participation date can't be before either the hire date or the start date of the participation definition.



Break Rules - Break Wait Rules page

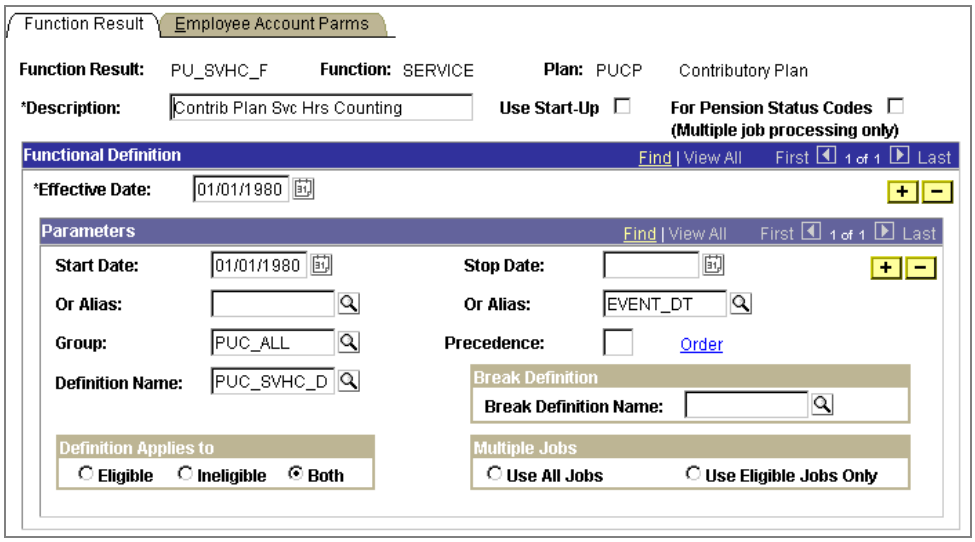
One Year Wait If you require employees returning from break to wait a year before you restore service, select the **One Year Wait** check box. If you select this option, select a method for determining the one year wait period, either ***Elapsed Time*** or User Code.

Elapsed Time Counting Period If you opt for ***Elapsed Time,*** go to the **Elapsed Time Counting Period** group box and select any number of days that you define as the ***Days per Year*** for measuring elapsed time. You can also measure elapsed time with your own custom User Code.

To measure wait periods other than a year, you'll still select the **One Year Wait** check box. You can then enter the appropriately shortened ***Days per Year*** or you can use one of the User Code options to measure the wait.

Function Result – Function Result Page

Usage	You'll implement break definitions in the same Function Results as your service definitions. You'll notice that when you create a service Function Result, the Function Result – Function Result page automatically includes parameters for the break definition.
Navigation	**Define Business Rules, Maintain Pension Plans, Implement, Function Result, Function Result**
Access Requirements	Benefit Plan or Function name or Function Result Name



Function Result – Function Result page

If your break rules change, you'll create a new effective-dated row in the Function Result, just as you would if the service rules changed.

Additional Multiple Job Considerations for Setting Up Service Function Results

There are two more decisions to make when you set up service function results for multiple job processes.

First, you must decide which jobs to include in the Service calculation. Under the "Multiple Jobs," if you'd like to include all jobs in the Service calculation, select "Use All Jobs." If you want to only include jobs that the employee is eligible for, select "Use Eligible Jobs Only."

Secondly, when you consider which Pension Status to give an employee it is sometimes necessary to determine whether an employee is accruing service at any given point in time. This information isn't saved unless you specifically tell the system to store this information. To save this Pension Status information select the "For Pension Status Codes" option.

For more information, see Adding a Function Result.

CHAPTER 13

Defining Service and Break Rules

Service rules can be very complex. Rather than incorporating all service options into a single component, we've set up three separate components under the Define menu. Each component contains parameters specific to a particular type of service calculation. One group presents options for elapsed time methods, one for hours counting methods, and the third for hours equivalence methods.

You'll look at these components in detail in separate sections; in this section, we'll summarize the types of service definitions and compare the pages used for each.

Besides setting up methods for figuring service, you'll also need to set up rules for determining and applying breaks in service. This section will also look at the pages used for break rules and will explain how you'll implement the break rules.



In contributory plans, employees may have to forfeit service if they withdraw their contributions. If they are rehired, they may be able to buy back the forfeited service by repaying the withdrawn amount. Also, some contributory plans allow employees to purchase service for certain eligible time periods. This section doesn't deal with the relationship between service and employee contributions; For more information about service forfeiture, buy back, and purchase, refer to the sections Defining Employee Accounts and Setting Up Contributory Plans.

Using Service Results

A Service Function Result returns an amount. You can reference the Service Function Result in the benefit formula, in your vesting definition, in your participation definition, or within any other function with a service basis.

Most functions in the PeopleSoft Pension Administration system only require a single Function Result. However, because you can use service for many different purposes, it's very possible that you'll need more than one Function Result. For example, it is common to set up one Function Result to calculate service for participation, another for vesting and another for the service component of your benefit formula. Of course, any shared service definitions only need to be established once.

The Three Types of Service Definitions

PeopleSoft Pension Administration provides pages for three types of service calculation: elapsed time, hours counting, and hours equivalence.

An elapsed time method calculates service by measuring the time between two dates; in the simplest case, this would be between the date of hire and date of termination. The time line may be adjusted for leaves of absence or other statuses. The amount of service credited doesn't depend on the hours worked during the time period.

Alternatively, hours methods determine service for each computation period based on the hours accumulated during that period. These methods require parameters for converting hours to service units. An hours counting method uses the actual number of hours worked in the computation period. This method requires hours data provided by the hours consolidation process. An hours equivalence method credits employees with a predetermined number of hours per period.

Many of the service parameters are common to all or some of the definition types. For example, all methods have identical final adjustment parameters. Several pages, therefore, appear in more than one component.

As you examine the different service pages, you'll notice that the three definitions share many of the pages. The following table summarizes the service pages and shows which service calculation methods use which pages. The numbers indicate where in the component sequence you can find that particular page.

Page	*Purpose*	*Elap*	*Count*	*Equiv*
Service Definition	Define the service period; enter contribution rules; choose hours consolidation and projections methods (hours methods only).	1	1	1
Hours Requirement / Time Requirement	Set up a hybrid service definition by establishing a threshold value from another type of service.	2	2	2
Service Statuses	Indicate categories of HR Action/Reason codes that determine service or nonservice status.	3	3	3
Add Periods Rules	Define adjustments where status change effective dates are moved forward.	4		4
Future Status Code Adjust	Define HR status history adjustments that depend on the occurrence or nonoccurrence of future status changes.	5	4	5

Elapsed Time Rule	Set date math parameters for measuring elapsed time.	6		
Hours Equivalence Rules	Define the hours equivalence period and specify how many hours to credit for each period.			6
Min/Max Hours Rules (for elapsed time, this is Min/Max Service Rules)	Define adjustments that limit the number of hours or service units that can be accrued in a specific time.	7	5	7
Hours to Service Conversion	Define rules for converting hours to service credits.		6	8
Service Final Handling	Set up any final adjustments to the service amount.	8	7	9

For any service function result involving multiple service definitions, the Service Definition and Service Final Handling pages must be coded identically within each effective date section of the Function Result page.

Multiple Jobs Considerations for Setting Up Service Function Results

When multiple jobs processing is used there are special considerations for setting up service function results. Service calculations are highly dependent on Human Resource actions/reasons. The Human Resource actions/reasons indicate when to start, stop, and adjust Service. In the multiple jobs environment, where each job's action/reason history is independent of each other, there is a new level of complexity that occurs.

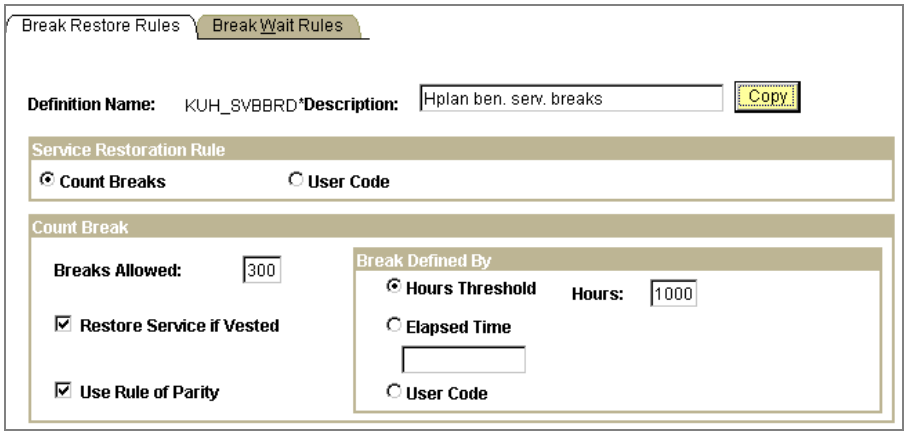
To deal with this added complexity of multiple jobs, the PeopleSoft Pension Administration system creates a "blended" actions/reasons time-line that includes each job's actions/reasons. Because information is lost during this process – which job did what specific actions – the PeopleSoft Pension Administration system does part of the computation before the blending process, and other computations after the blending process.

Setting Up Break Rules

In the simplest situation, an employee accrues service continuously from the time of hire until retirement. Often, however, service is interrupted by breaks, either due to termination and re-hire, leave of absence, or another status change. Break rules determine when an employee is charged with a break-in-service and how that status affects prior service accrual.

Break Rules - Break Restore Rules Page

Usage	Use the Break Rules - Break Restore Rules page to determine your general service restoration rules.
Object Name	PA_BREAK_PNL3
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Service - Break Rules, Break Restore Rules**
Access Requirements	Definition Name



Break Rules - Break Restore Rules page

Copy Because break definitions can be complex to set up, we've provided a shortcut for cases where you have multiple similar statements. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will clone the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Determining Whether to Restore Service

Service Restoration Rule The **Service Restoration Rule** establishes how you'll determine whether or not to restore service after break.

Count Breaks: Select ***Count Breaks*** when the number of consecutive one-year breaks determines whether service can be restored.

For any other break method, use User Code.

Counting Breaks

Counting Breaks

If you're counting breaks, complete the **Count Breaks** parameters.

Breaks Allowed

Breaks Allowed is the maximum number of consecutive one-year breaks that an employee can have and still qualify for service restoration.

Restore Service if Vested

If you select the **Restore Service if Vested** group box, vested employees are automatically eligible for service restoration regardless of the number of one-year breaks. Vested employees are still subject to repayment and waiting period rules. The system can identify vested employees because periodic processing keeps vesting histories for your employees. Partially vested employees are considered vested.

Use Rule of Parity

If you select the **Use Rule of Parity** group box, service restoration depends on the length of the previous service and the length of the break. Specifically, service is restored unless the break is longer than:

- The number of **Breaks Allowed** (typically five), or
- The total years of service before the break.

For example, an employee with three years of service wouldn't lose that service after a two-year break, but would lose the service after a four-year break.

Defining a One-Year Break in Service

Break Defined By

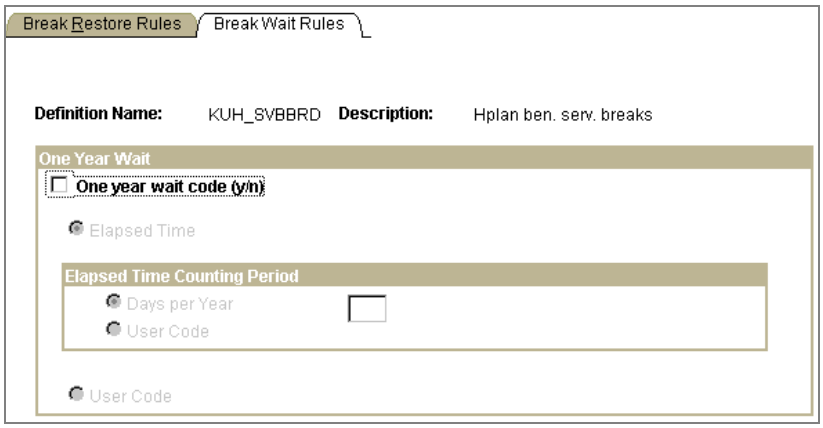
If you're counting breaks, you need to establish what constitutes a one-year break. The **Break Defined By** group box includes options for ***Hours Threshold*** and ***Elapsed Time*** as well as your own User Code. Use hours-based break definitions with hours-based service definitions and use elapsed time break definitions with elapsed time service.

Hours Threshold: Select ***Hours Threshold*** when the break rule will be used with hours counting or hours equivalence service methods. Enter the number of **Hours** which will be considered a full year for break purposes. For example, if you enter ***1000,*** then employees with at least 1000 hours in a year aren't charged with a break, even if they don't have enough hours to accrue service. When you attach your break definition to a service definition, the service definition will provide a consolidated hours result to be used for tracking hours.

Elapsed Time: Select ***Elapsed Time*** when the break rule will be used with an elapsed time service method. In this case, the break time is measured by the calendar. Enter a duration option in the adjacent field. The system uses the specified method to measure the length of the break. The break start and end points are based on the employee's action/reason history and the action/reason codes you've defined as not included in your Service definition.

Break Rules - Break Wait Rules Page

Usage	When employees leave and then return, you may require that they complete one year of service before you restore their previous service. Use the Break Rules - Break Wait Rules page to establish this or any other waiting period for service restoration.
Object Name	PA_BREAK_PNL2
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Service - Break Rules, Break Wait Rules**
Access Requirements	Definition Name



Break Rules - Break Wait Rules page

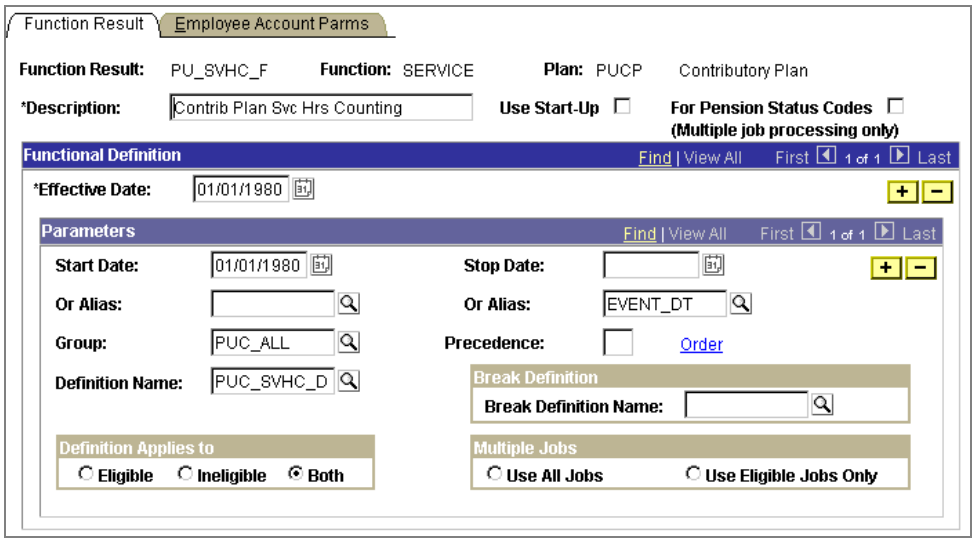
One Year Wait If you require employees returning from break to wait a year before you restore service, select the **One Year Wait** check box. If you select this option, select a method for determining the one year wait period, either ***Elapsed Time*** or User Code.

Elapsed Time Counting Period If you opt for ***Elapsed Time,*** go to the **Elapsed Time Counting Period** group box and select any number of days that you define as the ***Days per Year*** for measuring elapsed time. You can also measure elapsed time with your own custom User Code.

To measure wait periods other than a year, you'll still select the **One Year Wait** check box. You can then enter the appropriately shortened ***Days per Year*** or you can use one of the User Code options to measure the wait.

Function Result – Function Result Page

Usage	You'll implement break definitions in the same Function Results as your service definitions. You'll notice that when you create a service Function Result, the Function Result – Function Result page automatically includes parameters for the break definition.
Navigation	**Define Business Rules, Maintain Pension Plans, Implement, Function Result, Function Result**
Access Requirements	Benefit Plan or Function name or Function Result Name



Function Result – Function Result page

If your break rules change, you'll create a new effective-dated row in the Function Result, just as you would if the service rules changed.

Additional Multiple Job Considerations for Setting Up Service Function Results

There are two more decisions to make when you set up service function results for multiple job processes.

First, you must decide which jobs to include in the Service calculation. Under the "Multiple Jobs," if you'd like to include all jobs in the Service calculation, select "Use All Jobs." If you want to only include jobs that the employee is eligible for, select "Use Eligible Jobs Only."

Secondly, when you consider which Pension Status to give an employee it is sometimes necessary to determine whether an employee is accruing service at any given point in time. This information isn't saved unless you specifically tell the system to store this information. To save this Pension Status information select the "For Pension Status Codes" option.

For more information, see Adding a Function Result.

CHAPTER 14

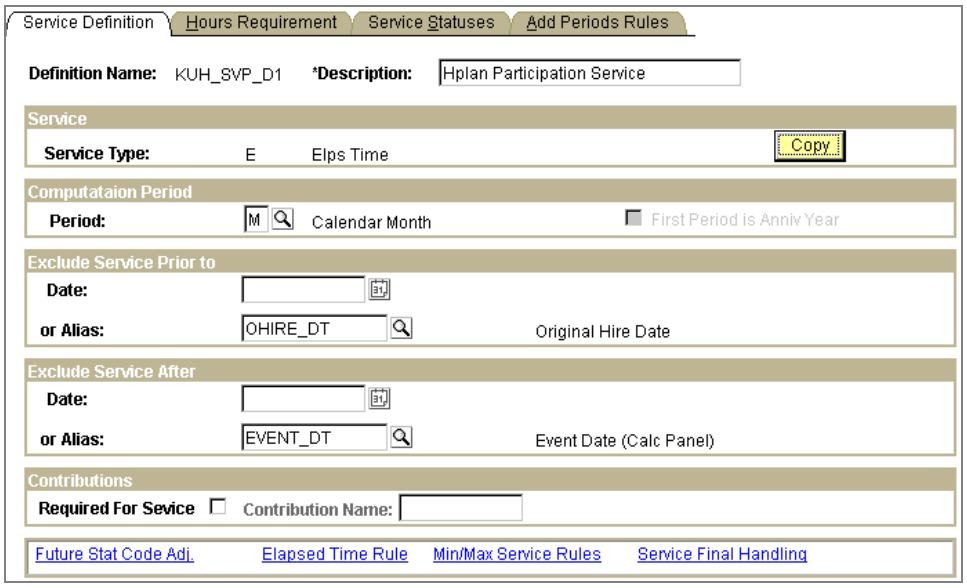
Setting Up Elapsed Time Service

An elapsed time method calculates service by measuring the time between two dates, for example, between the date of hire and date of termination. The amount of service credited doesn't depend on the hours worked during the time period.

In this section, you'll look at the parameter pages for calculating elapsed time service definitions.

Service - Elapsed Time - Service Definition Page

Usage	Use the Service - Elapsed Time - Service Definition page to set up basic information about your definition, including a service period to be used within the elapsed time computation, any periods to exclude from service, and if contributions are required.
Object Name	PA_SVC_DEFINIT_TM
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Service Definition**
Access Requirements	Definition Name



Elapsed Time - Service Definition page

For more information, see Setting Up Hours Counting Service: Service - Hours Counting - Service Definition Page and Setting Up Hours Equivalence Service: Service – Hours Equivalence - Service Definition Page.

Copy

Because service definitions can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar statements. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will copy the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Checking the Service Type

Service Type

Service Type is a read-only field to indicate whether you have an elapsed time, hours counting, or hours equivalence type of service definition. When you access this page through the Service - Elapsed Time component, the type is always ***Elapsed Time (E).***

Using a Computation Period

Computation Period

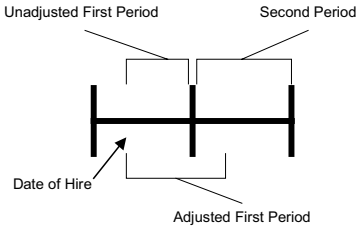
Use the **Computation Period** group box to measure the duration between two dates. An elapsed time service definition involves measuring the duration between two dates, typically the hire date and the event date. When PeopleSoft Pension Administration calculates elapsed time, however, this time is broken into computation periods. Total elapsed time is then the sum of the service credit for each period.

Period

In the **Computation Period** box, select one of the following as the **Period:** ***Calendar Month, Calendar Year, Plan Year,*** or ***Anniversary Year.***

Even if you select ***Calendar Month,*** service will be expressed in years. So, for example, an employee could get .083333 years of service in a month.

The ***Anniversary Year*** begins on the employee's date of hire. For other computation periods, an employee's first period will typically be a short period. If you're using ***Plan Year*** or ***Calendar Year,*** you can give employees the benefit of a full year first period by selecting **First Period is Anniv Year.** If you do this, your adjusted first period will overlap with the second period as shown:



First Period is Anniversary Period

Notice that under this option, the employee receives double service credit for the period of time that falls in both the first and second periods.

Excluding Service

Exclude Service Prior to/After

If you want to exclude service before or after a particular time, such as the participation date, enter the date in the **Exclude Service Prior to** and **Exclude Service After** fields. You can enter a constant **Date** or **Alias** in either of these fields.

Setting Contribution Requirements

Contributions If employees must contribute to the plan in order to receive service credit, go to the **Contributions** group box.

Required for Service Select the **Required For Service** check box for employees to receive service credit.

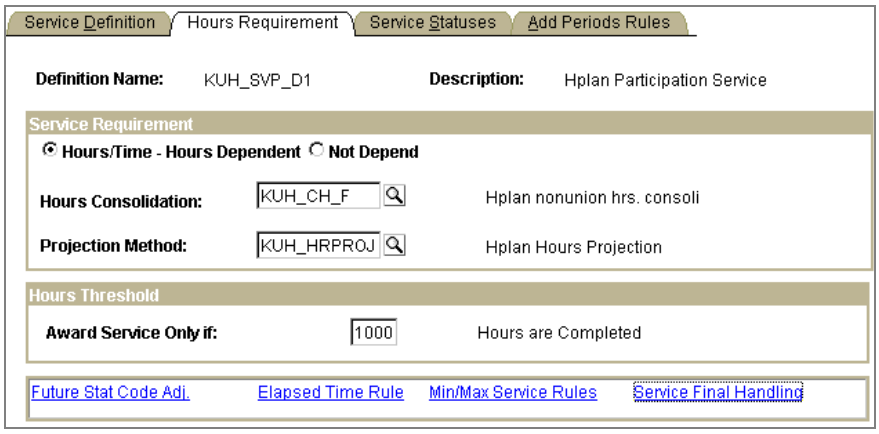
Contribution Name If you select the **Required For Service** option, use the **Contribution Name** field to indicate where to find contribution data. Do this by entering the name of the Employee Accounts result that keeps track of employee contributions.

The Employee Accounts function creates a period-by-period history. If an employee made contributions at any time during a period, the Service function grants the employee service for that period.

Note. We recommend using an Employee Accounts period identical to or smaller than your Service computation period in order to more accurately align employee contributions to service periods.

Service - Elapsed Time - Hours Requirement Page

Usage	You can set an hours threshold that employees must meet before getting service credit for a computation period. For example, if your computation period is a calendar year, you could require employees to have at least 500 hours of service within a year before giving service credit. Use the Service – Elapsed Time - Hours Requirement page to implement such a requirement.
Object Name	PA_SVC_TIME_HRS
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Hours Requirement**
Access Requirements	Definition Name



Service - Elapsed Time - Hours Requirement page

Service Requirement Use the **Service Requirement** group box to set a threshold, either: ***Hours Requirement*** or ***None.***

Hours Consolidation The **Hours Consolidation** directs the system to the appropriate hours history for determining whether the employee meets the threshold requirements.

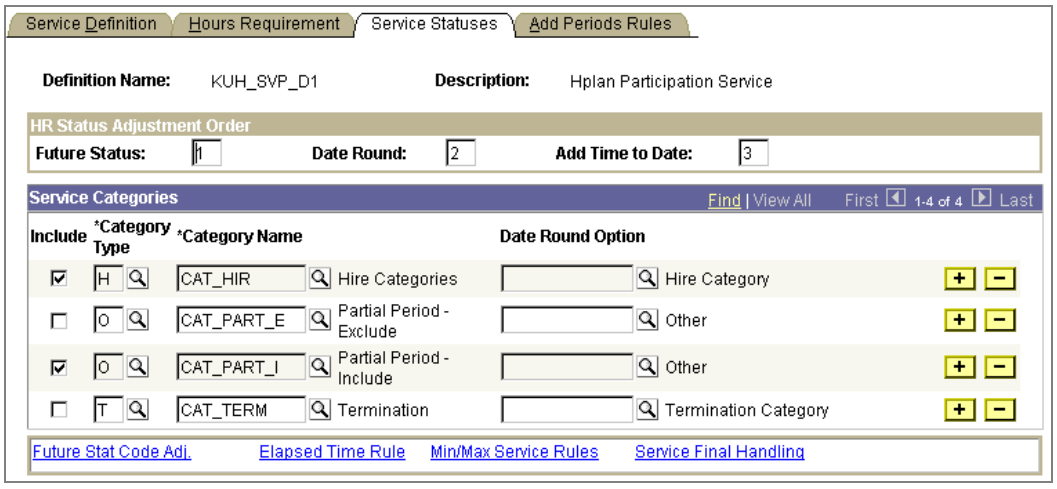
Projection Method The **Projection Method** provides instructions for projecting hours if necessary.

Hours Threshold In the **Hours Threshold** group box, enter the number of hours that employees must acquire in the ***Award Service Only If [number of hours] Hours Are Completed*** field.

Service - Elapsed Time - Service Statuses Page

Usage	Use the Service – Elapsed Time - Service Statuses page to establish which employee Action/Reason codes should turn service accrual off and which should turn service accrual on. For example, hire typically starts an "include service" period, leave of absence starts an "exclude service" period, and return from leave starts another "include service" period. Although you'll use other pages to set up adjustments to the effective dates of these events; the Service Statuses page also includes information about applying those adjustments.
Object Name	PA_SVC_STATUS
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Service Statuses** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Svc Status** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Statuses**
Access	Definition Name

Requirements	



Service - Elapsed Time - Service Statuses page

For more information, see Setting Up Hours Counting Service: Service - Hours Counting - Service Status Page and Setting Up Hours Equivalence Service: Service – Hours Equivalence - Service Statuses Page.

Employees accrue service or not depending on their HR status. Status changes are reflected in the employee's Action/Reason history in the PeopleSoft Human Resources job records: hires, leaves, returns from leave, terminations, and any other Action/Reason codes you choose.

Sometimes you'll need to adjust the effective date of a status change. For example, if your plan gives service credit for the first 30 days of a leave, you would indicate that the effective date of the leave must be adjusted by 30 days before service accrual ends. Further, you could indicate that this adjustment should only occur if the employee returns to work within a year.

Adjusting Action/Reason Effective Dates

Because you can make multiple adjustments to the effective date of a status change, you need to indicate the order adjustments are made. For example, you can indicate whether you round a date before adding time or after.

HR Status Adjustment Order

HR Status Adjustment Order displays the three types of adjustments you need to sequence: **Future Status, Date Round,** and **Add Time to Date.**

To indicate the order the system should apply to the adjustments, enter ***1***, ***2***, and ***3*** next to the three adjustment types: **Future Status, Date Round,** and **Add Time to Date**. You'll use subsequent pages to add time to the effective date or to set up adjustments based on future status codes; you'll enter the rounding method on this page.

Note. An adjustment that causes a date to overlap with the date of another status code will cause a calculation to fail.

Specifying Action/Reasons for Service

Service Categories

Use the **Service Categories** group box to indicate.

Category Name

In the scrolling region of this page, list each HR Action/Reason **Category Name** that the service definition needs to look for. This includes reasons for starting include service segments and for starting exclude service segments.

For more information about creating categories of Action/Reason codes, see PeopleSoft Pension Administration, "Creating Action/Reason Categories"

Include

If actions in the category start an include service segment, select the **Include** option. If the actions in the category start an exclude service segment, leave that option clear. Actions not specifically included in any of the categories on this page don't affect service status.

Warning! Be sure to include events that both start and stop service. For example, if you stop service for a leave, be sure to start service for a return from leave.

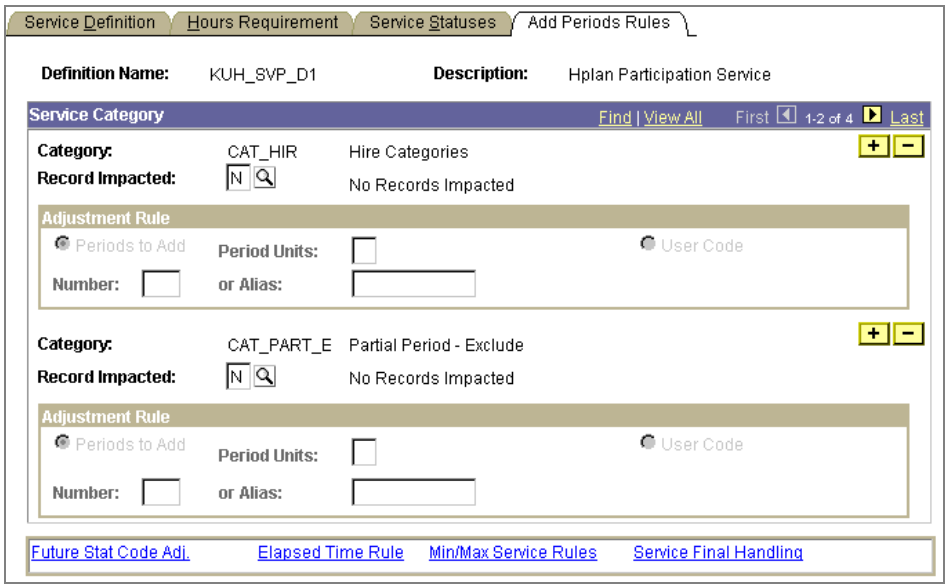
Category Type In the **Category Type** field, describe the category as a ***Hire Period, Termination Period*** or ***Other.*** This information will be used when you set up adjustments that add time to the period. You'll be able to specify whether the adjustments apply to hire periods, term periods, or all periods.

Date Round Option If you round the effective dates within a category of Action/Reason events, enter the rounding method next to the category. Enter a date rounding option in the **Date Round Option** field. For example, you might round all hire and rehire dates to the first of the month.

For more information about date rounding options, see PeopleSoft Pension Administration, "Using Date Aliases and Date Options"

Service - Elapsed Time - Add Periods Rules Page

Usage	Sometimes you may want to delay the effective date of an Action/Reason event. For example, if your employee can continue to accrue service for the first month of a leave, you'll want to adjust the effective date of any leave action by adding a month. Use the Service – Elapsed Time - Add Periods Rules page to add time periods to Action/Reason effective dates.
Object Name	PA_SVC_ADD_PERIODS
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Add Periods Rules** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Add Periods Rules**
Prerequisites	You must have previously entered a Category Name in the Service Statuses page of the Elapsed Time component.
Access Requirements	Definition Name



Service - Elapsed Time - Add Periods Rules page

For more information, see Setting Up Hours Equivalence Service: Service – Hours Equivalence - Add Periods Rules Page.

Category Name

The scrolling region of the page already shows each Action/Reason **Category Name** you entered in the Service Statuses page.

Record Impacted

When you add time to an Action/Reason effective date, you're giving additional service or break-in-service time by delaying the impact of the change. You may not want to do this for each occurrence of the event. For example, you could grant the 30-day leave of absence adjustment only for the first leave and not adjust any subsequent leaves.

Indicate which instances of a new status receive the adjustment in the **Record Impacted** field. You can select ***No Records Impacted, All, First Only, Last Only, All But First, All But Last,*** or ***All But First and Last.***

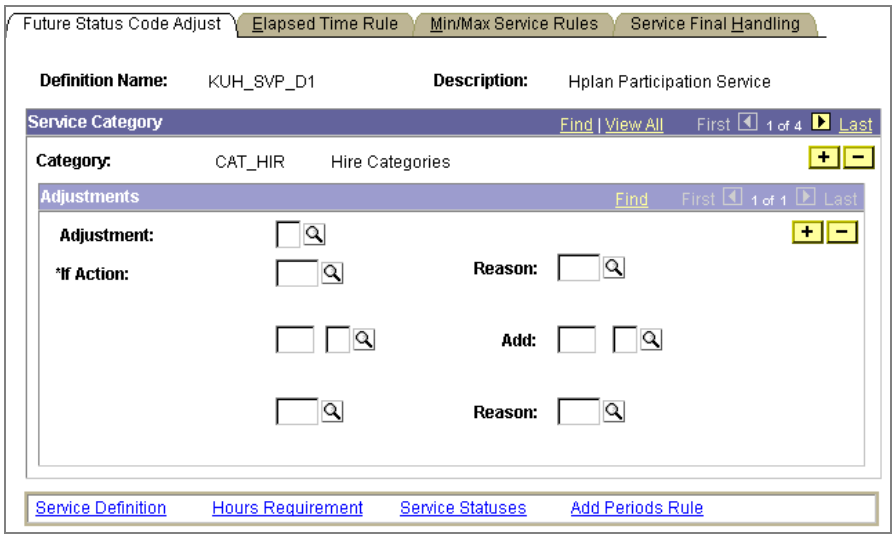
Adjustment Rule

For all options other than ***No Records Impacted,*** which requires no further parameters, you'll define the actual adjustment in the **Adjustment Rule** group box.

Use your own Customizing Calculations or select ***Periods to Add*** and indicate the number and type of **Period Units** to add by selecting ***Days, Weeks, Months,*** or ***Years*** and entering the quantity, a constant or an **Alias**, in the **Number** field.

Service - Elapsed Time - Future Status Code Adjust Page

Usage	How you treat service for a particular HR status may depend on the employee's subsequent status. For example, employees on leave might accrue service only if they later return to work. Use the Service – Elapsed Time -Future Status Code Adjust page to set up this type of service adjustment. You can choose to adjust the current event based on a future event, or you can adjust a future event based on a second future event.
Object Name	PA_SVC_FUTURE_ADJ
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Future Status Code Adjust** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Future Status Adj.** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Future Status Code Adjust**
Access Requirements	Definition Name



Service - Elapsed Time - Future Status Code Adjust page

For more information, see Service - Hours Counting - Future Status Adjust Page.

Category You can scroll through each Action/Reason **Category** from the Service Statuses page. For each category, you can enter as many adjustments as necessary using the inside scroll bar.

Adjustment

For each adjustment, select one of the following as the **Adjustment** type: ***Add, Ignore Current Action/Reason, Ignore Future Action/Reason,*** or ***Insert.***

Add: By selecting ***Add,*** you can delay an effective date based on other events occurring within defined periods of time afterward. For example, you can direct the system to adjust the effective date of a leave of absence by one month (to grant one month of extra service) only if the employee returns within one year.

Adding Time to the Effective Date of a Status Change



Future Status Adjustment - Add

When you select this adjustment, indicate the Action/Reason code of the looked for future event in the **If Action/Reason** fields. Indicate how far in the future to look for the Action/Reason code in the **Occurs Within** field and the amount of time to add to the effective date of the original status change in the **Add** field. Both of these have two separate entry boxes, one for the number of periods and one for the type of period. For the period type, you can choose ***Days, Months, Years, Weeks,*** or ***User Code.***

For example, the adjustment shown would have the following effect:

Actual Action	*Actual Date*	*Adjusted Date*
Hire	1/1/1974	
Leave	7/1/1978	8/1/78
Return	5/1/1979	
Term	12/31/1980	

Ignoring the Current Status Change

By selecting ***Ignore Current Action/Reason,*** you can ignore the original HR status change based on other events occurring within defined periods of time afterward. For example, you could choose to ignore a leave of absence if the employee returns within one month.



Future Status Adjustment - Ignore Current Action/Reason

When you select this adjustment, indicate the looked-for event in the **If Action/Reason** fields. Indicate how far in the future to look for this event in the **Occurs Within** fields.

For example, the adjustment shown would have the following effect:

Actual History	***Adjusted History***
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	[none]
Return 7/15/1978	Return 7/15/1978
Term 12/31/1980	Term 12/31/1980

Ignoring Future Status Change

By selecting ***Ignore Future Action/Reason,*** you can ignore subsequent status changes based on events occurring within a defined period of time of the original status change. For example, if you terminate an employee on leave, but rehire that employee within a year of the original leave date, you can ignore the termination so it looks like the employee just stayed on leave the entire time.



Future Status Adjustment - Ignore Future Action/Reason

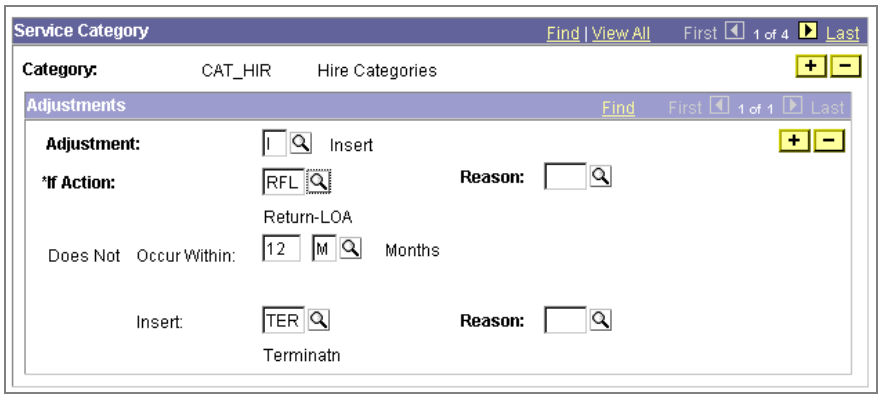
Indicate the looked-for event in the **If Action/Reason** fields. Indicate how far to look for this event in the **Occurs Within** fields. Indicate the intermediate event to be ignored in the **Ignore Future** Action/Reason fields.

For example, the adjustment shown would have the following effect:

Actual History	***Adjusted History***
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	Leave 7/1/1978
Term 7/15/1978	[none]
Rehire 12/31/1978	Rehire 12/31/1978

Inserting an Additional Status Change

By selecting ***Insert,*** you can insert an Action/Reason event based on another event *not* occurring within a defined period of time afterward. For example, when a leave action occurs, you might insert a termination action if a return from leave doesn't occur within one year of the leave.



Future Status Adjustment - Insert

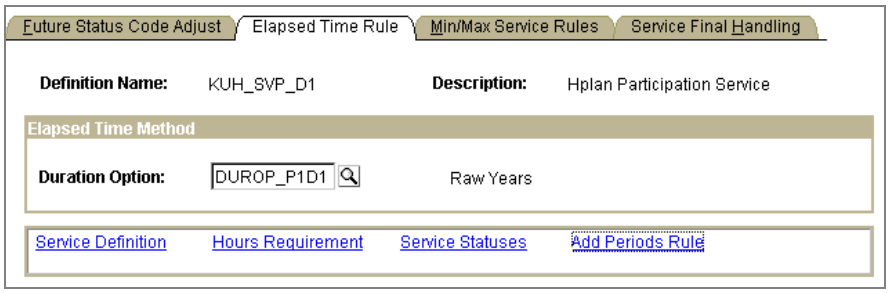
When you choose this adjustment, indicate the looked-for event in the **If Action/Reason** fields. Indicate how far in the future to look for this event in the **Does Not Occur Within** fields. Lastly, indicate the future event to be inserted in the **Insert** Action/Reason fields. The future event is inserted on the same day as the initial action, in our example, the leave.

For example, the adjustment shown would have the following effect:

Actual History	***Adjusted History***
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	Leave 7/1/1978
	Term 7/1/1978

Service – Elapsed Time - Elapsed Time Rule Page

Usage	Elapsed time methods calculate the difference between two dates. Use the Service – Elapsed Time - Elapsed Time Rule page to choose the date math method for your service calculation result.
Object Name	PA_SVC_ELAPSED1
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Elapsed Time Rule**
Prerequisites	First you must set up duration options on the Duration Option - Calculation Options Page page.
Access Requirements	Definition Name



Service - Elapsed Time – Elapsed Time Rule page

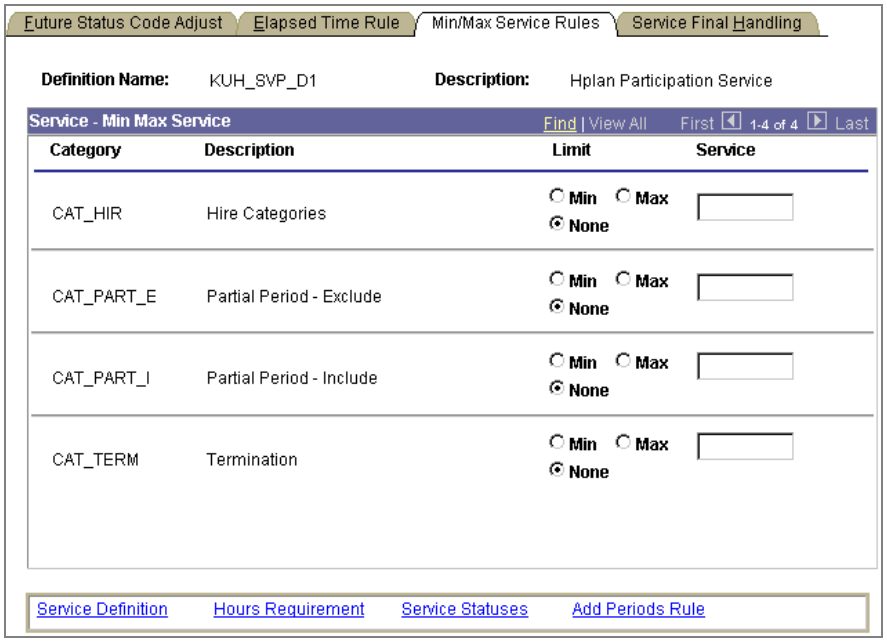
Duration Option Once you've set up a method, enter the name of the method in the **Duration Option** field.

For more information about Duration Options, see PeopleSoft Pension Administration, "Using Duration Aliases and Duration Options"

For more information on setting up date math methods, see Configuring Duration Options.

Service – Elapsed Time - Min/Max Service Rules Page

Usage	The Service function breaks computation periods into segments based on HR status changes. For example, within a single year-long computation period, an employee might have a ten-month segment of active employment and a two-month segment of leave. Some HR statuses might have an associated minimum or maximum service accrual. For example, employees may be limited to a maximum of one year of service accrual while on leave. Use the Service – Elapsed Time - Min/Max Service Rules page to set such limits.
Object Name	PA_SVC_MIN_MAX_SVC
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Min/Max Service Rules**
Access Requirements	Definition Name



Service - Elapsed Time - Min/Max Service Rules page

Category The scrolling region of the page already shows each Action/Reason **Category** you entered in the Service Status page. You'll see both include and exclude categories, but minimums and maximums only apply to the include service categories.

Limit Indicate if there is a **Limit** on service accrued during a particular status category.

None: If there are no limits on a particular status category, select ***None.***

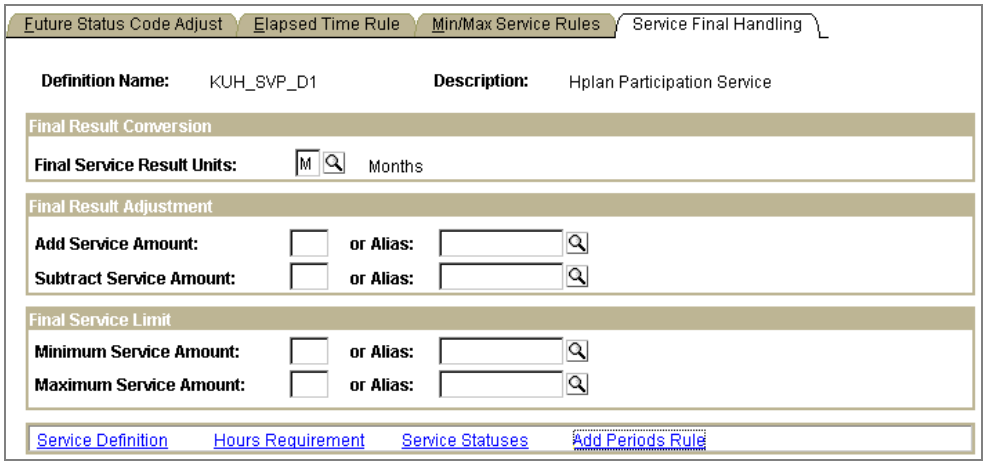
Otherwise, indicate whether to impose a ***Min*** or a ***Max.***

Service If you are imposing limits, enter the amount of service in the adjacent **Service** edit box.

Service - Elapsed Time - Service Final Handling Page

Usage	Use the Service – Elapsed Time - Service Final Handling page to set up any adjustments to the total service amount. These adjustments differ from the earlier ones in that they apply to an employee's lifetime service total, not the periodic totals generated for each elapsed time segment.
Object Name	PA_SVC_FINAL_RND
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Service Final Handling** • **Define Business Rules, Maintain Pension Plans, Define, Service -**

	Hours Counting, Final Handling • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Final Handling**
Access Requirements	Definition Name



Service - Elapsed Time - Service Final Handling page

For more information, see Setting Up Hours Counting Service: Service - Hours Counting - Final Handling Page and Setting Up Hours Equivalence Service: Service – Hours Equivalence - Service Final Handling Page.

Final Results Conversion In the **Final Results Conversion** group box, indicate the units for your final service result.

Final Service Result Units As your **Final Service Result Units,** select either ***Months*** or ***Years.***

Final Result Adjustment In the **Final Result Adjustment** group box, indicate whether to add or subtract from an employee's final service.

Add/Subtract Service Amount To add or subtract service from an employee's otherwise final service, enter the adjustment amount in the **Add Service Amount** or **Subtract Service Amount** field. You can add or subtract either constant amounts or aliases.

Final Service Limit In the **Final Service Limit** group box, indicate whether to limit an employee's final service to a given minimum or maximum.

Minimum/Maximum Service Amount	To limit an employee's otherwise final service to a given minimum or maximum, enter the limits in the **Minimum Service Amount** and **Maximum Service Amount** fields. You can enter either constant amounts or aliases.

Multiple Jobs Considerations for Service

Adding, adjusting and rounding action/reason dates are processed before the action/reasons dates are blended. All other calculations are processed after the blending occurs.



For more information on action/reason, see Multiple Jobs Considerations for Setting Up Service Function Results.

CHAPTER 15

Setting Up Hours Counting Service

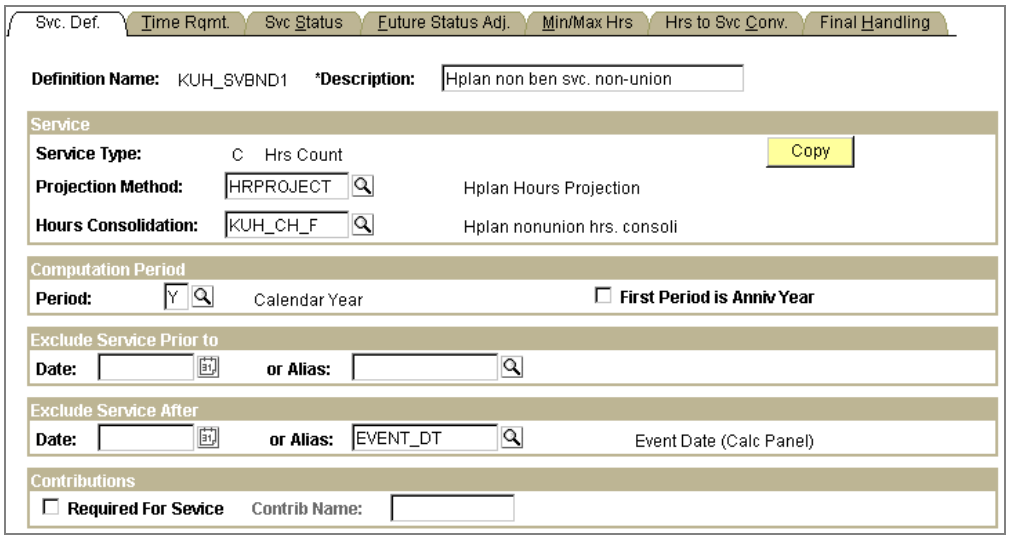
Hours methods of determining service are based on the hours accumulated during each computation period. These methods require parameters for converting hours to service units. An *hours counting* method uses the actual number of hours worked in the computation period and requires hours data provided by the hours consolidation process.

There are seven pages in the hours counting service component. Six of these are the same as the corresponding elapsed time pages. The additional one offers methods for converting hours to service.

In this section, you'll look at the parameter pages for hours counting service definitions. You'll also look at the Service Schedule page, where you can set up a table for converting hours for service.

Service - Hours Counting - Service Definition Page

Usage	Use the Service - Hours Counting – Service Definition page to set up basic service information.
Object Name	PA_SVC_DEFINITION
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Svc. Def.** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Definition**
Access Requirements	Definition Name



Service - Hours Counting - Service Definition page

For more information, see Setting Up Elapsed Time Service and Setting Up Hours Equivalence Service.

Setting Up Service

Copy

Because service definitions can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar statements. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will copy the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Service Type

When you access this page through the Hours Counting component, the **Service Type** is always ***Hours Counting (C).***

Projection Method

When you estimate a benefit for a future retirement date, you need to be able to project hours data for future periods. You'll set up your projection method in the Projections page and enter the name of that method into the **Projection Method** field.

For more information about Projections, see PeopleSoft Pension Administration, "Projecting Hours and Earnings"

Hours Consolidation

An hours counting service definition calculates service credit based on the number of hours worked during a specific period. The hours consolidation process provides the necessary hours data. Enter the name of your consolidation process in the **Hours Consolidation** field.

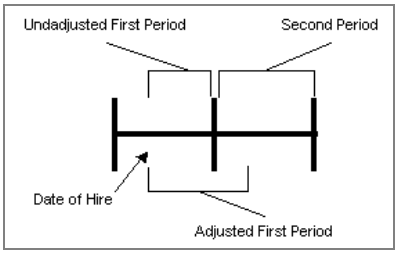
For more information about Consolidated Hours, see PeopleSoft Pension Administration, "Consolidating Payroll Data"

Setting Up a Computation Period

Computation Period

An hours counting service definition is based on the number of hours worked during a specific period. Indicate that period in the **Computation Period** field: ***Calendar Year, Plan Year, Anniversary Year,*** or ***Plan Month.***

The ***Anniversary Year*** begins on the date of the first hire action in the employee's job record. For computation periods other than an anniversary year, an employee's first period will be a short period. To give employees the benefit of a full first period, select **First Period is Anniv Year.** If you do this, your adjusted first period will overlap with the second period as shown:



First Period is Anniversary Period

Notice that under this option, the employee receives double credit for hours worked during the period of time that falls in both the first and second periods.

Excluding Service

Exclude Service Prior To

If you want to exclude service before or after a particular time (such as the participation date), enter the date in the **Exclude Service Prior To** and **Exclude Service After** fields. You can enter a constant date or an alias in either of these fields. If the exclusion date occurs in the middle of an hours consolidation period, the system will prorate the total hours for the period to determine the number of hours to be excluded. To actually exclude hours based on the day the hours were earned, create an hours consolidation that excludes those hours.

Exclude Service After

If you want to exclude service before or after a particular time (such as the participation date), enter the date in the **Exclude Service Prior To** and **Exclude Service After** fields. You can enter a constant date or an alias in either of these fields. If the exclusion date occurs in the middle of an hours consolidation period, the system will prorate the total hours for the period to determine the number of hours to be excluded. To actually exclude hours based on the day the hours were earned, create an hours consolidation that excludes those hours.

Setting Contribution Requirements

Required For Service

If employees must contribute to the plan in order to receive service credit, go to the **Contributions** box and select the **Required For Service** check box

Contrib Name

If you select the **Required For Service** check box, use the **Contrib Name** field to indicate where to find contribution data. Do this by entering the name of the Employee Accounts result that keeps track of employee contributions.

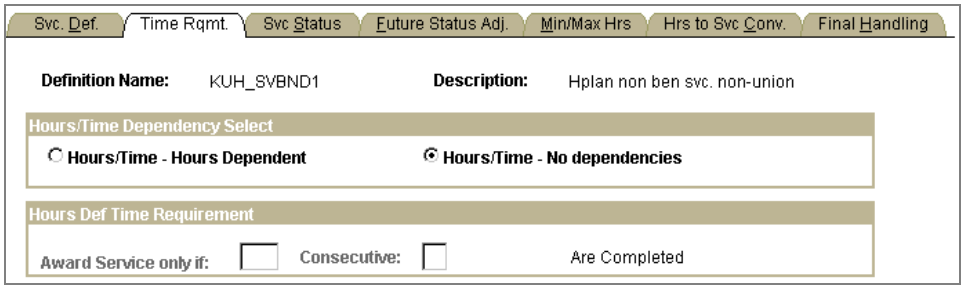
The Employee Accounts function creates a period-by-period history. If an employee made contributions at any time during a period, the Service function grants the employee service for that period.



We recommend using an Employee Accounts period identical to or smaller than your Service computation period in order to more accurately align employee contributions to service periods.

Service - Hours Counting - Time Requirement Page

Usage	Although you are setting up an hours counting service definition, you can set an elapsed time threshold that employees must meet before getting any service credit at all. For example, you could require employees to have nine months of elapsed time service in order to have their hours counted for a particular year. Use the Service - Hours Counting - Time Requirement page to implement such a requirement and to set its terms.
Object Name	PA_SVC_HRS_TIME
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Time Rqmt.** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Time Requirement**
Access Requirements	Definition Name



Service - Hours Counting - Time Requirement page

For more information, see Service - Hours Equivalence - Time Requirement Page.

Setting Up a Time Threshold

Hours/Time Dependency Select — This group box enables you to select a elapsed time threshold requirement

Hours Def Has Time Requirement — To set a time threshold, choose **Hours Def** (definition) **Has Time Requirement.**

None — If there is no time dependency, leave **None** selected.

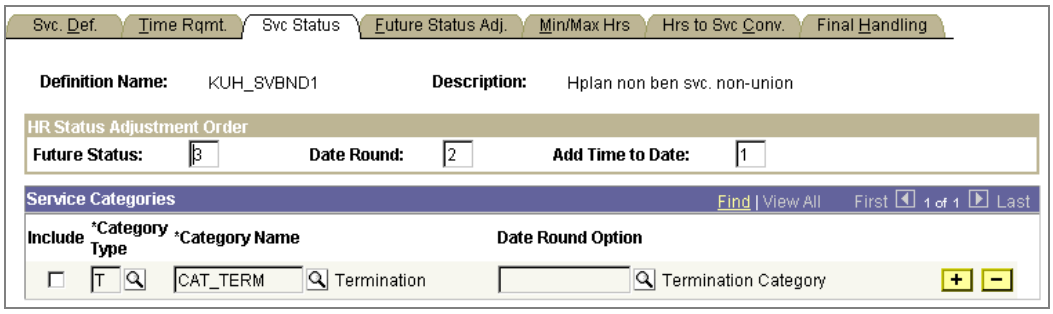
Hours Def Time Requirement

Hours Def Time Requirement — Once you indicate that there is a requirement, you'll need to complete the **Hours Def Time Requirement** parameters.

Award Service Only If [number of periods**] Are Completed**	Enter the number of periods that employees must acquire in the **Award Service Only If [**number of periods**] Are Completed** box.
Consecutive [type of periods**] Are Completed**	Enter the type of periods that employees must acquire in the **Consecutive [**type of periods**] Are Completed** box: ***Consecutive Months (M)*** or ***Consecutive Years (Y).***

Service - Hours Counting - Service Status Page

Usage	Hours counting service depends extensively on the hours consolidation. Unless there is a minimum or maximum number of hours (real or projected) specified for a particular status, the service calculation will use whatever hours are provided. For example, if the consolidated hours includes hours from an employee's leave of absence, then those hours will be considered for service; the service function can't distinguish or exclude those hours. **Note.** To avoid crediting service during particular employee statuses, you must define your hours consolidation to exclude those hours. This means that service statuses work very differently for hours counting than for elapsed time or hours equivalence. The latter two methods use statuses as the basis for granting or not granting service credit; hours counting uses actual hours rather than statuses for this purpose.
Object Name	PA_SVC_STATUS
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Service Statuses** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Svc Status** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Statuses**
Access Requirements	Definition Name



Service - Hours Counting - Service Status page

For more information, see Setting Up Elapsed Time Service and Setting Up Hours Equivalence Service.

Understanding Service Statuses and Hours Counting Service

In an hours counting definition, you'll identify service statuses for the following purposes:

- Applying status-based minimum or maximum hours limits
- Identifying hire and termination periods if you use different hours-to-service conversion methods for those periods.
- Establishing a link between the service definition and the employee.

  These correspond to the following types of Action/Reason categories you need to put into your service definition:

- Action/Reason categories that start and stop limited periods. For example, if certain leaves of absence have a maximum of 500 hours, then you must identify Action/Reason codes for both those leaves types and for returns from leave.
- Categories of Hire and Termination actions.
- Categories covering any Action/Reason that could appear as the first Action in an employee's job record. Normally a Hire/Rehire category will cover this, but if your practices include using other Actions for an employee's initial job record, be sure those Actions are incorporated into one of the service categories. Without this information, the system won't be able to match employees to definitions.

  Because you won't need to make elaborate adjustments to the employee's job history in order to apply service rules, you don't necessarily need the same amount of service status detail as you would for an elapsed time service definition. However, it's a good practice to enter "included" and "excluded" service statuses that match how your consolidation handles hours from those statuses. For example, if you generate hours for certain kinds of leaves, those leaves would be service included statuses.

Setting Adjustment Order

There are two types of adjustments you can make to the effective dates of employee status changes: rounding, and future status code adjustments which alter the status history based on the occurrence or nonoccurrence of specific events. Other types of service definitions also enable you to add time to an effective date, but hours counting service doesn't use that method.

HR Status Adjustment Order

HR Status Adjustment Order displays the three type of adjustments you need to sequence: **Future Status, Date Round,** and **Add Time to Date.**

Because you can make multiple adjustments to the effective date of a status change, you need to indicate the order adjustments are made. To indicate the order the system should apply to the adjustments, enter ***1, 2,*** and ***3*** next to the three adjustment types: **Future Status, Date Round,** and **Add Time to Date.** It doesn't matter what you put next to **Add Time to Date,** since there won't be any such adjustments.

Note. An adjustment that causes a date to overlap with the date of another status code will cause a calculation to fail.

Entering Service Statuses

Service Categories List categories in the **Service Categories** group box.

Category Name In the scrolling region of this page, list each HR action/reason **Category Name.**

Include If actions in the category start "included for service" segments, select the **Include** option. If the actions in the category start "excluded for service" segments, leave that option clear.

Category Type In the **Category Type** field, describe the category as a ***Hire Period, Termination Period*** or ***Other.***

Rounding the Status Change Effective Date

Applying minimums and maximums during a particular status requires allocating consolidated hours to the various statuses. This allocation is based on, among other things, the effective date of the status change. Another function of the Service Statuses page is to round the effective dates of status changes as necessary.

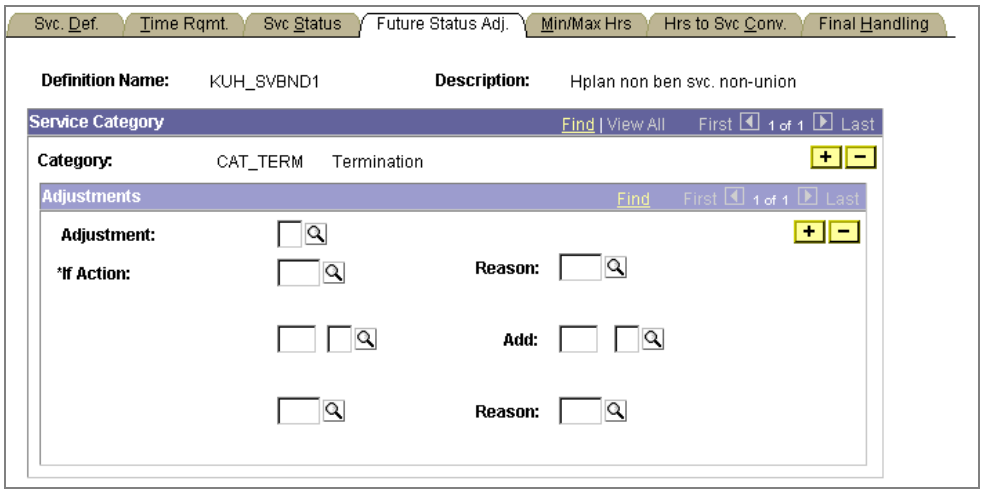
Date Round Option

If you round the effective dates within a category of action/reason events, enter the rounding method next to the category. Enter a date rounding option in the **Date Round Option** field.

For more information about date rounding options, see PeopleSoft Pension Administration, "Using Date Aliases and Date Options"

Service - Hours Counting - Future Status Adjust Page

Usage	How you treat service for a particular HR status may depend on the employee's subsequent status. For example, employees on leave might accrue service only if they later return to work. Use the Future Status Adjust page to set up this type of service adjustment.
Object Name	PA_SVC_FUTURE_ADJ
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Future Status Code Adjust** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Future Status Adj.** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Future Status Code Adjust**
Access Requirements	Definition Name



Service - Hours Counting - Future Status Adjust page

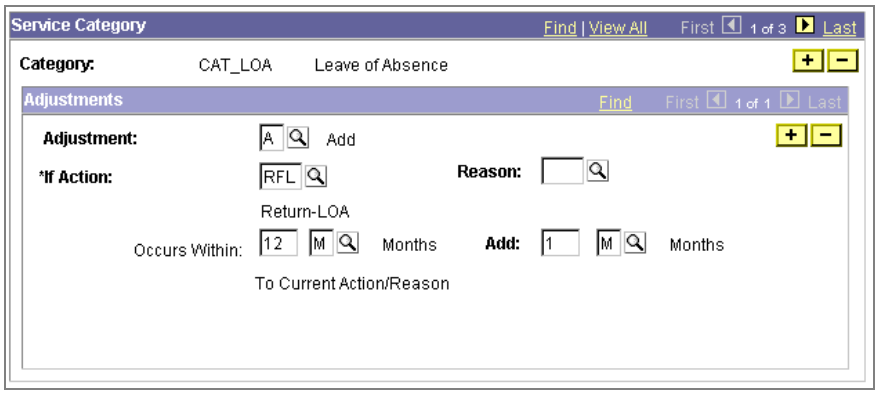
For more information, see Service - Elapsed Time - Future Status Code Adjust Page and Service - Hours Counting - Future Status Adjust Page.

Category You can scroll through each action/reason **Category** from the Service Statuses page. For each category, you can enter as many adjustments as necessary using the inside scroll bar.

Adjustment For each adjustment, select one of the following as the **Adjustment** type: ***Add, Ignore Current Action/Reason, Ignore Future Action/Reason,*** or ***Insert.***

Adding Time to the Effective Date of a Status Change

By selecting ***Add,*** you can delay an effective date based on other events occurring within defined periods of time afterward. For example, you can direct the system to adjust the effective date of a leave of absence by one month (to grant one month of extra service) only if the employee returns within one year.



Future Status Adjustment - Add

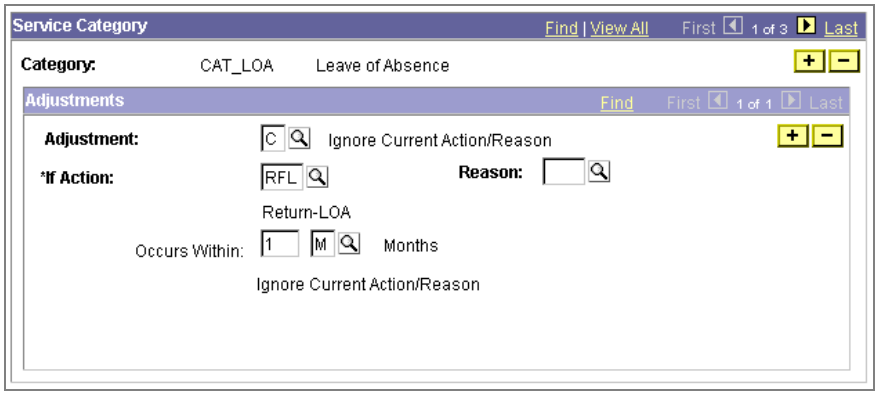
When you select this adjustment, indicate the action/reason code of the looked for future event in the **If Action/Reason** fields. Indicate how far in the future to look for the action/reason code in the **Occurs Within** field and the amount of time to add to the effective date of the original status change in the **Add** field. Both of these have two separate entry boxes, one for the number of periods and one for the type of period. For the period type, you can choose ***Days, Months, Years, Weeks,*** or Customizing Calculations.

For example, the adjustment shown would have the following effect:

Actual Action	*Actual Date*	*Adjusted Date*
Hire	1/1/1974	
Leave	7/1/1978	8/1/78
Return	5/1/1979	
Term	12/31/1980	

Ignoring the Current Status Change

By selecting ***Ignore Current Action/Reason,*** you can ignore the original HR status change based on other events occurring within defined periods of time afterward. For example, you could choose to ignore a leave of absence if the employee returns within one month.



Future Status Adjustment - Ignore Current Action/Reason

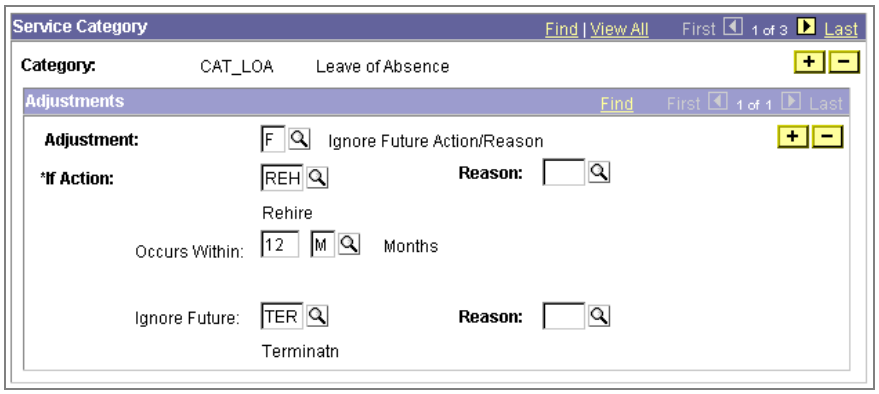
When you select this adjustment, indicate the looked-for event in the **If Action/Reason** fields. Indicate how far in the future to look for this event in the **Occurs Within** fields.

For example, the adjustment shown would have the following effect:

Actual History	***Adjusted History***
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	[none]
Return 7/15/1978	Return 7/15/1978
Term 12/31/1980	Term 12/31/1980

Ignoring Future Status Change

By selecting ***Ignore Future Action/Reason,*** you can ignore subsequent status changes based on events occurring within a defined period of time of the original status change. For example, if you terminate an employee on leave, but rehire that employee within a year of the original leave date, you can ignore the termination so it looks like the employee just stayed on leave the entire time.



Future Status Adjustment - Ignore Future Action/Reason

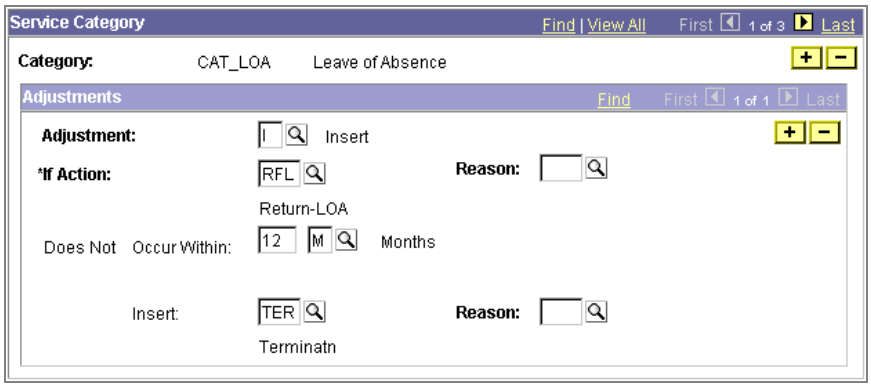
Indicate the looked-for event in the **If Action/Reason** fields. Indicate how far to look for this event in the **Occurs Within** fields. Indicate the intermediate event to be ignored in the **Ignore Future** action/reason fields.

For example, the adjustment shown would have the following effect:

Actual History	***Adjusted History***
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	Leave 7/1/1978
Term 7/15/1978	[none]
Rehire 12/31/1978	Rehire 12/31/1978

Inserting an Additional Status Change

By selecting ***Insert,*** you can insert an action/reason event based on another event *not* occurring within a defined period of time afterward. For example, when a leave action occurs, you might insert a termination action if a return from leave doesn't occur within one year of the leave.



Future Status Adjustment - Insert

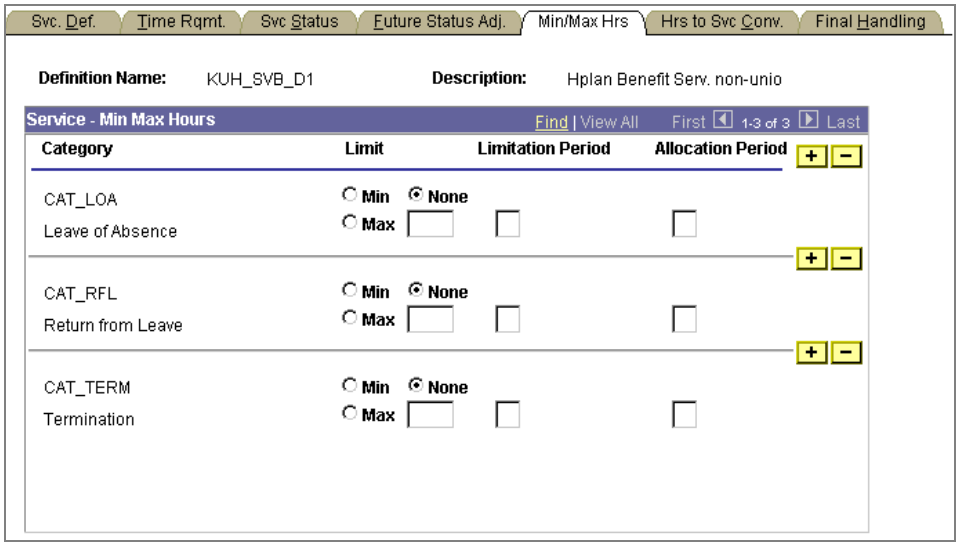
When you choose this adjustment, indicate the looked-for event in the **If Action/Reason** fields. Indicate how far in the future to look for this event in the **Does Not Occur Within** fields. Lastly, indicate the future event to be inserted in the **Insert** action/reason fields. The future event is inserted on the same day as the initial action, in our example, the leave.

For example, the adjustment shown would have the following effect:

Actual History	***Adjusted History***
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	Leave 7/1/1978
	Term 7/1/1978

Service - Hours Counting - Min/Max Hours Rules Page

Usage	The Service function breaks computation periods into segments based on HR status changes. For example, within a single year-long computation period, an employee might have a ten-month segment of active employment and a two-month segment of leave. Segments can have a minimum or maximum hours accrual based on the employee status. For example, an employee on leave could be limited to a 1000-hour maximum. Use the Min/Max Hours Rules page to indicate the hours limitations associated with specific categories of HR Action/Reason codes.
Object Name	PA_SVC_MIN_MAX_HRS
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Min/Max Hrs** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Min/Max Hours Rules**
Access Requirements	Definition Name



Hours Counting - Min/Max Hours Rules page

For more information, see Service – Hours Equivalence - Min/Max Hours Rules Page.

Setting Hours Limits

Category

The scrolling region of the page already shows each action/reason **Category** you entered in the Service Statuses page.

Limit

To set an upper or lower **Limit** on hours following a particular action until the next action from any of the other categories, indicate whether to impose an hours ***Min*** or ***Max*** or, if there's no limit, indicate ***None***. When there is a limit, enter the number of hours.

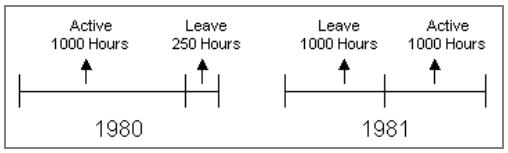
Limitation Periods

Limits always apply to one of two possible **Limitation Periods,** the ***Computation Period*** or the ***Status Period.*** If you select ***Computation Period,*** you can limit employees to 1000 hours per year while on leave. If you select ***Status Period,*** you can limit employees to 1000 hours for the total duration of the leave.

If you select ***Computation Period,*** the limit only applies to the portion of the computation period when the employee is on leave. For example, for 1980 Miguel has 1250 total hours, but he was on leave for part of the year. The system first prorates the hours to allocate 250 hours to the period when Miguel was on leave. The limit of 1000 hours per computation period applies only to this 250 hours. In this case, therefore, the limit doesn't change the total hours for the period.

Allocating Hours to Computation Periods

If your limitation period is the ***Status Period***, the system still prorates hours within a computation period to determine how many hours fall into the specified status. If the hours violate the limit, you'll have to allocate the limited hours between two periods. For example, Miguel's leave of absence extends into 1981 as illustrated below.



Status Period Extends Across Computation Periods

Miguel's 1250 total leave hours fall into two computation periods. You have to reduce the total leave hours to 1000 using one of two **Allocation Period** options.

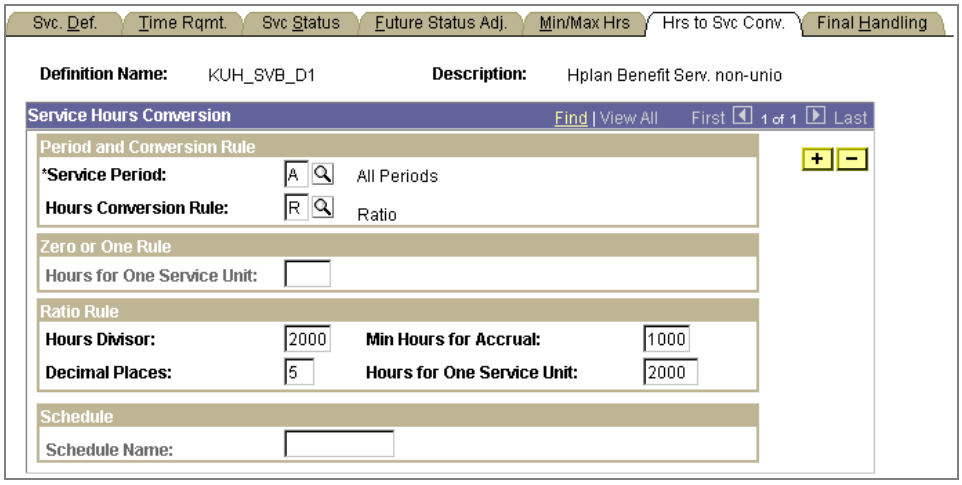
If you select ***Cut Off at Limit,*** then the first 1000 hours are used and any additional hours are reduced to zero. In this case, the 250 hours in 1980 remain at 250 hours, the 1000 hours that fall in 1981 are reduced to 750.

If you select ***Spread Across Days,*** the 1000 hours are evenly distributed across the days of leave, say 250 days, for an average of four hours per day. If the first portion of the leave has 60 days, then it has 240 hours; the second portion of the leave, with the remaining 190 days, has 760 hours.

For minimums, ***Cut Off at Limit*** adds any additional hours to the first segment. ***Spread Across Days*** increases the hours proportionally.

Service - Hours Counting - Hours to Service Conversion Page

Usage	When you use an hours-based service definition, you need rules for converting the hours to service. Use the Service – Hours Counting - Hours to Service Conversion page to set up these rules.
Object Name	PA_SVC_HRS_CONVERT
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Hrs to Svc Conv.** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Hrs to Svc Conv.**
Access Requirements	Definition Name



Service - Hours Counting - Hours to Service Conversion page

For more information, see Setting Up Hours Equivalence Service.

Service Hours Conversion

Establishing a Conversion Period

Period and Conversion Rule You can use different conversion rules for the hire period and termination periods than you would for a standard computation period. For example, you may use a ratio rule for hire and term periods, but a zero or one rule for other periods. Set these rules up in the **Period and Conversion Rule** group box.

Service Period Select the **Service Period** for the rules you are establishing: ***All Periods, Hire Period, Termination Period.***

The Service function will identify hire and termination periods by the categories you established on the Service - Hours Counting - Service Status Page page. Be sure to set up a rule for All Periods. You can choose whether or not to set up different rules for hire and termination periods.

Note. Be sure to set up a rule for ***All Periods.*** You can choose whether or not to set up additional rules for hire and termination periods.

Setting the Conversion Method

Hours Conversion Rule For each type of computation period, select an **Hours Conversion Rule** to establish the basis for your hours-to-service conversion: ***Ratio, Schedule*** or ***Zero or One.***

Ratio gives fractional service units by dividing the number of hours by a constant. For example, if you divide by 2000, an employee with 1000 hours receives one half service unit.

Schedule looks up the hours amount on a schedule and credits the corresponding amount of service.

Zero or One gives one service unit to employees with at least a minimum number of hours. Employees with fewer hours receive zero service units.

Setting Up an Hours Threshold for "Zero or One" Rules

Zero or One Rule If you selected the ***Zero or One*** rule in the **Hours Conversion Rule** field, you must fill out the **Zero or One Rule** group box.

Hours for One Service Unit Enter the minimum number of hours required in the **Hours for One Service Unit** field.

Referencing an Hours-To-Service Schedule

Schedule If you selected the ***Schedule*** rule in the **Hours Conversion Rule** field, you must fill out the **Schedule** group box.

Schedule Name If you use a **Schedule** to convert hours to service, enter the **Schedule Name.** Set up service schedules under Go, Define Business Rules, Maintain Pension Parameters, Tables, Service Schedule.

Setting Up Ratio Rules

Ratio Rule If you selected the ***Ratio*** rule in the **Hours Conversion Rule** field, you must fill out the **Ratio Rule** group box.

If you use a **Ratio Rule** to convert hours to service, specify the parameters for calculating the service credit fraction. The number of hours accrued will be the fraction numerator.

Hours Divisor Enter the denominator in the **Hours Divisor** field.

Decimal Places Indicate the number of **Decimal Places** for the division.

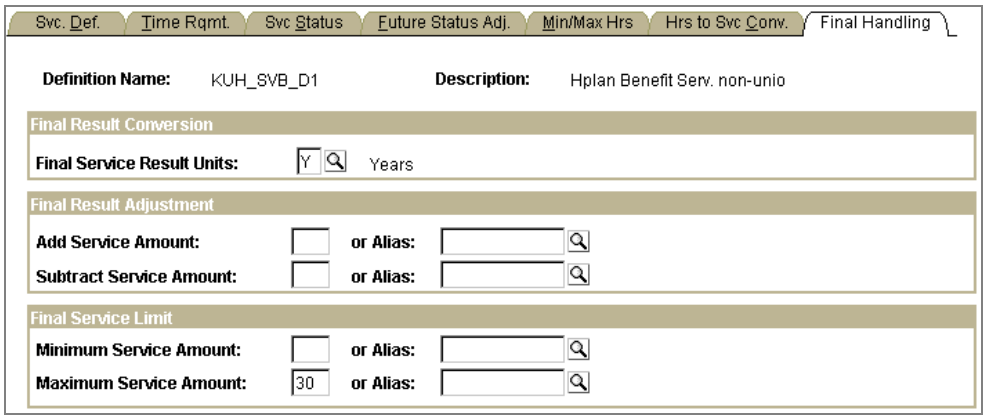
Min Hours for Accrual Employees accrue of maximum of one service unit, even if the numerator is greater than the denominator.

To set a threshold number of hours, enter the **Min Hours for Accrual;** employees with fewer hours receive no service credit. For example, if you enter 500, employees with less than 500 hours receive no service credit.

Hours for One Service Unit Lastly, set the **Hours for One Service Unit.** Employees with the specified number of hours or more automatically receive one service unit; additional hours don't add service.

Service - Hours Counting - Final Handling Page

Usage	Use the Service - Hours Counting - Final Handling page in the component to set up any adjustments to the total service amount. These adjustments differ from the earlier ones in that they apply to an employee's lifetime service total, not the periodic totals generated for each computation period.
Object Name	PA_SVC_FINAL_RND
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Service Final Handling** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Final Handling** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Final Handling**
Access Requirements	Definition Name



Service - Hours Counting - Final Handling page

For more information, see Setting Up Elapsed Time Service and Setting Up Hours Equivalence Service.

Final Result Conversion — In the **Final Result Conversion** group box, select the units for your final service result.

Final Service Result Units — Select ***Months*** or ***Years*** as your **Final Service Result Units.**

Final Result Adjustment — In the **Final Result Adjustment** group box, indicate whether to add or subtract from an employee's final service.

Add/Subtract Service Amount — To add or subtract service from an employee's otherwise final service, enter the adjustment amount in the **Add Service Amount** or **Subtract Service Amount** field.

or Alias — You can add or subtract either a constant **or Alias.**

Final Service Limit — In the **Final Service Limit** group box, indicate whether to limit an employee's final service to a given minimum or maximum.

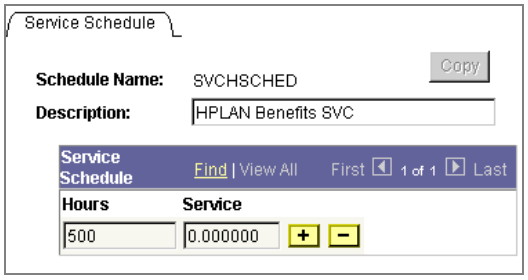
Maximum/Minimum Service Amount — To limit an employee's otherwise final service to a given minimum or maximum, enter the limits in the **Minimum Service Amount** and **Maximum Service Amount** fields.

or Alias — You can enter either a constant **or Alias.**

Service Schedule Page

Usage	When the system calculates employee service based on hours, the service definition requires a method for converting hours to service. The Service Schedule page shows the amount of service credited based on

	the number of hours worked.
Object Name	PA_TL_SVC_SCHD
Navigation	**Define Business Rules, Maintain Pension Parameters, Tables, Service Schedule, Service Schedule**
Access Requirements	Schedule Name



Service Schedule page

Copy

Because service schedules can require extensive data entry, we've provided a shortcut for cases where you have multiple similar schedules. Establish the first schedule, click the **Copy** button, enter a new name and description, and the system will copy the original schedule using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Note. If two service definitions use an identical service schedule, you may still want to create separate copies of the schedule in the interest of isolating components.

Hours/Service

Each row consists of a number of **Hours** and the associated **Service** credit. The system always interpolates by using the next higher value. So in the example pictured, an employee with 500 hours would receive no service credit, but an employee with 501 hours would receive .25 credits.

Note. Always set up service schedules with a zero service row.

Multiple Jobs Considerations for Service

Adding, adjusting and rounding action/reason dates are processed before the action/reasons dates are blended. All other calculations are processed after the blending occurs.



For more information on action/reason, see Multiple Jobs Considerations for Setting Up Service Function Results.

CHAPTER 16

Setting Up Hours Equivalence Service

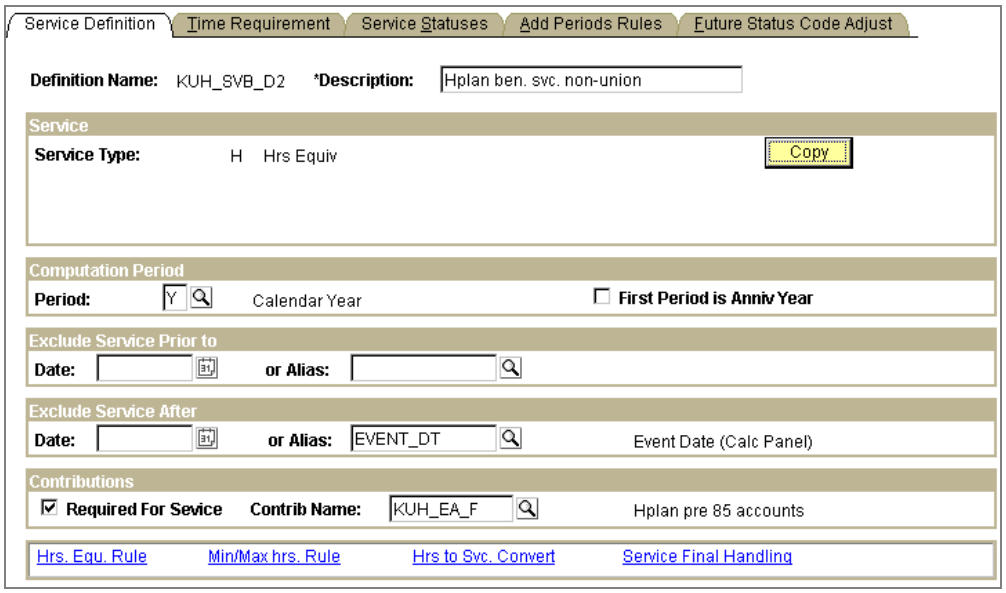
Like an hours counting service method, an hours equivalence service method is based on the hours accumulated during a specific computation period. However, whereas an hours counting method uses the actual number of hours worked, an hours equivalence method credits employees with a specific number of hours based on the time spent in a service included status.

There are nine pages for setting up hours equivalence service definitions. Eight of these are used in either hours counting or elapsed time definitions. The one new page defines the number of hours credited for each "equivalent period" worked.

In this section, you'll look at the parameter pages for calculating hours equivalence service definitions.

Service – Hours Equivalence - Service Definition Page

Usage	Use the Service – Hours Equivalence - Service Definition page to set up basic information about your definition.
Object Name	PA_SVC_DEFINITION
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Svc. Def.** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Definition**
Access Requirements	Definition Name



Service – Hours Equivalence - Service Definition page

For more information, see Service - Elapsed Time - Service Definition Page and Service - Hours Counting - Service Definition Page.

Copy

Because service definitions can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar statements. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will copy the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Viewing the Service Type

Service Type

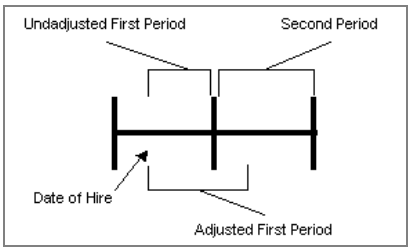
When you access this page through the Hours Equivalence component, the **Service Type** is always ***Hours Equivalence (H).***

Setting Up a Computation Period

Computation Period

An hours equivalence definition is based on the number of hours credited during a specific period. Indicate that period in the **Computation Period** field. Valid values include: ***Anniversary Year, Calendar Year, Plan Year,*** and ***Calendar Month.***

The ***Anniversary Year*** begins on the employee's date of hire. For other computation periods, an employee's first period will typically be a short period. If you're using ***Plan Year*** or ***Calendar Year,*** you can give employees the benefit of a full year first period by selecting **First Period is Anniv Year.** If you do this, your adjusted first period will overlap with the second period as shown:



First Period is Anniversary Period

Notice that under this option, the employee receives double service credit for the period of time that falls in both the first and second periods.

Excluding Service

Exclude Service Prior To/After

If you want to exclude service before or after a particular time such as the participation date, enter the date in the **Exclude Service Prior To** and **Exclude Service After** fields.

Date/ or Alias

Enter a constant **Date** in these fields **or Alias.**

Setting Contribution Requirements

Contributions

If employees must contribute to the plan in order to receive service credit, go to the **Contributions** box.

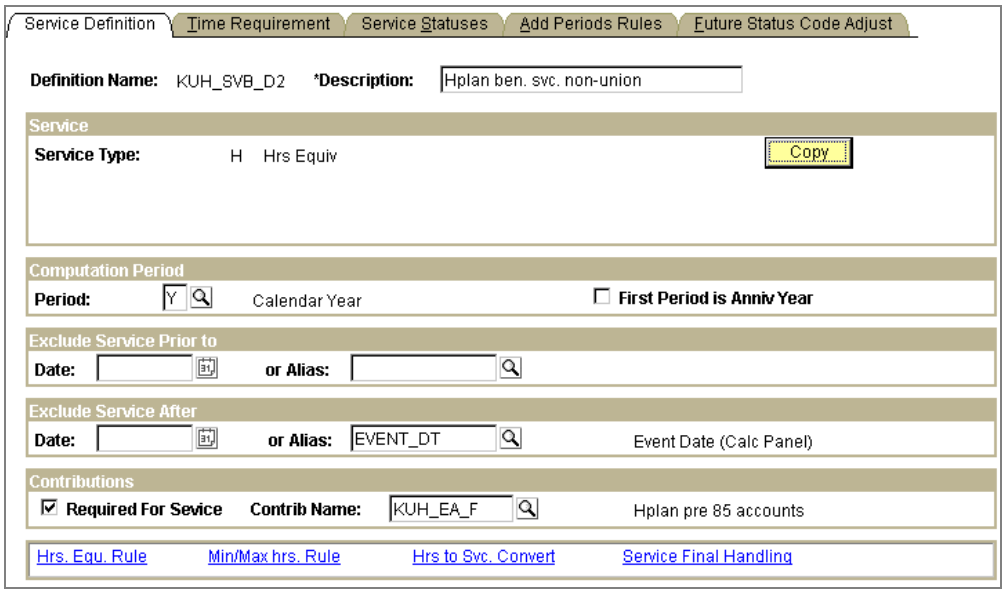
Required for Service

If employees must contribute to the plan, select the **Required For Service** check box.

Contrib Name (contribution name)	If you select this option, use the **Contrib Name** field to indicate where to find contribution data. Do this by entering the name of the Employee Accounts result that keeps track of employee contributions. The Employee Accounts function creates a period-by-period history. If an employee made contributions at any time during a period, the Service function grants the employee service for that period. We recommend using an Employee Accounts period identical to or smaller than your Service computation period in order to more accurately align employee contributions to service periods.

Service - Hours Equivalence - Time Requirement Page

Usage	Although you are setting up an hours-based service definition, you can set an elapsed time threshold that employees must meet before getting any service credit at all. For example, you could require employees to have nine months of elapsed time service before granting them the right to have their hours converted to a service amount. The nine months don't figure in the service calculation other than as a threshold. Use the Service – Hours Equivalence - Time Requirement page to implement such a requirement and to set its terms.
Object Name	PA_SVC_HRS_TIME
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Time Rqmt.** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Time Requirement**
Access Requirements	Definition Name



Service – Hours Equivalence - Time Requirement page

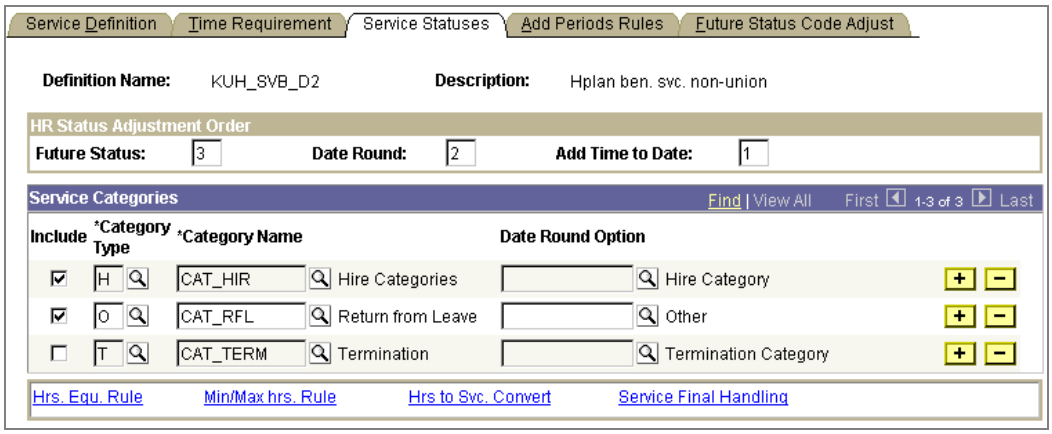
For more information, see Setting Up Hours Counting Service: Service - Hours Counting - Time Requirement Page.

Hours/Time Dependency Select	In the Hours/Time Dependency Select box, set a time threshold. Select ***Hours Def*** (hours definition) ***Has Time Requirement.*** Otherwise, leave ***None*** selected.
Hours Def Time Requirement	Once you indicate that there is a requirement, you'll need to complete the **Hours Def Time Requirement** parameters.
Award Service Only If [number of periods**]/Consecutive [**type of periods**] Are Completed**	Enter the number and type of periods that employees must acquire in the **Award Service Only If [**number of periods**] Consecutive [**type of periods**] Are Completed.**

Service – Hours Equivalence - Service Statuses Page

Usage	Hours equivalence definitions assign a specific number of hours per time period worked. For example, if your equivalence rate is 45 hours per week, an employee who is in service status for an entire year would receive credit for 53 weeks (52 whole weeks and one partial week), or 2,385 hours. The system determines whether or not to credit hours based on an employee's service status. The employee's status is, in turn, based on the action/reason codes in the job record. Use the Service – Hours Equivalence - Service Statues page to establish

	which employee action/reason codes should start an "include service" status and which should initiate an "exclude service" status. For example, hire typically starts an include service period, leave of absence starts an exclude service period, and return from leave starts another include service period. Although you'll use other pages to set up adjustments to the effective dates of these events; the Service Statuses page also includes information about applying those adjustments.
Object Name	PA_SVC_STATUS
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Service Statuses** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Svc Status** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Statuses**
Access Requirements	Definition Name



Service – Hours Equivalence - Service Statuses page

For more information, see Setting Up Elapsed Time Service and Setting Up Hours Counting Service.

Adjusting Action/Reason Effective Dates

Because you can make multiple adjustments to the effective date of a status change, you need to indicate the order adjustments are made. For example, do you round a date before adding time or after?

HR Status Adjustment Order

HR Status Adjustment Order displays the three types of adjustments you need to sequence: **Future Status, Date Round,** and **Add Time to Date.**

Enter ***1, 2,*** and ***3*** next to the three adjustment types: **Future Status, Date Round,** and **Add Time to Date.** This indicates the order the system should apply the adjustments. You'll use subsequent pages to add time to the effective date or to set up adjustments based on future status codes; you'll enter the rounding method on this page.

Note. An adjustment that causes a date to overlap with the date of another status code will cause a calculation to fail.

Specifying Action/Reasons for Service

Service Categories

List categories in the **Service Categories** group box.

Category Name

In the scrolling region of this page, list each HR action/reason **Category Name** that the service definition needs to look for. This includes reasons for starting include service segments and for starting exclude service segments.

For more information about creating categories of action/reason codes, see PeopleSoft Pension Administration, "Creating Action/Reason Categories"

Include

If actions in the category start an include service segment, select the **Include** option. If the actions in the category start an exclude service segment, leave that option clear. Actions not specifically included in any of the categories on this page don't affect service status.

Note. Be sure to include events that both start and stop service. For example, if you stop service for a leave, be sure to start service for a return from leave.

Category Type In the **Category Type** field, describe the category as a ***Hire Period, Termination Period,*** or ***Other.*** This information will be used when you set up adjustments that add time to the period. You'll be able to specify whether the adjustments apply to hire periods, term periods, or all periods.

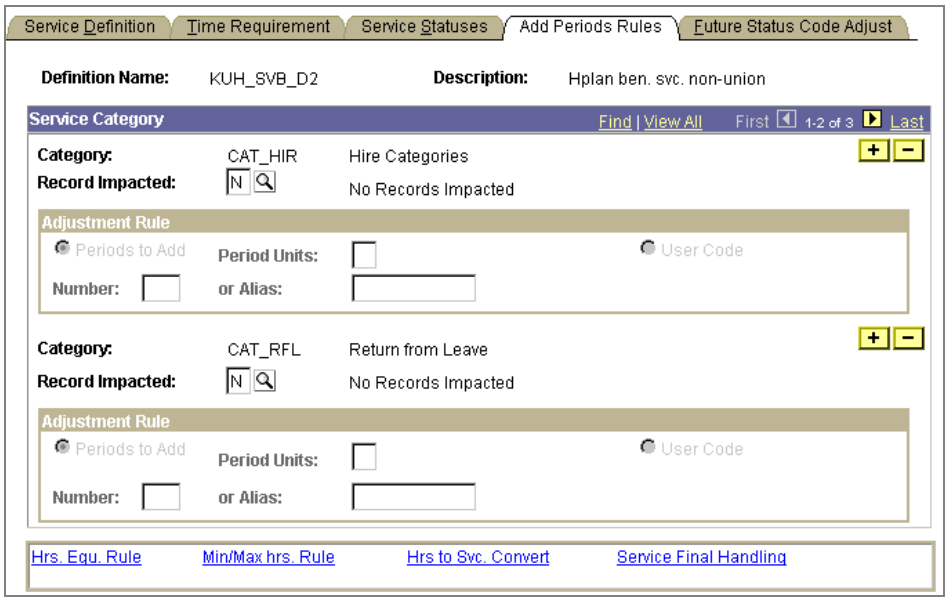
Rounding the Status Change Effective Date

Date Round Option If you round the effective dates within a category of action/reason events, enter the rounding method next to the category. Enter a date rounding option in the **Date Round Option** field. For example, you might round all hire and rehire dates to the first of the month.

For more information about date rounding options, see PeopleSoft Pension Administration, "Using Date Aliases and Date Options"

Service – Hours Equivalence - Add Periods Rules Page

Usage	Sometimes you may want to delay the effective date of an action/reason event. For example, if your employee can continue to accrue service for the first month of a leave, you'll want to adjust the effective date of any leave action by adding a month. Use the Service – Hours Equivalence - Add Periods Rules page to add time periods to action/reason effective dates.
Object Name	PA_SVC_ADD_PERIODS
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Add Periods Rules** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Add Periods Rules**
Prerequisites	Must have previously entered action/reason categories on the Service Statuses page.
Access Requirements	Definition Name



Service – Hours Equivalence - Add Periods Rules page

For more information, see Setting Up Elapsed Time Service.

Category

The scrolling region of the page already shows each action/reason **Category** you entered on the Service Statuses page.

Record Impacted

When you add time to an action/reason effective date, you're giving additional service or break by delaying the impact of the change. You may not want to do this for each occurrence of the event. For example, you could grant the 30-day leave of absence adjustment only for the first leave and not adjust any subsequent leaves. Indicate which instances of a new status receive the adjustment in the **Record Impacted** field. You can choose ***No Records Impacted, All, First Only, Last Only, All But First, All But Last,*** or ***All But First and Last.***

Adjustment Rule

For all options other than ***No Records Impacted,*** which requires no further parameters, you'll define the actual adjustment in the **Adjustment Rule** group box. Select ***Periods to Add*** or use your own Customizing Calculations.

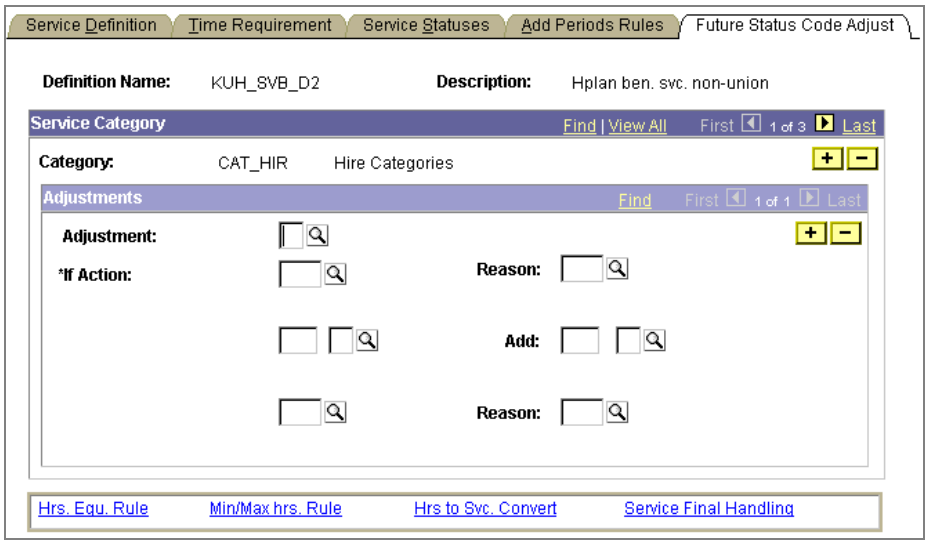
Period Units

If you selected ***Periods to Add,*** indicate the number and type of **Period Units** to add by selecting ***Days, Weeks, Months,*** or ***Years.***

Number/or Alias	Enter a constant quantity **Number** in the number field **or Alias.**

Service – Hours Equivalence - Future Status Code Adjust Page

Usage	How you treat service for a particular HR status may depend on the employee's subsequent status. For example, employees on leave might accrue service only if they later return to work. Use the Service – Hours Equivalence - Future Status Code Adjust page to set up this type of service adjustment. You can choose to adjust the current event based on a future event, or you can adjust a future event based on a second future event.
Object Name	PA_SVC_FUTURE_ADJ
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Future Status Code Adjust** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Future Status Adj.** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Future Status Code Adjust**
Prerequisites	Must have previously entered action/reason categories on the Service Statuses page.
Access Requirements	Definition Name



Service – Hours Equivalence - Future Status Code Adjust page

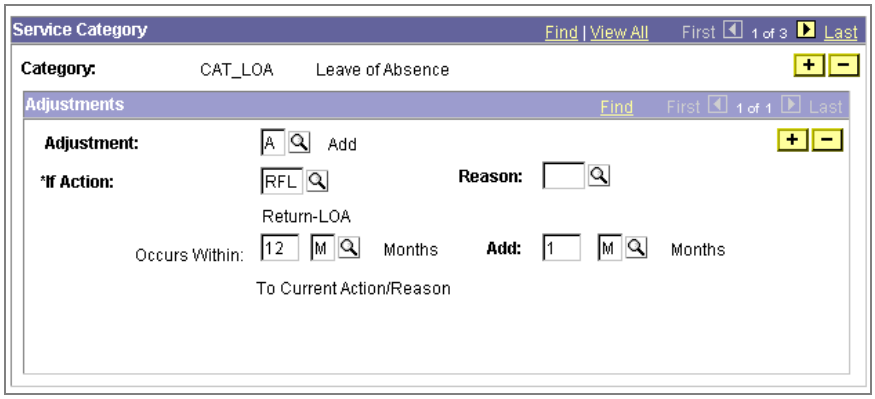
For more information, see Service - Elapsed Time - Future Status Code Adjust Page and Service - Hours Counting - Future Status Adjust Page.

Category You can scroll through each action/reason **Category** from the Service Statuses page. For each category, you can enter as many adjustments as necessary using the inside scroll bar.

Adjustment For each adjustment, choose one of the following as the status **Adjustment** type: ***Add, Ignore Current Action/Reason, Ignore Future Action/Reason,*** or ***Insert.***

Adding Time to the Effective Date of a Status Change

By choosing ***Add,*** you can delay an effective date based on other events occurring within defined periods of time afterward. For example, you can direct the system to adjust the effective date of a leave of absence by one month (to grant one month of extra service) only if the employee returns within one year.



Future Status Adjustment - Add

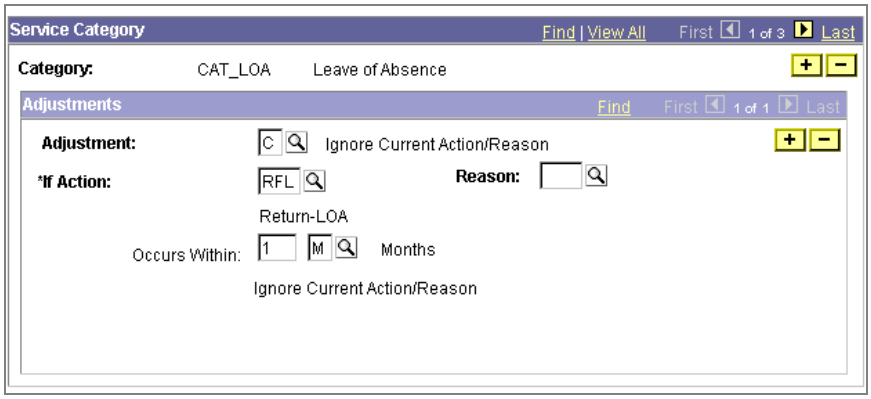
When you choose this adjustment, indicate the action/reason code of the looked for future event in the **If Action/Reason** fields. Indicate how far in the future to look for the action/reason code in the **Occurs Within** field and the amount of time to add to the effective date of the original status change in the **Add** field. Both of these have two separate entry boxes, one for the number of periods and one for the type of period. For the period type, you can choose ***Days, Months, Years, Weeks,*** or User Code.

For example, the adjustment shown would have the following effect:

Actual Action	*Actual Date*	*Adjusted Date*
Hire	1/1/1974	
Leave	7/1/1978	8/1/78
Return	5/1/1979	
Term	12/31/1980	

Ignoring the Current Status Change

By selecting ***Ignore Current Action/Reason,*** you can ignore the original HR status change based on other events occurring within defined periods of time afterward. For example, you could choose to ignore a leave of absence if the employee returns within one month.



Future Status Adjustment - Ignore Current Action/Reason

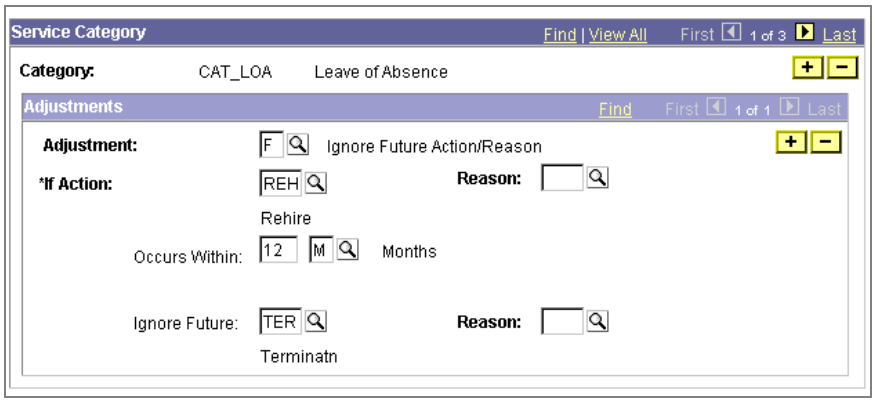
When you choose this adjustment, indicate the looked-for event in the **If Action/Reason** fields. Indicate how far in the future to look for this event in the **Occurs Within** fields.

For example, the adjustment shown would have the following effect:

Actual History	***Adjusted History***
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	[none]
Return 7/15/1978	Return 7/15/1978
Term 12/31/1980	Term 12/31/1980

Ignoring Future Status Change

By selecting ***Ignore Future Action/Reason,*** you can ignore subsequent status changes based on events occurring within a defined period of time of the original status change. For example, if you terminate an employee on leave, but rehire that employee within a year of the original leave date, you can ignore the termination so it looks like the employee just stayed on leave the entire time.



Future Status Adjustment - Ignore Future Action/Reason

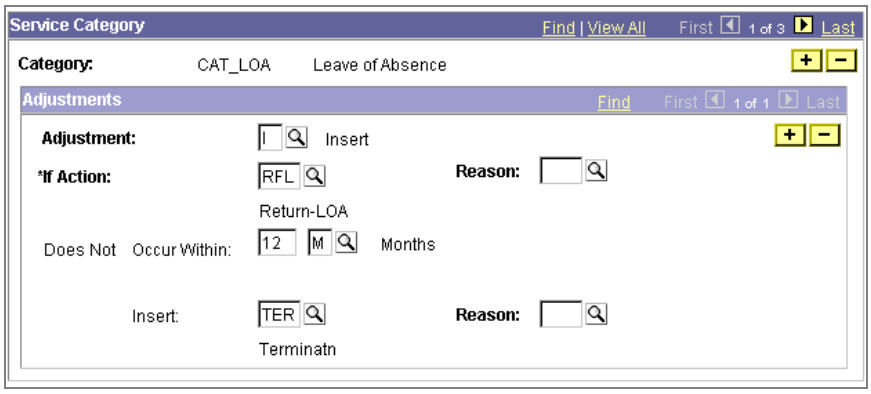
Indicate the looked-for event in the **If Action/Reason** fields. Indicate how far to look for this event in the **Occurs Within** fields. Indicate the intermediate event to be ignored in the **Ignore Future** action/reason fields.

For example, the adjustment shown would have the following effect:

Actual History	***Adjusted History***
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	Leave 7/1/1978
Term 7/15/1978	[none]
Rehire 12/31/1978	Rehire 12/31/1978

Inserting an Additional Status Change

By selecting ***Insert,*** you can insert an action/reason event based on another event *not* occurring within a defined period of time afterward. For example, when a leave action occurs, you might insert a termination action if a return from leave doesn't occur within one year of the leave.



Future Status Adjustment - Insert

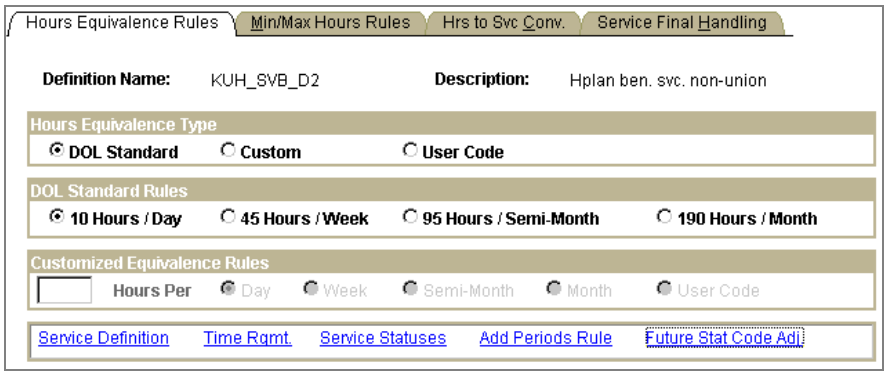
When you choose this adjustment, indicate the looked-for event in the **If Action/Reason** fields. Indicate how far in the future to look for this event in the **Does Not Occur Within** fields. Lastly, indicate the future event to be inserted in the **Insert** action/reason fields. The future event is inserted on the same day as the initial action - in our example, the leave.

For example, the adjustment shown would have the following effect:

Actual History	***Adjusted History***
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	Leave 7/1/1978
	Term 7/1/1978

Service - Hours Equivalence – Hours Equivalence Rules Page

Usage	Under an hours equivalence method of service calculation, you'll associate specific periods of "include service" time with specific amounts of hours. Use the Service – Hours Equivalence - Hours Equivalence Rules page to specify how much credit to give for what time periods.
Object Name	PA_SVC_HREQV
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Service – Hours Equivalence, Hours Equivalence Rules**
Access Requirements	Definition Name



Service – Hours Equivalence - Hours Equivalence Rules page

Hours Equivalence Type Choose how you'll set the hours equivalence rules in the **Hours Equivalence Type** group box. Select from the following options: ***DOL Standard, Custom*** or Calling User Code.

DOL Standard: If you'll use the Department of Labor (DOL) minimum requirements, select ***DOL Standard.***

Custom: If you want to enter some other number of hours per period, select ***Custom.***

You can also use your custom Calling User Code.

DOL Standard Rules If you selected this option, complete your rules by choosing from among the **DOL Standard Rules** shown.

Customized Equivalence Rules

In this case, indicate the number of hours per period and the type of periods in the **Customized Equivalence Rules** group box. Enter the number of hours before **Hours Per,** and select ***Day, Week, Semi-Month,*** or ***Month*** as the time period. You can also use your custom Customizing Calculations.

When you use a ***Day*** equivalency, the system counts the total number of days in the service period and grants five days of hours for every seven-day period. When the last period has less than seven days, the system grants credit for the first five days, but not for the sixth.

When you use a ***Week*** equivalency, the system divides the total number of days by seven and grants a week of hours for each of the full weeks and for any remaining days.

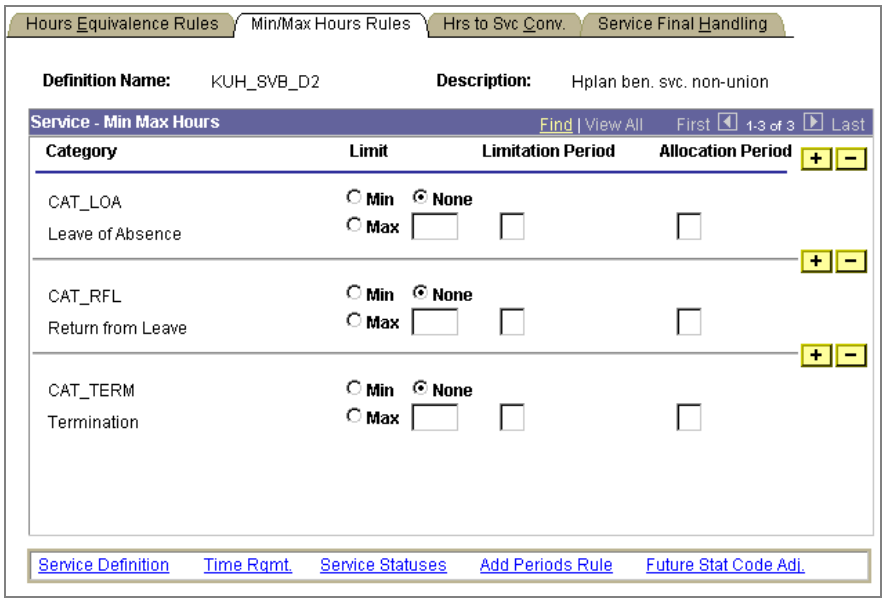
When you use a ***Month*** equivalency, the system counts both whole and partial months from the beginning of the service segment. If Ernie worked from 3/7/1996 to 9/28/1996, he would get six months of credit for the time from 3/7 to 9/7, then an additional month of credit for the remaining portion of September.

For a ***Semi-Month*** equivalency, the system gives two semi-month credits for each whole month worked and one or two more semi-months depending on whether the remainder is more than a half month. Under this rule, Ernie would get twelve semi-months for the time up to 9/7, then two more semi-months for the period from 9/7 to 9/28. If he had stopped working on 9/15, then he would only get one semi-month credit for the remainder.

Service – Hours Equivalence - Min/Max Hours Rules Page

Usage	The Service calculation breaks computation periods into segments based on HR status changes. For example, within a single year-long computation period, an employee might have a ten-month segment of active employment and a two-month segment of leave. Some segments might have a minimum or maximum hours accrual based on the employee status. For example, an employee on leave could be limited to a 1000-hour maximum. Use the Service – Hours Equivalence - Min/Max Hours Rules page to indicate the hours limitations associated with specific categories of HR Action/Reason codes.
Object Name	PA_SVC_MIN_MAX_HRS
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Min/Max Hours Rules**

Prerequisites	Must have previously entered action/reason categories on the Service Statuses page.
Access Requirements	Definition Name



Service – Hours Equivalence - Min/Max Hours Rules page

For more information, see Setting Up Hours Counting Service:

Setting Hours Limits

Category

The scrolling region of the page already shows each action/reason **Category** you entered on the Service Status page. You'll see both include and exclude categories, but minimums and maximums only apply to the include service categories.

Limit

Use the **Limit** group box to indicate hours limitations.

If there are no limits on service accrued during a particular status category, select ***None;*** otherwise, indicate whether to impose a ***Min*** or a ***Max.*** If you are imposing limits, enter the amount of service in the adjacent field.

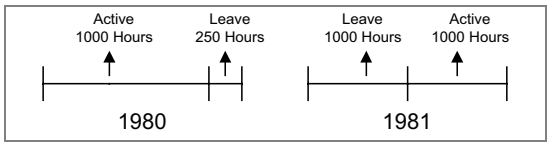
Limitation Period

Limits always apply to one of two possible **Limitation Periods,** the ***Computation Period*** or the ***Status Period.*** That is, you can limit employees to 1000 hours per computation period while on leave, or to 1000 hours for the entire duration of the leave, regardless of how long the leave lasts.

Even if you choose ***Computation Period,*** the limit only applies to the portion of the computation period when the employee was on leave. For example, for 1980 Miguel has 1250 total hours, but he was on leave for part of the year. The system first prorates the hours to allocate 250 hours to the period when Miguel was on leave. The limit of 1000 hours per computation period applies only to this 250 hours. In this case, therefore, the limit doesn't change the total hours for the period.

If your limitation period is the ***Status Period***, the system still prorates hours within a computation period to determine how many hours fall into the specified status. If the hours violate the limit, you'll have to allocate the limited hours between two periods.

For example, Miguel's leave of absence extends into 1981 as illustrated in the timeline below.



Leave of Absence Timeline

Allocation Period

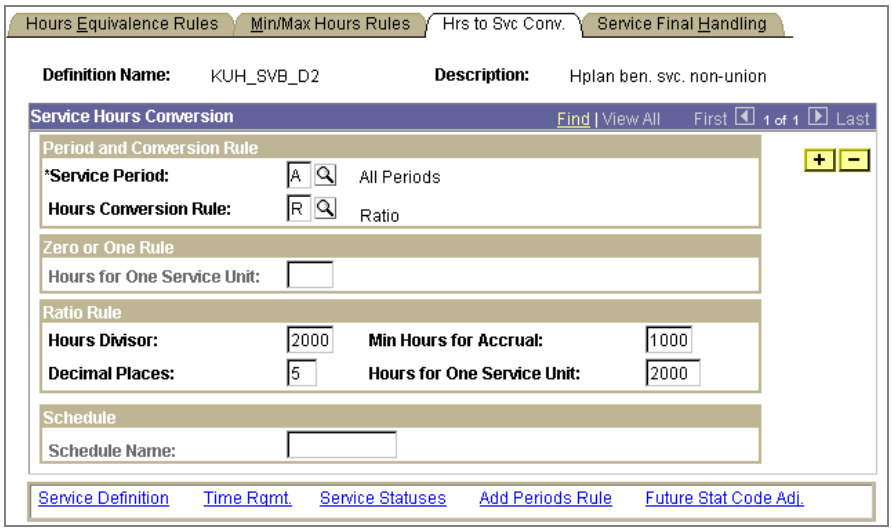
Miguel's 1250 total leave hours fall into two computation periods. You have to reduce the total leave hours to 1000 using one of two **Allocation Period** options: ***Cut Off at Limit*** and ***Spread Across Days.***

If you select ***Cut Off at Limit,*** the first 1000 hours are used, any additional hours are reduced to zero. In this case, the 250 hours in 1980 remain at 250 hours, the 1000 hours that fall in 1981 are reduced to 750.

If you select ***Spread Across Days,*** the 1000 hours are evenly distributed across the days of leave. For example 250 days, for an average of four hours per day. If the first portion of the leave has 60 days, then it has 240 hours; the second portion of the leave, with the remaining 190 days, has 760 hours.

Service – Hours Equivalence - Hours to Service Conversion Page

Usage	When you use an hours-based service definition, you need rules for converting the hours to service. Use the Service – Hours Equivalence - Hours to Service Conversion page to set up these rules.
Object Name	PA_SVC_HRS_CONVERT
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Hrs to Svc Conv.** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Hrs to Svc Conv.**
Access Requirements	Definition Name



Service – Hours Equivalence - Hours to Service Conversion page

For more information, see Setting Up Hours Counting Service.

Service Hours Conversion

Establishing a Conversion Period

Period and Conversion Rule You can use different conversion rules for the hire period and termination periods than you would for a standard computation period. For example, you may use a ratio rule for hire and term periods, but a zero or one rule for other periods. Set these rules up in the **Period and Conversion Rule** group box.

Service Period Select the **Service Period** whose rules you are establishing: ***All Periods, Hire Period, Termination Period.***

The Service function will identify hire and termination periods by the categories you established on the Service/Status page. Be sure to set up a rule for ***All Periods.*** You can choose whether or not to set up different rules for hire and termination periods.

Setting the Conversion Method

House Conversion Rule For each type of computation period, select an **Hours Conversion Rule** to establish the basis for your hours-to-service conversion: ***Ratio, Schedule*** or ***Zero or One.***

Ratio gives fractional service units by dividing the number of hours by a constant. For example, if you divide by 2000, an employee with 1000 hours receives one half service unit.

Schedule looks up the hours amount on a schedule and credits the corresponding amount of service.

Zero or One gives one service unit to employees with at least a minimum number of hours. Employees with fewer hours receive zero service units.

Setting Up an Hours Threshold for "Zero or One" Rules

Zero or One Rule If you selected the ***Zero or One*** rule in the **Hours Conversion Rule** field, you must fill out the **Zero or One Rule** group box.

Hours for One Service Unit Enter the minimum number of hours required in the **Hours for One Service Unit** field.

Referencing an Hours-To-Service Schedule

Schedule — If you selected the ***Schedule*** rule in the **Hours Conversion Rule** field, you must fill out the **Schedule** group box.

Schedule Name — If you use a Schedule to convert hours to service, enter the Schedule Name. Set up service schedules under Go, Define Business Rules, Maintain Pension Parameters, Tables, Service Schedule.

For more information**,** see PeopleSoft Pension Administration, "Setting Up Hours Counting Service".

Setting Up Ratio Rules

Ratio Rule — If you selected the ***Ratio*** rule in **the Hours Conversion Rule** field, you must fill out the **Ratio Rule** group box.

If you use a **Ratio Rule,** the number of hours accrued will be the fraction numerator.

Hours Divisor — Enter the denominator in the **Hours Divisor** field.

Decimal Places — Indicate the number of **Decimal Places** for the division.

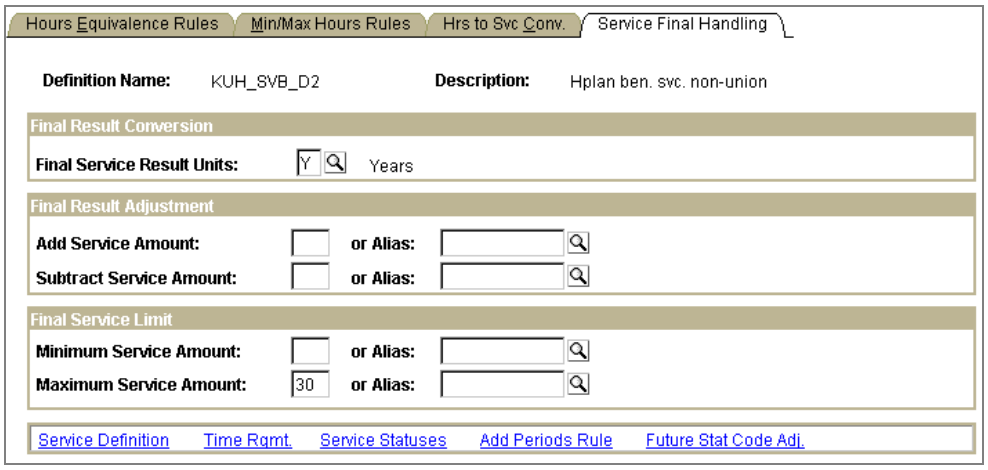
Min Hours for Accrual — To set a threshold number of hours, enter the **Min Hours for Accrual;** employees with fewer hours receive no service credit.

Hours for One Service Unit — Lastly, set the **Hours for One Service Unit.** Employees with the specified number of hours or more automatically receive one service unit; additional hours don't add service.

Service – Hours Equivalence - Service Final Handling Page

Usage	Use the Service – Hours Equivalence - Service Final Handling page in the group to set up any adjustments to the total service amount. These adjustments differ from the earlier ones in that they apply to an employee's lifetime service total, not the periodic totals generated for each computation period.
Object Name	PA_SVC_FINAL_RND
Navigation	• **Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Service Final Handling** • **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Final Handling**

	• **Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Final Handling**
Access Requirements	Definition Name



Service – Hours Equivalence - Service Final Handling page

For more information, see Setting Up Elapsed Time Service: Service - Elapsed Time - Service Final Handling Page and Setting Up Hours Counting Service: Service - Hours Counting - Final Handling Page.

Final Result Conversion — In the **Final Result Conversion** group box, select the units for your final service result.

Final Service Result Units — Select ***Months*** or ***Years*** as your **Final Service Result Units.**

Final Service Adjustment — In the **Final Result Adjustment** group box, indicate whether to add or subtract from an employee's final service.

Add/Subtract Service Amount — To add or subtract service from an employee's otherwise final service, enter the adjustment amount in the **Add Service Amount** or **Subtract Service Amount** field.

or Alias — You can add or subtract either constant amounts **or Aliases.**

Final Service Limit — In the **Final Service Limit** group box, indicate whether to limit an employee's final service to a given maximum or minimum.

Maximum/Minimum Service Amount	To limit an employee's otherwise final service to a given minimum or maximum, enter the limits in the **Minimum Service Amount** and **Maximum Service Amount** fields.
or Alias	You can enter either constant amounts **or Aliases.**

Multiple Jobs Considerations for Service

Adding, adjusting and rounding action/reason dates are processed before the action/reasons dates are blended. All other calculations are processed after the blending occurs.



For more information on action/reason, see Multiple Jobs Considerations for Setting Up Service Function Results.

CHAPTER 17

Defining Vesting Rules

An employee's vesting percentage determines the portion of a benefit that belongs to the employee no matter what, even if he or she leaves the company. Typically, vesting is based on years of service, although there can be age requirements or other requirements as well.

The heart of the vesting rules is a schedule showing the vesting percentages associated with different amounts of service or other requirements. The schedule can show a single "cliff" amount after which employees are 100% vested, or the schedule can show a series of "steps" over which vesting gradually increases.

There may also be overrides to the schedule or conditions for immediate full vesting or for vesting forfeiture. For example, if your plan offers disability retirement, disability could trigger full vesting. A contributory plan may state that an in-service withdrawal of contributions triggers vesting forfeiture.

Using Vesting Results

A Vesting Function Result returns a factor. For example, if an employee is 70% vested, the vesting result is .7 because this is the factor that will reduce the benefit accordingly. Vesting overrides must be entered in this format.

You'll apply the vesting factor to a benefit within your benefit formula.

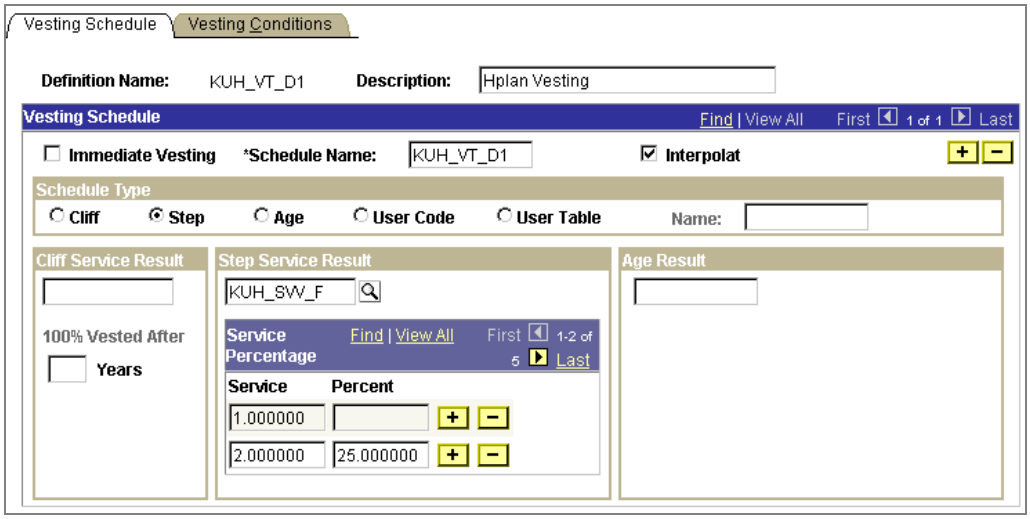
If employees are always fully vested, you don't need to apply the vesting percentage to the benefit formula. However, you may still want to set up a Vesting Function Result so that your employee communications explicitly show that employees are 100% vested.



For contributory plans, you won't apply the vesting to the initial benefit formula. Instead, you'll use the Employee Paid Benefit function to determine how much of the benefit is attributable to employee contributions (which are always 100% vested), then you'll set up a second benefit formula subtracting the employee-paid portion from the total benefit to arrive at the employer-paid portion. You'll use the vesting result within this second benefit formula. After the employer-paid portion is adjusted by applying vesting rules, you'll need to set up yet another benefit formula to add back the employee-paid portion.

Vesting - Vesting Schedule Page

Usage	Use the Vesting – Vesting Schedule page to set up vesting schedules based on age, service, or any other requirement.
Object Name	PA_VEST_SCHEDULE
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Vesting, Vesting Schedule**
Access Requirements	Definition Name



Vesting - Vesting Schedule page

Immediate Vesting When employees are always fully vested in their accrued benefit, select the **Immediate Vesting** check box. In this case, don't complete any of the other parameters in this component.

Schedule Name

Except in cases of immediate vesting, employees vest according to a schedule. Although there is usually one schedule per definition, a vesting definition can contain multiple schedules. When such a definition is applied, employees automatically use the schedule that yields the highest vesting percentage. Because you can have multiple schedules, you need to identify each schedule with a **Schedule Name.**

For example, if vesting usually uses a five year cliff service schedule, but employees automatically vest at age 65, you could set up two schedules, one service cliff and one age-based with a single row showing 100% vesting at age 65. Employees 65 and over would automatically get 100% vesting regardless of service.

Probably the most common reason for multiple schedules is a change to the plan rules. Giving employees the better of the two schedules allows you to grandfather the old rules. Typically, only employees participating as of the date of the rule change will use the hybrid definition; you create this restriction through employee grouping within your Vesting Function Result.

Interpolate

Vesting schedules show the percentages used for specific service amounts, ages, or other vesting criteria. Use the interpolation option to define how to deal with employees who fall between the explicitly shown steps on a schedule.

When the **Interpolate** option is clear, employees who fall in between steps on the schedule must use the lower amount. When the option is selected, intermediate amounts will yield intermediate vesting percentages calculated by linear interpolation. The system won't interpolate below the lowest step on the schedule.

Establishing Vesting Schedules

Schedule Type

You can select from among five **Schedule Types** including ***Cliff, Step, Age, User Code*** and ***Table Lookup.***

There are two types of service-based vesting schedules: ***Cliff*** and ***Step.***

Cliff: A ***Cliff*** schedule grants full vesting after a specified number of years of service.

Step: Under a ***Step*** schedule, employees vest in increments.

If you select either of these options, you'll then complete the corresponding parameters in the lower part of the page.

Because both options are service-based, both sets of parameters need to know where to obtain employee service information. Enter the name of a Service Function Result in either the **Cliff Service Result** or **Step Service Result** field. Keep in mind that you may have different service Function Results for vesting service, participation service, and credited service.

For cliff vesting, use the field **100% Vested After (Years)** to specify the number of years required for vesting. Be sure your Service Function Result is set to measure service in years!

For step vesting, create your vesting schedule in the **Step Service Result** group box. Enter the minimum years of service for a particular vesting percentage in the **Service** field, and the associated vesting percentage in the **Percent** field.

Note. Don't enter a row for zero service; the system assumes zero service always results in zero vesting.

Instead of service-based vesting rules, you can specify a vesting schedule based on employee **Age.** If you select this option, complete the Age parameters in the page.

Enter an alias for the employee's age in the **Age Result** field. This is a duration alias for the employee's age at event date. Then specify the **Age** and **Percent** for each row in your vesting schedule. This is identical to a step schedule except that you enter a required age instead of a required service amount.

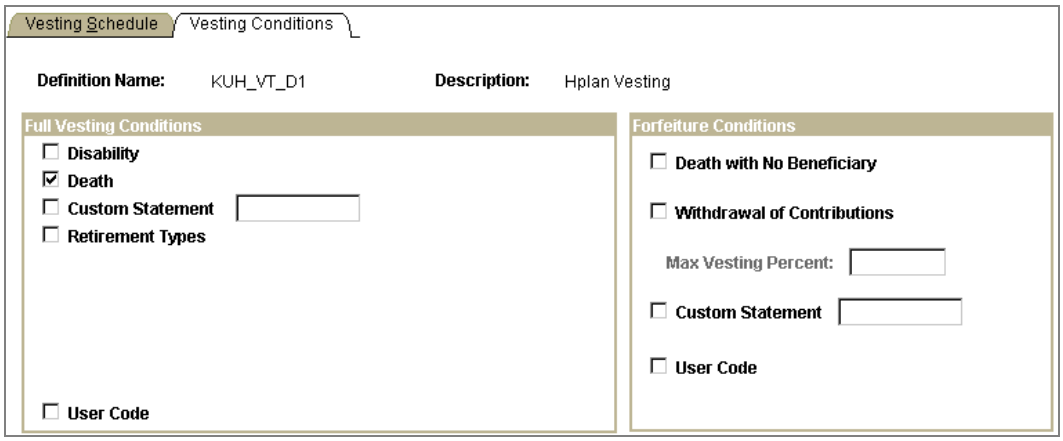
To set up a schedule based on data other than service or age, use a **Table Lookup** schedule type. You can then use the Table Lookup utility to get vesting information from your custom table. Enter the alias for your Table Lookup in the **Name** field.

For more information about Table Lookups, see PeopleSoft Pension Administration, "Creating Table Lookup Aliases" PeopleSoft Pension Administration, "Creating Table Lookup Aliases"

There is also a User Code option if you want to apply your own custom vesting rules.

Vesting - Vesting Conditions Page

Usage	Use the Vesting - Vesting Conditions page to specify events or other conditions that override the vesting schedule and trigger either full vesting or forfeiture. Conditions could include events such as death, disability, eligibility for early retirement or another type of benefit, or withdrawal of an employee's contributions.
Object Name	PA_VEST_CONDITIONS
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Vesting, Vesting Conditions**
Access Requirements	Definition Name



Vesting - Vesting Conditions page

Full vesting triggers have precedence over forfeiture triggers. For example, if death is a full vesting condition, calculations based on a death reason will always grant full vesting, even if the employee also meets a forfeiture condition such as death with no beneficiaries.

Setting Event Type Triggers for Full Vesting

Full Vesting Conditions Use the **Full Vesting Conditions** group box to indicate event which trigger full vesting.

Disability Select **Disability** when this event should trigger full vesting; the vesting calculation checks the reason code for the calculation to verify if either condition is met.

Death Select **Death** when this event should trigger full vesting; the vesting calculation checks the reason code for the calculation to verify if either condition is met.

Setting Other Triggers for Full Vesting

Custom Statement

You can set up other full vesting conditions with the **Custom Statement** option. Enter the Custom Statement name in the adjoining edit box.

The Custom Statement should consist of a Boolean statement which, if the employee meets the conditions, is considered cause for full vesting. For example, if a special early retirement window offers full vesting, you might use a statement to the effect that "If Event Date is greater than 1/1/95 and Event Date is less than 1/1/96." As with all group Custom Statements, the "then" portion of the if-then statement is implied. If the Custom Statement returns a ***Y*** (Yes) value, employees meet the full vesting conditions.

Setting Retirement Type Triggers for Full Vesting

Retirement Types

Select **Retirement Types** to grant full vesting to employees based on eligibility for specific retirement benefits such as early retirement or a special early retirement window. If you set up death and disability retirement types, you can use those instead of the **Death** and **Disability** check boxes on this page. This allows you to check employee data for death and disability conditions rather than relying on the pension administrator to set a particular calculation reason.

Information about an employee's retirement type is provided by the benefit eligibility function. To indicate that a particular retirement type triggers full vesting, add the Benefit Eligibility Function Result for that retirement type to the **Retirement Types** list.

If you include retirement types as triggers for full vesting, you need to be sure to process those Benefit Eligibility Function Results before you process the vesting function. This means you have to place them before vesting in the calculation job stream.

For more information about Retirement Types and Benefit Eligibility, see PeopleSoft Pension Administration, "Defining Benefit Eligibility" **For more information** about setting up the calculation job stream, see Creating the Plan Implementation and Plan Aliases, "Creating the Plan Implementation and Plan Aliases"

Setting Triggers for Forfeiture

Forfeiture Conditions

There may be certain events that override any vesting schedule and cause employees to forfeit their right to an accrued pension benefit. Indicate any such events in the **Forfeiture Conditions** group box.

Death with No Beneficiary

A plan may include a provision that an employee who dies without a beneficiary forfeits all right to a pension benefit. To set this up, select the **Death with No Beneficiary** check box. If the event type from the Calculation page is death, the vesting function will check first the plan beneficiary table where you record nonspouse beneficiaries. If no beneficiary is specified, the system will select the **Death with No Beneficiary** check box.

Withdrawal of Contributions

When a terminated employee withdraws the employee contributions to a pension plan, the plan can demand that the employee forfeit all right to the accrued benefit. In this situation, select the **Withdrawal of Contributions** check box. The system will then check the plan's employee contribution account specified in the Plan Aliases page to see if contributions were withdrawn.

For more information about the Plan Aliases page and specifying an employee contribution account for a plan, see Creating the Plan Implementation and Plan Aliases, "Creating the Plan Implementation and Plan Aliases".

Max Vesting Percent

Forfeiture due to withdrawing contributions might depend on what percentage of the benefit was already vested. For example, a terminated employee who was 80% vested might retain that 80% right even after withdrawing contributions, while an employee who was only 40% vested might have to forfeit their vesting after withdrawing contributions. In this case, you'll need to specify the break point for forfeiture in the **Max Vesting Percent** field. If you don't indicate a maximum percentage, withdrawal of contributions will always trigger forfeiture.

Custom Statement

You can set up other forfeiture conditions with the **Custom Statement** option. Enter the Custom Statement name in the adjoining edit box. As with full vesting conditions, the Custom Statement should consist of a Boolean statement. If the Custom Statement returns a "***Y***" (Yes) value, employees meet the vesting forfeiture conditions.

There are User Code fields for both full vesting conditions and forfeiture conditions. Select these options to evaluate vesting conditions with your own custom code.

CHAPTER 18

Defining Benefit Eligibility

Pension plans typically define a number of different retirement types: reduced and unreduced early retirement, normal retirement, or others, and may also have ancillary benefits for disability or death. Each of these benefits has its own eligibility requirements, often age and service requirements for retirement and proof of status for ancillary benefits.

There are two reasons you want your pension system to determine the benefits for which an employee is eligible. First, the benefit type may impact the calculation of benefits. For example, if a death benefit provides for 100% vesting and a benefit that is 50% of the normal retirement benefit, the system must know when it is calculating a death benefit. Second, calculation results are always tied to a single assumed benefit commencement date. You can use the benefit eligibility results to see what type of retirement is associated with that benefit commencement date.

You'll set up a Function Result for each different retirement or ancillary benefit your plan includes. The function that evaluates the eligibility requirements is the Benefit Eligibility function.

Using Benefit Eligibility Results

You'll mostly use benefit eligibility results for reporting purposes and for grouping logic. For example, you might set up a group with only those employees eligible for early retirement. You could then use this group when calculating early retirement factors or early retirement benefits.

You can use the same grouping strategy in other functions, for example, a death benefit offers different optional forms than an actual retirement, so your Optional Forms Function Result would consist of two definitions. The groups for those definitions check benefit eligibility to see if you're calculating a death benefit or not.

You can also use Benefit Eligibility results in the Vesting function. The Vesting pages provide a place to list any retirement types that trigger full vesting: for example, disability retirement or a special incentive early retirement.

The calculation worksheet also includes information about an employee's retirement type, and you'll probably want to include this information in your employee communications.

Making Retirement Types Mutually Exclusive

A benefit eligibility Function Result returns an eligible or ineligible value. An employee can be eligible for more than one benefit. For example, an employee eligible for normal retirement usually also meets the requirements for early retirement.

If you want to ensure that employees are only eligible for one retirement type, for example, employees who are eligible for normal retirement are no longer considered eligible for early retirement, you must configure the definitions appropriately. In this case, your early retirement definition would include a condition requiring that the employee be ineligible for normal retirement date.

Such a condition, in turn, means that the system must evaluate normal retirement eligibility before evaluating early retirement eligibility. Thus, the normal retirement Function Result is before the early retirement Function Result in the job stream.

You can use the same principle to make several or all of your retirement types mutually exclusive. Be sure to pay close attention to dependencies so that your Function Results are in the appropriate order in the job stream. Also keep in mind that when you enter your definitions, you'll have to set up the first benefit eligibility definition *and Function Result* before setting up the next benefit eligibility definition.

If you set up vested termination and unvested termination retirement types, you may want to keep them out of the mutually exclusive group. This way a terminated vested employee can be eligible for normal or early retirement benefits and still retain the terminated vested designation.

Understanding Benefit Eligibility Age Requirements

Benefit eligibility age requirements are typically based on the employee's age at benefit commencement date (BCD). That is, if your plan's normal retirement age is 65, a participant becomes eligible to commence normal retirement benefits at that age regardless of when the employee separated from service.

For example, if Jeremy and Kevin are twins working at your company, and Jeremy terminates at age 40 while Kevin keeps working until age 65, both become eligible to commence normal retirement benefits on the same day regardless of the different event dates.

If you're using benefit eligibility in your grouping for other functions, then you'll probably set up the benefit eligibility criteria based on BCD. For example, say you have separate benefit formulas for early retirement, available at age 55, and normal retirement. Eligibility for early retirement is part of the group criteria for the early retirement benefit formula. If you base early retirement eligibility on the age at BCD, the system can calculate early retirement benefits for terminated vested employees who are at least 55 years old. If eligibility were based on the age at event date, you could never calculate early retirement benefits for someone who separated from service before reaching early retirement age.

If you're not using benefit eligibility as grouping criteria, you might instead choose to use the age at event date in determining eligibility. This way the calculation will always tell you what benefits the employee was eligible for at the time of separation from service.

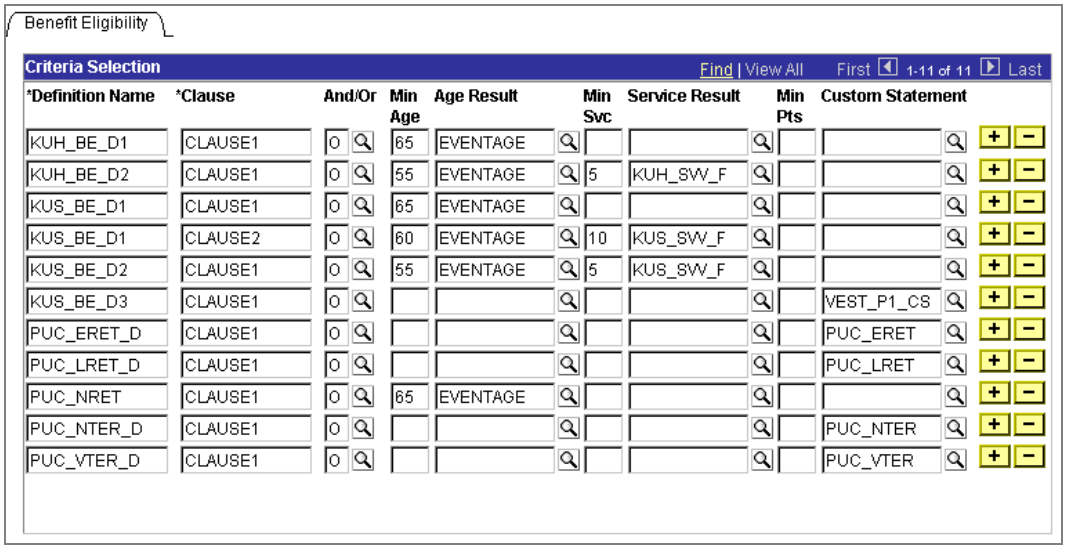
It's important for you to decide what information you want from the Benefit Eligibility function in order to set up the right definitions. Also remember that you can use different ages in different definitions if necessary.

Establishing Retirement Types and Eligibility Conditions

Your plans most likely provide for several different types of retirement benefits: retirement benefits such as early, normal, and late retirement, and ancillary benefits such as death or disability benefits. Employees are eligible for particular benefits according to criteria you define, typically age and service for retirement benefits.

Benefit Eligibility Page

Usage	Use the Benefit Eligibility page to establish retirement types and eligibility criteria.
Object Name	PA_BENELIG_EZ
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Benefit Eligibility, Benefit Eligibility**


Benefit Eligibility

Criteria Selection — Find | View All — First 1-11 of 11 Last

*Definition Name	*Clause	And/Or	Min Age	Age Result	Min Svc	Service Result	Min Pts	Custom Statement
KUH_BE_D1	CLAUSE1	O	65	EVENTAGE				
KUH_BE_D2	CLAUSE1	O	55	EVENTAGE	5	KUH_SVV_F		
KUS_BE_D1	CLAUSE1	O	65	EVENTAGE				
KUS_BE_D1	CLAUSE2	O	60	EVENTAGE	10	KUS_SVV_F		
KUS_BE_D2	CLAUSE1	O	55	EVENTAGE	5	KUS_SVV_F		
KUS_BE_D3	CLAUSE1	O						VEST_P1_CS
PUC_ERET_D	CLAUSE1	O						PUC_ERET
PUC_LRET_D	CLAUSE1	O						PUC_LRET
PUC_NRET	CLAUSE1	O	65	EVENTAGE				
PUC_NTER_D	CLAUSE1	O						PUC_NTER
PUC_VTER_D	CLAUSE1	O						PUC_VTER

Benefit Eligibility page

You'll see multiple definitions on this page. Create additional definitions or add clauses to existing definitions by inserting additional rows. This is different from other functions, where you create additional definitions by accessing the component with an Add action.

If you want to see definitions in a particular order, for example, you want the definitions grouped by plan, create a naming standard to support your need. The definitions appear on the page in alphabetical order.

Each definition consists of one or more eligibility clauses. To meet the eligibility requirements of a clause, an employee must meet *all* the criteria in that clause, that is, conditions within a row are connected with an "and." When a definition consists of multiple clauses, you can choose whether to connect the clauses with "and" or "or" logic, represented respectively by values of ***A*** or ***O.***

Creating Retirement Types

Definition Name — Each row is a single clause in a definition. You can name and identify definitions with the **Definition Name** field.

Clause — When you create the first clause of a definition, enter a unique definition name. Enter the same definition name when you create additional clauses, and then distinguish the clauses by entering a unique value in the **Clause** field. We suggest numbering your clauses within a definition to make it easier to identify how many clauses there are.

And/Or — If your definition has multiple clauses, link clauses with "and" and "or" connectors. The system evaluates each clause independently and compares it to the cumulative result of all previous clauses. Therefore the order of your clauses can be extremely important. Enter connectors in the **And/Or** field. When your definition consists of a single clause, you can disregard this field.

Setting Age, Service and Points Requirements

Min Age (minimum age) — Each clause can specify minimum age, service, and points requirements. Enter the required age in the **Min Age** field.

Age Result — Enter an alias for the employee's age in the **Age Result** field. The age is a duration alias, typically for the employee's age at benefit commencement date.



For more information**,** see Understanding Benefit Eligibility Age Requirements.

Min Svc (minimum service) — Specify a minimum service requirement by entering the required service amount in the **Min Svc** field.

Service Result — Enter the Service Function Result that provides the employee service information in the corresponding **Service Result** field.

Min Pts (minimum points) Specify a minimum points (age + service) requirement by entering the required points in the **Min Pts** field.

Setting Other Eligibility Parameters

Benefit eligibility rules can contain a wide range of additional requirements. For example, eligibility rules for death benefits might check for the date of death field in the personal data record or might look for a death action in the employee's job record. Furthermore, eligibility for a death benefit might depend on whether the employee was married at the time of death. The **Custom Statement** utility can handle this type of logic.

The **Custom Statement** should consist of a Boolean statement. An employee who meets the conditions is deemed to have met the eligibility requirements. For example, if a special early retirement is available to those in Union 81, you might use a statement to the effect that "If Union Code is equal to 81." As with all group **Custom Statements,** the "then" portion of the if-then statement is implied.



For more information about Custom Statements, see Using Custom Statements.

CHAPTER 19

Defining Final Average Earnings

Average earnings calculations are a common element in pension formulas. In PeopleSoft Pension Administration, the consolidated earnings process gathers periodic earnings data and then the Final Average Earnings function selects the appropriate periods, applies any limits, and finds the average. Final average earnings definitions also include parameters for handling different types of earnings periods such as partial periods, final periods, or zero earnings periods.

Using Final Average Earnings Results

A Final Average Earnings Function Result returns a dollar amount. Typically you'll reference your average earnings result from within the benefit formula.

If you choose to apply 401(a)(17) limit, or any other earnings limit, the Final Average Earnings function will produce both a limited and an unlimited result. The Function Result name represents the limited result, but you can set up an additional alias to reference the unlimited result if necessary. You can use this if you sponsor a nonqualified supplemental plan that pays the difference between a limited and an unlimited benefit.

Although this Function Result alias isn't required, the calculation will give a warning message if there isn't one. Therefore we suggest you define the Function Result alias even if you're not going to use it, in order to spare your users this message.



For more information about setting up a Function Result alias to reference the unlimited average earnings, see Using Function Result Aliases.

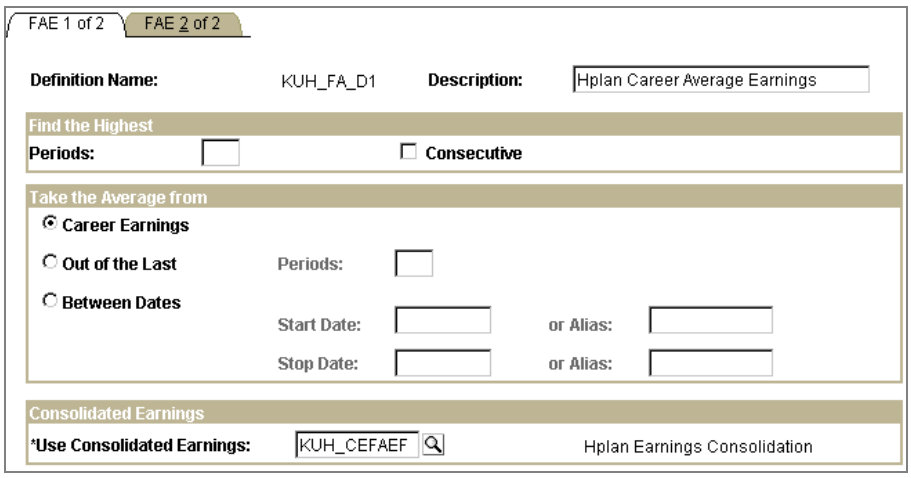
Setting Up the Final Average Earnings Function

The consolidated earnings process produces periodic earnings totals. For example, an earnings total for each calendar year or anniversary year worked. If your benefit formula includes an average earnings component, use the Final Average Earnings pages to specify parameters for averaging those periodic earnings amounts.

Don't be misled by the term "Final Average Earnings." This function calculates the average earnings element even when it's based on career pay rather than final pay.

Final Average Earnings - FAE 1 of 2 Page

Usage	Final average earnings definitions don't necessarily use all periods from the employee's earnings history. Use the Final Average Earnings - FAE 1 of 2 page to establish which consolidated earnings to use and which periods from the earnings history to use.
Object Name	PA_AVG_EARNS_PARMS
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Final Average Earnings, FAE 1 of 2**
Access Requirements	Definition Name



Final Average Earnings - FAE 1 of 2 page

You can average earnings from every period in your averaging domain or you can choose to pull out the highest earnings and average those. For example, you might want to average the highest ten years in an employee's career, or the highest five of the last ten years.

Choosing Which Earnings Periods to Use

Find the Highest — If you want to average only the highest earnings, complete the **Find the Highest** section of this page. If you leave the section blank, you'll use all periods in the time frame you specify.

Periods — Specify the number of high periods in the **Periods** field.

Consecutive — You can select the highest consecutive earning periods by selecting the **Consecutive** option.

Choosing Which Earnings Periods to Evaluate

Take the Average from

Whether you use all earnings periods or high earnings periods, you can limit your averaging to periods within a defined time period. Set that period in the **Take the Average from** group box. Select from: ***Career Earnings, Out of the Last,*** or ***Between Dates.***

Career Earnings: If you select ***Career Earnings,*** you'll look at all available earnings history.

Out of the Last: If you select ***Out of the Last,*** you'll look back a specified number of periods. Indicate how far back to look in the **Periods** field. For example, to find the average earnings during an employee's final five years, select this option and specify five periods.

On the next page you can direct the system to ignore periods with zero earnings or final periods. When you do this, any ignored periods don't count when selecting the last periods. So if you ignore the final period, the last five periods would actually be the five periods before the final period.

Between Dates: If you choose ***Between Dates,*** you'll enter a **Start Date** and a **Stop Date** for the time period. You can enter either a constant date or an alias in these fields. For example, you might use all periods between the plan participation date (date of plan entry) and the event date. This would exclude earnings from periods before the employee meets the participation criteria.

Getting the Earnings Data

Earnings data is maintained by the earnings consolidation process. You define rules in the consolidated earnings pages, and periodic processing applies those rules to data in PeopleSoft Payroll tables in order to create the earnings data.

Use Consolidated Earnings

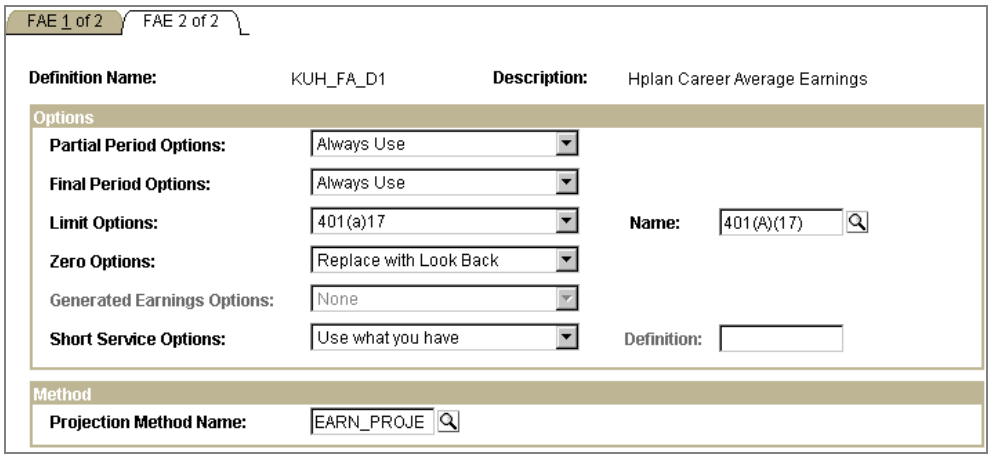
Indicate the source or your earnings data by entering a Consolidated Earnings Function Result in the **Use Consolidated Earnings** field.

For more information about consolidated earnings, see PeopleSoft Pension Administration, "Consolidating Payroll Data"

Final Average Earnings - FAE 2 of 2 Page

Usage	Use the Final Average Earnings - FAE 2 of 2 page to define adjustments

	to partial periods, final periods, and zero earnings periods. Also use this page to generate earnings and to adjust earnings according to 401(a)(17) limits or other earnings limits.
Object Name	PA_AVG_EARNS_PARM2
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Final Average Earnings, FAE 2 of 2**
Access Requirements	Definition Name



Final Average Earnings - FAE 2 of 2 page

Setting Partial Period Options

Partial Period Options

Your consolidated earnings history can include partial periods for any number of reasons. The Consolidation process marks partial periods according to the criteria you've set up in your consolidated earnings definition. Typically they are based on the occurrence of specified HR Actions such as leaves of absence, but possibly they are based on other criteria you've defined.

Select one of the following **Partial Period Options**: ***Always Ignore, Always Use, Keep if Needed, Treat as Full*** or User Code Module Names.

Always Ignore never includes partial periods, regardless of their effect on the average.

Always Use uses the partial period, but takes the period length into account in your averaging process.

Keep if Needed: Include this period only if your averaging definition specifies a certain number of periods to be averaged and an employee doesn't have enough periods unless the partial period is included.

Treat as Full treats partial period earnings the same as any earnings. It includes them in the average without taking into account the shorter length of the period.

What's Expected in Individual User Code Modules uses a custom method.

With the ***Always Use*** option, you need to know the length of the short period. The consolidated earnings function calculates a partial period fraction for each partial period, and this fraction tells the system how much of the period counts.

For example, let's compare how the ***Always Use*** and ***Treat as Full*** options would average the following five earnings periods: four full calendar year periods with earnings of $30,000, $31,000, $32,000, and $33,000 and one partial period with earnings of $17,000, and a partial period fraction of ½, meaning that the employee worked for half of the period.

In both cases, the averaging numerator will be the sum of all the amounts: $143,000. With ***Always Use,*** the averaging denominator will be the sum of all the period lengths: 4.5. The average, therefore, is $31,777.78. Using ***Treat as Full,*** on the other hand, the numerator would be the same, but the denominator would be five because the system wouldn't take into account the shorter length of the partial period. This would yield a significantly lower average: $28,600.

The ***Keep if Needed*** option also ignores the partial period length.

Setting Final Period Options

Final Period Options

Final period options include all of the partial period options and two additional choices.

Always Ignore never includes final periods, regardless of their effect on the average.

Always Use uses the partial period, but takes the period length into account in your averaging process.

Keep if Needed: Include this period only if your averaging definition specifies a certain number of periods to be averaged and an employee doesn't have enough periods without this period. If the final period isn't needed, it isn't used, regardless of whether it is a full or partial period and regardless of its potential effect on the average.

Treat as Full treats partial period earnings the same as any earnings. It includes them in the average without taking into account the shorter length of the period.

Use if Higher Average: If the final period is one of the highest periods or is part of the consecutive group with the highest average, it is included. Otherwise, the period is ignored.

Use Only Full uses the final period if it is a full period.

User Code Module Names uses a custom method.

Limiting Earnings Amounts

Limit Options

Use **Limit Options** to limit the periodic earnings that the consolidated earnings process provides.

Maximum Taxable Wage Base limits annual earnings to the Maximum Taxable Wage Base (TWB). If the period is a calendar year, the system uses the TWB for that year. Otherwise, the system uses the year that has the most days in the period.

None: There are no earnings limits.

User Code Before Averaging. Use a custom limit that will be applied to each period before averaging.

User Code While Averaging. Use a custom limit that will be applied to the average.

401(a)(17): Earnings to be averaged are limited according to the 401(a)(17) parameters you specify in the adjoining **Name** field. Furthermore, the Final Average Earnings result is limited to the 401(a)(17) limit in effect at the event date.



For more information about 401(a)(17) parameters, see Applying 401(a)(17) Earnings Limits.

Both the ***401(a)(17)*** and ***Maximum Taxable Wage Base*** options limit the earnings before determining the high periods or the high consecutive periods. If your plan uses limits that can't be determined until the high periods or high consecutive periods have been identified, you must use the User Code While Averaging option.

Handling Zero Earnings Amounts

Zero Options

You have the following options for periods with zero earnings: ***Ignore, Replace with Look Back, Use*** or User Code Module Names.

Ignore: Never include any periods with zero earnings.

Replace with Look Back: Replace the zeros with the prior non-zero value.

Use: Treat zero earnings the same as any earnings. Include them in the average, allowing them to reduce the result.

User Code. Use a custom method.

When you set this option, be sure you understand when and why your consolidated earnings produces zero earnings periods. Because consolidated earnings periods must be consecutive, you will never have an interrupted earnings history; instead, you'll have zero earnings periods.

Consider Howard, who participated in the plan for five years, then changed jobs and wasn't eligible for the plan for ten years, then changed jobs again to become eligible once more. If your consolidated earnings definition is set up not to count any earnings for the period of ineligibility, Howard has ten earnings rows with zero earnings. On the other hand, if your consolidated earnings definition continues to count earnings or generate earnings for the ten years of ineligibility, there are no zero rows to worry about.

Margie, on the other hand, actually left the company for ten years. She'll have ten periods with zero earnings unless the consolidated earnings definition generates earnings for these periods.



Consolidated earnings history consists of uninterrupted consecutive rows. Employees with interrupted earnings histories will have zero earnings periods unless your consolidated earnings definition generates earnings for those periods.

Generating Earnings

Generated Earnings Options

The **Generated Earnings Options** field allows you to generate earnings by looking back to previous periods included in the high average. Because the generation can't take place until the high periods are identified, the consolidation process can't generate this final amount. This functionality isn't currently available.

Setting Short Service Options

Short Service Options

Some of the average earnings parameters on the previous page imply a need for a minimum number of periods. For example, a plan may use the highest five consecutive years out of the last fifteen years. An employee hired at age 62 becomes 100% vested and entitled to a normal retirement benefit at age 65, but doesn't have enough years of earnings to use the plan's regular final average earnings rules.

If an employee doesn't have enough earnings periods to meet these minimums, you have the following **Short Service Options:** ***Different FAE Definition, Use what you have*** or User Code.

Different FAE Definition: Use another set of average earnings parameters. Enter the name of the alternate parameter set in the **Definition** field.

Use what you have: Average as many periods as the employee has. Periods ignored because of other parameters (zero earnings periods or partial periods) are still ignored.

User Code. Use a custom method.

Projecting Earnings

Projection Method Name

Because consolidated earnings data won't always be available for all periods up to the event date, specifically, for estimates with event dates in the future, every Final Average Earnings definition requires a projection method. The projection method establishes an annualized amount for the current period and then applies the assumed salary escalation rate (entered on the calculation page) to estimate future periods. The final period earnings are prorated using rules from the projection method.

Enter the **Projection Method Name** you want to use.

For more information about Projections, see PeopleSoft Pension Administration, "Projecting Hours and Earnings"

CHAPTER 20

Defining Cash Balance Accounts

Cash Balance Accounts tracks the hypothetical employee accounts used in a cash balance plan to represent employees' accrued benefits. This function keeps track of periodic, annual or monthly, credits and interest as well as a running balance.

Using the Cash Balance Function

A cash balance plan is a defined benefit plan structured so that an employee's benefit looks like a growing balance more like a 401(k) plan. A hypothetical account grows through an accumulation of credits - typically based on earnings - and the hypothetical interest they accrue. The interest is determined by plan rules, not by actual investment performance, so the benefit is still definitely determinable.

If your company sponsors a cash balance plan, you'll use the Cash Balance Accounts function to calculate the credits and interest that make the account grow. The Function Result will be a dollar amount, specifically, the amount at the event date, though you can also calculate the values as of other dates.

Your benefit formula might consist simply of the account balance, in which case the "normal" form of the benefit is a lump sum. It's also possible that the normal form is an annuity that is actuarially equivalent to the account balance. You can use the factor utility to convert the lump sum to an actuarially equivalent annuity. Regardless of how you express the normal form of the benefit, only forms included in the corresponding optional form set are actually available to the employee.

For more information, see Using Actuarial Factor Aliases.

Maintaining Cash Balance Accounts

The Cash Balance Accounts function keeps track of a growing account, much like your bank account.

Your bank doesn't wait until you're ready to withdraw money before updating the account balance. Instead, it updates your balances every time you make a deposit or earn interest. So it is with cash balance accounts, except that cash balance accounts credits, a percentage of the

employee's earnings, occur on a predictably repeating cycle. This is the same cycle as the consolidated earnings that provide the earnings data. This cycle can be monthly or yearly.

To run cash balance accounts as a periodic process, select **Compensate Employees, Administer Pension Plan, Process, Periodic Processes.** The Periodic Processes page includes options for a number of different processes; the one we're interested in here is labeled Cash Balances. In order to maintain your account balances, you need to update your cash balance accounts immediately after updating the supporting consolidation.

When you run periodic processing, the results are stored in a permanent cash balance account history. When you then run a calculation, the system uses that permanent history and only calculates accruals from that point forward.

To view the cash balance account history, select **Compensate Employees, Administer Pension Plan, Inquire, Plan History, Cash Balance History.** To make manual adjustments to the cash balance account history, select **Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Cash Balance Adjustments.**



For more information about adjusting balances manually, see Maintaining Employee Pension Data. For more information about periodic processing, see Running Periodic Processes.

Referencing Cash Balance Results at Different Dates

The value of a cash balance account changes over time. Although a Cash Balance Accounts Function Result provides the value of the account at event date, the system also calculates the value at other dates: normal retirement date, benefit commencement date, and lump sum date. Moreover, if you've applied 401(a)(17) limits to the earnings used in determining cash balance credits, the system calculates both the limited and unlimited amounts at each of these three dates. To reference any of these six results, select **Define Business Rules, Maintain Pension Parameters, Variables, Function Result Alias** and set up a Function Result alias.



Although such Function Result aliases aren't required, the calculation will give a warning message for each calculated value with no assigned alias. To avoid having your users receive this message, you should define Function Result aliases for all these values even if you're not using them in your plan.



For more information about setting up a Function Result alias to reference the various cash balance results, see Using Function Result Aliases.

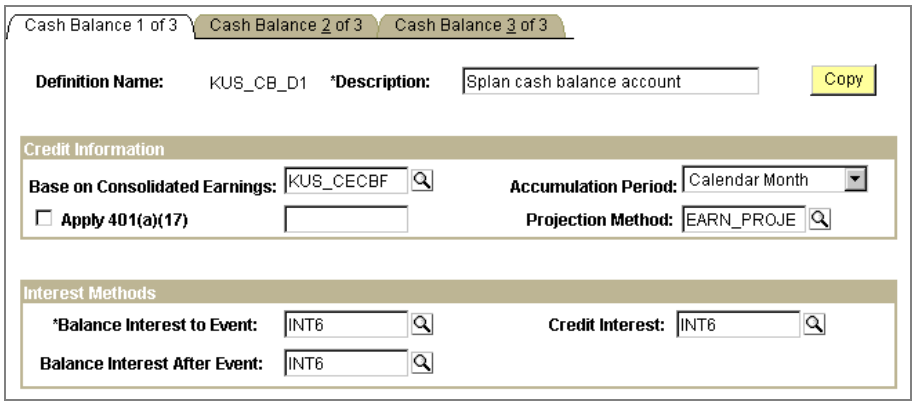
Setting Up Cash Balance Parameters

To maintain a cash balance plan, you track credits allocated to individual employee accounts. These credits are based on a percentage of earnings. The balance also includes interest on those credits.

To set up parameters for managing cash balance accounts, select **Define Business Rules, Maintain Pension Plans, Define, Cash Balance Accounts.**

Cash Balance Accounts - Cash Balance 1 of 3 Page

Usage	Use the Cash Balance Accounts - Cash Balance 1 of 3 page to establish the earnings basis used to calculate cash balance credits and to set the cash balance accumulation period.
Object Name	PA_CSHBAL_ACCT_C1
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Cash Balance Accounts, Cash Balance 1 of 3**
Access Requirements	Definition Name



Cash Balance Accounts - Cash Balance 1 of 3 page

Copy We've provided a shortcut for cases where you have multiple similar cash balance definitions. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will copy the original definition using the new name. You can then make whatever minor adjustments you need to the new statement.

Establishing Credit Information

Base on Consolidated Earnings

The Cash Balance function determines credits as a percentage of earnings. Consolidated earnings provides the earnings history. Indicate the Consolidated Earnings Function Result you're using as the source of your earnings data in the **Base on Consolidated Earnings** field.

Accumulation Period

Cash balance accounts grow over defined accumulation periods. For example, the plan may grant credits every calendar year or every plan year. Interest is credited at the end of the accumulation period. In the **Accumulation Period** field, select the cash balance accumulation period, selecting from the following options: ***Plan Year, Calendar Year,*** or ***Calendar Month.***

When you look at the results of your cash balance calculations, you'll see the total for each period as well as the balance at the end of each period.

Note. Your cash balance accumulation period must match the accumulation period for the consolidated earnings you've specified.

Apply 401(a)(17) Limits

Section 401(a)(17) of the Internal Revenue Code limits the amount of earnings that can be considered in determining pension benefits. Qualified plans must observe these limits. Check the **Apply 401(a)(17) Limits** option to use the limits. If you use the limits, use the adjoining field to indicate the 401(a)(17) method to use.

For more information**,** see PeopleSoft Pension Administration, "Applying 401(a)(17) Earnings Limits"

Projection Method

Because Consolidated Earnings data won't always be available for all periods, specifically, for estimates with event dates in the future, every Cash Balance Accounts definition requires a projection method. The projection establishes an annualized earnings amount for the current period and then applies the assumed salary escalation rate (entered on the calculation page) to estimate future periods. The final period earnings are prorated using rules from the projection method. Enter the **Projection Method** you want to use. The final period earnings are prorated using rules from the projection method.

For more information**,** see PeopleSoft Pension Administration, "Projecting Hours and Earnings"

Establishing Interest Methods

Interest Methods

Employees receive interest at the end of each accumulation period. The system has separate pages where you define **Interest Methods.**

You can use different interest methods for amounts credited during the current period and for prior balances. You can also use different prior balance methods before the event date and after the event date.

Balance Interest to Event

For balances up to the event date, enter an interest method in the **Balance Interest to Event** field.

Balance Interest After Event

For balances after the event date, enter a method in the **Balance Interest After Event** field.

Credit Interest

Specify an interest method to use for credits made for the current period in the **Credit Interest** field.

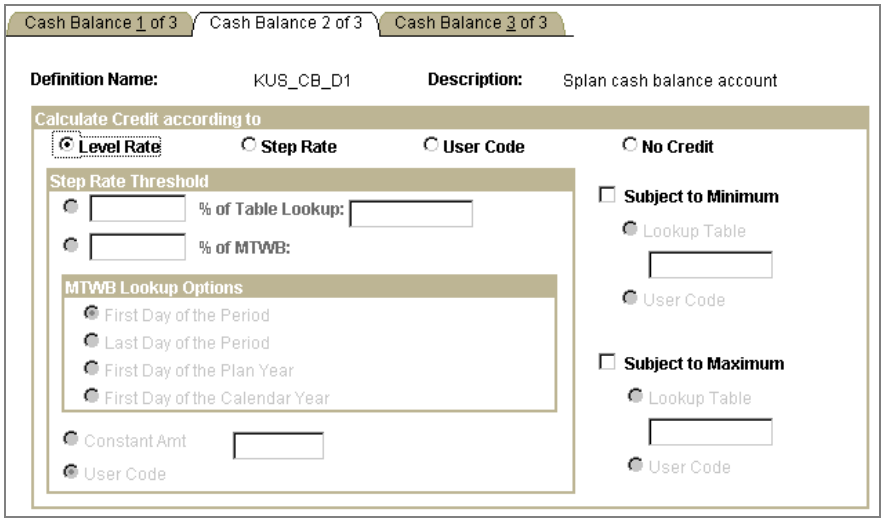


For more information about interest methods, see Using Interest Methods.

Cash Balance Accounts - Cash Balance 2 of 3 Page

Usage	Use the Cash Balance Accounts - Cash Balance 2 of 3 page to specify a method for taking a percentage of earnings. You won't specify the actual percentage rate here; that parameter is on the Cash Balance 3 of 3

	page.
Object Name	PA_CSHBAL_ACCT_C2
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Cash Balance Accounts, Cash Balance 2 of 3**
Access Requirements	Definition Name



Cash Balance Accounts - Cash Balance 2 of 3 page

Calculating Credits

Calculate Credit according to

To accumulate credits based on earnings, you need to indicate a percentage of the earnings to use. Click one of the following: ***Level Rate, Step Rate, User Code*** or ***No Credit.***

You can use a ***Level Rate,*** a ***Step Rate,*** or your own custom User Code. You can also select ***No Credit*** if there are no continuing credits to your cash balances, that is, the only increases are due to interest.

You'll typically use ***No Credit*** for periods after the event date or for periods of ineligibility such as those preceding a rehire or a return from leave. You'll use the system's grouping capabilities to apply the ***No Credit*** definition to the appropriate period of time.

Level Rate uses the same percentage for all earnings. ***Step Rate*** uses one rate below a threshold amount and another rate above the threshold. You'll use the Cash Balance 3 of 3 page to set the actual rates used by either of these options; on this page you only need to set the method.

Step Rate Thresholds — If you choose ***Step Rate,*** you need to set the **Step Rate Threshold.**

% of Table Lookup — Your first option is to vary the threshold by choosing fixed **% of Table Lookup** and indicating a Table Lookup alias. The Cash Balance function will look up the rate based on the criteria you've defined to find a single threshold amount that applies to all periods. The system doesn't support table lookups that find different thresholds for different periods unless the threshold is based on the Maximum Taxable Wage Base.

% of MTWB — If your lookup is based on the Maximum Taxable Wage Base, select **% of MTWB.** Because the Maximum Taxable Wage Base changes every year, the system will look up the value for each accumulation period. You can base the lookup on the ***First Day of the Period,*** the ***Last Day of the Period,*** the ***First Day of the Plan Year,*** or the ***First Day of the Calendar Year.*** When you use either the plan year or calendar year option, the system uses the plan year or calendar year that contains the ***first day of the accumulation period.***

Constant Amt (constant amount) — Alternatively, you can set a **Constant Amt** threshold or use your own custom User Code to set the step rate threshold.

Setting Accumulation Limits

Subject to Minimum/Maximum — You can also set minimum and maximum credits per accumulation period. Select whether the credits are subject to such limits using the **Subject to Minimum** and **Subject to Maximum** check boxes.

Table Lookup — If you do apply a limit, you'll reference that limit with either a **Table Lookup** or your own User Code. If you choose a Table Lookup, enter the name of the Lookup that provides the limit.

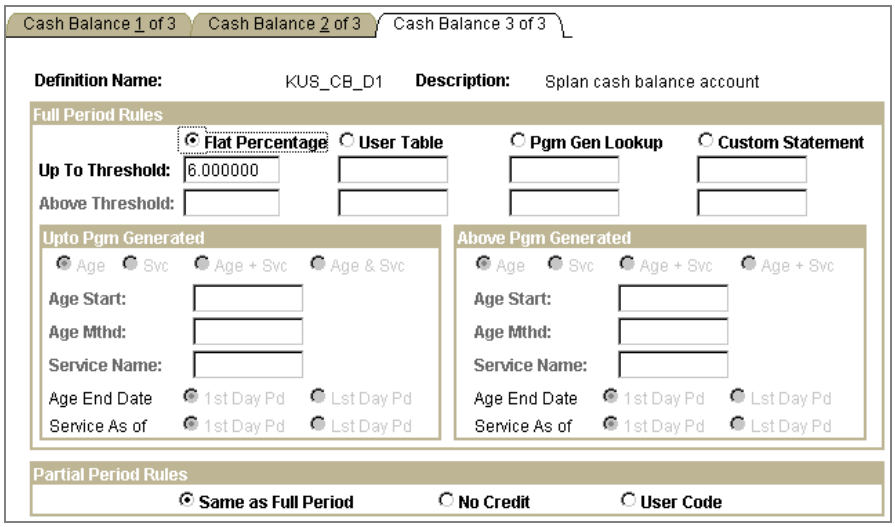
If your cash balance plan gives a fixed number of credits, say, 500 credits per year; rather than basing the credits on earnings, you can use the minimum and maximum earnings limits to force the correct amount of credits.

Remember, there's a separate option on the Cash Balance 1 of 3 page that you can use to apply 401(a)(17) limits; don't use the **Subject to Maximum** option for this purpose.

Cash Balance Accounts - Cash Balance 3 of 3 Page

Usage	Regardless of whether you use a level rate or different rates above and

	below a threshold, you'll need to specify the rate(s) to use. Do this on the Cash Balance 3 of 3 page.
Object Name	PA_CSHBAL_ACCT_C3
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Cash Balance Accounts, Cash Balance 3 of 3**
Access Requirements	Definition Name



Cash Balance Accounts - Cash Balance 3 of 3 page

Indicating the Percentages for Your Credit Calculation

Full Period Rules

The available **Full Period Rules** are the same regardless of whether you're using a flat rate or a step rate. If you select ***Flat Percent,*** enter a percentage. If you select ***Table Lookup*** or ***Pgm Gen Lookup,*** enter the Table Lookup alias. If you select ***Custom Statement,*** enter the Custom Statement(s) that provide the percentage(s).

If you select ***Table Lookup,*** you can look up the credit percentage using a regular Table Lookup. In this case, the percentage is based on criteria you've set up using the Table Lookup utility, and you'll use a single rate for all periods.

To vary the percentage according to age and/or service amounts, select the ***Pgm Gen Lookup*** (Program Generated Table Lookup) option. "Program generated" means that the system looks up the rate for each period because the lookup basis, say, the employee's service, changes each period. This is different from a regular Table Lookup, where the lookup is the same for all periods.

Up To Threshold

If you're using a step rate, you'll need to enter two conversion rates. The first conversion rate is **Up To Threshold.**

Above Threshold

The second conversion rate you'll enter is to use **Above Threshold.**

If you're using a level rate, you'll only enter a single rate using the **Up To Threshold** field. If the **Above Threshold** fields aren't enterable, you selected **Level Rate** on the previous page.

Up to/Above Pgm Generated

There are two identical sets of parameters for configuring your age and service lookup bases; **Up to Pgm Generated** applies to level rates and to step rates below the threshold. The second parameter, **Above Pgm Generated** applies to step rates above the threshold.

First, specify whether the program-generated lookup is based on ***Age*** only, ***Svc*** (service) only, ***Age + Svc*** added together to yield a single lookup value, or ***Age and Svc,*** a two-way lookup.

Age Start

If your lookup includes an age component, enter an alias for the date of birth (or any other starting date) in the **Age Start** field.

Age Mthd (age method)

Enter a duration option specifying the age calculation method in the **Age Mthd** field.

Service Name

If your lookup includes a service component, enter a Service Function Result in the **Service Name** field.

Age End Date

For the age components, choose whether to take the **Age End Date** as of the ***1st Day Pd*** (First Day of the Period) or the ***Lst Day Pd*** (Last Day of the Period).

Service As Of

For the service components, choose whether to take the **Service As Of** from the ***1st Day Pd*** (First Day of the Period) or from the ***Lst Day Pd*** (Last Day of the Period).

Partial Period Rules

Partial Period Rules

Partial Period Rules can occur when employees move in and out of plan eligibility or when they switch to another Cash Balance definition mid-period (say there's one definition before the event date and another with interest only after the event date). Your options for partial period interest credit are ***Same As Full Period, No Credit,*** or your own custom User Code.

CHAPTER 21

Defining Employee Accounts

Employee accounts tracks amounts that employees contribute to their pension fund via paycheck deductions. Employee accounts keeps track of periodic, annual or monthly, contributions and interest and also keeps a running balance.

Sometimes activity in an employee account will affect service, particularly for public plans. This happens in one of three ways:

- Employees withdraw contributions and forfeit the corresponding service. This typically occurs at termination.
- Employees repay the withdrawn contributions and "buy back" the service originally forfeited. This typically occurs after a rehire.
- Employees make contributions for times when they weren't accruing service and thus "purchase" service credit for that time. The purchased service period is typically time when a person was employed but not eligible for the plan. Plans may also enable service purchase for time spent on military leave or other qualified leaves.

In order to link withdrawals, repayments, and service purchase contributions to both the employee account and the corresponding service accrual, you'll use special subaccounts. Every transaction in a subaccount will roll up to the parent account (the plan's actual contributory account). Additionally, transactions in subaccounts will trigger appropriate adjustments to the corresponding service.

In this section, you'll look at how to set up and use employee accounts, including the subaccounts used to link contributions to service.



For more information, see Setting Up Contributory Plans.

Using Employee Accounts Function Results

When your employees contribute toward their pension plans, you need to keep track of their contributions and the interest they earn. The Employee Accounts function keeps track of pre- and post-tax contributions, interest (which is always pre-tax), and total balance. Employee Accounts keeps periodic subtotals as well as running balances.

There are three types of employee accounts:

- The Function Result for a plan's main *contribution account* will be the final dollar amount of the account as of the event date.
- The Function Result for a *withdrawal subaccount* tracks amounts that employees withdraw and repay from the plan contributory account. All transactions roll up to the main contribution account and the associated service accrual.
- The Function Result for a *purchase subaccount* tracks amounts that employees pay into the main contribution account in order to buy service for specific time periods. Don't use purchase accounts to track repayment of withdrawn amounts.

Because employees already "own" the amounts in their contributory accounts, there are special considerations for incorporating the amount into the final pension calculation. Also, a plan must always pay back all of an employee's contributions and interest, so it's important to record final account balances and track pension payments against those final balances.



If you create subaccounts, put them before the main account when you set up the job stream in the Plan Implementation Page.

Using the Main Contributory Account in the Calculation

When employers use employee contributions to offset employer contributions to the plan, part of the employee's eventual benefit is attributed to the contributions. The Employee Paid Benefit function calculates the employee-paid portion of the benefit by projecting the final Employee Account balance to the normal retirement date and then converting it to an actuarially equivalent annuity.

The employee-paid portion of the benefit isn't subject to vesting rules or 415 limits (it is considered a defined contribution plan under the IRS Code). You'll therefore use the employee-paid benefit result to separate the employee- and employer-paid portions of the total benefit before you apply vesting and 415.



For more information about the employee-paid benefit function, see Defining the Employee-Paid Benefit.

Using the Main Contributory Account When Paying Retirees

When employee contributions are made on a post-tax basis, the portion of the final benefit attributable to the contributions isn't considered taxable income to the employee. Because Employee Accounts tracks post-tax and pre-tax contributions separately, you can use the post-tax balance information in your determination of the pre-tax/post-tax breakdown of the pension check.

For example, if Erika's post-tax contributions total $21,000 and you calculate that she should recover that amount over 210 payments, then $100 per month of Erika's pension is treated as non-taxable income. If her total pension is $1,500 per month, the remaining $1,400 is taxable.

To ensure that you don't pay out more than $21,000 of non-taxable income, the system's payment process will copy the final account post-tax balance to a payment summary record. The system identifies the correct account balance based on the Employee Account Function Result you enter in the Plan Aliases page.

The summary record also keeps a running total of non-taxable benefits paid. Each time the system processes a payment, it updates the running total and checks that it doesn't exceed the final post-tax balance. If the scheduled non-taxable amount would bring Erika over the limit, the payment process automatically reduces the amount as necessary.

The total account value, pre- and post-tax, is also copied to the summary record. Because this is all Erika's own money, if she dies before recovering the entire amount, the plan will owe the remainder to her heirs. When Erika dies, you can compare the total account value to her lifetime benefit payments to see whether a death benefit is owed.



For more information about scheduling payments, paying retirees, and using the payment summary record, see Scheduling Payments, Making Pension Payments and Retiree Payment Results - Payment Summary Page.

Using Withdrawal and Purchase Subaccounts

You'll use withdrawal subaccounts to track amounts that employees withdraw and repay from the plan contributory account. You'll use the withdrawal subaccount rather than simply making a manual adjustment to the main contributory account in order to make a simultaneous adjustment to the employee's service. By using the withdrawal account, you lay the groundwork for administering repayment of the withdrawn contributions and the corresponding service buy-back.

If you're using withdrawal accounts, you can use the Payee Contribution Withdrawal page to pay out withdrawn contributions via the trustee extract.

You'll use purchase subaccounts to track additional contributions employees make in order to purchase service for time not worked. You'll use the purchase subaccount rather than simply making an adjustment to the main contributory account in order to associate the contributions with the corresponding amount of service.



For more information about contribution withdrawals, service buy-back, and service purchase, see Administering Contributory Plans.

Maintaining Employee Accounts

The Employee Accounts function keeps track of a growing account, much like your bank account.

Your bank doesn't wait until you're ready to withdraw money before updating the account balance. Instead, it updates your balances every time you make a deposit or earn interest. So it is with employee accounts, except that "deposits" are made on a predictably repeating cycle. This is the same cycle as the consolidated contributions that provide the contribution data. This cycle can be monthly or yearly.

To run employee accounts as a periodic process, select **Compensate Employees, Administer Pension Plan, Process, Periodic Processes.** The Periodic Processes page includes options for a number of different processes; the one you're interested in here is labeled Employee Account Balances. In order to maintain your account balances, you need to update your employee accounts immediately after updating the supporting consolidation.

When you run periodic processing for these functions, the results are stored in a permanent employee account history. You'll use the history in multiple ways:

- For employee inquiry. You can look up information without having to run a calculation first.
- For calculations. When you run a calculation, the system copies over all the periods in periodic processing, then uses the ones prior to the event date when calculating the final event date balance.



Important! If you've used periodic processing to update the employee account beyond the event date, the calculation may have unexpected results. Be sure to control your periodic processing population so that you don't continue to process employees after termination.



For more information about periodic processing, see Running Periodic Processes.

To view the employee account history created by periodic processing, select **Compensate Employees, Administer Pension Plan, Inquire, Plan History, Employee Account History.**



For more information about viewing employee accounts history, see Viewing Plan-Related Information.

To make manual adjustments to the employee account history, select **Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Employee Account Adjustments.** To

pay out an employee's account when an employee withdraws contributions, select **Compensate Employees, Administer Pension Plan, Use, Payee Contribution Withdrawal.**



For more information about adjusting balances manually, see Employee Plan Data – Employee Acct Adj page For more information about contribution withdrawals, service buy-back, and service purchase, see Administering Contributory Plans.

Establishing an Interest-Only Definition

If an employee stops contributing to a plan because the employee becomes ineligible for the plan, or because the plan stopped requiring contributions, the account doesn't necessarily close out. Interest continues to accrue even though there are no contributions.

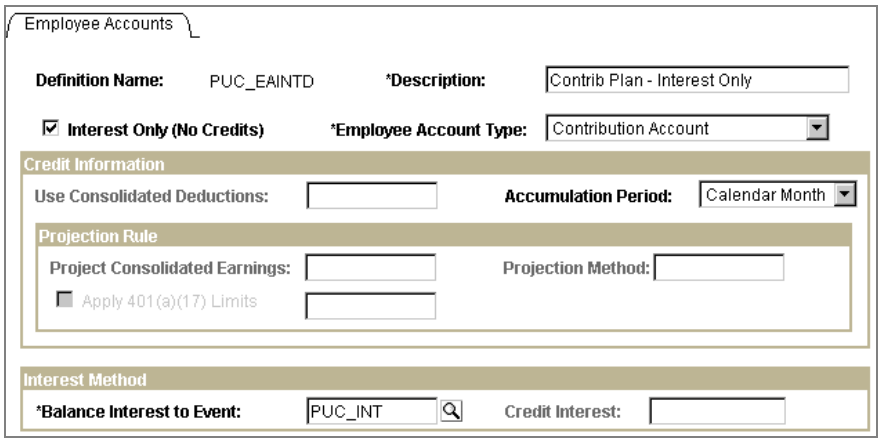
To handle this situation, you'll create separate Employee Accounts definitions to use when there are no contributions. If the plan stopped requiring contributions, you'll create a new effective-dated rule in your Function Result. If the plan still requires contributions, you'll set up separate groups for employees who are contributing and employees who are no longer contributing. For example:

Group Criteria	*Definition*
Pension status is active participant	Accrue contributions and interest
Pension status is anything else	Accrue interest only

This construction enables the system to continue to process employees with no contributory information.

Employee Accounts Page

Usage	Use the Employee Accounts page to set up Employee Accounts parameters.
Object Name	PA_CONTRIB_ACCT_C1
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Employee Accounts, Employee Accounts**
Access Requirements	Definition Name



Employee Accounts page

Establishing the Account Type

Employee Account Type

Indicate the **Employee Account Type:** ***Contribution Account, Withdrawal Account,*** or ***Service Purchase.***

Contribution Account: Every contributory plan has one ***Contribution Account*** to track the total contributions made to the plan.

Withdrawal Account: You'll create a ***Withdrawal Account*** to track amounts that employees withdraw and repay from the plan contributory account and to track the effect of these transactions on service. When you create the Function Result for the withdrawal account, you'll associate it with a regular contributory account and with a service Function Result. If you anticipate a need to track more that one repayment at a time, you'll need to set up multiple withdrawal accounts.

Service Purchase: The Function Result for a ***Service Purchase*** subaccount tracks amounts that employees pay into the main contribution account in order to buy service for specific time periods. Don't use purchase accounts to track repayment of withdrawn amounts.

For more information about associating withdrawal accounts and service purchase accounts with regular contributory accounts and with service Function Results, see PeopleSoft Pension Administration, "Setting Up Function Results"

Establishing the Contributions Basis

Interest Only (No Credits)

If you're creating a definition that tracks interest only, select **Interest Only (No Credits).**

Use Consolidated Deductions

Otherwise, establish the source of your contributions data in the **Use Consolidated Deductions** field. Enter the name of the Consolidated Contributions Function Result that accumulates payroll deduction information.



If an employee changes Employee Accounts definitions in the middle of an accumulation period, the system normally uses the last definition in effect during the period for the entire period. If, however, an employee changes from a definition that uses consolidated deductions to a definition that uses interest only, the system will use the interest-only definition, but will also pick up contributions made while the employee was covered under the previous definition.

Setting the Accumulation Period

Accumulation Period

Accounts grow over defined accumulation periods with interest credited at the end of the accumulation period. When you look at the results of your Employee Accounts calculations, you'll see the total for each period as well as the balance at the end of each period.

In the **Accumulation Period** field, select the employee accounts accumulation period, selecting from the following options: ***Calendar Year, Calendar Month,*** and ***Plan Year.***



When administering withdrawals of contributions, you'll find that the system looks up the present value of the contributions based on the most recent *complete* accumulation period created by periodic processing. For this reason, you probably want to use monthly accumulation periods rather than annual accumulation periods if you'll be administering withdrawals.

Projecting Credits

The system projects future contributions as a percentage of projected earnings. You'll enter an assumed contribution percentage in the Calculation page, but you need to provide the earnings basis here in the Employee Accounts definition.

Because Consolidated Earnings data won't always be available for all periods up to the event date, specifically, for estimates with event dates in the future, you'll also need an earnings projection method. The projection establishes an annualized earnings amount for the current period and then applies the assumed salary escalation rate (entered on the calculation page) to estimate future periods.

Indicate the earnings basis by entering a Consolidated Earnings Function Result in the **Project Consolidated Earnings** field, then enter the **Projection Method** you want to use.

Indicate whether to **Apply 401(a)(17) Limits** to the earnings amounts. If you are using the limits, indicate the 401(a)(17) method to use.



For more information about projections, see Projecting Hours and Earnings. For more information about 401(a)(17) parameters, see Applying 401(a)(17) Earnings Limits.

Crediting Interest

Interest Methods

Employees receive interest on their balance at the end of each accumulation period. The system has separate pages where you establish interest methods, the rules for calculated interest. You can use different interest methods for amounts credited during the current period than you do for the period's opening balance.

Specify the interest method to use for the balance in the ***Balance Interest to Event*** field. Specify an interest method to use for the current period in the ***Credit Interest*** field.

For more information about interest methods, see PeopleSoft Pension Administration, "Using Interest Methods"

CHAPTER 22

Defining Social Security

The law prohibits discrimination by a plan in favor of highly compensated employees. Under permitted disparity rules, however, a plan may adjust, or *offset,* benefits to take into account an employee's anticipated Social Security benefits. A typical offset formula would be of the form:

```
(x% of final average earnings times years of service) minus
(y% of the estimated Social Security PIA)
```

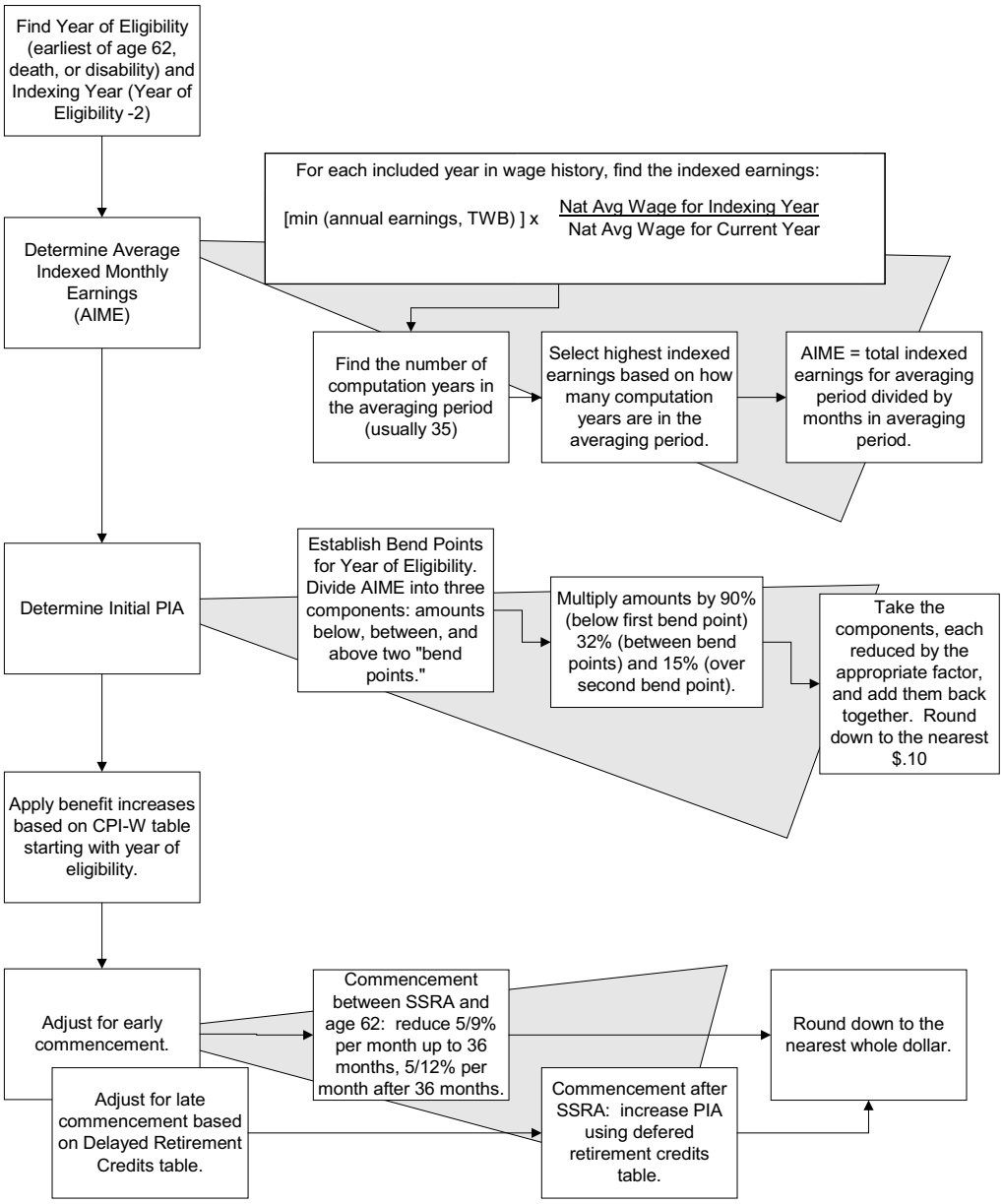
Even if your pension plans don't include a Social Security component, you may want to provide your employees with standalone Social Security estimates as a retirement counseling aid.

The law determines the method for performing Social Security calculations, but there are still a number of parameters you'll have to configure, especially assumptions about past and future earnings data and for future changes to the (TWB) and other Social Security tables.

Calculating Social Security

The federal government sets the rules for calculating Social Security. The following diagram shows how that calculation works. You'll notice that the calculation requires information from several tables published by the Internal Revenue Service: the National Average Wage, general benefit increases, and deferred retirement credits. PeopleSoft Pension Administration stores this information in tables we deliver with the system. You can view the data from various pages under **Compensate Employees, Administer Pension Plan, Tables.**

Social Security calculations don't project the National Average Wage table beyond the year of eligibility. For an old age calculation, this is the year the employee attains age 62. If earnings years beyond age 62 are included in a projection, the system will use the value from the year the employee turned 62.



Social Security Calculation Method

Using Social Security Results

The Social Security function provides a single dollar amount representing an employee's estimated monthly Social Security benefit.

If a plan incorporates Social Security, you could reference a Social Security result from within the benefit formula. Even if you don't use Social Security anywhere else in a calculation, you might still use the Social Security function to provide independent estimates for retirement counseling purposes.



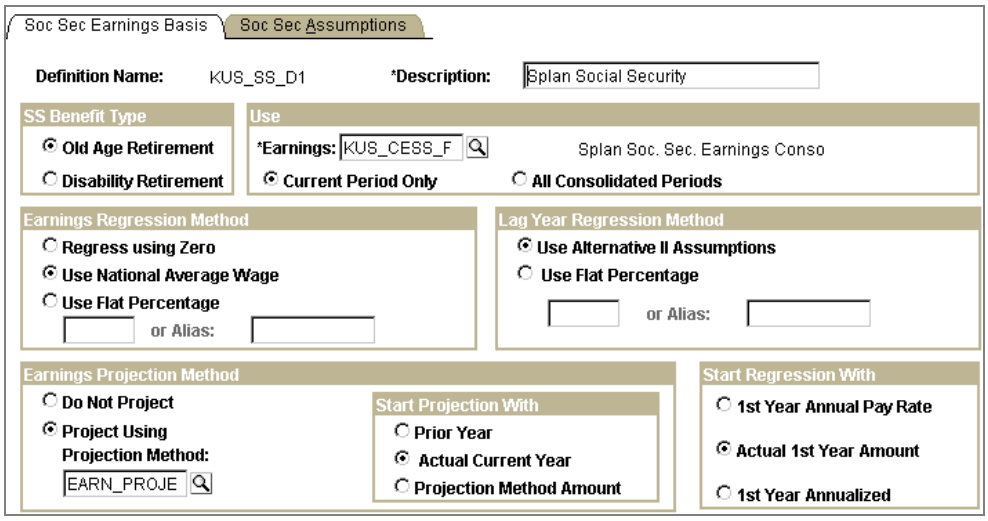
Because the Social Security result is a *monthly* value, when you include social security in a benefit formula, be sure you either express the benefit as a monthly amount or multiply social security by twelve to make it into an annual amount. If you're using annual amounts, one approach would be to set up a Custom Statement, ANNUAL_SS, representing Social Security times twelve and use that Custom Statement in your benefit formula instead of the actual Social Security Function Result.

Setting Up a Social Security Definition

Although in many respects Social Security calculations use fixed rules, there are a number of choices for you to make when estimating PIA. These include assumptions about past and future earnings and about when Social Security benefits will begin.

Social Security - Soc Sec Earnings Basis Page

Usage	The Social Security - Soc Sec Earnings Basis page establishes basic information needed for PIA calculations, including whether to use an old age benefit or disability benefit calculation method, the earnings history used in the calculation, and the method for estimating employees' previous and future earnings.
Object Name	PA_SOC_SEC_PIA1
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Social Security, Soc Sec Earnings Basis**
Access Requirements	Definition Name



Social Security - Soc Sec Earnings Basis (social security earnings basis) page

If an employee brings you their earnings history – either a document from the Social Security Administration or the pay stubs from previous employers – you are obligated to use actual earnings history rather than the assumed earnings. In this case, you would enter the annual earnings data in the Employee Soc Sec Earnings Page. When an employee has any data in this page, the Social Security function will use that data. In this case, the system will ignore all the earnings-related fields on this page and won't project or regress the earnings information.

Determining the Calculation Type

SS Benefit Type

In the **SS Benefit Type** group box, indicate which type of benefit you will use to calculate PIA: ***Old Age Retirement*** or a ***Disability Retirement.***

If you set up definitions for each type, use grouping logic to ensure that the Function Result produces the appropriate type of calculation.

For more information about using groups, see Grouping Employees.

Determining the Earnings Basis

Social Security PIA is based on employee earnings histories. The PeopleSoft Pension Administration earnings consolidation process can provide earnings history for as long as an

employee is with your company, or the final average earnings function can provide a single annual earnings amount. Previous and future earnings will have to be estimated by your chosen projection and regression methods. You don't have to create special consolidated earnings to apply the Maximum Taxable Wage Base limits because the Social Security calculation will apply this limit.

Use

In the **Use** group box, indicate where to find the **Earnings** data by entering either a consolidated earnings Function Result or a final average earnings Function Result. If you use consolidated earnings, be sure you're using an *annual* consolidation method, one based on a calendar year.

If you use consolidated earnings, indicate whether to use data from the ***Current Period Only*** or from ***All Consolidated Periods*** in the system. If you use the current period only, data for all other periods will be estimated using the projection and regression methods you set up on this page. If you use all consolidated periods, you'll project only periods after the last known earnings and regress only periods before the first known earnings. In this case, gaps in your earnings data are treated as zero earnings periods.

If you select an FAE Function Result, ***Current Period Only*** and ***All Consolidated Period*** aren't applicable and will be unavailable for input.

Estimating Past Earnings

Earnings Regression Method

To estimate employees' previous earnings, select an **Earnings Regression Method.**

Select ***Regress using Zero*** to assume zero earnings for all prior periods.

Select ***Use Flat Percentage*** to regress by a fixed percentage per year and enter that percentage in the edit box below this option. You can use either a constant percentage or an alias for this percentage rate. To assume 5% less money per year, enter a regression percentage of 95%. Regressing at 100% uses the same earnings for all previous years.

Your third choice is ***Use National Average Wage.*** Under this option, employee's salaries are assumed to have grown at the same rate as the NAW and are regressed accordingly. PeopleSoft Pension Administration includes a table with annual NAW amounts.

The U.S. Department of Labor's current NAW table doesn't include final statistics for the current and previous year, the so-called "lag" years. If you regress using the NAW, you need to specify how to treat those years with one of the **Lag Year Regression Method** choices.

Lag Year Regression Method

Choose one of the **Lag Year Regression Method** choices.

Select ***Use Alternative II Assumptions*** to use the government estimates in the NAW table.

Select ***Use a Flat Percentage*** to project values for those years based on the last non-estimate value in the NAW table. Enter the projection percentage in the adjoining field. To use the last available actual NAW value for the lag years, set up a flat percentage of zero.



For more information about the National Average Wage table, see Maintaining Social Security Tables.

Choosing a Regression Basis

Start Regression With

All of the regression methods require one year's worth of earnings with which to begin the regression. Indicate where the system can find these earnings in the **Start Regression With** group box.

All the options in this group box use the earliest, or first, year available. If you're using all consolidated periods, this is the earliest year for which you have consolidated earnings. If you're using the current period earnings only, then the current period is the first year available.

Select ***1st Year Annual Pay Rate*** to use the compensation rate as recorded in the employee's job record. The system will disregard actual earnings.

Select ***Actual 1st Year Amount*** to use the unadjusted consolidated earnings from the first period. Because the first year is either the hire year or the current year, it is most likely a partial period. Therefore the earnings may be falsely low. This won't happen if the consolidation rule annualizes the hire period earnings.

Select ***1st Year Annualized*** to use an adjusted first year amount. If you're using all consolidation periods, then the first year is the hire year. In this case, the system annualizes the amount by looking at the partial period fraction. For example, if the hire period has $15,000 in earnings and a partial period fraction of .25, the annualized earnings are $60,000.

If you're using the current period only, then the first year is the current period. If you select a projection method for estimating future earnings, the amount is annualized by that projection method. If you don't select a projection method, the amount is annualized by accounting for the partial period fraction.

Estimating Future Earnings

Earnings Projection Method

To estimate employees' future earnings, choose an **Earnings Projection Method.**

Select ***Do Not Project*** to assume zero earnings for all future periods.

Otherwise, select ***Project Using*** and specify a projection method in the adjoining field. The projection method incorporates the wage escalation rate the pension administrator enters in the calculation page.

For more information about projection methods, see PeopleSoft Pension Administration, "Projecting Hours and Earnings"

Start Projection With

If you opt to project earnings, the projection can be based on any of the periods indicated in the **Start Projection With** group box.

Prior Year: Because the current year is, by definition, still in progress and therefore incomplete, the most recent complete year will be the ***Prior Year.***

Actual Current Year: Alternatively, you can use the earnings-to-date in the current year. To do this, choose ***Actual Current Year.*** In this case, you assume that the earnings-to-date represent total earnings for the year. The system does this by overriding the partial period fraction for the current year.

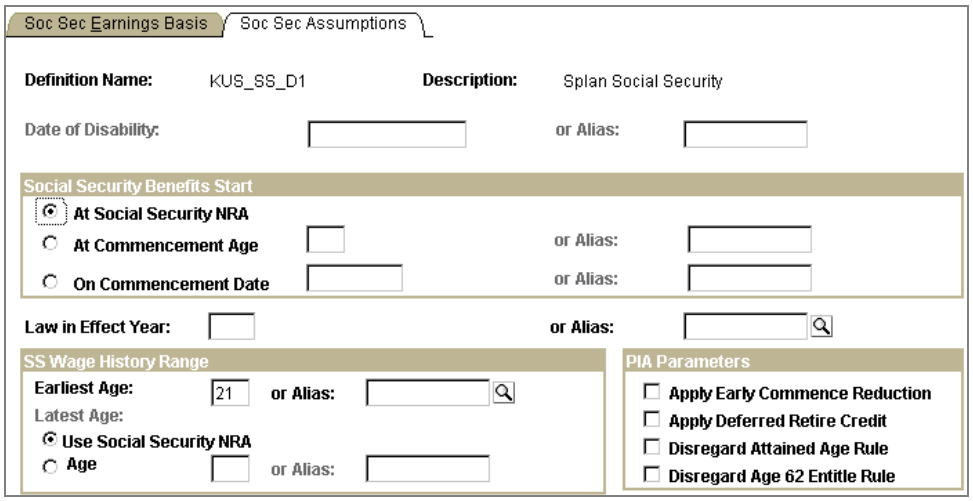
Projection Method Amount: Lastly, you can project using the ***Projection Method Amount.*** In this case, the system annualizes earnings for the current year according to your projection method rules.

If you've chosen to use the consolidated earnings for the current period only (in the **Use** group box), there is no prior year data. In this case, selecting ***Prior Year*** will give you the same result as ***Projection Method Amount*** - that is, the annualized current year earnings.

Social Security - Soc Sec Assumptions Page

Usage	The Internal Revenue Service sets the Taxable Wage Base, the early and deferred retirement adjustment amounts, and all the other tables used in Social Security calculations. To calculate a Social Security estimate for

	an employee with a future Social Security Retirement Age, you have to make some assumptions about these amounts and rules. Use the Social Security - Soc Sec Assumptions page to configure these options.
Object Name	PA_SOC_SEC_PIA2
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Social Security, Soc Sec Assumptions**
Access Requirements	Definition Name



Social Security - Soc Sec Assumptions (social security assumptions) page

Setting the Disability Date

Date of Disability

For Social Security disability calculations, you can enter the assumed **Date of Disability.** This could be a date alias to a custom field you create for tracking an employee's disability date.

Alternatively, if you don't enter a date, the system will use the event date. Using this convention means you don't have to create or populate the custom field. Instead, just use the disability date as the event date when you run a calculation.

The disability date will be used in conjunction with the **Law in Effect Year** to determine the Social Security bend points and general benefit increases.

Making Social Security Benefit Commencement Assumptions

Social Security Benefits Start

Social Security PIA amounts depend on the date when an employee actually begins receiving Social Security benefits. You must therefore make an assumption as to when **Social Security Benefits Start**. Select from the following options: ***At Social Security NRA, At Commencement Age*** or ***On Commencement Date.***

Social Security Retirement Age is the age at which individuals can begin receiving Social Security benefits without any reduction for early commencement. If you select ***At Social Security NRA*** (Normal Retirement Age), the system checks the employee's birth date and calculates the NRA according to the schedule below.

Use the fields ***At Commencement Age*** or ***On Commencement Date*** for any other assumed commencement. Both the commencement age and the commencement date fields accept either a constant or an alias.

Year of Birth	*Social Security NRA*
1937 and before	65 years
1938	65 years, 2 months
1939	65 years, 4 months
1940	65 years, 6 months
1941	65 years, 8 months
1942	65 years, 10 months
1943 - 54	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 and later	67 years

Employees born on the first day of the year use the Social Security Normal Retirement Age for the prior year. For example, an employee born on 1/1/1943 would have a Social Security NRA of 65 years, 10 months.

Choosing the Law Effective Date

Law in Effect Year

Social Security calculations depend on many government tables which are updated yearly. If you are performing historical calculations, you will need to use the table values that were available at the time. Use the **Law in Effect Year** field to establish this information.

Typically the termination date determines the law to use, so if you leave this field blank, the system will automatically use the event year as found in the Calculation page. In cases of grandfathered benefits where you need to determine Social Security as of a particular date, you would enter that date. If you use an alias for this field, make sure it provides a year only, not a complete date.

Bend points are based on the *earliest* of three values: a) the law in effect year, b) the earliest retirement year, that is, the year when the employee reaches age 62, and, for disability calculations, c) the year of disability.

Because National Average Wage (NAW) information only becomes available two years after the year in question, the system won't look at NAW values for the two years prior to the law in effect year, unless you're using Alternative II assumptions and those last two values are marked as assumption amounts.

The Taxable Wage Base (TWB) will also stop using entries at the law in effect year.

Finally, general benefit increases using the Consumer Price Index (CPI) table are applied from the first year of eligibility, age 62, until the earliest of the law in effect year, the year of disability, or the benefit commencement date. The CPI used is the CPI-W as required by law.

Making Wage History Assumptions

SS Wage History Range

In the **SS Wage History Range** group box**,** indicate the earliest and latest age for employees' wage histories. These are the endpoints for the earnings regression and projection from the previous page.

Earliest Age

The **Earliest Age** field accepts either a constant age or an alias. The system won't use earnings from before 1951 even if the employee reached the earliest age before 1951.

Latest Age

For the **Latest Age,** you can either ***Use Social Security NRA*** or enter a value in the ***Age*** field.



The Social Security function won't project earnings beyond the Social Security Retirement Age. If you indicate a later age, you'll assume zero earnings for all subsequent years.

Making Early and Late Commencement Adjustments

PIA Parameters

The **PIA Parameters** group box contains options for adjusting Social Security PIA for early or late retirement.

If you select the ***Apply Early Commence Reduction*** option, estimated PIA will be reduced to adjust for retirement before Social Security Normal Retirement Age. The early retirement reduction is 5/9 of 1% for each month early up to 36 months and 5/12 of 1% per month thereafter, up to a maximum of 24 months.

Likewise, if you select the ***Apply Deferred Retire Credit*** option, estimated PIA will be increased to adjust for retirement after Social Security Normal Retirement Age. The delayed retirement credit is based on the Delayed Retirement Credits table.

Under the Attained Age Rule, employees are eligible for Social Security the day *after* they reach Social Security Retirement Age. Select the ***Disregard Attained Age Rule*** option to ignore this rule and use the *same* day employees reach SSRA.

The earliest possible age an employee can begin collecting Social Security is 62. Normally an employee must be 62 for the entire month of initial eligibility. For example, an employee who turns 62 in March can start receiving benefits in April. If you select ***Disregard Age 62 Entitle Rule,*** the system will treat the birthday month as the first month of Social Security eligibility.

CHAPTER 23

Defining Covered Compensation

The law prohibits discrimination by a plan in favor of highly compensated employees. Under permitted disparity rules, however, a plan may provide a greater benefit for those earnings for which an employee doesn't receive Social Security benefit.

Plans that provide a benefit each year based on earning during the year provide different levels of benefit for earnings above and below that particular year's Maximum Taxable Wage Base (the Social Security limit).

Plans that provide a benefit based on average earnings provide different levels of benefit for earnings above and below the participant's *Covered Compensation.* Covered Compensation is the average of the Maximum Taxable Wage Bases for the last 35 years before Social Security Retirement Age.

A typical formula would be of the form:

```
(1% of final average earnings up to covered compensation) plus (1.75% of final
average earnings in excess of covered compensation)
```

Defining Covered Compensation

Covered Compensation is defined as the average of the Social Security Taxable Wage Bases over a period of 35 years up to and including the year in which an employee reaches Social Security Retirement Age (SSRA). Covered Compensation for workers with SSRAs in the future change every year when the new Taxable Wage Base (TWB) is published.

Regardless, covered compensation may not be higher than the Taxable Wage Base for the event year. This limit comes into play when you apply $3000 rounding to the table for certain years.

There is a slight variation when the plan year isn't a calendar year. If the plan year when the employee reaches SSRA *started* in the previous calendar year, the 35-year period is up to and including that previous calendar year.

By calculating this average rather than looking it up on a table, you can estimate Covered Compensation for employees with future SSRAs and incorporate TWB escalation assumptions.

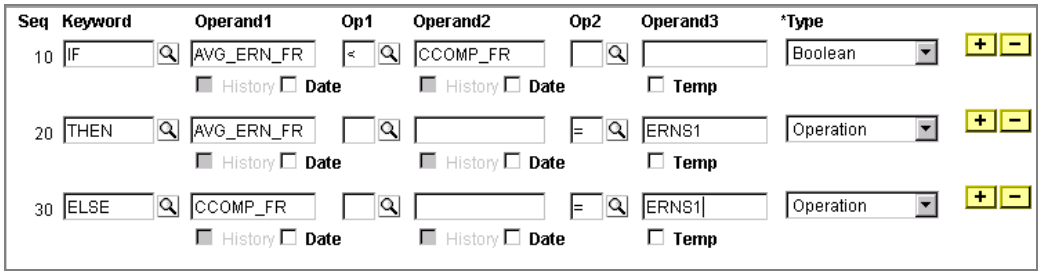
When projecting the Taxable Wage Base, there are no increases beyond the year of the event date.

If the plan year isn't a calendar year, the final Taxable Wage Base value is based on the first day of the plan year in which the event date falls. For example, if a plan year is from 7/1 to 6/30, an

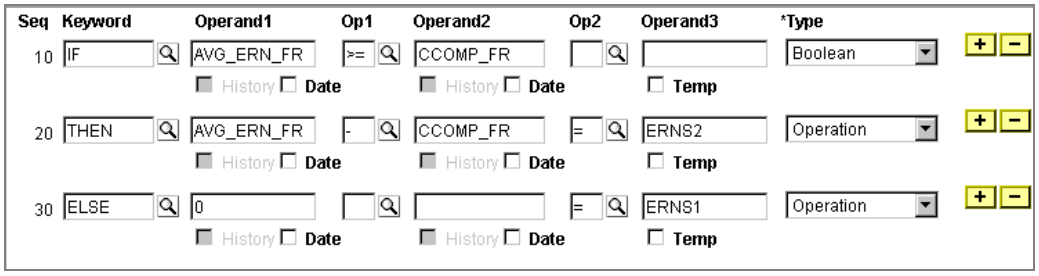
employee terminating on 4/1/97 is terminating during the 1996-1997 plan year; the 1996 Taxable Wage Base gets used for all years up until the employee reaches Social Security Retirement Age.

Using Covered Compensation Results

The Covered Compensation function produces a single dollar amount. You'll typically use this amount in your benefit formula or one of its components. For example, you can set up Custom Statements that find Average Earnings up to Covered Compensation and in excess of Covered Compensation. You can then reference these Custom Statements within the benefit formula.



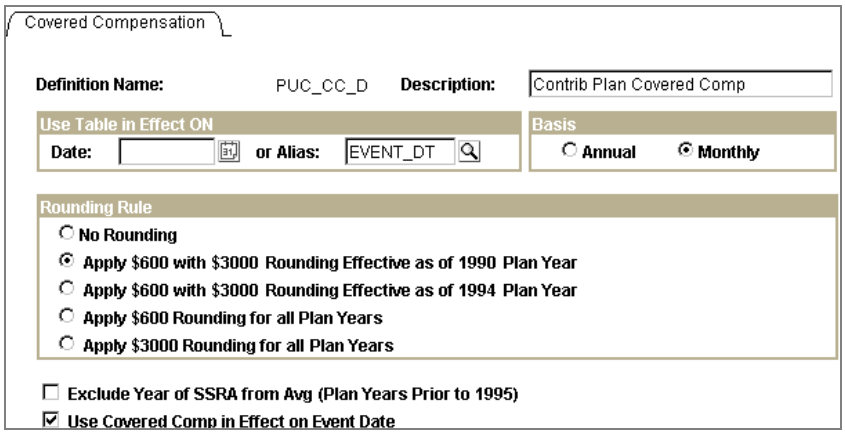
Average Earnings Up To Covered Compensation



Average Earnings In Excess of Covered Compensation

Covered Compensation Page

Usage	Use the Covered Compensation page to set up covered compensation rules.
Object Name	PA_COVERED_COMP
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Covered Compensation, Covered Compensation**
Access Requirements	Definition Name



Covered Compensation page

Determining Taxable Wage Basis (TWB) Values

Use Table in Effect ON TWB tables are provided annually and are effective until the next one is published. When calculating Covered Compensation, we'll use the table you indicate in the **Use Table in Effect ON** field.

Date/or Alias You can enter a constant **Date** or **Alias.** You'll typically use the event date.

Selecting an Annual or Monthly Covered Compensation

Basis The normal covered compensation amount is an annual average. To express this as a monthly amount, change the **Basis** from ***Annual*** to ***Monthly.***

Rounding Covered Compensation

The Internal Revenue Service has used two different rounding rules. Under the $600 rounding rule, the averaged amount is divided by 600, rounded to the nearest integer, and multiplied by 600. The $3,000 rounding rule divides by 3000, rounds to the nearest integer, then multiplies by 3000. The IRS also publishes unrounded amounts. Depending on when and if your plan adopted the various rounding options, select one of the following as your rounding rule:

- No Rounding
- Apply $600 Rounding with $3,000 Rounding Effective as of 1990 Plan Year
- Apply $600 Rounding with $3,000 Rounding Effective as of 1994 Plan Year
- Apply $600 Rounding for all Plan Years
- Apply $3,000 Rounding for all Plan Years

When you use one of the $600/$3,000 mixed options, the system uses $600 rounding for all years up to the threshold year and $3,000 rounding for the threshold year and beyond.

To change the rounding rule as of any other date, create multiple definitions and create separate effective-dated rows in your Covered Compensation Function Result.

If all thirty five years in the covered compensation calculation are later than the last year in the Taxable Wage Base table, the unrounded value for that last year will be used as the final covered compensation.

Setting the Year of Social Security Retirement Age (SSRA)

Exclude Year of SSRA from Avg (Plan Years Prior to 1995)

For plan years beginning before January 1, 1995, a plan may define Covered Compensation as the Taxable Wage Base average over the 35 years up to *but excluding* the year in which the employee reaches Social Security Retirement Age. To use that definition for those years, select the option **Exclude Year of SSRA from Avg (Plan Years Prior to 1995).** This option will only affect historical calculations.

CHAPTER 24

Defining Early and Late Retirement Factors

Early retirement often carries a reduced benefit. The reduction is usually handled by a factor in the benefit formula. Similarly, late retirement benefits can be increased by a factor. Use the Early/Late Adjustments function to derive the factor that adjusts benefits for early or late commencement. You'll choose any of several adjustment methods, including actuarial and arithmetic.

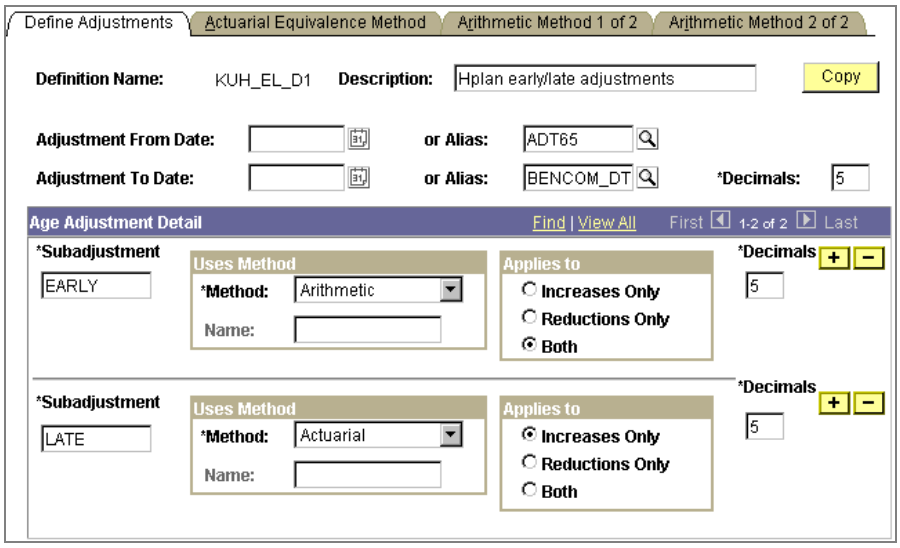
Using Early/Late Results

An Early/Late Adjustments Function Result returns a single adjustment factor to be applied to the final benefit. For example, to reduce a benefit by 40%, the reduction factor will be 60% or .6. You'll incorporate the adjustment factor into your benefit formula.

You'll also use the Early/Late Adjustments function to set up actuarial increase and decrease factors to apply to 415 limits. You'll reference these Function Results from your 415 limits definition.

Early/Late Adjustments - Define Adjustments Page

Usage	Use the Early/Late Adjustments - Define Adjustments page to indicate the time span for which you are adjusting and to establish subadjustments that together will produce the final factor.
Object Name	PA_AGE_ADJ_GENERAL
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Early/Late Adjustments, Define Adjustments**
Access Requirements	Definition Name



Early/Late Adjustments – Define Adjustments page

Copy Because early/late adjustments can be complex to set up, we've provided a shortcut for cases where you have multiple similar definitions. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will copy the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new statement from scratch instead.

Adjustments and Subadjustments

The Define Adjustments page has two sections. In the top area of the page, you define the total range for the adjustment. Typically this is from the normal retirement date (NRD) to the actual benefit commencement date (BCD). If the BCD is before the NRD, the benefit is reduced. If the BCD is later than the NRD, the benefit is increased.

In the lower region of the page, you'll create one or more subadjustments and specify what adjustment method you'll use. These subadjustments apply to different segments within the total adjustment period. For actuarial and arithmetic methods, there are additionals where you'll provide more information, including endpoints that define the segment within the total adjustment period.

It's extremely important that the subadjustment endpoints align exactly with the total adjustment period. This can be tricky with actuarial subadjustments because you use dates to define the total adjustment period and ages to define the subadjustment period. Just be extra careful as you define your aliases and pay attention to any rounding.

Options enable you to distinguish between subadjustment methods that apply only to reductions, methods that apply only to increases, and methods that apply to both. Depending on what types of subadjustments are present and whether the BCD (the "to date") is earlier or later than the NRD (the "from date"), the system will produce appropriate reduction and increase factors as shown in the following table:

Included Subadjustments	*"To Date" is Earlier (Reduction Factor)*	*"To Date" is Later (Increase Factor)*
Reductions only	decimal between zero and one	one
Increases only	one	decimal greater than one
Both - either multiple subadjustments or a single subadjustment that applies to both reductions and increases.	decimal between zero and one	decimal greater than one

Setting the Total Adjustment Period

Adjustment From/To Date

The **Adjustment From Date** and **Adjustment To Date** fields establish the total adjustment period. They also determine whether the benefit needs to be increased or reduced. If the "to date" is later, the benefit must be increased. If the "to date" is earlier, the benefit is reduced. Because the factor depends on which date is earlier, these fields aren't interchangeable. Be very careful to put the right date in the right field.

In most cases, you'll set the "from date" to normal retirement date (NRD) and the "to date" to benefit commencement date (BCD) or possibly the lump sum date. If you reference the plan's normal retirement date or early retirement date, be sure to use the same aliases you've established under **Define Business Rules, Maintain Pension Plans, Implement, Plan Aliases.**

Note. Although the system lets you enter either constants or aliases, you should always use aliases. Don't set up the total adjustment based on fixed ages - say, a reduction from age 65 to age 62 - because the resulting factor would simply measure that time and would thus always come up with the maximum adjustment value, regardless of the employee's actual benefit commencement date.

Decimals

The number of **Decimals** determines how many decimal places your final factor includes. The system rounds the final result to the specified number of decimal places.

Creating Subadjustments

An early/late adjustment consists of at least one subadjustment. For arithmetic methods, one subadjustment is usually sufficient. You can use the arithmetic schedule to set up different

reductions over different periods within an arithmetic subadjustment (although you could also set this up with multiple subadjustments).

You may need multiple subadjustments if you use different reduction methods over different periods. For example, you could reduce a benefit by .5% per month between age 65 and 60, and actuarially for periods earlier than age 60. Each range makes up a single subadjustment.

The system matches the subadjustment periods to the overall adjustment period and adjusts only for the appropriate period of time. So you can set up a reduction from age 60 to 55; and if the employee commences benefits at age 58, the system will only calculate a two-year reduction, not a five-year reduction.

Subadjustment Create individual subadjustments in the scrolling region of this. Name each subadjustment in the **Subadjustment** field.

Uses Method

Indicate the **Method** you'll use to set up the factor in the **Uses Method** group box. Available methods are: ***Actuarial Equivalence, Custom Statement, Arithmetic Rules, Table Lookup,*** and User Code.

If you set up multiple arithmetic subadjustments, the final factor will be the sum of all subadjustments. So two arithmetic subadjustments each with a 10% reduction would yield a final adjustment factor of .8 or 80%. (that is, a total reduction of 20%). For all other combinations of subadjustments, the final factor is the product of the subadjustments. So two 10% actuarial subadjustments would yield a final adjustment factor of .81 or 81% (that is, 90% of 90%, or .9 * .9).

If you select ***Actuarial Equivalence,*** you'll use the next page in the component to set up your rules. If you select ***Arithmetic Rules,*** you'll use the following two pages in the component to set up your rules. If you select ***Custom Statement*** or ***Table Lookup,*** enter the alias for the specific statement or lookup in the **Name** field.

The actuarial and arithmetic rules provide additional parameters for defining the subadjustment range. This enables you to create different rules for different time segments within the total adjustment. Because the other methods don't offer parameters for defining the time segments, you shouldn't have more than one reduction method and one increase method when you use custom statements or table lookups.

For more information about the Table Lookup utility, see PeopleSoft Pension Administration, "Creating Table Lookup Aliases" For more information about the Custom Statement, see Using Custom Statements..

Applies to

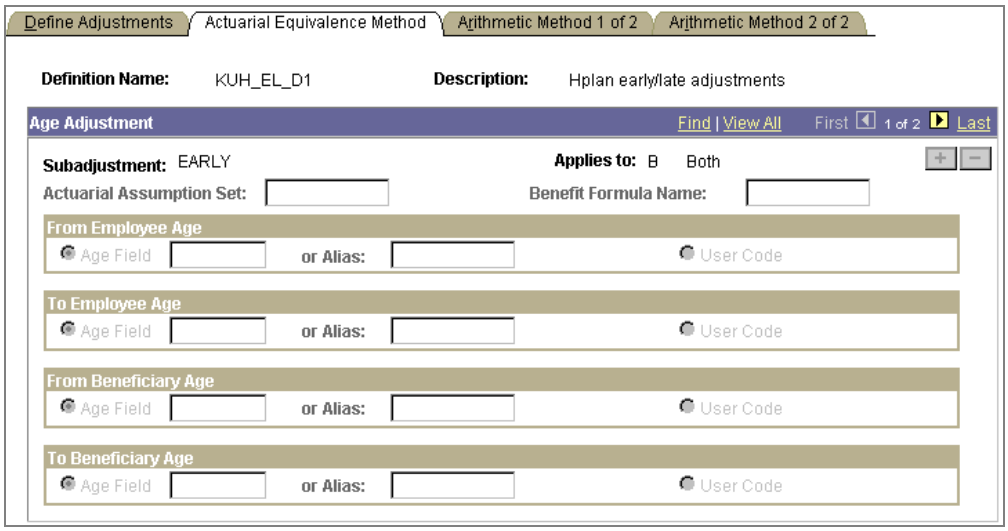
Indicate whether the adjustment Applies to: ***Increases Only, Reductions Only,*** or ***Both.*** If the definition includes reduction subadjustment(s) but no increase subadjustment, then there will be no adjustment when the **Adjustment To Date** (normally the benefit commencement date) is later than the **Adjustment From Date** (normally the normal retirement date).

Decimals

Lastly, indicate how many **Decimals** (decimal places) to include in the subadjustment factor.

Early/Late Adjustments - Actuarial Equivalence Method Page

Usage	Any subadjustments you create on the first page appear in the scrolling region of the Early/Late Adjustments - Actuarial Equivalence Method page. If any subadjustments use an actuarial method, this is where you provide the actuarial details. If you have more than one actuarial subadjustment, be sure to enter information for each one.
Object Name	PA_AGE_ADJ_GENERAL
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Early/Late Adjustments, Define Adjustments**
Prerequisites	You must have previously defined subadjustments on the Define Adjustments page.
Access Requirements	Definition Name



Early/Late Adjustments - Actuarial Equivalence Method page

Actuarial Assumption Set

An actuarial equivalence method uses actuarial assumptions to adjust the benefit to compensate for the increased or decreased number of benefit payments you'll make due to early or late commencement. Thus, the first parameter for this method is an **Actuarial Assumption Set.**

For more information about Actuarial Assumptions, see PeopleSoft Pension Administration, "Using Actuarial Assumptions"

Benefit Formula Name

Because the actuarial adjustment depends on the form of payment, you'll also enter the **Benefit Formula Name.** This is the definition, not the Function Result, for the benefit that is to be adjusted; therefore, you don't need to process the Benefit Formula Function Result before Early/Late Adjustments to get this value. The definition specifies the normal form of the benefit.

From/To Employee Age

Additionally, you need to specify the age range that the assumption set will be applied to. Complete the **From Employee Age** and **To Employee Age** fields.

Age Field

For both values, you can specify an age or an alias in the **Age Field,** or you can use your own User Code.

or Alias

When you use the age field, you can specify a constant **or Alias.**

From/To Beneficiary Age If the normal form of the benefit includes a survivor benefit, actuarial adjustments account for the beneficiary ages over the same reduction period. In this case, fill out the **From Beneficiary Age** and **To Beneficiary Age** fields. Otherwise you can leave these fields blank.

Be sure to align these ages exactly with the dates that define the total adjustment period. For example, if you have a single adjustment from normal retirement date to benefit commencement date, set up the ages to be the age at normal retirement date and the age at benefit commencement date.

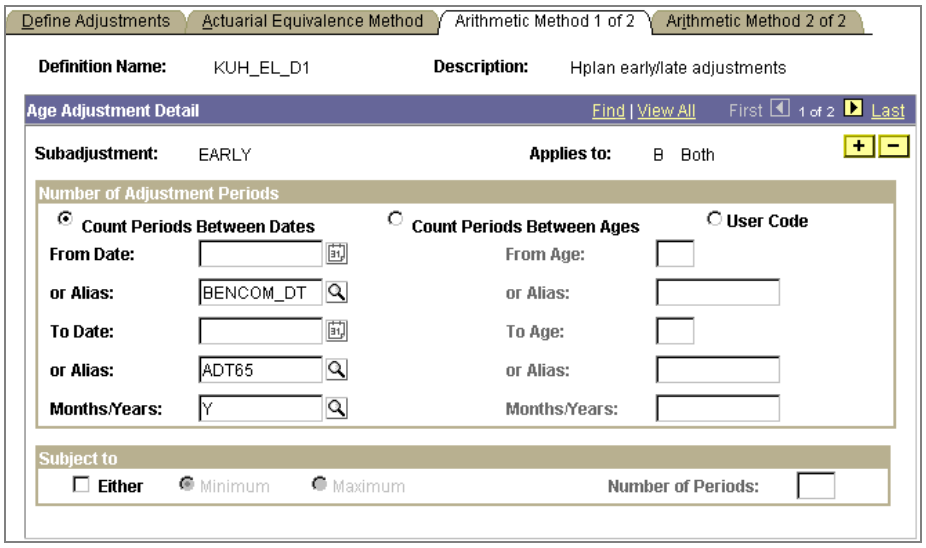
You'll usually have just one actuarial subadjustment; the reason to have more would be if you use different actuarial assumptions over different time segments. If you do have multiple subadjustments, be sure they don't overlap and that they still align with the total adjustment period.



Be sure your subadjustment ranges coincide with the main adjustment range you entered on the Define Adjustments page.

Early/Late Adjustments - Arithmetic Method 1 of 2 Page

Usage	All subadjustments you create on the first page appear in the scrolling region of the Arithmetic Method 1 of 2 page. If any subadjustments use an arithmetic method, use this to further define the method. An arithmetic method involves counting the time between the dates and applying a specific factor (either a percent or a fraction) for each period. For example, the reduction could be 5% for each year, or it could be 5% per year for five years and 2% per year thereafter. You could set up this second example with a single two-part subadjustment or with two separate subadjustments. For each arithmetic subadjustment, use the Arithmetic Method 1 of 2 page to specify the periods and the time frame to which the subadjustment applies. Use the Arithmetic Method 2 of 2 page to specify the reduction rates.
Object Name	PA_AGE_ADJ_ARITH1
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Early/Late Adjustments, Arithmetic Method 1 of 2**
Access Requirements	Definition Name



Early/Late Adjustments – Arithmetic Method 1 of 2 page

Number of Adjustment Periods First you'll specify the time span to which the adjustment applies. Choose whether to define this time frame in terms of dates or ages by selecting **Count Periods between Dates,** or **Count Periods between Ages.** You can also use your own custom User Code.

From Date/To Date, From Age/To Age If you select either a date or age range, enter the beginning and ending points using either the **From Date** and **To Date** fields or the **From Age** and **To Age** fields.

or Alias You can enter either a constant **or Alias** in any of the From/To Date/Age fields.

Months/Years Select either ***Count Month Periods*** or ***Count Year Periods*** in the **Months/Years** field to indicate how to measure the time between the dates or ages.

Subject to The **Subject to** group box enables you to set either a minimum or maximum number of periods to count.

Either To set either a minimum or maximum number of periods to count, select **Either.**

Choose between a ***Minimum*** or a ***Maximum.***

Periods Enter the number of **Periods** to count.

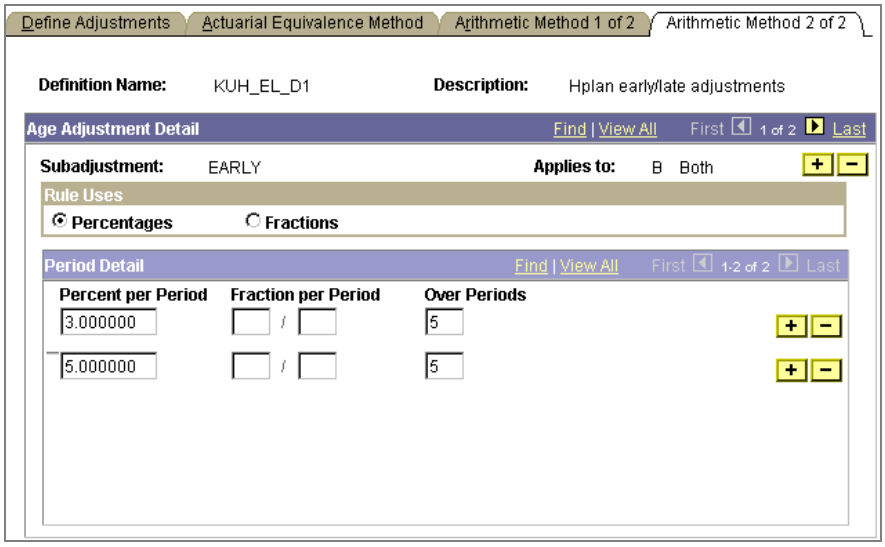
The total time span of all subadjustments must align exactly with the total adjustment period. If you use dates, you'll use the same aliases used to define the total adjustment period.

If you use ages, pay close attention to be sure the time periods align. Although there are fields for constant ages (say, age 65 to age 55), you'll almost always need to use aliases instead in order to

round the dates appropriately so they'll align exactly with the total adjustment range. Using aliases which round differently or using whole ages when the plan normally adjusts the date may cause the adjustments to be off.

Early/Late Adjustments - Arithmetic Method 2 of 2 Page

Usage	Once you've determined the period of time to count, use the Arithmetic Method 2 of 2 page to specify the reduction for each period counted.
Object Name	PA_AGE_ADJ_ARITH2
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Early/Late Adjustments, Arithmetic Method 2 of 2**
Access Requirements	Definition Name



Early/Late Adjustments – Arithmetic Method 2 of 2 page

Rule Uses When you set the arithmetic method adjustment rates, you can select either ***Percentages*** or ***Fractions*** as your **Rule Uses.**

Period Detail

Percent per Period/Fraction per Period Depending on which you choose, complete either the **Percent per Period** or **Fraction per Period** (a numerator and a denominator) criteria below. For example, you can enter a reduction of 5/12 of 1% as either .4167 percent or as the fraction 1/240.

Over Periods

For each factor you enter, indicate how many periods use that factor in the **Over Periods** field. The first row in the sequence will apply to the first group of periods, the second to subsequent periods, and so on.

The total number of periods across all rows will be the number of periods in the subadjustment time segment (up to any maximum you specified on the previous page).

Adjustments are applied in the order they appear on the page. So if you adjust by 5% per year for the first two years and 2% per year for the next three years, the 5% row must be before the 2% year. The order shown on the page is the order the function will use.

QDRO Considerations for Early/Late Adjustments

If your company intends to calculate QDRO benefits using PeopleSoft Pension Administration, you need to be sure your plan rules support these calculations. Although the system doesn't calculate the initial benefit, a court specifies the amount, QDRO benefits are subject to early commencement reductions. Therefore, you'll need to keep QDRO processing in mind as you set up your adjustment rules.

Using Aliases in QDRO Calculations

In order to perform calculations for QDRO alternate payees, the administrator will first create an Employee ID, actually, a "nonemployee" ID, for the alternate payee. This enables users to run the QDRO calculation based on the alternate payee ID.



Because the calculation is based on the QDRO payee's ID, *all aliases referencing employee data are resolved based on the QDRO alternate payee's data, not the original employee's data.* It is extremely important to keep this in mind as you set up your plan rules.

For example, the alias BIRTH_DT would produce the alternate payee's date of birth, not the original employee's date of birth.

The alias SBIRTH_DT, which normally references an employee's spouse's birth date, is usually not valid for QDRO calculations, which don't incorporate any reference to a new spouse. If you want to reference the original employee's birth date in a QDRO calculation, use the special alias QDRO_EE_BD (QDRO employee birth date).

This is an especially useful alias for determining early/late adjustments. For example, consider the following scenario. Paul and Mary Ellen got divorced and Mary Ellen has a QDRO giving her part of Paul's pension benefit. The plan's usual early adjustment factor is a 6% per year reduction for each year between ages 65 and 60. When Mary Ellen elects to begin benefits, Paul is 62 and Mary Ellen is 58. Her benefit should be reduced by 18% because the reduction is based on Paul's age when she starts receiving payments. Therefore, the Early/Late Adjustments

definition used in Mary Ellen's calculation needs to reference Paul's age. In order to get to this information, you'll use QDRO_EE_BD.



For more information about QDRO aliases, see Using Database Aliases: Using Predefined Database Aliases: Calculated Aliases: Using QDRO Aliases.

Creating QDRO-Specific Definitions

As you can see, you may need to use different definitions for the original employee and for the alternate payee. The difference is based not on different plan rules, but on the fact that for the employee's benefit, the original employee's own age is used, whereas for the alternate payee's benefit, the alternate payee's age is generally not used.

You'll handle this requirement through the system's grouping capabilities. Your Function Result might look like this:

Group Criteria	***Definition***
Regular Employees	6% per year from *Employee's* age (BIRTH_DT) 65 to 60
QDRO alternate payees	6% per year from *Original Employee's* age (QDRO_EE_BD) 65 to 60

CHAPTER 25

Defining Death Coverage Reductions

All qualified plans must offer employees a death benefit in case of preretirement death. The amount of the benefit depends on when the participant dies. Plans can also pass the cost of this coverage to the employee via a reduced benefit upon benefit commencement. The reduction factor, the death coverage factor, is typically based on the amount of time the coverage was in effect.

Employees who don't want to pay for the coverage can choose to waive it. Employees can also change their election over time. By recording an employee's history of coverage elections in your PeopleSoft system, you make this information available for determining the death coverage factor.

Using Death Coverage Results

The Death Coverage function returns a single adjustment factor. Typically you'll incorporate this into your benefit formula. The result isn't the reduction amount, it is the actual factor applied to the benefit. For example, if the reduction were 2%, the factor would be 98% or .98.

Understanding Death Coverage History

When plans require employees to pay for their preretirement survivor annuity (PRSA) coverage, employees can waive the coverage. Employees who change their coverage election, can end up with a history of covered and not covered periods of time.



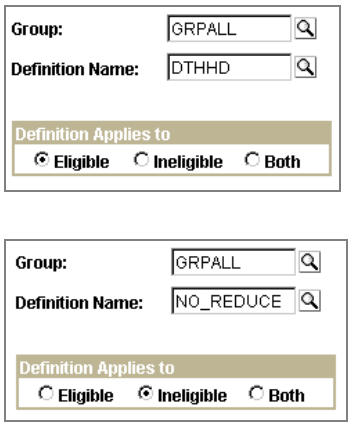
If there is no coverage history, the system assumes that the employee has never had PRSA coverage, that is, the employee waived such coverage at all times. However, the Internal Revenue Code requires plan sponsors to assume that employees are covered by PRSA benefits unless they have elected otherwise. For this reason, you should record coverage as a workflow process that kicks off whenever you hire an employee or change an employee's marital status from single to married.

The system builds a history of covered and not covered time segments based on employee elections. Two other elements can impact the coverage history: the employee's group affiliation can change and the definition used for the employee's group can change. When either event occurs, the employee's coverage history begins a new segment.

The system calculates a reduction for each segment; the final reduction is the sum of all the reductions. For example, if you change your plan rules in 1980 and an employee has a 1% reduction for the time before 1980 and a .5% reduction for the time after, the final reduction is 1.5% and the final factor is .985.

Coverage segments don't have a fixed length. They are determined by dates when the coverage election changes, the plan rules change, or the employee changes group affiliation. Only segments where the employee has elected death coverage become part of the reduction calculation.

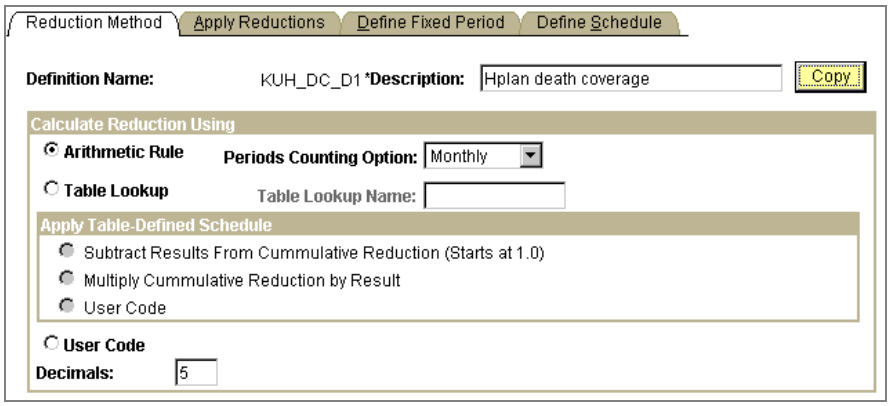
If an employee changes jobs and moves in and out of plan eligibility, you don't want to treat the period of ineligibility as a covered period. Rather than having to always record coverage changes due to plan eligibility changes, you can set up separate death coverage definitions to be used during eligible and ineligible periods. The definition for ineligible periods should produce no reduction. You'll set this up in the Function Result page using the Definition Applies to parameters.



Different Definitions for Eligible and Ineligible Periods on the Function Result page

Death Coverage - Reduction Method Page

Usage	Use the Death Coverage - Reduction Method page to establish the method for calculating death coverage reduction factors.
Object Name	PA_DEATH_ADJ_GEN
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Death Coverage, Reduction Method**
Access Requirements	Definition Name



Death Coverage - Reduction Method page

Copy Because death coverage definitions can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar definitions. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will copy the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new statement from scratch instead.

Calculate Reduction Using The three options available for calculating death coverage reduction factors are an ***Arithmetic Rule,*** a ***Table Lookup,*** or your own custom User Code.

Using an Arithmetic Rule Reduction

An arithmetic method involves counting the covered periods from the election history and applying a specific factor (either a percent or a fraction) for each period. For example, you could reduce a benefit by .05% for each year of coverage or by .05% per year for the first five years of coverage and .04% per year thereafter.

Period Counting Option You'll find parameters for setting the reduction rate on the Death Coverage - Define Schedule Page on the Reduction Method page you only need to specify units for measuring the covered period of time.

Do this by selecting either ***Monthly Periods*** or ***Yearly Periods*** in the **Period Counting Option** field.

Using a Table Lookup Reduction

Table Lookup Name

If you use a table lookup, you'll create a custom table for your reduction factor. Use the table lookup utility to reference your custom table in the **Table Lookup Name** field. The table lookup will return a single factor based on the criteria you specify.

For more information about the Table Lookup utility, see PeopleSoft Pension Administration, "Creating Table Lookup Aliases"

Apply Table Defined Schedule

Depending on how you've set up your factor table, use **Apply Table Defined Schedule** to select one of the following options: ***Subtract Result From Cumulative Reduction (Starts at 1.0), Multiply Cumulative Reduction By Result*** or User Code.

If the table returns the reduction amount, say, .02 for a 2% reduction, select ***Subtract Result From Cumulative Reduction (Starts at 1.0).*** This option starts with a factor of 1.0 and reduces it by the factor provided by the table lookup. So if the table lookup returns a .02 reduction, the system converts that to a reduction factor of .98.

If the table returns the reduction factor, say, .98 for a 2% reduction, select ***Multiply Cumulative Reduction By Result.***

Alternatively, you can use your own User Code.

Choosing the Decimal Places

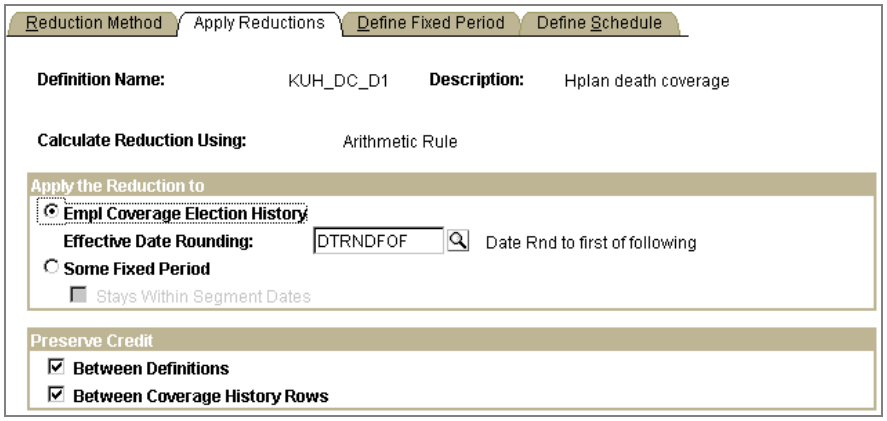
Decimal

Select the number of **Decimal** places for your final reduction factor. The system will round the final result to the specified number of decimal places.

Death Coverage - Apply Reductions Page

Usage	Use the Death Coverage - Apply Reductions page to determine what time period to evaluate when determining the reduction factor.
Object Name	PA_DEATH_ADJ_GEN2
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Death Coverage, Apply Reductions**
Prerequisites	You must have opted to calculate reduction using the arithmetic rule on

	the Death Coverage - Reduction Method page.
Access Requirements	Definition Name



Death Coverage - Apply Reductions page

Choosing the Relevant History

Apply the Reduction to

Apply the Reduction to enables you to apply arithmetic reductions in two different ways. You can evaluate the employee's history of covered and noncovered time periods. Or you can ignore the coverage history and base the factor on a fixed time span such as date of hire to event date, age 40 to event date, or event date to benefit commencement date.

If you choose to apply the reduction to the ***Empl Coverage Election History,*** the death coverage function breaks that history into covered and noncovered segments based on coverage changes.

You can round the coverage change dates by entering a rounding option in the **Effective Date Rounding** field. For example, you might always round to the first of the preceding month so that you'll always deal in full months.

If you choose ***Some Fixed Period,*** you'll specify a specific length of time to use as the basis for the factor, for example, the period from age 50 to event date. In this case, the death coverage function doesn't break the employee's history into segments but instead treats the period as a single segment. Therefore, if the employee's coverage history shows that the employee is covered *at any point during the defined period,* the benefit is reduced as if coverage was in effect for the entire period. You'll use the next page to set up the fixed period.

You can modify the fixed period by constraining it to **Stays within Segment Dates.** That is, if you define the fixed period as the time starting when the employee reaches age 50 and ending at the event date, the function will look at the coverage history and adjust the period to begin whenever coverage begins within the period. In this case, if coverage were active when the employee reached age 50, the period would begin immediately, but if the coverage commenced at age 52, the period wouldn't start until that point.

Preserving Credit

Often the cost of coverage for the employee decreases the longer the employee maintains coverage. For example, the reduction could be .05% per period for the first 60 months of coverage and .04% per period for all subsequent periods. When an employee starts using a new reduction definition, whether because of a change in group affiliation, a new coverage election, or a change in plan rules, you can either start counting periods from zero, or you can preserve the previous history.

Preserve Credit

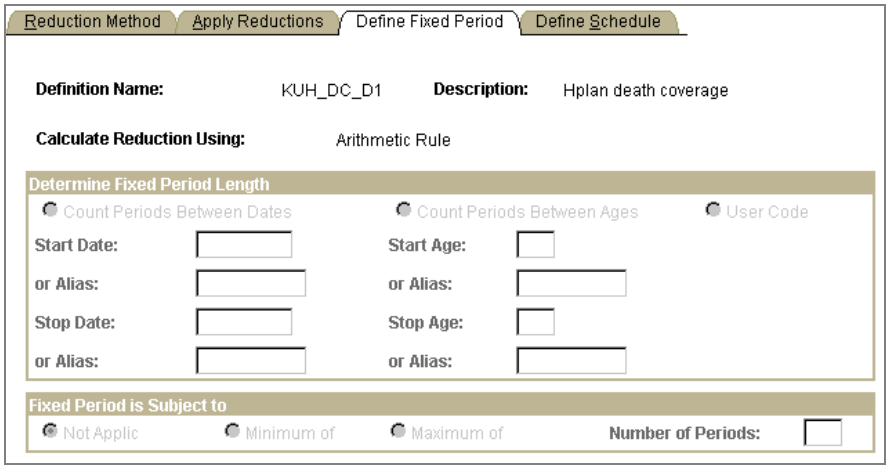
To **Preserve Credit** when the definition changes, either because of a group change or a plan rule change, select the ***Between Definitions*** check box. To preserve credit when an employee drops and then reelects coverage, select the ***Between Coverage History Rows*** check box.

As the system counts coverage periods, it keeps separate accumulators based on each of these options. When you don't preserve coverage, the relevant accumulator is set to zero when there is a definition or coverage history break. In the end, the larger accumulator is used.

Note. If you preserve coverage between definitions, all definitions must have this option turned on.

Death Coverage - Define Fixed Period Page

Usage	If, in the previous page, you choose to apply the reduction to a fixed period, use the Death Coverage - Define Fixed Period page to set up that period.
Object Name	PA_DEATH_ADJ_GEN
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Death Coverage, Reduction Method**
Prerequisites	You must have selected "Some Fixed Period" on the Apply Reductions page of the Death Coverage component.
Access Requirements	Definition Name



Death Coverage - Define Fixed Period page

Determine Fixed Period Length

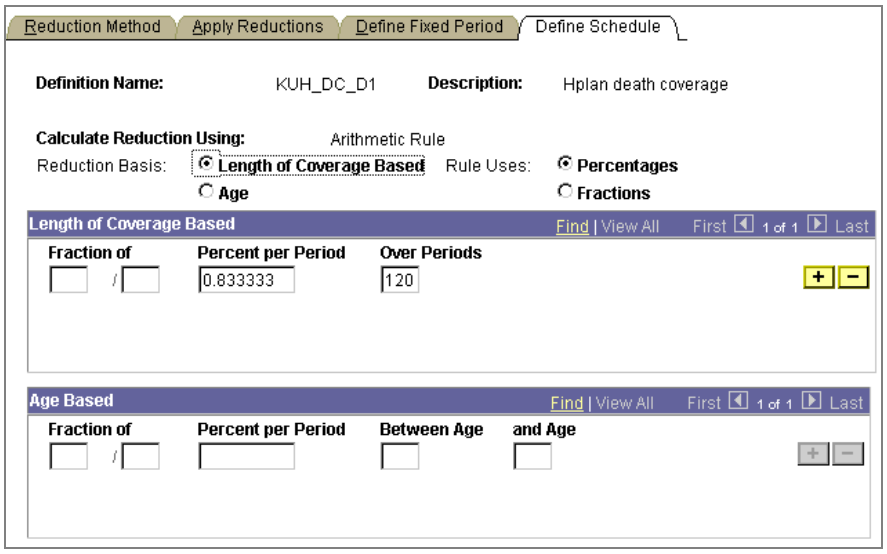
You can express the fixed period in terms of either dates or ages. Indicate which you'll use by selecting either ***Count Periods between Dates*** or ***Count Periods between Ages.*** You can also use your own custom User Code to find the fixed period length.

Depending on which you choose, enter period beginning and ending points in the **Start Date** and **Stop Date** fields or the **Start Age** and **Stop Age** fields. You can enter either a constant or an alias in any of these fields.

Fixed Period is Subject to If you like, you can indicate a maximum or minimum number of periods within the fixed period. For example, you'll count the years between age 40 and the age at benefit commencement, but you'll always charge for a minimum of 60 months. If you don't want to impose limits, select ***No Limits.*** Otherwise, indicate whether the limit is a ***Minimum*** or a ***Maximum*** and enter the limit in the **Number of Periods** field.

Death Coverage - Define Schedule Page

Usage	If you are using an arithmetic rule for your death coverage reduction, use the Death Coverage - Define Schedule page to set up the rule.
Object Name	PA_DEATH_ADJ_COV
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Death Coverage, Define Schedule**
Prerequisites	You must have selected an arithmetic rule for your death coverage reduction.
Access Requirements	Definition Name



Death Coverage - Define Schedule page

Reduction Basis An arithmetic reduction can be based either on employee ages or their length of coverage. To give an age-based example, you could reduce a benefit by .04% per period from age 40 to 54, then by .03% per period from age 55 and up. A reduction based on length of coverage would follow a pattern such as a .04% per period reduction for the first 30 periods and a .03% per period reduction for additional periods. The period is determined by the **Periods Counting Option** on the Death Coverage - Reduction Method Page. Set your rule to be either ***Length of Coverage*** based or ***Age*** based.

Rule Uses The above examples all give percentage reductions. You can, instead, express the reductions as fractions such as a 1/600 reduction per period. Indicate whether your rule uses ***Percentages*** or ***Fractions.***

Reduction Based on Length of Coverage

Fraction of Select the **Fraction of** reduction if you previously selected ***Fractions*** as your **Rule Uses.** Enter fractions as a separate numerator and denominator.

Percent per Period Select the **Percent per Period** reduction if you previously selected ***Percentages*** as your **Rule Uses.**

Over Periods Use the **Over Periods** field to specify the periods to which each length of coverage reduction applies.

For reductions based on length of coverage, adjustments are applied in the order they appear on the page. So if you adjust by .05% per year for the first two years and .04% per year for the next three years, the .05% row must be before the .04% year. The order shown on the page is the order the function will use.

Reduction Based on Age of Coverage

Fraction of Select the **Fraction of** reduction if you previously selected ***Fractions*** as your **Rule Uses.** Enter fractions as a separate numerator and denominator.

Percent per Period Select the **Percent per Period** reduction if you previously selected ***Percentages*** as your **Rule Uses.**

CHAPTER 26

Defining Benefit Formulas

The benefit formula is the heart of your pension calculation. Most of the calculation steps prior to the benefit formula exist primarily to provide benefit components - components that you'll bring together in the formula.

Using Benefit Formula Results

The Benefit Formula produces a dollar amount and a description of what that amount represents. The description consists of a payment frequency and normal (not default) forms of payment for single married participants.

You'll use the result for reporting, primarily within the benefit statements you give your employees. You'll also reference the result when you use the Optional Forms function to create the form set that goes with the benefit formula. Only forms in the optional form set are actually offered to the employee. The normal form of the benefit as defined in the benefit formula is only offered if it is repeated in the optional forms.

Processing for 415 Limits also looks at benefit results.



For more information, see Defining Optional Forms. For more information about 415 Limits, see Applying 415 Limits.

Setting Up Multiple Formulas in a Single Function Result

If you use different formulas for different retirement benefits: normal retirement, early retirement, disability retirement, or others, you can still incorporate all these formulas into a single Benefit Formula Function Result. You'll simply create groups based on Benefit Eligibility and associate each group with the appropriate formula. Every employee thus automatically uses the right formula.

Group Criteria	*Definition*
Benefit Eligibility = Normal Retirement	Regular plan benefit
Benefit Eligibility = Early Retirement	Reduced benefit

You can similarly use grouping to distinguish between retirement benefits and ancillary benefits for death and disability.

Group Criteria	*Definition*
Event Reason = Termination	Regular plan benefit
Event Reason = Death or Disability	Regular plan benefit with 100% vesting

Grouping also enables you to use different formulas for employees and for QDRO alternate payees. This is important because the employee's formula is based on various calculated elements such as service and final average earnings, whereas the QDRO alternate payee's benefit is simply stored in the database. Although you won't need a benefit formula to give you that stored value, you will need a benefit formula to multiply that value by an early retirement factor and to feed that amount into the payment process.

Group Criteria	*Definition (Early Retirement Benefit)*
Employees with no QDRO offset	Regular plan benefit x early retirement factor
Employees with a QDRO offset	(Regular plan benefit minus offset) x early retirement factor
QDRO Alternate Payees	Stored QDRO amount x early retirement factor



For more information about Benefit Eligibility and retirement types, see Defining Benefit Eligibility. For more information about setting up QDRO calculations, see Implementation Tips and Tricks. For more information about grouping, see Grouping Employees.

Setting Up Multiple Function Results

There are a number of reasons to set up multiple Benefit Formula Function Results. All of them have to do with seeing before and after values rather than just presenting a final amount without the intermediate values (For example, you can create separate Function Results to show benefits:

- before and after applying vesting.
- before and after applying early or late retirement factors.
- before and after applying a QDRO offset.

Contributory plans offer another reason for setting up multiple Benefit Formula results. You'll set up one Function Result for the total benefit and another for the employer-paid portion of the

benefit. By law, you can only apply vesting rules to the employer-paid portion. You'll then need a third Function Result that adds the employee-paid benefit back to the employer-paid portion once you've applied vesting.

In certain cases you can use a standalone Custom Statement rather than an additional Benefit Formula Function Result. Use the benefit formula if:

- you want to see the intermediate results (the system doesn't show you results of standalone Custom Statements).
- you want the value to feed through to optional forms so you can pay employees based on that amount.

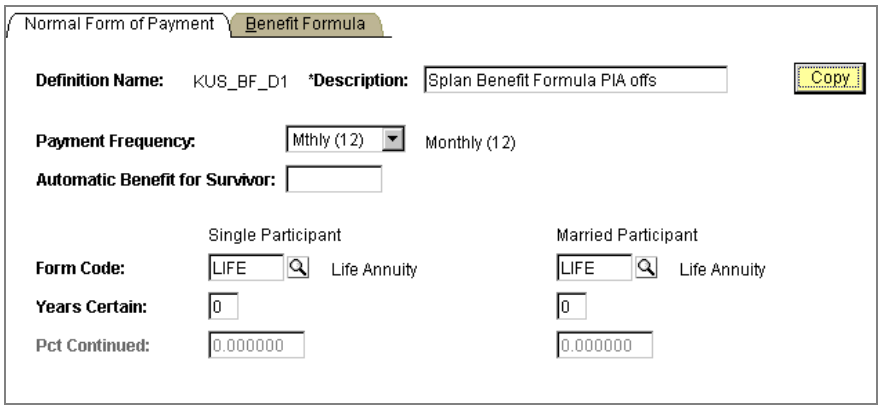
Any time you use multiple Function Results, be sure to enter useful descriptions so that a user can distinguish what each value represents.

Creating the Benefit Formula Definition

There are two parts to setting up a benefit formula. You must create the mathematical equation that defines the formula. Because this formula yields the amount for the normal form of payment, you must also explicitly state what that form is, for example, a single life annuity.

Benefit Formula - Normal Form of Payment Page

Usage	A benefit equation yields a benefit amount in its "normal" form. The normal form data is used as a basis for converting to optional forms. Use the Benefit Formula - Normal Form of Payment page to explicitly define the normal form associated with a particular formula.
Object Name	PA_FORMULA_PNL
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Benefit Formula, Normal Form of Payment**
Access Requirements	Definition Name



Benefit Formula - Normal Form of Payment page

Copy

Because benefit formula definitions can be quite complex to set up (particularly the formula on the second page), we've provided a shortcut for cases where you have multiple similar statements. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will copy the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Payment Frequency

Start by entering the normal **Payment Frequency.** Select from among the following valid values: ***Lump Sum (Single), Annual (1), Semi-Annual (2), Quarterly (3), Monthly (12), Semi-Monthly (24),*** or ***Bi-Weekly (26).***

Automatic Benefit for Survivor

Certain plans, most commonly public plans, offer an automatic benefit for surviving spouses. For example, Plan A specifies an automatic 25% benefit. The normal form of Fred's benefit is $1000 per month as a single life annuity, but even if he selects a single life annuity, his wife Norma is entitled to $250 per month after Fred dies. Any actuarial reductions for other benefit forms: joint and survivor, level income option, certain and continuous, and so on, only apply to the remaining $750 of his benefit.

So if Fred chooses a 50% joint & survivor form, the $750 will be actuarially reduced, say to $700, and Fred's benefit will be $950. After Fred dies, his joint & survivor beneficiary will receive $350 per month. This beneficiary could be Norma, but could also be a child, a trust, or another person. If he did name Norma as his beneficiary, she'll get the $350 in addition to the automatic $250, for a total benefit of $600 per month.

When a plan offers this benefit, specify the automatic continuation percentage in the **Automatic Benefit for Survivor** field. The benefit will only be offered if the employee has a spouse and if spouse eligibility conditions specified in the plan aliases page are met.

For more information about establishing spouse eligibility criteria, see PeopleSoft Pension Administration, "Using Spouse Eligibility Statements" For more information about implementing the eligibility criteria on the plan aliases page, see Creating the Plan Implementation and Plan Aliases, "Creating the Plan Implementation and Plan Aliases"

Regardless of whether there is an automatic continuation, enter information about the normal payment form for both a **Single Participant** and a **Married Participant.** Enter the **Form Code** from the following valid values:

- ***Certain Only Installment***
- ***Joint and Survivor Annuity***
- ***Life Annuity***
- ***Level Income Option***
- ***Last to Survive Annuity***
- ***Lump Sum***
- ***Pop Up Annuity***

- ***Reversionary Annuity***

You wouldn't normally select a form with survivor benefits, for example, a joint and survivor annuity, as the normal form for single participants.

You'll also see an option for ***Spouse J&S Demonstration.*** This is used in the optional forms pages only; don't select this option here in the Normal Form of Payment page. Instead, use ***Joint and Survivor Annuity.***

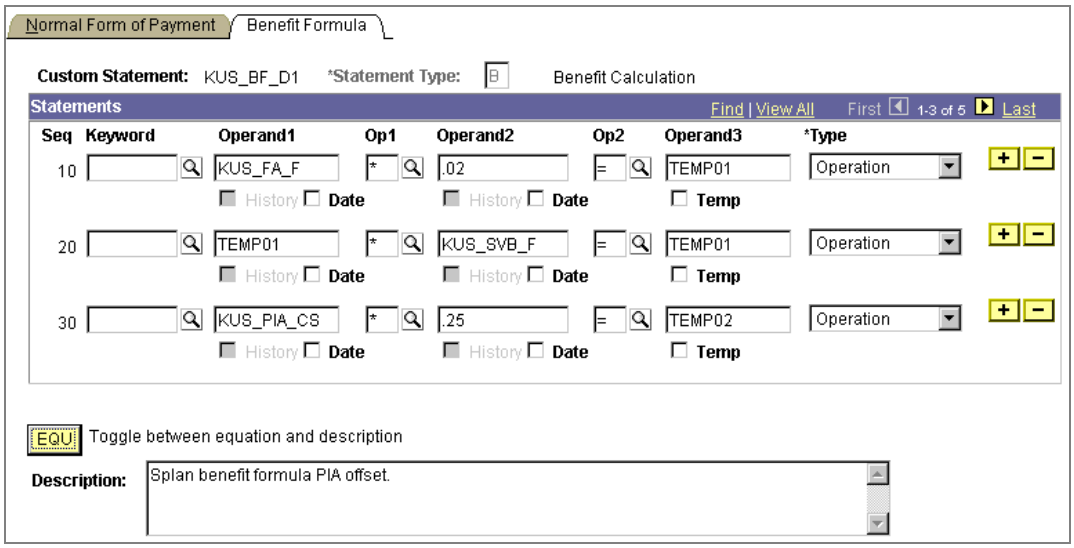
To set up a term certain or a certain and continuous form, enter the guaranteed number of years in the **Years Certain** field. If you chose a payment form that offers payments to a survivor, for example, Joint & Survivor or Last to Survive, use the **Pct Continued** (percent continued) field to indicate what percent of the initial payment the survivor will continue to receive after the death of the joint annuitant.



For more information about payment forms, including descriptions of each form code, see Defining Optional Forms.

Benefit Formula - Benefit Formula Page

Usage	Use the Benefit Formula - Benefit Formula page to create the mathematical formula that defines your benefit. This page is identical to the Custom Statement page; you'll create your formula as a Custom Statement.
Object Name	PA_CUSTOM_PNL
Navigation	• **Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition, Status Code Definition** • **Define Business Rules, Maintain Pension Parameters, Variables, Custom Statement, Custom Statement** • **Define Business Rules, Maintain Pension Parameters, Variables, Spouse Eligibility, Spouse Eligibility** • **Define Business Rules, Maintain Pension Plans, Define, Benefit Formula, Benefit Formula** • **Define Business Rules, Maintain Pension Plans, Define, Plan Eligibility, Plan Eligibility** • **Define Business Rules, Maintain Pension Plans, Implement, Group Definition, Group Definition**
Access Requirements	Custom Statement Name



Benefit Formula - Benefit Formula page

Determining the Statement Type

Statement Type Your Custom **Statement Type** will always be ***B - Benefit Calculation*** to indicate that you are setting up a benefit formula.

Creating the Formula

You'll construct the actual benefit formula using a Custom Statement.

For more information about using the Custom Statement page to set up complex formulas, see Using Custom Statements. The following is only a brief summary of each of the fields within a clause.

Operand1/2 Enter your benefit components in the **Operand1** and **Operand2** fields

Op1/2 Enter the mathematical operations or Boolean operators that join them in the **Op1** and **Op2** (Operator 1 and 2) fields.

Operand3 You'll use the **Operand 3** field for temporary assignments to intermediate values and for the final assignment that defines the Custom Statement.



Be sure your formula corresponds to the payment frequency you've entered on the previous page. For example, if your annual benefit is 2% x Average Earnings x Service, and you've entered a payment frequency of *Monthly*, you must remember to include a "divided by twelve" clause in your formula.

Using the Equation and Description

EQU (equation) — Use the **EQU** (equation) button to toggle between description and equation displays and to refresh the equation. Always check the parentheses in your equation.

Description/Equation — The long text field at the bottom of the page toggles between a **Description** field, where you can enter information about the formula, and an **Equation** field that translates your statement into an equation, using parentheses to show precedence among the operations.

Formatting Date Constants

In most PeopleSoft pages, you can enter an unformatted date. For example, you can enter 01011988 to mean January 1, 1988, and the system will automatically reformat your entry to 01/01/1988. There's no need to enter the slashes or any other separator.

However, if you enter an unformatted date into one of the Operand fields, the Custom Statement will treat it as a number. In order to indicate that the eight digits actually represent a date and not a number, select the **Date** check box. This is simply a data entry alternative and is only necessary when you enter unformatted dates: if you include a separator (a slash, dash, or space) when you enter a date, you don't have to select this check box.



Custom Statement pages require you to enter eight-digit dates that include the century in the year. This is different from most PeopleSoft pages, which accept six-digit dates. For example, in the Custom Statement page you would enter January 1, 1995 as 01/01/1995, not as 01/01/95.

When you use a date alias, there's no reason to select the **Date** check box, since the system already knows the value is a date and has formatted it appropriately.

Using History

History — The **History** check box is only used when you're setting up groups. You can ignore it when you're creating a benefit formula.

Using Temporary Variables

You may want to create temporary variables within your benefit formula. For example, you could create two variables, Temp01 and Temp02, that you could then compare to find the actual benefit.

Temporary variables are extremely useful in complex statements, as they enable you to isolate distinct portions of the calculation and them bring them together later. For example, the following statement establishes up front that TEMP01 is average earnings up to covered compensation and TEMP03 is average earnings over covered compensation. Once the temporary variables are set, the formula can reference them to determine a benefit of 2% of earnings up to covered compensation plus 3% of earnings over covered compensation multiplied by service and by the vesting factor.

Key	*Operand1*	*Op1*	*Operand2*	*Op2*	*Operand3*	*Type*
MIN	FAE		COVER_COMP	=	TEMP01	Function
	FAE	-	COVER_COMP	=	TEMP02	Operation
MAX	TEMP02		0	=	TEMP03	Function
	.02	X	TEMP01	·		Operation
	.03	X	TEMP03	x		Operation
	SERVICE	X	VESTING	=	BENEFIT	Operation

Temp If you want to prompt in the **Operand3** field for the names of the available temporary variables, select the **Temp** check box. Selecting this check box is simply a data entry helper to ensure correct spelling by prompting against valid values. Misspelled variables won't be recognized.

Applying a QDRO Offset

If you want an employee's calculation to include a QDRO offset component, you must explicitly include that in the plan benefit formula. You can either include it in your basic formula, or you can create a separate formula and use grouping logic to ensure that employees with QDROs use the formula with the offset and employees without QDROs use the basic formula.

We've provided a special alias for you to use in your offset formula. QDRO_AMT references the fixed amount of the QDRO benefit as entered in Compensate Employees, Administer Pension Plan, Use QDRO, QDRO Data 3. The system takes care of changing the value of the alias for each plan in the calculation. If there is more than one QDRO against the employee, the system automatically adds all the offsets together.

Typically you'll incorporate the offset through simple subtraction: the total benefit minus the QDRO_AMT is the remaining benefit. The caveat is that the subtraction is only valid when the amounts reflect the same form of payment - for example, a single life annuity - and the same commencement date, usually normal retirement date.

For example, if Paul's normal benefit is $2000 per month as a single life annuity beginning at age 65, and Mary Ellen's QDRO entitles her to $1000 per month single life annuity also beginning at Paul's age 65, you can subtract the numbers directly.



It is the administrator's responsibility to enter the appropriate QDRO amount. The system won't convert the amount based on either payment form or commencement date.

If you choose to set up rules differently depending on whether an employee has a QDRO, you'll apply the different definitions using grouping logic. For example, you can set up a Benefit Formula Function Result with the following components:

Group Criteria	***Definition***
Employees without QDROs	2% x Average Earnings x Service x Vesting
Employees with QDROs	(2% x Average Earnings x Service x Vesting) - QDRO offset

CHAPTER 27

Defining the Employee-Paid Benefit

Contributory plans present some special considerations that require you to separate the total benefit amount into employee-paid and employer-paid portions.

First of all, employees are always 100% vested in their contributions, while the employer-paid portion of a benefit is subject to plan vesting rules. Secondly, if employees are entitled to withdraw contributions as a lump sum at benefit commencement, you'll be paying out the employee- and employer-paid portions separately. Finally, 415 limits on total benefits only apply to the employer-paid portion.

The employee-paid benefit function calculates the total value of employee contributions and converts that amount to a single life annuity as of a specified date, usually the normal retirement date. What you do with this information depends on whether employee contributions supplement the plan benefit or whether they offset the cost of providing the benefit.

Using Employee-Paid Benefit Results

The employee-paid benefit function produces a dollar amount. This amount represents the annuity value of employee contributions as of a specified date, either the normal retirement date or the lump sum date. What you do with the employee-paid benefit depends on whether employee contributions supplement the plan benefit or whether they offset the cost of providing the benefit:

- If employee contributions *supplement* the employer-paid pension benefit, for example, if you permit employees to make voluntary contributions that increase the value of their pension benefits, you'll apply vesting and 415 limits to the regular plan benefit and then add the employee-paid benefit to that amount in a subsequent "final" benefit formula.
- If employee contributions *offset the cost* of providing the benefit but don't change the actual benefit amount, you'll subtract the employee-paid benefit from the total benefit to find the employer-paid portion. You'll then apply vesting rules and 415 limits to the employer portion and finally add the employer portion back to the employee-paid portion in a subsequent "final" benefit.



For more information about how you'll use the Employee-Paid Benefit and how you'll incorporate the Function Result into your calculation job stream, see Managing the Employee- and Employer-Paid Benefits.

Handling Multiple Contributory Accounts

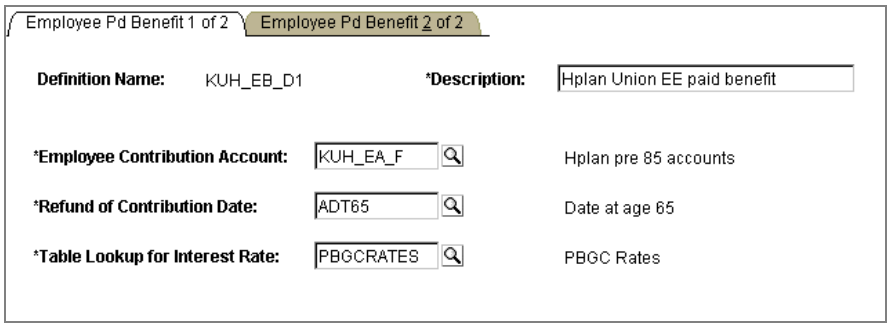
If you track multiple employee accounts, set up a separate employee paid benefit Function Result for each account.

Creating an Employee-Paid Benefit Definition

Use the first page of the Employee Paid Benefit component to determine the value of an employee's contributions as of the date that contributions are refunded. Use the second page to project the value of employee contributions to normal retirement date.

Employee Paid Benefit - Employee Pd Benefit 1 of 2 Page

Usage	When an employee withdraws contributions, you need to calculate the appreciated value of the contributions until the withdrawal date. The employee accounts function provides the balance as of the event date, and an interest method determines any interest applied from then until the date contributions are refunded. Enter these parameters in the Employee Paid Benefit – Employee Pd (paid) Benefit 1 of 2 page.
Object Name	PA_EEBENEFIT_P1
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Employee Paid Benefit, Employee Pd Benefit 1 of 2**
Access Requirements	Definition Name



Employee Paid Benefit - Employee Pd Benefit 1 of 2 page

Employee Contribution Account The employee accounts function tracks employee contributions and interest until the termination date. Enter the name of an **Employee Contribution Account** to establish the beginning balance.

Refund of Contributions Date

There are two components to the interest basis: the date up to which interest accrues and the interest rate.

The date up to which interest accrues is called either the "refund of contribution date" or the "date of determination." This is normally the benefit commencement date, but if you use a different lump sum date, you might use that as your refund of contributions date. Enter this information in the **Refund of Contributions Date** field.

Table Lookup for Interest Rate

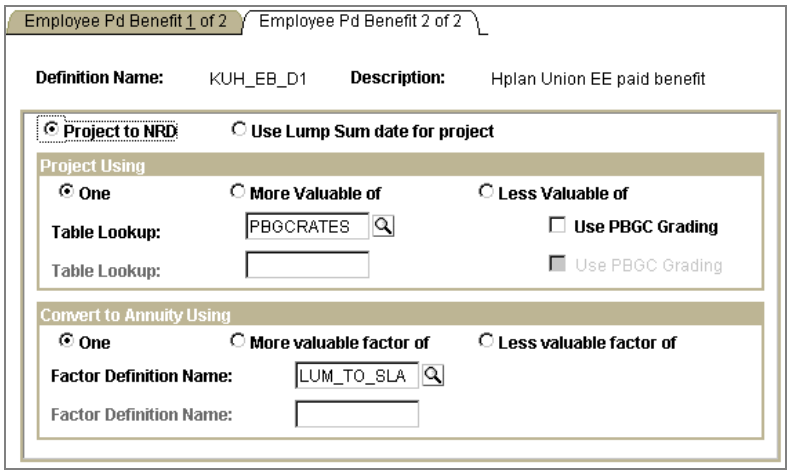
The interest rate is determined by a table lookup. You'll set up your lookup basis in the Table Lookup page; here in the Employee Pd Benefit 1 of 2 page just enter the name of your table lookup rule in the **Table Lookup for Interest Rate** field.

This lookup will return a single interest rate that will be applied over all periods. The Employee-Paid Benefit function doesn't permit an interest rate that varies over time (for example, the Federal Mid Term rate for each month).

For more information about Table Lookups, see PeopleSoft Pension Administration, "Creating Table Lookup Aliases"

Employee Paid Benefit - Employee Pd Benefit 2 of 2 Page

Usage	The employee-paid benefit function tells you what portion of the total benefit is attributable to employee contributions and interest. In order to compare the employee-paid benefit to the total benefit, this amount must be as of the same date (normal retirement date) and in the same form of payment. Use the Employee Paid Benefit - Employee Pd (paid) Benefit 2 of 2 page to choose the date to which the system should project the balance, an interest rate to use when projecting the balance to this date, and a method for converting to an annuity.
Object Name	PA_EEBENEFIT_P2
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Employee Paid Benefit, Employee Pd Benefit 2 of 2**
Access Requirements	Definition Name



Employee Paid Benefit - Employee Pd Benefit 2 of 2 page

Projecting the Lump Sum Value to Normal Benefit Commencement Date

If the refund of contributions date is before the normal retirement date, the employee account balance has to be projected to the date when the employer would normally expect to start paying pension benefits. This ensures that you're comparing equivalent numbers when you compare the employee-paid benefit result to the normal benefit amount.

First you need to choose whether to **Project to NRD** (Normal Retirement Date) or **Project to Lump Sum Date.** The NRD is established in the Plan Aliases Page. The lump sum date comes from the calculation page.

Lump sum date isn't a required field on the calculation page, but it is needed if you're projecting to the lump sum date. Therefore, if you choose to project to the lump sum date, you may want to make the lump sum date a required field on the calculation page.

Note that the system will only project when the selected date is later than the refund of contributions date on the previous page.

Project Using Use the **Project Using** parameters to establish the projection rules for the projection. You can always use ***One*** interest method or you can compare two methods and use either the ***More Valuable of*** or the ***Less Valuable of*** the two.

Table Lookup

Just like on the previous page, where you used the Table Lookup to find a rate to use up to the refund of contributions date, you'll use a Table Lookup to find the rate to use afterwards. Enter the method in one or both of the **Table Lookup** fields.

In addition to looking up a single rate, you can choose whether to ***Use PBGC Grading***. The PBGC graded structure includes an Immediate Annuity Rate (the rate provided by the lookup), an interest rate used for a defined period prior to the normal benefit commencement date**,** another interest rate for a defined period prior to that, and a third rate for all other years back to the event date.

For more information about PBGC rates, see PeopleSoft Pension Administration, "Maintaining Public Tables".

Converting a Lump Sum to an Annuity

To compare the employer-paid portion of a benefit to the total benefit, both portions have to be for the same form of payment, typically some sort of annuity. The system includes a factor utility that calculates conversion factors for different forms of payment. When you set up the factor, specify that you're converting from a lump sum to your plan's normal form.



The factor alias references actuarial assumptions, including an assumption as to whether the benefit is paid annually, monthly, or in some other frequency. Be sure the payment frequency in the referenced actuarial assumptions matches the payment frequency of your normal form of benefit.

Convert to Annuity Using

You can use just ***One*** factor, or you can compare two factors and use either the ***More Valuable Factor of*** or the ***Less Valuable Factor of*** the two.

CHAPTER 28

Defining Optional Forms

Once you've established an employee's normal form benefit, you'll typically offer the employee a set of alternate payment options. The optional forms function enables you to create a set of optional forms from which an employee may choose.

Each optional form set is associated with a particular benefit. That is, you'll set up one optional forms function result for each benefit formula/benefit commencement date combination. Typically, this means one optional forms function result per benefit formula.



Use a single benefit formula and benefit commencement date (BCD) for all optional forms definitions within a single function result. The one exception is that an optional form set including a lump sum can use a different BCD for the lump sum than for the rest of the forms in the set.

Using Optional Forms Results

Optional forms results are an end product of a calculation; you'll pick up the results when you prepare to start making pension payments.

The system also uses optional forms information when applying 415 limits. The 415 function, which applies Internal Revenue Code limits across multiple plans, uses the optional forms results as the source of its benefit information. If the benefit must be limited, the 415 function adds the limited amounts to the optional forms results.

Because you can set up multiple optional forms function results for a single benefit, you'll always mark one form set in each qualified plan for use by the 415 function. Because 415 limits are based on the single life annuity (SLA) form, this form set must include an SLA regardless of whether you actually offer that form to employees.

Overview of Optional Forms Results

Optional forms results include quite a bit of information. Each form set includes several forms. Each form has:

- Identifying information about the nature of the form.

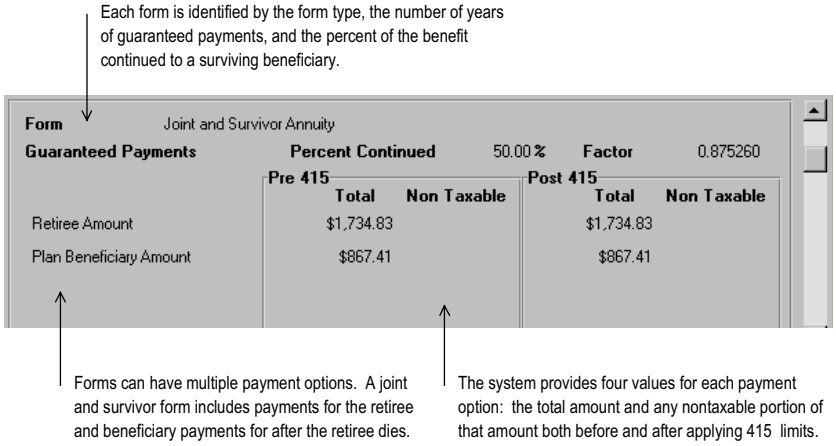
For more information and a list of available optional forms, see Overview of Form Codes.

- One or several associated payment types. For example, a joint and survivor form includes both retiree and beneficiary amounts, while a level income option includes one amount to use up until the retiree's Social Security Retirement Age and another amount to use after the retiree reaches Social Security Retirement Age.

For more information and a list of possible payment types, see Overview of Payment Types.

- Four dollar amounts for each payment type. These are:
  - Total amount before applying 415 limits.
  - Non-taxable portion of the pre-415 limits amount.
  - Total amount after applying 415 limits.
  - Non-taxable portion of the post-415 limits amount.

The following screen shot shows results for a single form in an optional form set. You would use the scroll bar to see additional forms in the set.



Optional Forms Result

Creating an Optional Forms Definition

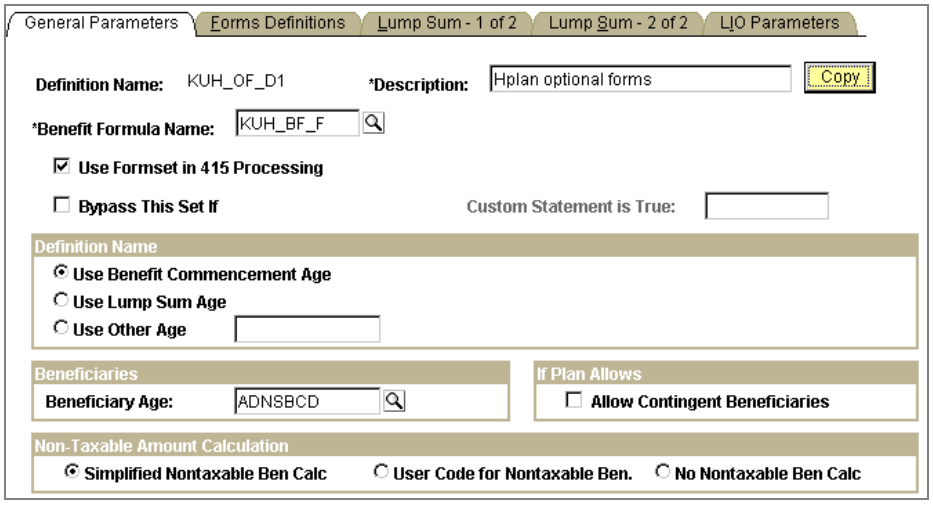
Use the optional forms pages to establish sets of payment options and to describe each option in the set.

Use the first page, General Parameters, to set up basic information that apply to the entire form set. You'll add individual forms on the second page, Forms Definitions. The remaining three

pages in the component further define specific forms: Lump Sum - 1 of 2 and -2 of 2 contain lump sum specifications and LIO Parameters accepts additional information for level income options.

Optional Forms - General Parameters Page

Usage	Use the Optional Forms - General Parameters page to describe the entire form set.
Object Name	PA_OPT_FORMS1
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Optional Forms, General Parameters**
Access Requirements	Definition Name



Optional Forms - General Parameters page

Copy Because optional forms definitions can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar form sets. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will copy the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Associating Form Sets With Benefit Formulas

Benefit Formula Name Each set of optional forms is linked to a single benefit formula. Enter the name of the benefit formula function result in the **Benefit Formula Name** field.

Establishing 415 Applicability

Use Formset in 415 Processing

The 415 function, which applies Internal Revenue Code limits across plans, uses results from optional forms processing as the source of its benefit information. Select the **Use Formset in 415 Processing** option if the benefit is subject to 415 limits and enter the name of your 415 Limits rule.

For more information about 415 Limits, see PeopleSoft Pension Administration, "Applying 415 Limits"

Bypassing a Form Set

Bypass This Set If Custom Statement is True

You can choose to bypass this set under certain conditions by selecting **Bypass This Set If Custom Statement is True** and indicating the Custom Statement with your criteria. For example, you can bypass a set of early retirement optional forms if the employee isn't eligible for early retirement.

Establishing the Employee and Beneficiary Ages

Each set of forms is based on a particular benefit commencement date. This date is important when determining actuarially equivalent payment forms.

Definition Name

For the **Definition Name,** you can select ***Use Benefit Commencement Age*** or ***Use Lump Sum Age.*** Both these values come from the calculation page where the plan administrator can enter appropriate values at the time the calculation runs. If you select ***Use Other Age,*** enter a duration alias to specify that age.

Beneficiaries

Set the **Beneficiary Age** in the **Beneficiaries** group box.

Beneficiary Age

For the **Beneficiary Age,** you'll always use a duration **Alias** to produce the age. The duration should be from the beneficiary's date of birth (the delivered alias, Beneficiary Alias) to the same date you're using for the employee's age. Note that using the BENEF_DOB alias is preferable to using an alias to the spouse's birthdate because BENEF_DOB can find either spouse or nonspouse beneficiary birthdates.

If Plan Allows

In the **If Plan Allows** group box, indicate whether the plan allows nonspouse beneficiaries.

Allow Contingent Beneficiaries

If the plan allows nonspouse beneficiaries, select the **Allow Contingent Beneficiaries** check box. Selecting this option makes an additional optional form type available within this definition. The new form type, Spouse J&S Demonstration, calculates a joint and survivor benefit, but bases the calculation on the spouse's age rather than the nonspouse beneficiary's age. This shows how much the spouse is forfeiting when a retiree selects a nonspouse beneficiary.

If a single optional forms function result contains multiple definitions, be sure that all definitions use the same **Benefit Formula Name, Employee Optional Form Age,** and **Beneficiary Age** and that all the definitions are treated the same for 415 processing.

Normally you'll calculate optional forms as of different dates by running multiple calculations with different benefit commencement dates. However, you can also set up multiple optional forms Function Results so that a single calculation will produce optional forms for multiple dates. For example, you could create an optional form Function Result based on event date and another based on benefit commencement date.

Calculating the Non-Taxable Portion of the Benefit

If an employee has been contributing after-tax money toward a pension, a portion of the final benefit will be treated as non-taxable until the employee has recovered the after-tax contributions. For lump sum payments, this would be the entire *cost basis*, that is, the accumulated value of all the employee's after-tax contributions. For other forms of payments, the cost basis must be divided by a *divisor* to spread the cost basis over the expected number of monthly payments.

For example, a retiree with a cost basis of $2,600 and a divisor of 260 would recover the $2,600 over 260 monthly payments. This means that $10 of the retiree's monthly benefit would be non-taxable for the first 260 months that the retiree was receiving benefits. After the 260 months, the retiree's gross monthly pension benefit would still be the same, but all of it would be taxed.

Non-Taxable Amount Calculation

You can choose how to perform the **Non-Taxable Amount Calculation.**

If you select **Simplified Nontaxable Ben Calc** (simplified nontaxable benefit calculation), the system uses the simplified method as published in IRS Notice 98-2 to calculate the appropriate non-taxable portion of the benefit. As part of this calculation, the system will verify that the method is applicable. If the method isn't applicable, the system will call the Optional Forms user code module.

Alternatively, you can perform this calculation with your own User Code **for Nontaxable Ben.** (user code for nontaxable benefits) or you can choose **No Non-Taxable Ben. Calc.** (no non-taxable benefit calculation).

Note. If you use the system's simplified method calculation, you must implement user code to handle situations where the simplified method isn't applicable.

The simplified method isn't applicable if:

- The benefit commencement date is earlier than January 1, 1998.
- The employee is 75 years old or older and has a term certain benefit of five or more years (employees with certain and continuous benefits can use the simplified method).
- The plan is non-qualified.

The system will determine if the method is applicable and will generate a message when it isn't.

When the method is applicable, there are different rules for lump sums, certain only payments, and annuities.

For lump sum payments, all the nontaxable money is paid out at once. Let's say that Penelope's total after-tax contributions (her cost basis) is $9,000. If she takes a lump sum payment, the non-taxable portion would be $9,000.

For certain only payments, the divisor is the same as the number of guaranteed payments. So if Penelope were to choose a five year certain form of payment, she would receive her benefit over 60 monthly payments. Each month, $150 of her benefit (1/60 of her cost basis of $2,600) would be considered nontaxable.

For annuity forms of payment, the divisor is based on the age(s) of the people receiving benefits:

- If the benefit is payable to the retiree only or a single beneficiary (because the retiree has died before the benefit commencement date), the divisor is based on that one person's age.
- If the benefit is payable to the retiree and one or more beneficiaries, the divisor is based on the sum of the ages of the retiree and the youngest beneficiary.

- If the benefit is payable to multiple beneficiaries but not to the retiree (because the retiree dies before the benefit commencement date), the divisor is based on the sum of the ages of the oldest and the youngest beneficiary.



PeopleSoft Pension Administration handles a maximum of two beneficiaries: the spouse and a single nonspouse beneficiary.

When the divisor is based on a single life, the system finds the divisor based on the following table:

Single Age	***Expected Number of Monthly Payments***
55 or under	360
56 to 60	310
61 to 65	260
66 to 70	210
71 or over	160

For example, assume that Penelope starts receiving benefits at age 63 and she has no beneficiaries. Applying her divisor of 260 to her cost basis of $9,000, you find that that $34.62 of her benefit will be nontaxable for the first 260 payments.

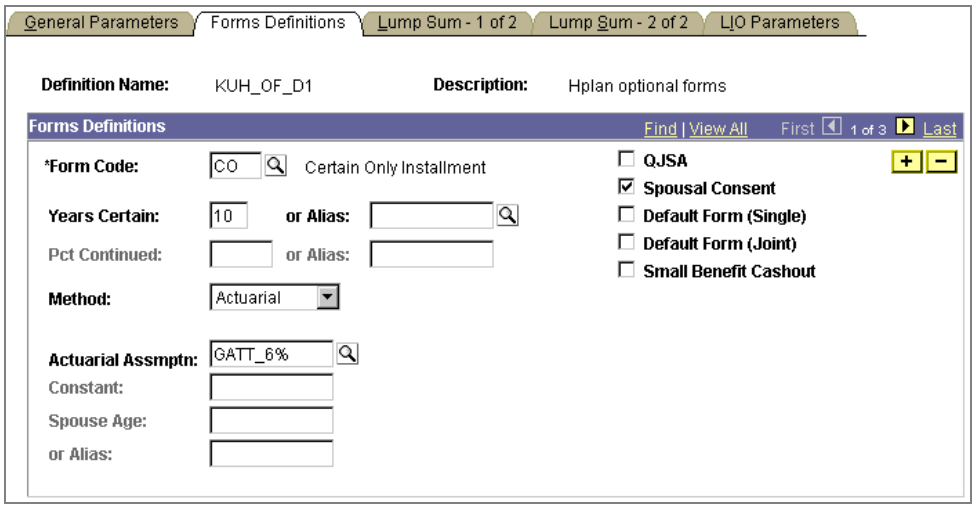
When the divisor is based on multiple lives, the system finds the divisor based on the following table:

Combined Ages	***Expected Number of Monthly Payments***
110 or under	410
111 to 120	360
121 to 130	310
131 to 140	260
141 or over	210
71 or over	160

For example, assume that Penelope's husband Jordan is her beneficiary. She starts receiving benefits when she is 63 and Jordan is 65. Their combined age of 128 gives us a divisor of 310. Applying this to her cost basis of $2,600, you find that $29.03 of the benefit will be nontaxable for the first 310 payments. This amount is the same whether Penelope or Jordan is receiving the benefit.

Optional Forms - Forms Definitions Page

Usage	Use the Optional Forms - Forms Definitions page to add options to an option set and to define the conversion method and other characteristics of each option.
Object Name	PA_OPT_FORMS2
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Optional Forms, Forms Definitions**
Access Requirements	Definition Name



Optional Forms - Forms Definitions page

Adding Individual Payment Forms

Form Code

This page contains a list of all optional forms within the set. Add as many forms as you need, including your normal form! For each optional form, first indicate the nature of the option in the **Form Code** fields. Your options are ***Certain Only Installment, Joint & Survivor Annuity, Life Annuity, Level Income Option, Last to Survive Annuity, Lump Sum, Pop Up Annuity, Reversionary Annuity,*** and, if you've indicated contingent beneficiaries are allowed, ***Spouse Demonstration JS.***

Years Certain

Certain forms require you to set additional parameters. If you select a ***Certain Only Installment*** or if you want to specify a guaranteed number of payments for any of the annuity options, enter the number of **Years Certain.**

Pct Continued (percent continued)

If the option includes a survivor benefit, for example, a ***Joint and Survivor Annuity*** or a ***Last to Survive Annuity,*** enter the **Pct Continued** to indicate the survivor's continuing percentage of the original annuity.

For level income options, which have both a pre- and post-Social Security Retirement Age (SSRA) amount, any **Pct Continued** is applied to the post-SSRA amount.

For more information about form types and a list of which types use the **Years Certain** and **Pct Continued** fields, see Overview of Form Codes.

Each form must have a unique combination of values in the form code, years certain, and percent continued fields. Because lump sums never use a years certain or percent continued value, you can only create one lump sum form per form set.

Choosing Benefit Conversion Methods

Method

For each form in the set, you need to specify a **Method** for determining the conversion factor. Your options are ***Actuarial, Table Lookup, Custom Statement, Constant,*** and User Code.

Actuarial Assmptn (actuarial assumption)

The **Actuarial Assmptn** field in the above illustration is for the actuarial assumption set if you choose an ***Actuarial*** method. This field becomes a field for a **Custom Statement** or a **Table Lookup** when you use one of those tools to calculate the factor.

Spouse Age

If you use an actuarial method for a Spouse J&S Demonstration optional form, enter an alias for the spouse's age in the **Spouse Age** field.

If you use a constant factor for your conversion, the **Spouse Age** field becomes a **Constant** field where you can enter a constant factor. For example, you might use a constant factor of one when you set up the normal form.

or Alias

You can also use an alias as your constant; enter this in the **or Alias** field.



If you use ***Table Lookup, Custom Statement,*** or ***Constant,*** you'll use these tools to produce an adjustment factor, not to calculate the actual value of the form. The optional forms calculation will apply the factor to find the value.

Because a level income option has two values, it has a special method for applying the factor. The factor is applied to the Social Security amount and the result is added to the normal benefit amount to determine the pre-SSRA value. The post-SSRA value is the pre-SSRA amount less the Social Security amount.

If you set a **Pct Continued** for the level income option, the factor is still used as described to calculate the pre-SSRA amount, but the system uses its own algorithm, described with the LIO Parameters page, to calculate the post-SSRA amount and the survivor benefit.

Setting Informational Indicators

QJSA — Indicate a Qualified Joint & Survivor option by selecting the **QJSA** check box.

Spousal Consent — Indicate forms that require spousal consent by selecting the **Spousal Consent** check box. These indicators are informational only. PeopleSoft Pension Administration doesn't check that the option is qualified, determine whether a form requires spousal consent, or check that spousal consent has been received before making payments.

Default Form (Single)/(Married) — Each optional form set has two default forms, one form for single participants and one for married participants. The default form is the form of payment the retiree will receive if no election is made. This differs from the normal form, which refers to the form of payment prior to the application of optional forms factors. Indicate the default forms by selecting **Default Form (Single)** and **Default Form (Married)** on the appropriate forms.

Small Benefit Cashout — Many form sets will include a lump sum form used only for small benefit cashouts. That is, the plan requires that benefits with a lump sum value under a specified amount must be paid in the form of a lump sum. If you create such a form, select the **Small Benefit Cashout** option. If the value is too large, the form will appear with no value in both the calculation results pages and the calculation worksheet. If the value is under the threshold, however, this will be the only form available. You'll set the threshold value on the Optional Forms - Lump Sum - 1 of 2 Page.

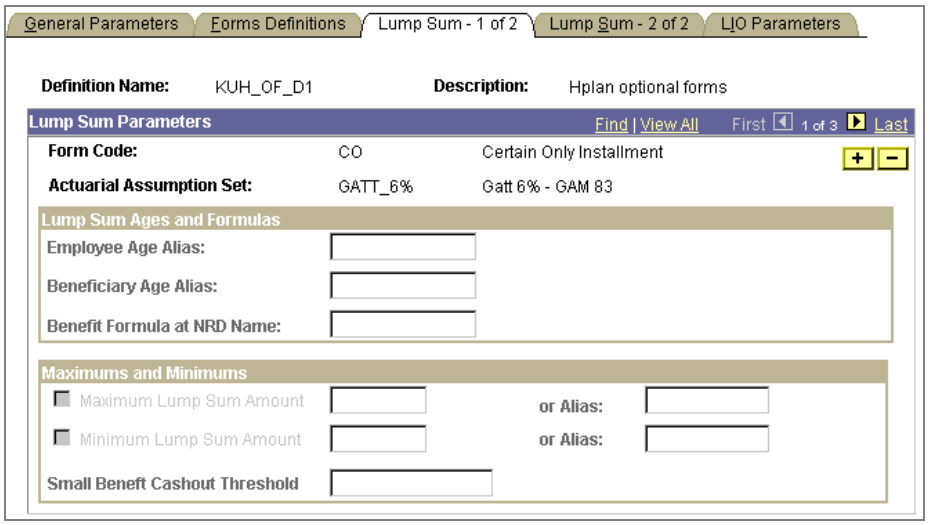
For 415 Only

The 415 function, which applies Internal Revenue Code limits across multiple plans, uses the optional forms results as the source of its benefit information. Because 415 limits needs to know the single life annuity (SLA) value of the benefit, any optional form set subject t 415 limits must include this form. If you don't offer an SLA option to participants (for example, if the normal form is a five year certain and continuous), you'll still create a SLA, but you'll indicate that the SLA option is for 415 processing only by selecting **For 415 Only.** This prevents the form from appearing in the calculation results.

Note. The **For 415 Only** field is invisible unless you're looking at an SLA form.

Optional Forms - Lump Sum - 1 of 2 Page

Usage	Use the Lump Sum - 1 of 2 and - 2 of 2 pages for additional information about lump sum forms. On the Lump Sum - 1 of 2 page, you'll set alternative employee ages and you'll apply any minimums, maximums, or small benefit cashout thresholds. Scroll through the forms you've created; the fields here are only available for lump sums.
Object Name	PA_OPT_FORMS3
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Optional Forms, Lump Sum - 1 of 2**
Access Requirements	Definition Name



Optional Forms - Lump Sum - 1 of 2 page

Setting the Lump Sum Payment Date

If you're using an actuarial method to find the lump sum value, the system needs to know the date when the lump sum is payable. And although we've said that all forms in the set apply at the same date, lump sum forms present a possible exception.

You can enter a lump sum date override, typically based on the lump sum date entered into the calculation page when the calculation is run. For example, for small benefit cashouts, the lump sum is paid out upon termination rather than on a retirement date twenty years in the future.

The **Employee Age Alias, Beneficiary Age Alias,** and **Benefit Formula at NRD Name** fields are the same as those on the General Parameters page, but the values you enter here will override the others for *this form only*. By entering overrides, you save yourself from having to set up a separate optional forms function result for the other date or from having to run a separate calculation to get the lump sum value on a different date.

These fields are only available for lump sums calculated with an actuarial method.

Defining a Lump Sum Range

Maximum/ Minimum Lump Sum

You can set a minimum and maximum value for the lump sum by selecting either or both of the **Maximum Lump Sum** and **Minimum Lump Sum** check boxes and entering the limits in the adjoining fields. If the lump sum falls outside the range, the system will still offer the form, but it will adjust the value to fall within the limits.

or Alias

You can also use an alias as your constant; enter this in the **or Alias** field.

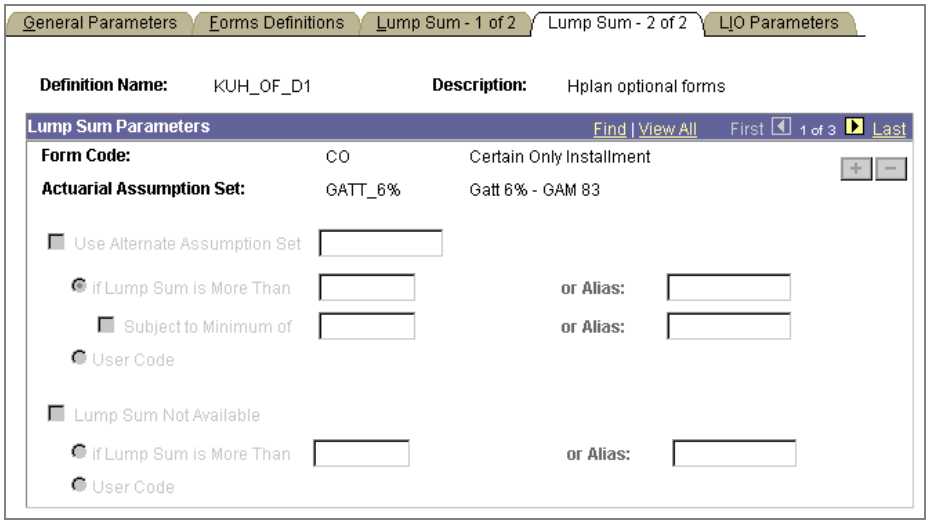
Setting a Small Benefit Cashout Threshold

Small Benefit Cashout Threshold

On the Forms Definitions page, you can specify if the lump sum is a small benefit cashout. That is, the plan requires that benefits with a lump sum value under a specified amount must be paid in the form of a lump sum. For such forms, you'll indicate the threshold amount - typically $5,000 for plan years starting after August 1997 - in the **Small Benefit Cashout Threshold** field.

Optional Forms - Lump Sum - 2 of 2 Page

Usage	Use the Optional Forms - Lump Sum - 2 of 2 page to establish alternative lump sum actuarial assumptions and to set a threshold above which the lump sum won't be offered.
Object Name	PA_OPT_FORMS4
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Optional Forms, Lump Sum - 2 of 2**
Access Requirements	Definition Name



Optional Forms - Lump Sum - 2 of 2 page

Use Alternate Assumption Set

For qualified plans, there are government regulations regarding the conversion method used for lump sums over $25,000. If your actuarial conversion method doesn't already use acceptable assumptions, you can specify that it should in cases where the lump sum value exceeds the threshold. To activate this option, select the **Use Alternate Assumption Set** check box and enter the threshold constant in the ***if Lump Sum is More Than*** field. You'll also enter the name of the alternate assumption set.

To use an alternate assumption set under conditions other than a threshold value, you'll select the User Code option.

or Alias

You can also use an alias as your constant; enter this in the **or Alias** field.

Subject to Minimum of

To prevent the revised lump sum from falling below the original, or any other, threshold, select the **Subject to Minimum of** option and enter the minimum amount.

or Alias

You can also use an alias as your constant; enter this in the **or Alias** field.

Lump Sum Not Available

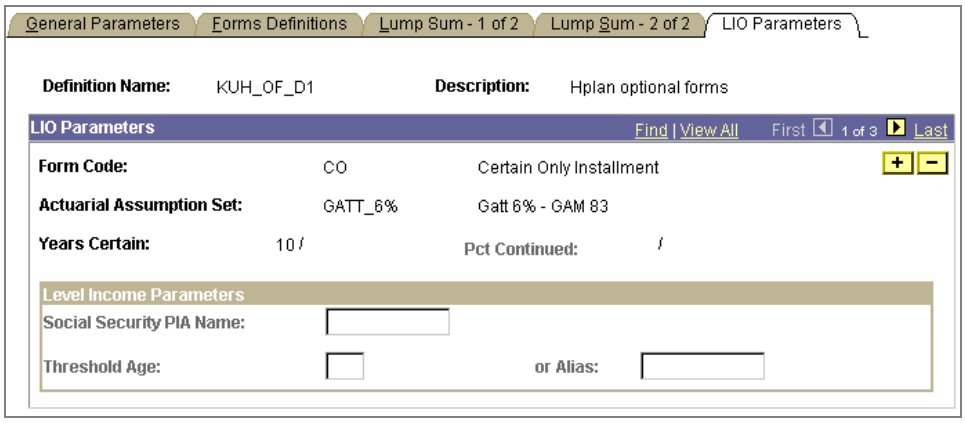
To make the lump sum option unavailable if it's above a specified threshold value, select **Lump Sum Not Available,** choose ***If Lump Sum Is More Than*** and enter the threshold value. You can also use your own User Code to establish the conditions when the lump sum isn't available.

or Alias

You can also use an alias as your constant; enter this in the **or Alias** field.

Optional Forms - LIO Parameters Page

Usage	Use the Optional Forms - LIO Parameters page for additional information about level income option forms.
Object Name	PA_OPT_FORMS5
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Optional Forms**
Prerequisites	Each form you've entered in the previous page appears in the scrolling region of this page, identified by Form Code, Years Certain, Pct Continued, and for actuarially calculation forms, the Actuarial Assumption Set.
Access Requirements	Definition Name



Optional Forms – LIO Parameters page

Setting Level Income Parameters

Social Security PIA Name A level income option attempts to make the combination of pension and Social Security benefits equal both before and after Social Security benefits begin by providing an increased benefit before Social Security Retirement Age (SSRA) and a decreased benefit afterwards. You need to indicate the **Social Security PIA Name** (the Social Security function result) that will provide the estimated monthly Social Security benefit.

Threshold Age In order to adjust the benefit at the appropriate time, the system also needs to know the **Threshold Age** at which the Social Security benefit is assumed to begin. You can enter either a constant age or an alias. The level income option isn't available to employees older than the threshold age, and therefore won't appear in the calculation results for such employees.

or Alias Enter either a constant age **or Alias.**

There is a system-delivered alias, SSRA_DT, that provides the employees Social Security Retirement Date. To create a duration alias for the SSRA, use the employee's birth date (the delivered BIRTH_DT alias) and SSRA_DT as the duration endpoints.

Understanding Level Income Option Survivor Benefits

The system calculates the value of an n% continued LIO as follows:

1. The level income option is calculated as if it were a single life LIO, disregarding the percent continued aspect. This calculation uses the method you've specified in the Form Definitions : actuarial, table lookup, custom statement, constant, or user code.

2. The employee's post-SSRA amount is offset by the difference between a single life annuity and a n% J&S. The employee's pre-SSRA amount remains the same.

3. The beneficiary amount is n% of the employee's post-SSRA benefit. There are no separate pre- and post-SSRA amounts for the beneficiary.

For example:

Form	*Employee*	*Beneficiary*	*Comments*
Single Life Annuity	$1,000	N/A	
50% J&S (assume cost is 10%)	$900	$450	Dollar cost of the J&S is $100
Single Life LIO	$1,750 pre SSRA $750 post SSRA	N/A	The assumed Social Security benefit is $1000
50% J&S LIO	$1,750 pre SSRA $650 post SSRA	325	a) The employee's post-SSRA benefit is reduced by the dollar cost of the J&S. b) The beneficiary amount is n% of the employee's post-SSRA benefit.

These figures are obtained through the following calculation steps:

A. Calculate employee's LIO benefits without considering J&S component:

   Employee pre-SSRA = $1,750; Employee post-SSRA = $750

B. Compare Single Life Annuity to 50% J&S to find the dollar cost of the J&S:

   $1,000 - $900 = $100

C. Offset employee's post-SSRA benefit by the J&S reduction. This is the new employee post-SSRA amount:

$750 - $100 = $650

D. Beneficiary amount = 50% times employee post-SSRA amount:

50% * $650 = $325



In order to perform an n% J&S LIO calculation, the optional form set *must* also include a single life annuity, an n% J&S, and a single life LIO.

Overview of Form Codes

Following are the form codes, their definitions, and information as to whether the **Years Certain** and **Pct Continued** options are necessary (Y), not applicable (N/A), or optional (O).

Code	*Full Name*	*Description*
CO	Certain Only Installment Years Certain: **Y** Pct Continued: **N/A**	Amount is paid for a specified number of years and no longer. If participant dies, any remaining payments are made to a beneficiary.
JS	Joint & Survivor Annuity Years Certain: **O** Pct Continued: **Y**	One amount is paid until the participant dies, at which time another payment - reduced to the percent continued - begins and continues until the beneficiary dies.
LIFE	Life Annuity Years Certain: **O** Pct Continued: **N/A**	A periodic amount paid for the life of the participant.
LIO	Level Income Option Years Certain: **O** Pct Continued: **O**	A monthly payment that is reduced at Social Security Retirement Age by the estimated amount of money to be received from Social Security.

LTS	Last To Survive Annuity Years Certain: **O** Pct Continued: **Y**	Similar to a Joint & Survivor annuity, except that the percent continued amount is payable to the survivor when either the retiree or the spouse dies.
LUMP	Lump Sum Years Certain: **N/A** Pct Continued: **N/A**	One-time payment.
POP	Pop Up Annuity Years Certain: **O** Pct Continued: **Y**	Similar to a Joint & Survivor annuity, except that the participant's otherwise reduced benefit "pops up" to the single life annuity level if the beneficiary pre-deceases the participant.
REV	Reversionary Annuity Years Certain: **O** Pct Continued: **N/A**	The entire benefit is paid as a life annuity to a beneficiary upon the retiree's death. The system's actuarial calculation of a reversionary annuity assumes that the benefit is forfeited if the beneficiary predeceases the retiree. If your plan rules differ, use a different method for calculating this optional form. If you enter a Years Certain, the certain period starts when the beneficiary begins receiving payments.
SPJS	Spouse Demonstration Joint & Survivor Years Certain: **O** Pct Continued: **Y**	No actual benefit; this is informational only to show the benefit that the spouse is losing if the participant names a nonspouse beneficiary.

Any time you specify a number of **Years Certain,** any payments remaining after the participant dies are paid to a beneficiary.

Note that there is no separate form code for certain and continuous forms of payment. You'll create these forms by adding **Years Certain** criteria to other forms - typically, to a single life annuity (LIFE), but possibly to joint and survivor or other forms as well. For example, a 10 year certain and continuous with no joint and survivor criteria would look like this:

Overview of Payment Types

Each form produces payment amounts for some combination of three people: the retiree, a spouse beneficiary, and a nonspouse beneficiary.

Retiree Payment Types

Retiree Amount	Amount due to the retiree. Except in the case of lump sums, this is normally a monthly amount payable until death.
Retiree Pre- and Post-SSRA Amounts	Under a level income option (LIO), the retiree's benefit is higher before the retiree reaches Social Security Retirement Age (SSRA) and is lower afterwards when the retiree has presumably started receiving Social Security benefits. Therefore, LIO forms produce two separate retiree amounts identified as the pre- and post-SSRA amount.
Pop Up Amount	Under a pop-up form of payment, the retiree amount increases if the beneficiary predeceases the retiree. The pop-up amount is this increased retiree amount.

Beneficiary Payment Types

Plan Beneficiary Amount	Amount payable to a spouse beneficiary on the retiree's death. This can come from two different sources: a joint and survivor form (or any form which includes a percent continued) elected by the retiree and an automatic plan benefit for which there is no actuarial reduction.
Nonspouse Beneficiary Amount	Amount payable to a nonspouse beneficiary after the retiree's death under a joint and survivor form of payment.
Spouse Demonstration JS	If a married retiree selects a nonspouse beneficiary, the retiree's spouse is entitled to know the amount that would have been payable to the spouse if the retiree had named the spouse as the beneficiary instead of naming a nonspouse beneficiary. This is different from the nonspouse beneficiary amount because the actuarial adjustment is based on the spouses age rather than the nonspouse beneficiary's age.
Survivor Amount	In a last to survive form, the amount due to the retiree or spouse after the other one has died.

Matching Optional Forms to Payment Types

The following table shows which payment types the various forms of payment produce.

Note that there will be different payment forms depending on whether the beneficiary is a spouse or not. The "two beneficiaries" scenario means that there is an automatic benefit paid to the spouse when the retiree dies, and another survivor benefit paid to a nonspouse when the retiree dies.

Form	*No Beneficiary*	*Spouse Beneficiary*	*Nonspouse Beneficiary*	*Two Beneficiaries*
Certain Only	Retiree Amount	n/a	n/a	n/a
Joint and Survivor	n/a	Retiree Amount Plan Beneficiary Amount	Retiree Amount Nonspouse Beneficiary Amount	Retiree Amount Plan Beneficiary Amount Nonspouse Beneficiary Amount
Life Annuity	Retiree Amount	n/a	n/a	n/a
Level Income Option	Retiree Amount	Retiree Amount Plan Beneficiary Amount	Retiree Amount Nonspouse Beneficiary Amount	Retiree Amount Plan Beneficiary Amount Nonspouse Beneficiary Amount
Last to Survive Annuity	n/a	Retiree Amount Survivor Amount	Retiree Amount Survivor Amount	Retiree Amount Plan Beneficiary Amount Survivor Amount
Lump Sum	Retiree Amount	n/a	n/a	n/a
Pop Up Annuity	n/a	Retiree Amount Pop Up Amount Plan Beneficiary Amount	Retiree Amount Pop Up Amount Nonspouse Beneficiary Amount	Retiree Amount Pop Up Amount Plan Beneficiary Amount Nonspouse Beneficiary Amount
Reversionary Annuity	n/a	Plan Beneficiary Amount	Nonspouse Beneficiary Amount	Plan Beneficiary Amount Nonspouse Beneficiary Amount
Spouse Demonstration Joint & Survivor	n/a	Retiree Amount Plan Beneficiary Amount	Retiree Amount Plan Beneficiary Amount	Retiree Amount Plan Beneficiary Amount

QDRO Considerations for Optional Forms

If your company intends to calculate QDRO benefits using PeopleSoft Pension Administration, be sure your plan rules support these calculations. QDRO calculations typically start with a fixed benefit amount and only run the early/late adjustments, benefit formula, and optional forms

functions. Even if there are minimal optional forms available to QDRO alternate payees, you need to have optional forms results available so the payment process has access to the payment amounts.

Because QDRO alternate payees aren't permitted to make a new spouse the beneficiary of a QDRO benefit, Joint & Survivor forms are generally not available to QDRO alternate payees unless the plan permits nonspouse beneficiaries.

Creating QDRO-Specific Definitions

If you offer limited optional form choices offered to alternate payees, you may need to use different definitions for the original employee and for the alternate payee. You can handle this requirement through the system's grouping capabilities. Your function result might look like this:

Group Criteria	*Definition*
Regular Employees	Full set of optional forms
QDRO alternate payees	Reduced set of optional forms

Using Aliases in QDRO Calculations

In order to perform calculations for QDRO alternate payees, a pension administrator will first create an Employee ID - actually, a "non-employee" ID - for the alternate payee. This enables the administrator to run the QDRO calculation based on the alternate payee ID.



Because the calculation is based on the QDRO payee's ID, *all aliases referencing employee data are resolved based on the QDRO payee data, not the original employee.* It is extremely important to keep this in mind as you set up your plan rules.

For example, the alias BIRTH_DT would produce the alternate payee's date of birth, not the original employee's date of birth. The alias SBIRTH_DT, which normally references an employee's spouse's birth date, is usually not valid for QDRO calculations, which typically don't incorporate any reference to a new spouse. If you want to reference the original employee's birth date in a QDRO calculation, use the special alias QDRO_EE_BD (QDRO employee birth date).

CHAPTER 29

Applying 415 Limits

Section 415 of the Internal Revenue Code limits an employee's total pension benefit from all qualified pension plans. PeopleSoft Pension Administration deals with two aspects of this regulation: 415(b) limits the total benefit from all defined benefit plans, and 415(e) limits the amount employees can receive from defined benefit plans relative to benefits received from their defined contribution plans.

Under 415(b), the limit for all defined benefit plans is the lesser of:

- Maximum Dollar Limitation - a constant dollar amount. This amount is $90,000 as adjusted by the IRS for inflation each calendar year.
- Final Average Earnings Limitation - 100% of the participant's average compensation for the consecutive high three years.

Because 415 limits apply to multiple plans, the calculation handles this function somewhat differently than any other. You'll create a single 415 Function Result for all plans.



Section 415 also limits annual contributions to defined contribution plans such as 401(k) plans. For more information about that aspect of 415 limits, see Understanding the 415 Limit.

Using 415 Limits Results

The 415 Limits function produces a second set of Optional Forms results for every optional form set subject to these limits. If a limited result is present, the system will use this amount when you pay your retirees.

To see if 415 limits were applied, compare the limited and unlimited Optional Forms results. Both sets of results are shown in the Calculation Results - Optional Forms Page.

Calculation Results Main - 415 Limits Page shows the actual limit, a list of the benefits subject to the limit, and the unlimited and limited amount single life annuity value of each of those benefits.

Incorporating 415 Limits into the Job Stream

Section 415 limits apply to multiple plans. Because the 415 Limits function must, by its very nature, processes all plans together, you'll create a single 415 Function Result for all plans. Don't create one per plan: create only one for the entire system.

Normally the calculation processes each plan in the order you specify in the Order Plans Page. Within each plan, the calculation processes Function Results in the order you specify in the Plan Implementation Page. Your 415 Function Result is an important exception to this rule.

When the calculation encounters a 415 Function Result in a plan, processing for that Function Result is delayed. The calculation continues with any remaining processing in that plan and with any subsequent plans until it encounters a nonqualified plan (or finished processing all plans, if all plans are qualified). At this point the system processes the 415 limits. Nonqualified plans run after 415 limits.



To ensure proper 415 processing, order your plans so that all qualified plans run before all nonqualified plans.

When 415 gets processed, the Optional Forms will reflect both the limited and unlimited amount. However, benefit formula results aren't adjusted to show the limits. Because the benefit formula isn't adjusted, you won't be able to reference the unlimited amount it if you want to find the difference between the limited and unlimited benefit, for example, if you have a nonqualified plan that makes up the difference.

Because the 415 function always runs at a specific point in the calculation, you have some flexibility as to which plan will house your 415 Function Result. You do need to put it in one of the plans before the 415 processing point, that is, into one of your qualified plans.

Strategies for Implementing 415 Limits

A key issue as you set up your 415 limits involves where the 415 definition gets some of the data it needs, for example, how much participation service the employee has and what the average earnings for the high three years are.

In order to set up the 415 definition, you'll have to identify Function Results that provide this data. Some Function Results, such as the participation service, may already be part of your plan implementation. Other Function Results, such as the average earnings, will probably have to be set up especially for 415.

When you set up your 415 processing, you have to be sure you've put both the 415 Function Result *and all its component Function Results* into the same plan. There are two approaches to this:

- Incorporate the Function Results into an existing qualified plan.
- Set up a dummy plan for 415 and put all Function Results in there.

Incorporating 415 Into Existing Plans

Incorporating 415 processing into existing plans works best if you have a single qualified plan. This is because elements such as "participation service" are unambiguous for a single plan and you can simply reuse the plan's existing Function Results. One aspect of this strategy is that you now have an extra Final Average Earnings Function Result in the plan (unless the plan uses the same rules as the 415 limits) and the results from this Function Result will appear on your calculation worksheet and in the calculation results pages. If you like, you can modify the worksheet and results pages not to show this result.

Setting Up a Dummy Plan for 415

Implementing 415 processing in a dummy plan is the better strategy if the component Function Results are all 415-specific and can't be borrowed from your existing plans. Setting up a dummy plan enables you to avoid 415 processing when you know the employee won't exceed the limits and only run 415 processing for your highly compensated employees. This approach also neatly separates all the 415-specific Function Results from those with direct impact on the benefit.

A 415 dummy plan requires its own Plan Eligibility processing. One approach to setting up eligibility for the dummy plan is to blend the requirements from all other qualified plans to create a single timeline showing when the employee was eligible and ineligible for any plan. You can thus accrue participation service based on eligibility for the dummy plan.

Another approach is to simply reference the eligibility results from other plans. In this case, your dummy plan has to be the last qualified plan in the Order Plans page. Remember that the Eligibility results from the other plans can be "Y," for yes, "N," for no, or "P," for previously eligible. Your dummy plan eligibility should pick up both "Y" and "P" values. In this scenario, the dummy plan eligibility can't build an eligibility timeline. This is because the "Y," "N," and "P" values aren't effective-dated. Therefore, all employees would appear to have been always eligible for the dummy plan. This means you can't set up accruals based on eligible and ineligible periods of time. You'll have to calculate 415 participation service using another method.

Applying 415 Limits to Contributory Plans

Section 415 limits only apply to the employer-paid portion of a benefit. Because the 415 function obtains the unlimited amount from optional forms, you'll need optional forms for the employer-paid benefit.

When 415 limits are applied to the employer-paid benefit, *only optional forms based on that benefit will reflect the limits.* A subsequent benefit formula that recombines the employee- and employer-paid benefits won't be recalculated after 415 limits are applied, nor will any optional forms based on that total benefit amount.



The system doesn't support recombining employee- and employer- paid benefit for highly compensated employees.

You can work around the limitation by running an initial calculation to find the limited employer-paid portion, then running a second calculation where you override the employer-paid benefit with that limited amount in order to provide the appropriate amount to the combined benefit formula and optional forms.



For more information and a sample job stream, see Setting up Contributory Plans: Managing the Employee- and Employer-Paid Benefits.

Overview of 415 Processing

PeopleSoft's 415 Limit processing can be broken into three parts: finding the amounts subject to the limits, finding the limits themselves, and applying the limits.

The first part, finding the amounts subject to the limit, happened during Optional Forms processing: your optional forms definitions have a flag where you mark whether the benefit is subject to the limits. The 415 definition controls the rest of the process: finding the limits and applying them.

When benefits are reduced for 415, you'll see the reduced amounts in the associated Optional Forms Function Result. These are the only results that will change due to 415 processing.



The benefit amount (the Benefit Formula Function Result) doesn't get updated; it still shows the pre-415 limits amount.

Finding the Amount Subject to Limits

You'll indicate that benefits are subject to the limit by selecting the **Use Formset in 415 Processing** check box in the Optional Forms pages.

If you have multiple benefit formulas and optional form sets representing the same benefit, for example, an early retirement benefit and a normal retirement benefit, be sure to only include one.

In a contributory plan, only the employer-paid portion of a benefit is subject to 415 limits.

Section 415 limits are always applied to the single life annuity value of the benefit. If the normal form of the benefit isn't a single life annuity, you must be sure to include one in the optional form set. If the single life annuity is only for 415 purposes and not an actual option for your employees, you can select the **For 415 Only** check box in the optional forms definition. This prevents the option from appearing in your calculation results.

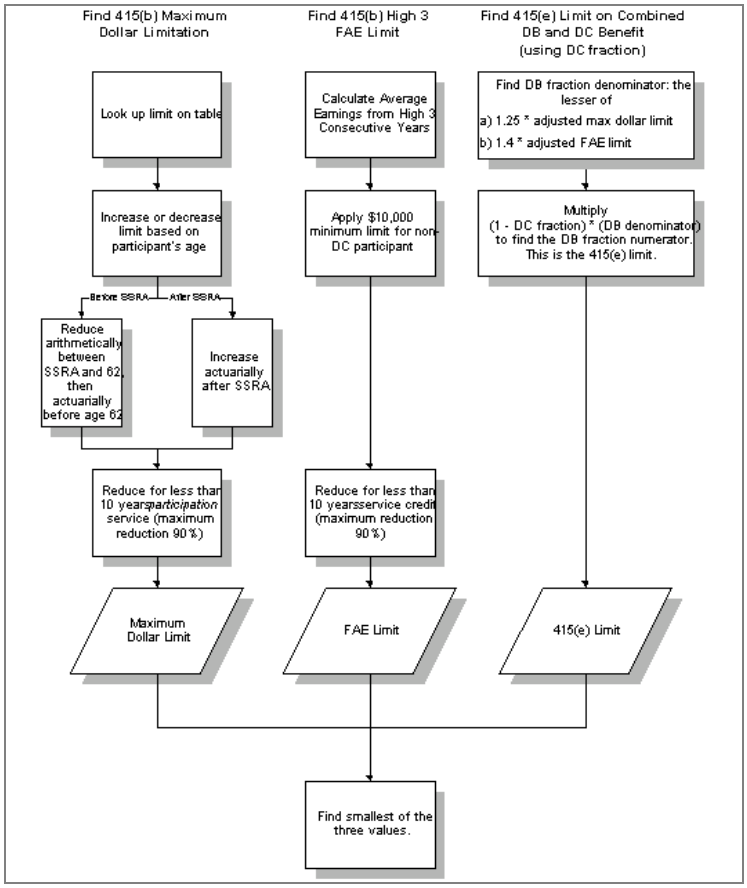
For more information about optional forms and applying 415 limits within optional forms definitions, see Defining Optional Forms. For more information about separating the employee-paid benefit and employer-paid benefit so that you can apply the limits only to the employer-paid portion, see Defining the Employee-Paid Benefit.

Determining the Limits

This is the most complex part of the process. You'll go through all the parameters used during this stage when you look at the 415 pages. The following diagram, however, summarizes the process.

To establish the 415(e) limit, you can provide either the DC fraction or the final (dollar) amount of the 415(e) limit. The 415(e) processing in this diagram occurs only when you provide the fraction, not when you provide the dollar amount.

The PeopleSoft HRMS system doesn't calculate the DC fraction.



Calculating 415 Limits

Reducing the Benefit

If the benefit (still expressed as a single life annuity) is over the limit, the system subtracts the benefit from the limit to find how much the benefit needs to be reduced. If there are multiple plans providing the benefit, you have two options for distributing the reduction: proportionately or by precedence order.

Once benefits are reduced, the system converts each plan's limited benefit back to its normal form using the same optional forms rules used to convert to the single life annuity.

Limited optional forms are calculated using the same factors used by the unlimited benefit with one exception: to convert to any forms flagged "QJSA" (Qualified Joint & Survivor Annuity), the system puts the regular conversion rules aside and applies the final 415 limit directly to the unreduced QJSA amounts. If the original QJSA value is less than the 415 limit, it is retained.

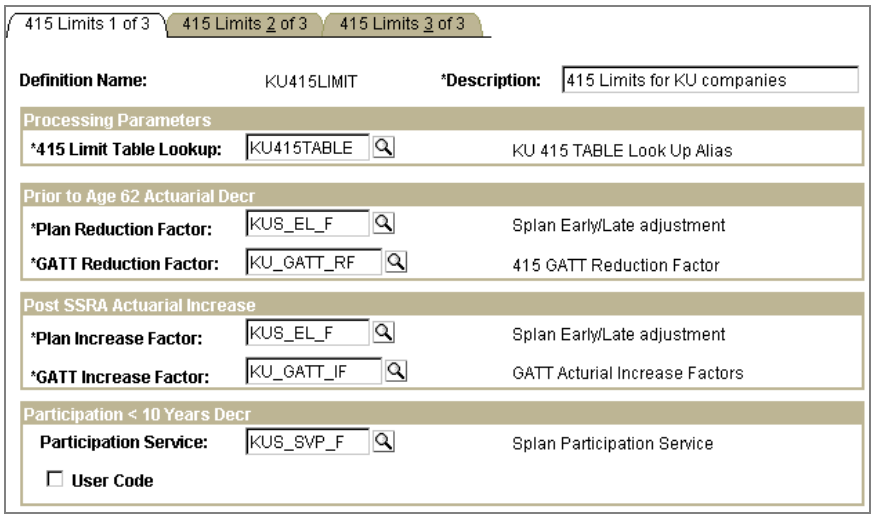
Creating a 415 Limits Definition

To set up the 415 Limit function, go to the 415 Limit Parameters component. Use the three pages in this component to establish options for implementing the limits.

On the first page, 415 Limits 1 of 3, you'll find and adjust the 415(b) maximum dollar limitation. On 415 Limits 2 of 3, you'll find and adjust the 415(b) average earnings limitation and specify the source of 415(e) data. Finally, on 415 Limits 3 of 3, you'll allocate benefit reductions across multiple plans.

415 Limits Parameters - 415 Limits 1 of 3 Page

Usage	Use the 415 Limits Parameters - 415 Limits 1 of 3 page to define the 415(b) maximum dollar limit. You'll set up the normal limit and conditions for increasing or reducing that limit.
Object Name	PA_415_PNL
Navigation	**Define Business Rules, Maintain Pension Plans, Define, 415 Limits Parameters, 415 Limits 1 of 3**
Access Requirements	Definition Name



415 Limits Parameters - 415 Limits 1 of 3 page

Finding the Dollar Limit

Processing Parameters The system uses the table lookup utility to find the 415(b) dollar limit for the event year. Before completing your 415 Limit parameters, set up a table lookup alias under **Processing Parameters** to reference your limit table.

415 Limit Table Lookup Under **Processing Parameters,** enter this table lookup name in the **415 Limit Table Lookup** field.

The table lookup you create should:

- Use the table PS_PA_TL_415_LIMIT. You can enter values in this table on the 415 Limits - 415(b) Max Dollar Limits Page.
- Be defined as "program generated" in the Table Lookup Alias Page. This means that the system knows the lookup value (the event year) and you don't have to set up an alias to get this value.

For more information about Table Lookups, see Creating Table Lookup Aliases. To learn about the 415 Limit table provided with the system, see 415 Limits - 415(c) DC Limits Page.

Reducing the Limits for Retirement Before Age 62

Prior to Age 62 Actuarial Decrease

When an employee begins receiving benefits between age 62 and SSRA, there is a fixed arithmetic reduction of 5/9 of 1% for each month up to the first 36 months and 5/12 of 1% for the next 24 months.

When the employee is younger than 62, there is an additional actuarial reduction, the **Prior to Age 62 Actuarial Decrease.**

Plan/GATT Reduction Factor

To set up the **Prior to Age 62 Actuarial Decrease,** specify both a **Plan Reduction Factor** and a **GATT Reduction Factor.** The system will use the lesser of the two factors, thus providing the greater reduction. Even if you sponsor multiple qualified plans, you can only enter a single plan reduction factor.

The factors are results from the Early/Late Adjustments function. Remember, early/late adjustments can produce actuarial factors in addition to the arithmetic factors typically used for early retirement reductions.

You may need to create Early/Late Adjustments Function Results specifically for 415, or you may be able to reuse one from one of your plans. To set up the GATT adjustments, create an Early/Late Adjustments Function Result that uses GATT-compliant actuarial assumptions.

Increasing the Limits for Retirement After SSRA

Plan/GATT Increase Factor

To set up the **Post SSRA Actuarial Increase,** specify both a **Plan Increase Factor** and a **GATT Increase Factor.** The system will use the lesser of the two factors, thus providing the smaller increase. Even if you sponsor multiple qualified plans, you can only enter a single plan increase factor. You may need to create one specifically for 415, or you may be able to reuse one from one of your plans. To set up the GATT adjustments, create an Early/Late Adjustments Function Result that uses GATT-compliant actuarial assumptions.

Note. For purposes of 415 calculations, SSRA is always expressed in whole years: age 65, 66, or 67. Increments such as 65 years and 2 months don't apply.

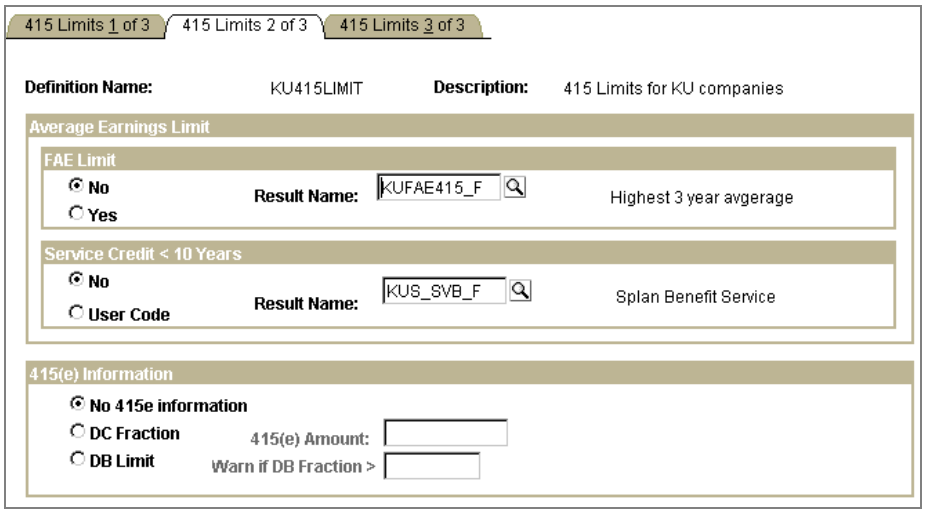
Reducing the Dollar Limit for Short Participation Service

Participation < 10 Years Decrease	Under **Participation < 10 Years Decrease,** you may further reduce the 415 dollar limit when an employee has less than ten years of participation service across all plans.
Participation Service	Enter a Service Function Result representing the accrued **Participation Service.** Even if you sponsor multiple qualified plans, you can only enter a single participation Service Function Result, so you may need to create one just for your 415 calculations.
User Code	Alternatively, you can use your own User Code Module Names to determine participation service.

When participation is less than ten years, the system then reduces the limit using a factor found by dividing the years of participation service by ten. For example, an employee with 6.5 years of participation service is subject to a limit reduction of 65%.

415 Limits Parameters - 415 Limits 2 of 3 Page

Usage	Use the 415 Limits Parameters - 415 Limits 2 of 3 page to define the 415(b) average earnings limit for defined benefit plans and the 415(e) limits for combined defined benefit and defined contribution plans.
Object Name	PA_415_PNL2
Navigation	**Define Business Rules, Maintain Pension Plans, Define, 415 Limits Parameters, 415 Limits 2 of 3**
Access Requirements	Definition Name



415 Limits Parameters - 415 Limits 2 of 3 page

Finding the Average Earnings Limit

FAE Limit Use the **FAE Limit** group box to find the 415 average earnings limit.

Function Result Enter a final average earnings **Function Result** to find the 415 average earnings limit. Don't be misled by the word "final"; set up the definition to meet the "high three" criteria required by section 415.

Result Name Once you've created the Function Result that will calculate this limit, enter the **Result Name.**

User Code Alternatively, you can use your own User Code Module Names to determine the applicable earnings limit.



It's up to you to set up an FAE Function Result for the highest consecutive 3-year earnings. For more information about final average earnings, see Defining Final Average Earnings.

Setting a Minimum 415(b) Limit

The 415 limits are subject to a minimum of $10,000 for employees who have never participated in a defined contribution (DC) plan. The 415 Limits function automatically applies this rule.

The 415 Limits function judges whether an employee has been in a DC plan based on the presence or absence of DC information in the Employee 415(e) Fraction Page. The data in this page is actually used for 415(e) limits on the combined DB and DC benefit, but the system assumes that if there is no data, there is no DC information and therefore the employee isn't a DC participant.

Reducing the FAE Limit for Short Service Credit

Service Credit < 10 Years The system further reduces the 415 average earnings limit (after applying the $10,000 minimum!) when an employee has less than ten years of credited service across plans, using the **Service Credit < 10 Years** field. This service may or may not be measured the same way as the participation service used to adjust the dollar limit.

Function Result Enter a Service **Function Result** representing the accrued service. Note that the service credit isn't necessarily the same as the participation service used to adjust the maximum dollar limit.

Result Name Even if you sponsor multiple qualified plans, you can only enter a single Service **Result Name**, so you may need to create one just for your 415 calculations.

User Code Alternatively, you can use your own User Code to determine service credit.

When service credit is less than ten years, the system then reduces the limit using a factor found by dividing the years of service by ten. For example, an employee with 6.5 years of participation service is subject to a limit reduction of 65%.

Understanding the 415(e) Calculation

Section 415(e) limits the combined benefit from defined benefit (DB) and defined contribution (DC) plans. Under the combined limits, the sponsor must designate which plan (DB or DC) is primary. Any reduction necessitated by 415(e) is made to the non-primary plan. Because PeopleSoft Pension Administration only calculates DB plan benefits, you'll only use the system's 415(e) limit functionality if the DC plan is primary and benefits in excess of the limit result in a reduction to the DB plan.

The 415(e) limitation is that the sum of the "DB fraction" and the "DC fraction" can't exceed 1. The DB fraction is defined as

$$\frac{\text{DB Benefit}}{\text{Min}[(1.25 * \$Limit), (1.4 * FAE_Limit)]}$$

where `$Limit` is the 415(b) maximum dollar limit after adjustments for age and short service, and `FAE_Limit` is the 415(b) average earnings limit after adjustments for short service.

The following equations start with the 415(e) formula and continue to derive a formula for the maximum DB benefit (assuming that the DB benefit is the one that gets reduced if the limit is exceeded):

```
DBfraction + DCfraction <= 1
```

```
DBfraction <= 1 - DCfraction

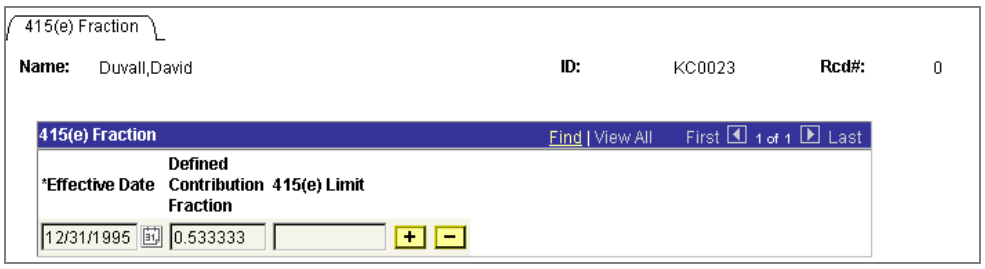

_________________DB Benefit      ___ ________ <= 1 - DC Fraction

Min[(1.25 * $Limit), (1.4 * FAE_Limit)]


DB Benefit <= (1 - DCfraction) * [Min[(1.25 * $Limit), (1.4 * FAE_Limit)]]
```

The right side of the final equation represents the maximum allowable benefit under 415(e). Because you calculated the dollar limit and the average earnings limit during your 415(b) calculations, the only variable you're missing is the DC fraction.

Because the system doesn't have access to DC information, your plan administrator will have to provide DC information. In the 415(e) Fraction page, the administrator can enter either the DC fraction or an already calculated 415(e) limit.



Entering the DC Fraction on the 415(e) Fraction page

Accessing DC Fraction Information

415(e) Information In your 415 definition, use the **415(e) Information** parameters to tell the system where to find the DC fraction.

No 415(e) information If you don't want the system to calculate 415(e) limits, select **No 415e Information.** You might choose this if you don't sponsor a DC plan or if you have a DC plan, but the DB plan is primary.

DC Fraction Select **DC Fraction** if you store the DC fraction in the system. In the **415(e) Amount** field, enter an alias to the field where the DC fraction is stored. If you use the 415(e) Fraction page we've provided, you'll use the delivered alias DC_FRACTN.

DB Limit Select **DB Limit** if you store the precalculated limits, that is, the dollar amount of the 415(e) limit. In the **415(e) Amount** field, enter an alias to the field where this limit is stored. If you use the 415(e) Fraction page we've provided, you'll use the delivered alias DB_LIMIT.



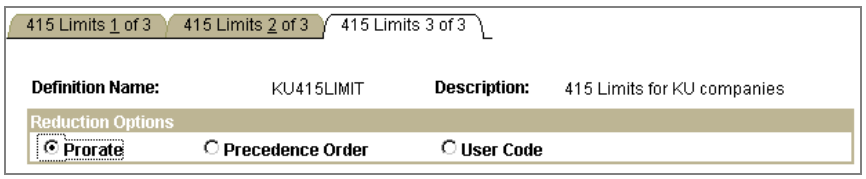
You're choosing to always use the fraction or to always use the limit. Therefore, you should remove the unused field from the 415(e) Fraction page to ensure that your users don't enter information that the 415 Limits function won't recognize.

Generating a DB Fraction Warning

Warn if DB Fraction > PeopleSoft Pension Administration calculates the DB fraction using the final, limited benefit. You can configure the system to notify you if the DB fraction exceeds a specified threshold. Enter a threshold in the **Warn if DB Fraction >** field. The warning appears in the calculation messages and on the calculation worksheet.

415 Limits Parameters - 415 Limits 3 of 3 Page

Usage	When a benefit exceeds either of the 415 limits, you have to reduce the total benefit by reducing some or all of the component benefits. Note that when 415(e) limits on combined DB and DC plans are exceeded, it is the DB benefits that are reduced. Use the 415 Limits 3 of 3 page to establish a reduction method.
Object Name	PA_415_PNL3
Navigation	**Define Business Rules, Maintain Pension Plans, Define, 415 Limits Parameters, 415 Limits 3 of 3**
Access Requirements	Definition Name



415 Limits Parameters - 415 Limits 3 of 3 page

Reduction Options

You have two **Reduction Options** for reducing a benefit that exceeds 415 limits: ***Prorate*** or ***Precedence Order.***

Prorate: If you select ***Prorate,*** each benefit is reduced according to what portion of the unreduced benefit comes from that plan. For example, if the benefit has to be reduced by $10,000, and Plan A supplied 50% of the unreduced benefit while Plans B and C each provided 25% of the unreduced benefit, then the Plan A benefit is reduced by $5,000 (50% of the $10,000 reduction) and the Plan B and C benefits are each reduced by $2,500 (25% of the $10,000 reduction).

Precedence Order: If you select ***Precedence Order,*** you'll assign a priority to each benefit. The first benefit is reduced first, any remaining reduction will be subtracted from the second, and so on until the entire reduction amount is applied.

Plan Name

To assign a precedence order, you must first list all the benefits which might be reduced. You identify a benefit by **Plan Name** and **Formset,** the Optional Forms Function Result. Enter these in the scrolling region of this page.

CHAPTER 30

Using Database Aliases

Much of the information needed by your pension calculation already exists in your PeopleSoft Human Resources database. In order to reference this data, you simply need to identify the table and field.

The database alias utility enables you to assign a name to the field. You can then use this user-assigned name, or *alias*, whenever you want to reference the data in the field.

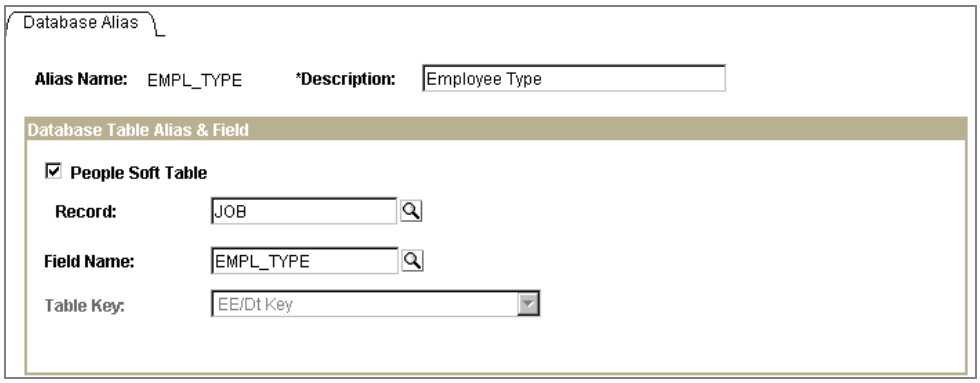
You can set up database aliases to fields in an employee's personal data record, job data record, or any other record keyed by some combination of Employee ID, effective date, and plan. When a field is keyed by plan, the system recalculates the value as you calculate each plan.

PeopleSoft delivers a number of predefined aliases to fields we believe most customers will need to reference. PeopleSoft also delivers a number of special database aliases to reference data not normally available but often used by pension plans. For example, there are several aliases to reference calculation-specific information such as the event date or the benefit commencement date. There are also some calculated database aliases such as Social Security Retirement Age, which varies based on employee birth date.

In this section, you'll learn to set up database aliases. You'll also see all the database aliases, standard and calculated, delivered with the system. This will be an important reference list for you during your implementation.

Database Alias Page

Usage	Use the Database Alias page to set up a database alias. The database alias utility can fetch a value from any appropriately keyed table. Appropriately keyed means the table is keyed by some combination of Employee ID, effective date, and plan.
Object Name	PA_ALIAS_ENTRY
Navigation	**Define Business Rules, Maintain Pension Parameters, Variables, Database Alias, Database Alias**
Access Requirements	Alias Name



Database Alias page

Description Enter a **Description** to identify your alias.

Database Table Alias and Field

PeopleSoft Table Choose the field to be referenced. First indicate whether the field is on a **PeopleSoft Table.**

Record/Field Name Enter the **Record** and **Field Name.** You can reference any table or view where data is appropriately keyed. Selecting from joined tables, however, can severely impact performance; we strongly discourage you from choosing fields from views that join multiple tables**.**

As long as you select **PeopleSoft Table,** you can enter the unprefixed table name as you would see it in Using Application Designer. For example, PERSONAL_DATA or JOB. If you were to enter a PeopleSoft table without selecting **PeopleSoft Table,** you would have to include the PS_ prefix in the table name: PS_PERSONAL_DATA or PS_JOB**.**

Table Name prompts against all PeopleSoft Tables. Once you've entered a table, **Field Name** prompts against all fields in that table.

Table Key The **Table Key** field indicates how the specified table is keyed: by ***Employee ID, Employee ID & Effective Date, Employee ID & Benefit Plan,*** or ***Employee ID, Plan & Effective Date.***

If you've selected **PeopleSoft Table,** the system will analyze the table's key structure and enter this information for you.

Multiple Jobs Considerations for Database Table Alias and Field

The **Multiple Jobs** group box only appears when PA_PEN_SVC_STAT is entered in the **Record** field.

Associated Plan	If you are using the Multiple Jobs functionality, select an **Associated Plan.**
Service Function Result	If you are using the Multiple Jobs functionality, select the **Service Function Result.**



The system won't prevent you from referencing tables with other keys in addition to those the database alias supports. Be diligent about analyzing the keys for your alias field. If there are additional keys to the table you're referencing, the alias can produce unpredictable results**.**

Overview of Alias Processing

In the most common case, the system resolves an alias merely by looking up data on an appropriately keyed table. There are a few cases, however, where the processing is slightly more involved.

Assigning an Alias to the JOB Table

One important exception to the database alias key restrictions is the JOB table, which is keyed by Employee ID, effective date, job number (Rcd#), and sequence number**.**

If an employee has multiple job records in the single job environment, a lookup alias finds the value from the first job record - Record 0. All other job records are ignored, except in the case of Multiple Jobs processing, when the Single Job environment has been turned off.

The JOB table uses a "sequence number" as an additional key field. This allows you to enter multiple personnel actions on the same day, but to specify an order for the actions. When you create an alias for a field in the JOB table, the system automatically uses the row with the last sequence number. This means the alias will use the final value for that date**.**

For example, if Fred receives a regular pay increase and a merit increase during his review, an alias to his compensation rate finds the final rate after both increases have been applied.

Multiple Jobs Considerations for Database Aliases

In the case of multiple jobs processing, database aliases are assigned according to the primary job record. For example, if you reference an employee's pay rate, the pay rate from the primary job record is returned.



For more information on setting the primary job record, see Defining the Primary Job Record and Multiple Jobs Considerations.

Multiple Jobs Considerations for Database Table Alias and Field

To access the service function result status of accruing or not accruing:

1. Select the PeopleSoft Table checkbox
2. Enter "PA_PEN_SVC_STAT," in the **Record** field.
3. Enter "Status," in the **Field Name.**
4. Select the Associated Plan and the Service Function Result in the Multiple Jobs group box.

Using Aliases when Tables Have an Extended Key Structure

Normally, you only use database aliases when the field in question is on a table keyed by some combination of Employee ID, effective date, and plan. If there are additional keys, you wouldn't normally be able to use a database alias. You've already looked at one exception to this rule, the JOB table. There is also a workaround for getting to other inappropriately keyed tables.

When tables have other key structures, you can create an appropriately keyed view with the needed information. For example, the benefit program participation table, BEN_PROG_PARTIC, is keyed by Employee ID, Rcd#, COBRA Event ID, and Effective Date**.**

To create an alias to the BENEFIT_PROGRAM field on this table, you would create a view containing only three fields: the allowable keys, EMPLID and EFFDT, and the field you're accessing, BENEFIT_PROGRAM.

The select statement for your view does the work of getting the right row when there are multiple rows with the same EMPLID and EFFDT - in this case, by only selecting records where the employee record number is zero and the COBRA Event ID is blank**.**

The SQL statement in this example is:

```
SELECT EMPLID,

EFFDT,

BENEFIT_PROGRAM

FROM PS_BEN_PROG_PARTIC

WHERE EMPL_RCD#=0

AND COBRA_EVENT_ID = ' '
```

Now, to set up an alias to this field, you'll reference the view instead of the original table.

Resolving an Alias when No Data Exists

The PERSONAL_DATA and JOB tables always have rows for every employee who has complete the hire process. Other tables, however, may not contain rows for all your employees. For example, if you've created a custom table to record effective-dated union code information, employees who have never belonged to a union won't have a row on the table.

If you create an alias to such a table and the system can't find a row for a particular employee, the alias takes a default value depending on the field type:

Alphanumeric fields	Default to a space.
Numeric fields	Default to zero.
Date fields	No default - processing will end with an error when there is no row for an employee.

To prevent an error in the case of a date field, you can create rows for all employees. You might consider creating a workflow process that would create the row when the employee is first hired. For example, if you have a custom table that tracks employees' leave statuses, an employee that has never been on leave won't have any entries in this table. You could use PeopleSoft Workflow to create a row when the employee is hired. You would probably use the hire date in this particular table.

Using Predefined Database Aliases

Most pension plans will need certain common aliases such as employee date of birth. The following table shows the database aliases we've supplied with the system.

Lookup Aliases

The following aliases have no special processing logic; they simply reference the value in the indicated field.

Alias	*Field*	*Table*
ACTION	ACTION	JOB
ACTION_DT	ACTION_DT	JOB
ACTION_RE	ACTION_REASON	JOB
BIRTH_DT	BIRTHDATE	PERSONAL_DATA
CHG_PCT	CHANGE_PCT	JOB
DB_LIMIT	DB_415E_LIMIT	PA_DC_FRACT
DC_FRACTN	DC_FRACTION	PA_DC_FRACT

DEATH_DT	DT_OF_DEATH	PERSONAL_DATA
DEPT_ID	DEPTID	JOB
EMPL_CLASS	EMPL_CLASS	JOB
EMPL_ID	EMPLID	JOB
EMPL_NAME	NAME	PERSONAL_DATA
EMPL_STAT	EMPL_STATUS	JOB
EMPL_TYPE	EMPL_TYPE	JOB
FORP_TIME	FULL_PART_TIME	JOB
HIRE_DT	HIRE_DT	EMPLOYMENT
JOBCODE	JOBCODE	JOB
MARSTAT	EFFDT	PA_MARSTAT_DT_V
MARSTAT_DT	MAR_STATUS_DT	PERSONAL_DATA
OFFICER_CD	OFFICER_CD	JOB
OHIRE_DT	ORIG_HIRE_DT	PERSONAL_DATA
QDRO_FLAG	QDRO_IND_YN	PERSONAL_DATA
REG_TEMP	REG_TEMP	JOB
SBIRTH_DT	BIRTHDATE	DEPENDENT_BENEF
SEX	SEX	PERSONAL_DATA
STD_HOURS	STD_HOURS	JOB
UNION_CD	UNION_CD	JOB_LABOR

Calculation Input Aliases

The following aliases are specially configured to reference calculation parameters rather than employee data.

Database Alias	*Field*	*Table*
BENCOM_DT	BEN_CMDT_DATE	PS_PA_CLC_PLN_INPT
EVENT_DT	EVENT_DT	PS_PA_CALCULATION
EVENT_RSN	CALC_REASON	PS_PA_CALCULATION

LUMPS_DT	LUMP_SUM_DT	PS_PA_CALCULATION

Calculated Aliases

The following aliases provide enhanced access to data through special calculation logic.

Alias	*Field*	*Table*
BENEF_DOB	BIRTHDATE	PA_CB_DOB_VW
BENEF_REL	RELATIONSHIP	PA_CB_DOB_VW
BENEF_SEX	SEX	PA_CB_DOB_VW
PLAN_ELIG	ELIG_STATUS_PA	PA_PELG_EMP_HST
QDRO_AMT	QDRO_AMT	PA_QDRO_AMT
QDRO_EE_BD	QDRO_EE_BD	PERSONAL_DATA
SSR_DT	(none)	(none)

Using Beneficiary Aliases

PeopleSoft 8 Pension Administration supports nonspouse beneficiaries. You'll record nonspouse beneficiaries on the Pension Plan Beneficiaries Page. If you *don't* record a beneficiary, the system assumes that the spouse is the beneficiary**.**

The three beneficiary aliases incorporate special corporation logic to determine who the beneficiary is, then they look up specific information about that beneficiary: birth date, relationship to the employee, and gender. The beneficiary information ultimately comes from the dependent/beneficiary table (DEPENDENT_BENEF).

If there is no beneficiary or spouse on record, these aliases won't have values.

Using the Plan Eligibility Alias

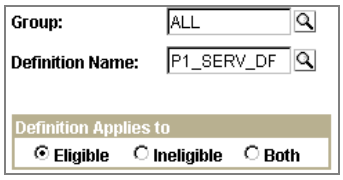
Whereas a Plan Eligibility Function Result produces a single eligibility status: *Eligible, Ineligible,* or *Previously Eligible*, the PLAN_ELIG alias accesses the effective-dated eligibility history produced during eligibility calculations. Referencing this history enables you to set up different processing for employees during periods of ineligibility (for example, interest-only processing of cash balance accounts).

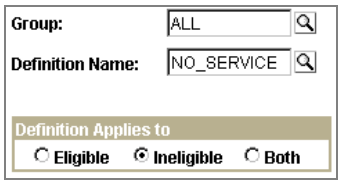
Associated with this alias are two delivered group custom statements:

Custom Statement	*Description*
PA_ELIG	Employee is eligible for a plan

PA_INELIG	Employee isn't eligible for a plan

You won't explicitly use the PLAN_ELIG alias or either of the Custom Statements; instead, you'll use a shortcut for applying it. When you set up Function Results, you can incorporate eligibility criteria by choosing whether a definition applies to eligible or ineligible periods, or both.





Grouping Based on Eligibility
Selecting **Eligible** or **Ineligible** automatically applies the appropriate Custom Statement to any existing grouping criteria.

Using QDRO Aliases

When you run a calculation for a QDRO alternate payee, the QDRO_AMT is the amount recorded for that person under the specified plan.

When you run a calculation for an employee, the QDRO_AMT is the *sum* of all amounts recorded against that person under the specified plan.

For example, John has two ex-spouses. Sophia is entitled to $2000 of his benefit from Plan A; Vanessa is entitled to $1000 from plan A and $500 from plan B. The QDRO_AMT has the following values, depending on whose calculation is running and which plan is being processed:

Person	***Plan A***	***Plan B***
John	$3000	$500
Sophia	$2000	-
Vanessa	$1000	$500

The QDRO_EE_BD alias is only valid when you're running a calculation for a QDRO alternate payee. It provides the birth date of the original employee. For example, during calculations for Sophia and Vanessa, this alias would provide John's birth date. During calculations for John, this alias wouldn't have any value.

Using the Social Security Alias

Th alias SSR_DT calculates, rather than looks up, the employee's Social Security Normal Retirement Date based on the employee's birth date and the following Social Security Normal Retirement Age table:

Year of Birth	*Social Security NRA*
1937 and before	65 years
1938	65 years, 2 months
1939	65 years, 4 months
1940	65 years, 6 months
1941	65 years, 8 months
1942	65 years, 10 months
1943 - 54	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months

CHAPTER 31

Creating Table Lookup Aliases

Pension plans commonly use tables to look up information. Plans can use tables for actuarial factors, interest rates, and regulatory information such as the Taxable Wage Base or the 401(a)(17) and 415 limits.

Another use for tables is when an employee's record doesn't contain information you need, but you can derive the information from data that is present. For example, to determine an employee's Social Security Normal Retirement Age (SSRA), you would use the date of birth to look up the corresponding SSRA.

To use the PeopleSoft Pension Administration table lookup, you have to create the lookup table and set up lookup parameters.

Overview of Table Lookups

In its most basic form, a table lookup finds a value corresponding to another known value, the *lookup basis.* For example, a secret code might assign numbers to each letter in the alphabet. You can then decipher numeric messages by looking up the letters that corresponds to the numbers.

Lookup Basis	***Value***
1	A
2	B
3	C
4	D

When you look up information on a PeopleSoft Pension Administration table, the lookup basis will always be either an employee variable or a date. For example, you look up an early retirement factor based on the employee's age and you look up federal mid-term rates based on the date.

In PeopleSoft Pension Administration, a table lookup consists of two parts. First, there's the physical table where you store the information. This table must conform to some very strict requirements regarding number of columns and what is in each column.

The second part of the table lookup is the instructions for using the table – the parameters you'll set up on the Table Lookup Alias page. The instructions include information about the lookup basis. For example, if you're looking up an early retirement factor based on the employee's age, you'll have to provide an alias for the that age.

The instructions for using the table also include parameters for handling situations where the lookup basis isn't on the table. For example, if an employee's benefit commencement age is 62.25, the table lookup settings tell the system whether to use the early retirement factor that corresponds to age 62 or age 63.

Overview of Regular versus Program Generated Lookups

There are two types of table lookups. Regular table lookups have one result that is constant throughout a calculation. Program Generated lookups have different values at different times, for example, an interest rate that changes over time.

Using Regular Table Lookups

The most basic table lookup will look up information based on an unchanging piece of data. For example, it can look up Social Security Retirement Age based on date of birth or an early retirement factor based on the employee's benefit commencement age.

The lookup basis, for example, the birth date or benefit commencement age, is an alias that gets resolved only once per given calculation. When you set up a regular table lookup, you'll put this alias directly into the table lookup parameters.

When you configure a regular table lookup using the Table Lookup Alias Page, set the Lookup Basis to Use Alias.

Using Program Generated Lookups

When you're applying interest rates or granting cash balance credits, you may need to look up information that varies from period to period. For example:

- If you use federal mid-term rates for interest on employee contributions, you'll need to look up the new rate every period.
- If cash balance credits are determined at a different rate for earnings above and below the Taxable Wage Base (TWB), you'll need to look up the new TWB every period.
- If cash balance credits increase based on as employees' age and/or service, you'll have to look up the new age and service amounts every period.

In these situations, the function that requires the lookup knows the dates to use for the lookup and therefore provides the lookup basis. Such lookups are classified as *program generated* lookups because the program is providing the lookup basis. When you set up your table lookup parameters, you won't enter lookup basis alias.

Applying 401(a)(17) limits also requires looking up limits every period. PeopleSoft delivers preconfigured program generated lookups to use with 401(a)(17): the ***TRA86*** lookup uses the TRA'86 Limits table; the ***OBRA93*** lookup uses the OBRA'93 Limits table. You can examine both of these lookups in the Table Lookup Alias page.

When you configure a program generated table lookup using the Table Lookup Alias Page, set the Lookup Basis to Program Generated.

Creating the Physical Table

PeopleSoft Pension Administration provides several tables you might incorporate into a table lookup, including the Taxable Wage Base, 415 Limits tables, and some interest rate tables. You may want to create other tables as well, for plan factors, interest rates, or other information.

You'll use Application Designer to create any custom user tables. You can also use Application Designer to create a page to maintain the data. If you don't create a page for your table, you'll have to use a database tool such as SQLTalk to enter the data.



For more information, see Using Application Designer

Lookup Table Requirements

As you create tables to be used by the table lookup utility, keep in mind the following restrictions.

- The (unprefixed) table name must begin with PA_TL_. Tables created by Using Application Designer will have a prefix of PS_.
- The first column must be an effective-date field. Although many tables will have only one effective date (with new data always being added under the same effective date), the field is still expected.
- The second column name must be TL_SEQ_NUM. This column contains sequencing information for the table and must therefore be a key for the table.
- The next column(s) must have the lookup basis. One-dimensional lookups have a single lookup basis; two-dimensional lookups use two columns for the lookup bases.
- The final column must have the result value.
- All numerics must be set up as decimals.

Understanding Sequence Numbers

The sequence number controls the order the table is read into the program. This means that the sequence numbers must put all the rows in order. Always put the table in ascending order. For example, a Taxable Wage Base table might look like this:

Sequence Number	Year	Wage Base
5	1930	1938
10	1931	2000
15	1932	4938
...	...	...

If you had assigned "15" to 1931 and "10" to 1932, you could get unexpected results from a table lookup.



You must explicitly order your table values using the Sequence Number field. The table lookup utility relies on this sequence number and doesn't otherwise sort the lookup values.



We recommend using non-sequential numbers so that if it becomes necessary to insert new rows between existing rows, you don't have to alter the sequence number for all subsequent rows.

Setting Up Two Dimensional Tables

The two-dimensional table has two lookup bases. You can picture it as a grid. For example, you could use the following grid to look up information based on both age and service:

	5 Years Service	10 Years Service	15 Years Service
Age 55	A	B	C
Age 60	D	E	F
Age 65	G	H	I

When you create a two-dimensional table, you'll have two columns of lookup values: lookup one and lookup two. Set up the table so that you have all rows with a particular value for lookup one followed by all rows with the next value for lookup one and so on. The table corresponding to the table above would have all the values for age 55 followed by the values for age 60 then age 65. The final table would look like this:

Seq Number	Age	Service	Result
5	55	5	A
10	55	10	B
15	55	15	C
20	60	5	D

25	60	10	E
30	60	15	F
35	65	5	G
40	65	10	H
45	65	15	I

Planning the Lookup Data

When you set up instructions for looking up data on a table, you'll specify an interpolation method for handling values that aren't on the table. When you're dealing with intermediate values, the instructions will depend on how you've set up the data.

Let's take a closer look at the relationship between the data and the interpolation method. Suppose you're looking up Social Security Retirement Age (SSRA) based on the date of birth. For simplicity's sake, our example will use a table without the two-month increments in the SSRA. Such a table would be used to determine SSRA when adjusting 415 limits, but not for Social Security calculations. The SSRA will be determined as follows:

Birth date up through 1937	SSRA is 65
Birth date from 1938 to 1954	SSRA is 66
Birth date 1955 or later	SSRA is 67

When you enter data in the table, you can only have one birth date per row. You can't use a range such as "through 1937." Clearly, though, you don't want to enter every possible birth date in the range!

Assume that your interpolation method tells the system to use the next lower value on the table for intermediate birth dates. You can also have the system use the smallest and largest values on the table as the minimum and maximum. Based on these options, you would set up the table as follows:

Birth Date	***415 Social Security Retirement Age***
12/31/37	65
1/1/38	66
1/1/55	67

By using the lower value, birth dates between 1/1/38 and 12/31/54 will use the value for 1/1/38

If your interpolation method specified that the system should use the next higher value for intermediate birth dates, your table would be as follows:

Birth Date	*415 Social Security Retirement Age*
12/31/37	65
12/31/54	66
1/1/55	67

By using the higher value, birth dates between 1/1/38 and 12/31/54 will use the value for 12/31/54.

Table Lookup Alias Page

Usage	Use the Table Lookup Alias page to search a specified table and to return the value(s) specified in the table.
Object Name	PA_TBL_LOOKUP
Navigation	**Define Business Rules, Maintain Pension Parameters, Variables, Table Lookup Alias, Table Lookup Alias**
Access Requirements	Alias Name

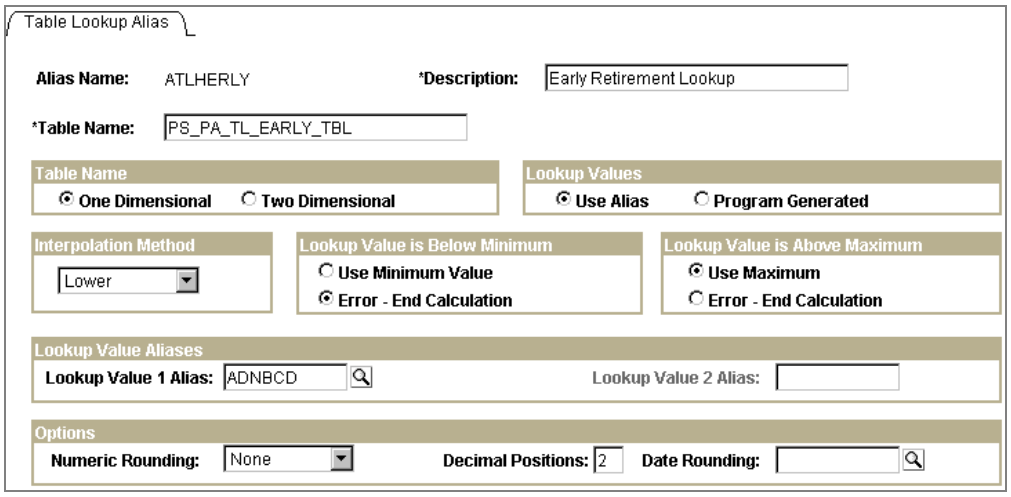


Table Lookup Alias page

Indicating the Lookup Table and Table Type

Table Name Enter the **Table Name** to indicate where you've stored the lookup information. The table name must begin with PS_PA_TL_. Remember that the PS_ prefix is automatically added to all PeopleSoft application tables when you create them with Using Application Designer.

You'll need to indicate whether the **Table Name** is ***One Dimensional*** or ***Two Dimensional.***

One Dimensional: In a ***One Dimensional*** table, you look up the result based on a single lookup value. For example, you look up the Social Security Retirement Age based on date of birth.

Two Dimensional: In a ***Two Dimensional*** lookup, the result is based on two values. For example, the factor that converts a single life annuity to a J&S is based on both the participant age and the beneficiary age.

For more information**,** see Setting Up Two Dimensional Tables in this section.

Lookup Values

Indicate whether the lookup is a regular lookup or a program generated lookup. Program generated lookups will look up information on a period-by-period basis. Regular lookups will look up information once. In the **Lookup Values** group box, select either ***Program Generated*** or, for regular lookups, ***Use Alias.***

For more information**,** see Overview of Regular versus Program Generated Lookups in this section.

Looking Up Intermediate Values

Interpolation Method

The **Interpolation Method** options for handling intermediate values on a table are ***Higher, Linear, Lower,*** or ***Nearest.***

For example, consider the following Social Security Retirement Age (SSRA) table. How does you want to handle intermediate birth dates not in the table?

Birth Date	*SSRA*
12/31/1937	65
1/1/1938	66
1/1/1955	67

In this example, select ***Use Next Lowest.*** That is, to look up the SSRA for someone born 8/16/1944, you would find the next lowest value on the table, 1/1/1938, and use the associated SSRA.

In another example, take the following hours-to-service table:

Hours	*Service*
500	.25
2000	1.00

If you use ***Linear*** interpolation, 1000 hours would be worth .5 years of service. If you use any other interpolation method, you would probably need additional rows in the table.

Looking Up High and Low Values

Lookup Value is Below Minimum/Above Maximum

For the high or low values, set the options in the group boxes **Lookup Value is Below Minimum** and **Lookup Value is Above Maximum.** Each group box offers a choice between taking the lowest/highest value or ending the calculation with an error.

For our SSRA example, you'll select ***Use Minimum Value*** and ***Use Maximum Value,*** but for other tables you might select ***Error - End Calculation.***

Selecting a Lookup Basis

Lookup Value Aliases

For a regular table lookup, that is, if you've chosen to ***Use Alias*** to find the lookup values, you still have to specify the **Lookup Value Aliases**. To look up SSRA, the lookup basis would be the employee's birth date, accessed through the database alias BIRTH_DT. The same principle applies to all table lookups that aren't program generated; the lookup basis is always another alias.

Lookup Value 1 Alias/Lookup Value 2 Alias

If you are setting up a one dimensional table, you'll only specify a **Lookup Value 1 Alias;** if you are setting up a two dimensional table, you'll also need to set up a **Lookup Value 2 Alias.**

Rounding Lookup Results

Options

In the **Options** group box, fill in your numeric preferences.

Numeric Rounding

If the lookup produces a number, the system will use the specified **Numeric Rounding** method: ***None*** or ***NumRndUp.***

None: When you select ***None,*** numbers will be truncated after the specified number of decimals.

NumRndUp: If you select ***NumRndUp,*** numbers are rounded up or down based on the following decimal position.

The following table compares the behavior of the two rounding settings. These examples assume your final value has two decimal positions.

Number	*No Rounding (Always Truncates)*	*Round Up (Rounds Up or Down)*
5.444	5.44	5.44
5.555	5.55	5.56
5.666	5.66	5.67

Decimal Positions

Both options require you to enter the desired number of **Decimal Positions.**

CHAPTER 32

Using Date Aliases and Date Options

Dates are elemental to pension calculations. Date of birth, date of hire, normal and early retirement dates, and benefit commencement date are just some of the important dates you'll be using.

Dates stored in the database are accessible using database aliases. Many other dates, however, are derived rather than stored. For example, normal retirement date may be the participant's 65th birthday or the first of the month following that birthday.

Date aliases enable you to derive dates using your plan's date math and date rounding rules. Date aliases support a number of different types of date manipulations.

Overview of Raw and Decimal Dates

You can work with dates in two different formats: "raw" and "decimal."

The raw date format is one that you are all familiar with. Each date is expressed in terms of years, months, and days as in 12/15/1993. The specific format of the date can change (for example, when you perform certain date math, you'll use the format YYYY/MM/DD), but regardless, any date expressed in terms of years, months, and days is a raw date.

The decimal date format represents a raw date in terms of years only. This means that the months and days components of a raw date are converted to partial years. For example, July 1, 1982, could be expressed as 1982.5000. You might convert dates to a decimal format to simplify date subtraction and thus determine the length of time between two dates.

Unless you specifically convert a date to a decimal format using the date conversion option, you can assume that the dates you're dealing with are raw dates.

Using Date Aliases

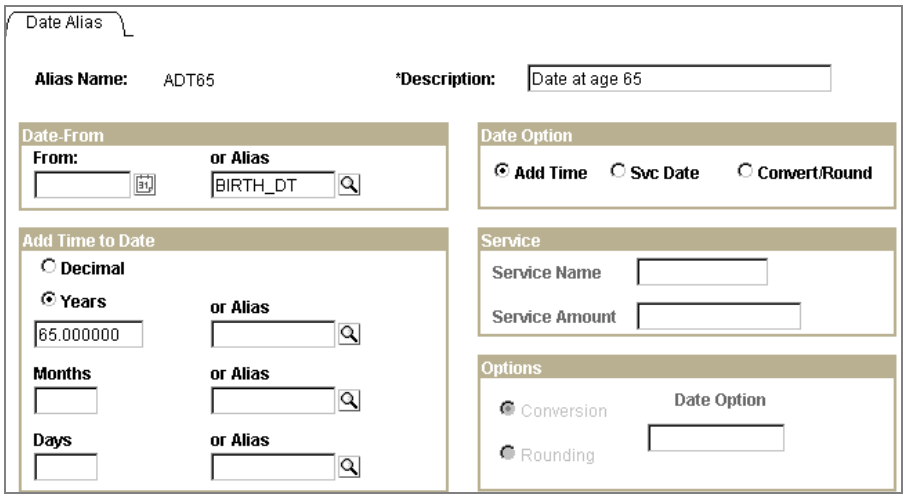
Date aliases calculate dates in four different ways:

- by adding a period of time to one date to calculate another.
- by applying date rounding options.
- by applying date conversion options.
- by finding the date associated with a specific amount of service accrual.

You can only perform one operation per definition. Any combination of actions requires multiple date definitions. For example, to find the first of the month after an employee reaches age 21, set up one date alias to add 21 years to the employee's date of birth, and set up a second date alias to round that value to the first of the following month.

Date Alias Page

Usage	Use the Date Alias page to manipulate dates for use in pension calculations.
Object Name	PA_DATE_CALC
Navigation	**Define Business Rules, Maintain Pension Parameters, Variables, Date Alias, Date Alias**
Access Requirements	Alias Name



Date Alias page

Establishing a Source Date

Date From Enter the source date in the **Date From** field.

Or Alias Your base date can be either a constant date or an **or Alias** date. For example, to reference an employee's date of birth, you would enter ***BIRTH_DT.*** This is a database alias that is delivered with the system.

Choosing a Date Manipulation

You can either ***Add Time*** to a date, determine a ***Service Date,*** or ***Convert/Round*** a date. Select the type of manipulation you want to perform. Based on your selection, other fields on this page will become available for selection and others will become unavailable for selection.

Adding Time to the Start Date

Add Time to Date — To add time to your base date, enter the amount of time to be added in the **Add Time to Date** group box.

Enter the period of time in the same format, ***Decimal*** or ***Years*** (raw), as the base date. Normally you'll use raw dates. The only reason your base date would be a decimal date is if it was the result of another date alias that explicitly converted it to a decimal date format.

Years/Months/Days/or Alias — Specify the amount of time to add in the **Years, Months** and **Days** fields. You can enter either a constant or an **or Alias** in any of these fields. If you're using decimal dates, use only the first edit box in this group to specify the decimal number of years to add.

Determining the Date for a Specific Service Amount

A date alias can look up the date when an employee attains a specified amount of service. For example, to set up an alias for the date of first vesting, you could look for the date when an employee will have accrued five years of vesting service.

Service Name — To set up this type of date manipulation, enter the Service Function Result used to calculate service in the **Service Name** field.

Service Amount — Enter the required amount of service in the **Service Amount** field.

The Function Result provides all the information needed to calculate the date, including a projection method for future service.

The system doesn't necessarily determine the exact day the employee attains the specified amount of service. Instead, the system looks at the service history, finds the period when the employee attained the specified service amount, then uses *the first day of the next period.* How exact this date is depends on how you set up your service requirement. Monthly service accrual methods will provide more precise values than yearly service accrual methods.



Service dates aren't necessarily exact.

Rounding and Converting Dates

To apply conversion or rounding options to your base date, choose the desired manipulation by selecting either ***Conversion*** or ***Rounding.***

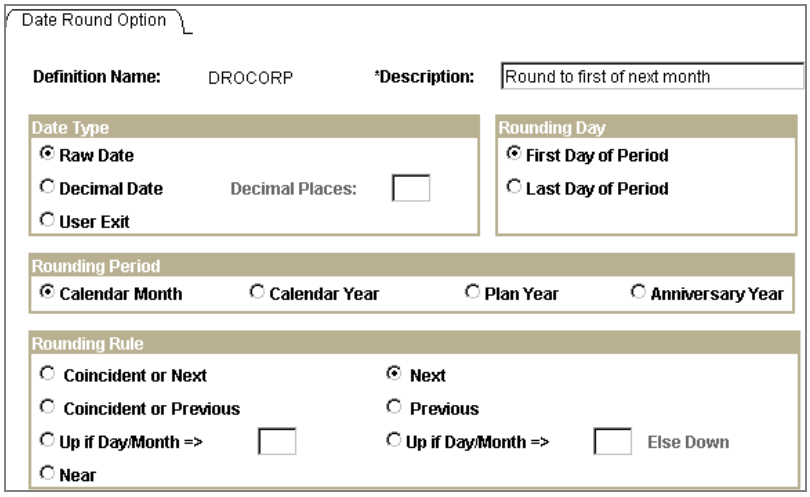
Date Option — You'll then enter the **Date Option** with the specific conversion or rounding instructions.

For more information about date rounding, see the Date Round Option Page in this section. For more information about date conversions, see the Date Conversion Option Page in this section.

When you use date conversion options on a raw date, the result will be a decimal value. For example, you could convert 4/1/1996 to 1996.25. When you use this decimal value elsewhere in the system, it won't necessarily be recognized as a date.

Date Round Option Page

Usage	Use the Date Round Option page to set up date rounding rules.
Object Name	PA_DATE_ROUND
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Date Round Option, Date Round Option**
Access Requirements	Option Name



Date Round Option page

Pension plans frequently round dates. For example, if normal retirement date (NRD) is the first of the month after the participants 65th birthday, you'll create an NRD alias by applying a rounding option to the date representing the birthday.

Establishing the Date Rounding Option Type

Date Type

Indicate the **Date Type,** the type of date you'll round with these rules: ***Raw Date*** or ***Decimal Date.***

Raw Date: You can assume that you're using a ***Raw Date*** unless you've used the date conversion option specifically to create a decimal date.

Decimal Date: Decimal Date rounding doesn't permit rounding thresholds such as "Round up to the next month *if* more than 25 days."

You can also select User Code to set up your own date rounding method.

Understanding Parts of the Rounding Rule

A rounding rule consists of three parts. The following examples illustrate this:

Rounding Day	*Rounding Rule*	*Rounding Period*
first day of	the next	month
last day of	the previous	calendar year
first day of	the current	plan year

To create a rounding rule, you'll set up all three parts of the rule: the rounding day, the rounding rule, and the rounding period.

Choosing the Rounding Day and Rounding Period

Rounding Day

In the **Rounding Day** group box, select whether to round to the ***First Day of Period*** or the ***Last Day of Period.***

Rounding Period

Rounding Period choices include ***Calendar Month, Calendar Year, Plan Year,*** and ***Anniversary Year*** (anniversary of original hire).

Choosing a Rounding Rule

When you are rounding to the last day of the period, you don't have to specify your rounding rule. The date is always rounded to the last day of the current period. For example, if you are rounding to the last day of the calendar month, August 3, 1988, would become August 31, 1988.

Rounding Rule

If, however, you're rounding to the first day of a period, you must select a **Rounding Rule.** You can round to the ***Next,*** the ***Coincident or Next,*** the ***Previous,*** the ***Coincident or Previous,*** or the ***Near*** (nearest) rounding day.

You can also make your rounding dependent on a threshold number of days in the month or a threshold number of months in the year by selecting ***Up if Day/Month =>*** (greater than or equal to) or ***Up if Day/Month =>*** **Else Down.** Both options round up after a threshold number of days (if the rounding period is months) or months (if the rounding period is any kind of year). However, the first option leaves dates under the threshold unrounded, whereas the second option actually rounds down.

The threshold options don't apply if you're rounding decimal dates.

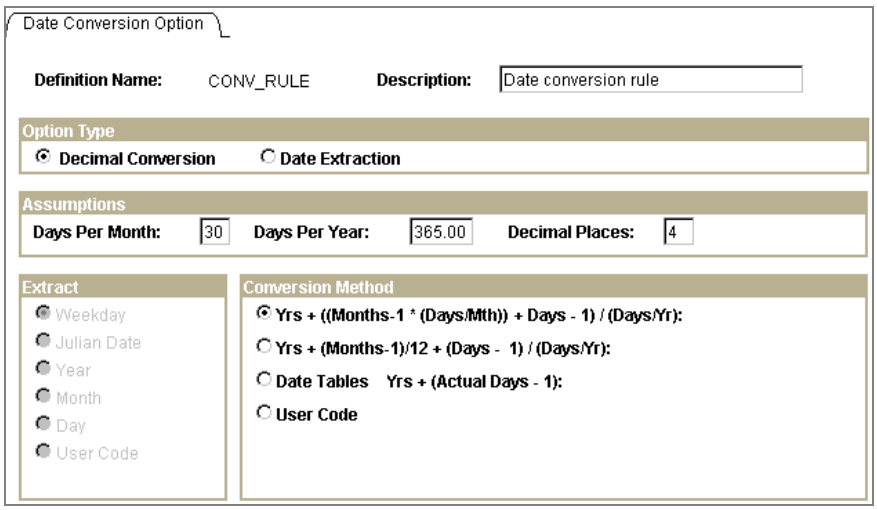
The following tables illustrate how each of these options work. In all cases, assume you're rounding to the first of the month.

Rounding Rule	*Base Date*	*Rounded Date*
Coincident with or Next Following	5/1/1995	5/1/1995
Coincident with or Next Following	5/2/1995	6/1/1995
Next Following	5/1/1995	6/1/1995
Coincident with or First Previous	5/1/1995	5/1/1995
First Previous	5/1/1995	4/1/1995
First Previous	5/2/1995	5/1/1995
Near	5/3/1995	5/1/1995

Threshold Rounding Rule	*Base Date*	*Threshold*	*Rounded Date*
Round Up if...	5/17/1995	15	6/1/1995
Round Up if...Else Round Down	5/17/1995	15	6/1/1995
Round Up if...	5/17/1995	20	5/1719/95
Round Up if...Else Round Down	5/17/1995	20	5/1/1995

Date Conversion Option Page

Usage	You'll use the Date Conversion Option page to establish a method for converting raw dates to decimal dates and vice versa, and for extracting data elements from raw dates.
Object Name	PA_DATE_CONV
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Date Conversion Option, Date Conversion Option**
Access Requirements	Option Name



Date Conversion Option page

Establishing the Conversion Type

Option Type

In the **Option Type** group box, indicate the type of conversion you're setting up: either ***Decimal Conversion*** or ***Date Extraction.***

Decimal Conversion: If you choose a ***Decimal Conversion***, you'll complete the parameters in **Assumptions** and **Conversion Method** boxes.

Date Extraction: If you choose a ***Date Extraction***, you'll complete the **Extract** parameters only.

Setting Extraction Options

There are occasions when your calculation needs the year, month, or day of a date, but not all three. For example, suppose your employees' periodic earnings consolidations are based on compensation rate on each anniversary of their hire dates. You'll need date aliases that determine the month and the day of hire. This means that if an employee is hired on 3/17/97, the month extraction alias would resolve to ***3*** and the day extraction alias would resolve to ***17.***

Extract

In the **Extract** group box, select the element you want to extract: ***Weekday, Julian Date, Year, Month, Day,*** or User Code. The ***Julian*** date represents the number of actual calendar days in the year up to and including the date. For example, January 31 is 31 and February 1 is 32.

All extraction results are decimals, including month and weekday extractions. For example, when you extract the month from June 30, 1995 (6/30/1995), the result is six. When you extract the weekday from a Sunday date, the result is one.

You can only apply date extraction options to raw dates, not to decimal dates.

Assumptions

Decimal Places

There are always twelve months in a year, so converting months is straightforward: each complete month equals .083333 years. The decimal will be carried out to as many places as you specify in the **Decimal Places** field.

Days Per Month/Year

When you convert days, however, you can either convert the days to months and then the months to years, or you can convert days to years in a single step. In the first case, you have to specify how many **Days Per Month** to assume; in the second case, you have to specify the assumed **Days Per Year.**

Setting Decimal Conversion Options

Conversion Method

When you convert raw dates to decimal dates, you have to convert months and days to partial years. There are a number of different ways to do this depending on your assumptions and your **Conversion Method.**

To look at the difference between the assumption options, you'll look at the **Conversion Method** options and walk through some sample conversions below.

Notice that the conversion methods use (Months - 1) and (Days - 1) instead of just Months and Days. This represents the number of whole months and days. For example, in our sample date of 6/6/92 you're only six days into in the sixth month, June. Therefore, the last whole month is the fifth month, May. The (Days - 1) component similarly discounts the present day. This ensures that 1/1/90 becomes 1990.0000.

Sample Conversions

Let's use each method to convert the raw date 6/6/92 to a decimal date. You'll assume 30 days per month, 365 days per year, and four decimal places.

1. Years + { [(Months - 1) * (Days per Month)] + (Days - 1) } / (Days per Year)

```
Years

       + (Whole Months converted to Days + Whole Days) converted to partial years


Years = 1992

Whole Months converted to Days = (6 - 1) * 30 = 5 * 30 = 150

Whole Days = 6 - 1 =5

Total Days = (150 + 5) = 155

Total Days converted to partial years = 155 / 365 = .4247


End result: 1992.4247
```

2. Years + [(Months - 1) / 12] + [(Days - 1) / Days per Year]

```
Years

       + Whole Months converted to partial Years

              + Whole Days converted to partial Years


Years = 1992

Whole Months converted to partial Years  = (6-1) / 12 = 5 / 12 = .4167

Whole Days converted to partial Years = (6-1) / 365 = 5 / 365 = .0137


End result: 1992.4304
```

3. Date Tables: Years + (Actual Days - 1)

To find the (Actual Days - 1) value of June 6, 1992, you'll add 31 (Jan), 29 (Feb in a leap year), 31 (Mar), 30 (Apr), 31 (May), and 5 (June through yesterday) for a final value of 157. This will be converted to years using the actual number of days in this particular year, 366 because of the leap year.

```
Years

       + Actual Days converted to partial years


Years = 1992

Actual Days converted to partial years = 157 / 366 = .4290


End Result: 1992.4290
```

1. Years + { [(Months - 1) * (Days per Month)] + (Days - 1) } / (Days per Year)

2. Years + [(Months - 1) / 12] + [(Days - 1) / Days per Year]

3. Date Tables: Years + (Actual Days - 1)

CHAPTER 33

Using Duration Aliases and Duration Options

A duration alias measures the length of a period of time. The most common durations are ages; an employee's age on a particular date is the duration between that date and the birth date. Another common duration is elapsed time service, the period of time between two service-related actions such as a hire and a termination.

Setting up a duration alias is a two-part process: you need to specify the endpoints for the duration, for example, birth date and event date, and then select a calculation method. You'll define calculation methods in a separate component using Duration Option pages.

Understanding Duration Formats

Durations are based on time between two dates. Duration aliases always produce decimal results. That is, a duration of six years and three months is expressed as 6.25 years. One of the things you'll establish when you create a duration option is a method for converting raw dates - formatted in years, months, and days - into decimal equivalents.

The decimal that represents the total duration is the primary result of a duration alias. However, duration aliases also manipulate the decimal value to derive other secondary results - six additional results, to be exact. These manipulations are:

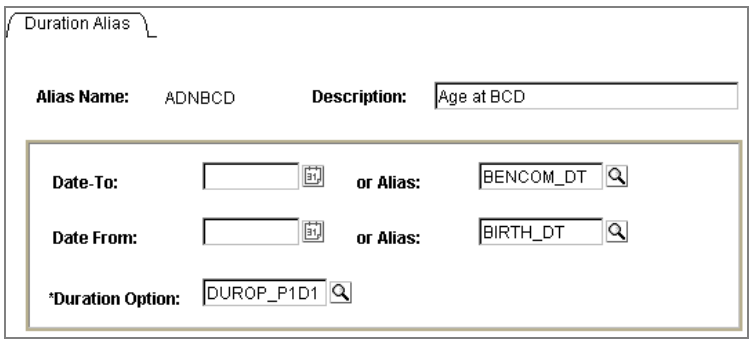
- Round the duration to whole months.
- Round the duration to whole years.
- Express the total duration as months: 6.25 (six years, three months) becomes 75 months.
- Disregard whole years: 6.25 becomes just .25.
- Disregard whole years and express the remainder as months: six years, three months becomes just three.
- Disregard whole years and express the remainder as days: six years, three months becomes approximately 91 days (based on days per year assumption).

These values are available for every duration; in most cases, however, you'll simply use the primary value.

For more information and an example of the different duration results, see Using Monthly Equivalents.

Duration Alias Page

Usage	Use the Duration Alias page to create a duration alias.
Object Name	PA_DATE_DURATION
Navigation	**Define Business Rules, Maintain Pension Parameters, Variables, Duration Alias, Duration Alias**
Access Requirements	Alias Name



Duration Alias page

Date From/-To The basic duration definition is quite simple. You simply enter the boundary dates for the period you want to measure. Enter one date in the **Date From** field and the other in the **Date-To** field.

or Alias Either date can be a constant date **or Alias.** Of course, if the two dates are both constant, the duration would be constant. Therefore, at least one of your date endpoints is normally an alias.

Duration Option Every duration alias also requires a **Duration Option** to establish a calculation method.

Configuring Duration Options

Duration options instruct the system on the details of calculating a duration. You set up duration options separately from your duration aliases; this enables you to easily reuse a duration option as often as necessary.

Understanding Date Math Methods

The system calculates a duration by subtracting the earlier date from the later date; the remainder is the duration. There are three methods of subtracting dates: *Decimal Date Subtraction, Raw Date Subtraction,* and *Period Counting.*

The initial results of raw date subtraction and period counting are in year-month-day format; the system converts this duration to a decimal equivalent after performing the subtraction.

Decimal Date Subtraction

With decimal date subtraction, the date endpoints are converted to decimal values before the subtraction; the result is therefore a decimal.

Raw Date Subtraction

Raw date subtraction subtracts days from days, months from months, and years from years. Here is an example to illustrate the method. For purposes of our example, the raw dates are formatted as YYYY/MM/DD.

```
1995/12/11

1988/09/05

0007/03/06 or seven years, three months, and six days.
```

Consider, however, the following subtraction:

```
1990/11/06

1977/12/13
```

You can't subtract 13 days from 6, so you'll have to convert one of the months to days. But when you change the "11" months to "10," how many days do you carry to the days' column? When you set up raw date subtraction methods, you'll choose whether to use the actual number of days per month or an assumed number days per month.

If you use the actual number of days per month, the number of days depends on the month in question. In this case, the 10th month (October) is the most recent full month which you can convert to days. October has 31 days, so "90/11/06" becomes "90/10/37. You'll still have to convert one year to months to complete the subtraction, but you know there are always twelve months per year. You end up, then, with a date of "89/22/37" and your equation yields:

```
1989/22/37

1977/12/13

0012/10/24 or twelve years, ten months, and twenty-four days.
```

If you assume thirty days per month, 90/11/06 becomes 90/10/36, and after you again convert one year to twelve months, you end up with 89/22/36. Your equation is now:

```
1989/22/36

1977/12/13

0012/10/23 or twelve years, ten months, and twenty-three days.
```

Period Counting Subtraction

Period counting subtraction measures the duration by starting with the later date, then subtracting defined periods: years, months, and days, until you reach the earlier date. You'll choose which period(s) to count.

You'll likely use period counting durations to measure the difference between the normal retirement date and the actual retirement date. You'll use this information to determine early retirement penalties. For example, if your plan's early retirement reduction is 3% per year, you'll use period counting subtraction to determine the number of years between the normal and actual retirement dates.

You're also likely to use period counting durations for measuring elapsed time service or PRSA coverage periods.

Let's calculate the duration between 1977/12/13 and 1990/11/06, the same dates you used for the second Raw Date Subtraction example. You'll count years, months, and days. Period counting methods always start with the later date and count backwards.

First you count years, and you find twelve complete years in the interval. This brings you from 1990/11/06 back to 1978/11/06. When you count months, you find ten complete months in the interval. This brings you to 1978/01/06. When you count the days, you'll always use actual days per month. Your last count includes 6 days in January and 18 days in December, for a total of 24 days. Your result then is 12 years, 10 months, and 24 days.

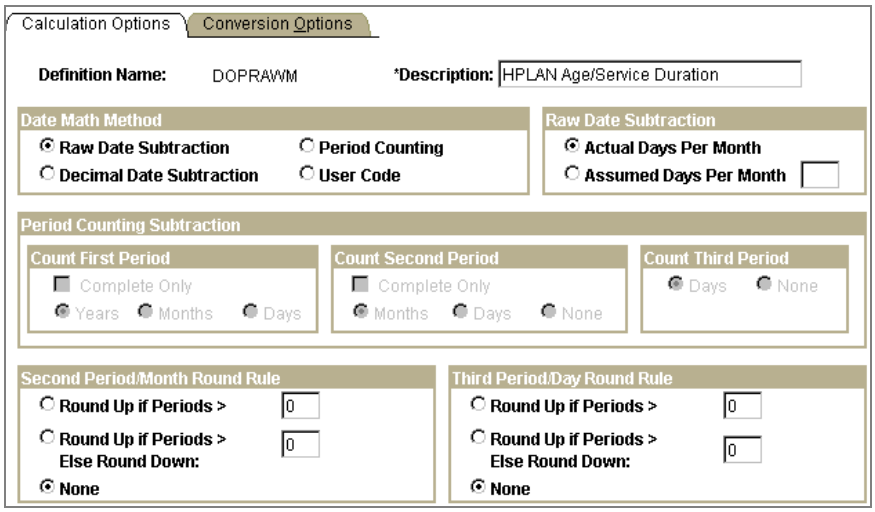
Although at first glance, it looks like period counting subtraction will always be the same as raw date subtraction with actual dates, there is a subtle difference. Period counting counts actual days for the *first* full month between the two dates whereas raw date subtraction counts actual days for the *last* full month between the two dates.

For example, consider the duration from February 15 to August 10 (of the same year). If you use period counting subtraction, you end up with five full months from August 10 back to March 10, plus *twenty-three* additional days between February 15 and March 10. If you use raw date subtraction, you end up with five full months between February 15 and July 15, plus *twenty-six* days between July 15 and August 10. The difference is due to the fact that February only has 28 days whereas July has 31 days.

Duration Option - Calculation Options Page

Usage	Use the Duration Option – Calculation Options page to choose a calculation method and set parameters associated with the method.
Object Name	PA_AGECALC_PERIOD
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules,**

	Duration Option, Calculation Options
Access Requirements	Option Name



Duration Option - Calculation Options page

Choosing a Calculation Method

Date Math Method First select a **Date Math Method**: ***Raw Date Subtraction, Period Counting, Decimal Date Subtraction,*** or your own custom User Code.

Setting Raw Date Subtraction Parameters

As discussed in the Raw Date Subtraction topic, you'll have to convert months to days in order to perform subtractions where the smaller (earlier) date has fewer days than the larger (later) date. For example:

```
1990/11/06

1977/12/13
```

Raw Date Subtraction

In the **Raw Date Subtraction** group box, you can convert the month using either ***Actual Days Per Month*** or ***Assumed Days Per Month.***

Actual Days Per Month: If you use ***Actual Days Per Month,*** the number of days depends on the month in question. In this case, the 10th month (October) is the most recent full month which you can convert to days. October has 31 days, so "90/11/06" becomes "90/10/37.

Assumed Days Per Month: If you use ***Assumed Days Per Month,*** enter a fixed number of days in the adjacent field. This number will be used regardless of the month in question.

Setting Period Counting Parameters

If you choose a period counting method, you need to indicate which period(s) to count. You can count either a single type of period such as years, or you can count successively smaller periods such as years then months.

You can define up to three types of counting periods: years, months, and days. You can use any combination of those periods, but you must use them in order from longest to shortest.

Although you may not want to express smaller units in your final count, you still may want to count them for rounding purposes. For example, if you are only going to count years, but you are going to round off by months, you need to count months as well.

Count First Period

Indicate the largest period in the **Count First Period** group box.

Count Second Period

Indicate the next largest period in **Count Second Period.**

Count Third Period

Indicate the last largest period in **Count Third Period.**

If you aren't using all three periods, select ***None*** for the unused period(s).

Complete Only

If you select **Complete Only,** the system doesn't count any smaller periods. If you don't use all three counting periods, select the **Complete Only** check box in the last (smallest) period you do count.

Choosing Rounding Methods

If you use either raw date subtraction or period counting math (both based on raw dates), you can choose to round your dates *before* calculating the duration.

Second Period/Month Round Rule/ Third Period/Day Round Rule

You'll round by completing the **Second Period/Month Round Rule** and **Third Period/Day Round Rule** parameters. For raw date subtraction, the "month" and "day" portion of the label tells you which box to use; for period counting, the "second period" and "third period" portion of the label gives you this information.

For example, to round days to months when using raw date subtraction, use the day round rule. To round days to months when using period counting, first check which period counts days. If the second period counts days, use the second period rounding rule, even though the label also says "months."

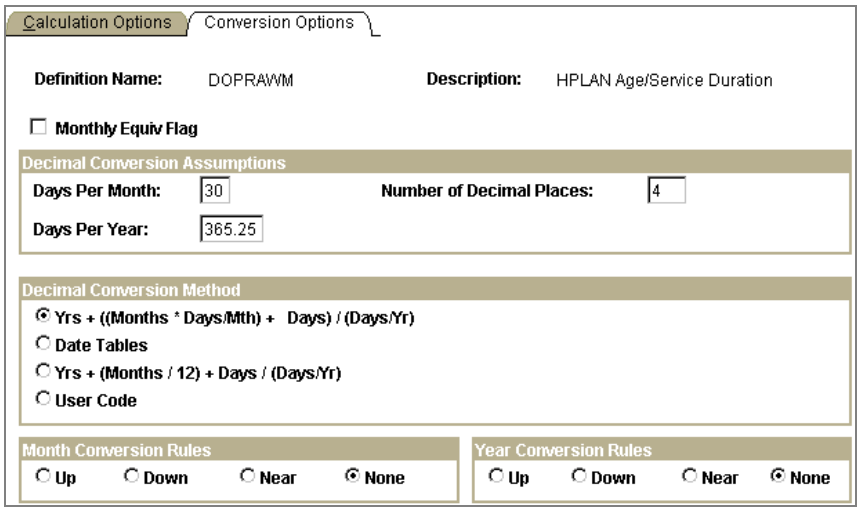
To round up only, select ***Round Up if Periods >*** and enter the threshold. For example, you could round days up to a full month after 25 days. To round up or down, choose ***Round Up if Periods >*** **...Else Round Down** and again enter the number of periods. If you don't want to round the duration at all, select ***None.***



These rounding options operate on the dates that are the duration endpoints. That is, the dates are rounded *before* the system performs raw date subtraction or period counting math. To round the duration itself, or to round the endpoints before performing decimal date subtraction, use the Month and Year Conversion Rules on the Conversion Options page.

Duration Option - Conversion Options Page

Usage	Use the Duration Option - Conversion Options page to set up a raw date to decimal date conversion method. For raw date subtraction and period counting, the system uses the conversion method *after* performing the subtraction. For decimal subtraction, the system uses the conversion method *before* performing the subtraction. The system converts the duration endpoints to decimal dates up front. If your duration endpoints are already decimal dates, the system ignores these parameters.
Object Name	PA_AGECALC_PARMS
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Duration Option, Conversion Options**
Access Requirements	Option Name



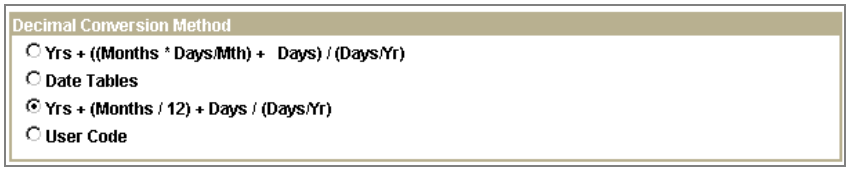
Duration Option - Conversion Options page

Setting Decimal Conversion Rules

Unless your source dates are decimals, the system will at some point convert the raw dates or durations to decimals. If you use raw date subtraction or period counting subtraction, the system converts the duration after performing the date math. If you use decimal date subtraction, the system converts the endpoints before performing the subtraction.

When you convert raw dates and durations to decimal equivalents, you have to convert months and days to partial years. There are a number of different ways to do this depending on your **Decimal Conversion Assumptions** and your **Decimal Conversion Method.**

The system offers three methods of converting dates into decimal values. There is also a User Code option for your own custom method.



Conversion Formulas for Durations

Let's look at what these formulas really mean.

Formula	*Description*
Yrs + ((Months * Days/Month) + Days) / (Days/Yr)	Convert the months to days, add this to the remaining days, then convert the total days to years to find the decimal portion of the duration. Add this to the years to find the total duration. In this case, you have to specify the assumed **Days Per Month** and the assumed **Days per Year.**

Date Tables	"Date Tables" represents the years plus the actual number of remaining days converted to years. The formula would be: Years + (actual days / days per year) In this case, you have to specify the assumed **Days Per Year.** The number of "actual days" depends on the time being measured. For a duration from 4/15/1994 to 8/16/1998, the actual days would be the days from 4/16/1998 to 8/16/1998.
Yrs + (Months/12) + Days/(Days/Yr)	Convert the months to decimal years, then convert the days to decimal years. Add these together to find the decimal portion of the duration. Add this to the years to find the total duration. In this case, you have to specify the assumed **Days Per Year.** The system knows there are twelve months per year; you don't need to enter this information.

At all points in the conversion process, decimals are rounded to as many places as you specify in the **Number of Decimal Places** field.

Understanding Conversion Methods

Let's look at each conversion method a little more closely. You'll use each method to convert the "raw" duration five years, six months and six days to a decimal value. The process is similar to that of converting a raw date to a decimal before performing decimal date subtraction.

For the examples, you'll assume 30 days per month, 365 days per year, and four decimal places.

1. Years + { [Months * Days per Month] + Days } / (Days per Year)

```
Years

       + (Months converted to days + Days) converted to partial years


Years = 5

Months converted to Days = 6 * 30 = 180

Days = 6

Total Days = (180 + 6) = 186

Total Days converted to partial years = 186 / 365 = 0.5096
```

```
End result: 5.5096
```

2. Years + [Months / 12] + [Days/ Days per Year]

```
Years

       + Months converted to partial Years

              + Days converted to partial Years


Years = 5

Months converted to partial Years  = 6 / 12 = .5000

Days converted to partial Years = 6 / 365 = .0164


End result: 5.5164
```

3. Date Tables: Years + (Actual Days)

To find the "actual days" value of six months and six days, you need to know which six months and six days they are. Let's assume this portion of the duration started on January 1, 1992. This means the months are January through June and the six days are then the first six days of July. You add 31 (Jan), 29 (Feb in a leap year), 31 (Mar), 30 (Apr), 31 (May), and 30 (June) and 6 (the remaining days) for a final value of 188. This will be converted to years using the actual number of days in this particular year, 366 because of the leap year.

```
Years

       + Actual Days converted to partial years [always using 365 days/year]


Years = 5

Actual Days converted to partial years = 188 / 366 = .5137


End Result: 5.5137
```

Understanding Conversion Methods

1. Years + { [Months * Days per Month] + Days } / (Days per Year)

2. Years + [Months / 12] + [Days/ Days per Year]

3. Date Tables: Years + (Actual Days)

Rounding Decimal Dates and Durations

The **Month Conversion Rules** and **Year Conversion Rules** perform rounding operations during your duration processing.

If you're using decimal date subtraction, the system uses these settings to round the duration endpoints (which are decimal values) *before* the subtraction that determines the duration. You can't further round the final result.

If you're using raw date subtraction or period counting, the system uses these settings to round the final duration result.

The settings work the same regardless of which value you're rounding. You can choose **Up** to round to the next month or year, **Down** to round to the previous month or year, or **Near** to round to the closer of the two rounded values. You can also choose **None** to avoid rounding altogether.



For decimal date subtraction, these rounding options operate on the decimal date endpoints *before* the system calculates the duration. For raw date subtraction or period counting, these rounding options operate on the duration itself. To round the endpoints for raw date or period counting methods, use the rounding rules on the Duration Option - Calculation Options Page. You can't round a duration produced by decimal date subtraction.

Using Monthly Equivalents

Remember that durations produce a primary result, a decimal value representing the entire duration, and six secondary results which you'll call results 2-7. To review, the secondary results are:

- Round the duration to whole months.
- Round the duration to whole years.
- Express the total duration as whole months: 6.25 (six years, three months) becomes 75 months. Any remaining days are rounded.
- Disregard whole years: 6.25 becomes just .25.
- Disregard whole years, and express the remainder as whole months: six years, three months becomes just three.
- Disregard whole years and express the remainder as days: six years, three months becomes approximately 91 days (based on days per year assumption).

Notice that results #2, #4, and #6 deal in "whole months." This means that any remaining days are rounded off. Results #3, #5, and #7 don't necessarily round off days, but if you select Use Monthly Equivalents in the Conversion Options page, these values are rounded according to the Month and Year Conversion Rules on this page. The month rule applies to those results that round days: this is all three results if you're using monthly equivalents. The year rule applies only to result #3. You can round either months or years **Up, Down,** or **Near,** or you can choose **None** to prevent rounding.



If you won't be using any of the secondary duration results, disregard the Use Monthly Equivalents field.

The following table gives you a more detailed look at the seven different results of a durations and shows the difference when you Use Monthly Equivalents. The examples assume that both rounding options are set to Near and that there are 365 days per year.

Name	***Description***	***Uses Monthly Equiv Flag?***	***Example***
AGE	Decimal, including partial years.	No (never rounded)	65.497 years
AGE 2	Round AGE to the nearest whole month.	No (always rounded)	65.500 years
AGE 3	Round AGE or AGE2 to whole years.	Yes Flag off: round AGE. Flag on: round AGE2.	 65 years 66 years
AGE 4	Express AGE2 in months.	No (always rounded)	65.500 * 12 = 786 months
AGE 5	Extract decimal from AGE or AGE2.	Yes Flag off: AGE decimal. Flag on: AGE2 decimal.	 .497 years remainder .500 years remainder
AGE 6	Extract decimal from AGE2 and express as months.	No (always rounded)	.500 * 12 = 6 months remainder
AGE 7	Express AGE5 as (whole) days.	Flag off for AGE5 Flag on for AGE5	.497 * 365 = 181 days remainder .500 * 365 = 182 days remainder

To reference any of the secondary results of a duration, add a numeric suffix to the duration name as illustrated in the first column of the table.

CHAPTER 34

Using Function Result Aliases

Certain Function Results can produce multiple results. Because the Function Result name always references the "main" result, you need a mechanism for referencing any secondary results.

The Average Earnings and Cash Balance functions both let you specify whether or not to apply limits. If you do apply limits, as you will in all your qualified plans, the function produces both limited and unlimited results. The Function Result name references the result according to how you've configured your definition; limited if the definition used limits, unlimited if it didn't. If the Function Result is limited, the secondary result is the unlimited equivalent. If the Function Result is unlimited, the secondary result is identical to the primary result.

The Participation function produces both a participation status and a participation date. The Function Result name references the status only. The secondary result is the date.

To reference any of the secondary values produced by these Function Results, you have to set up a special kind of alias: a Function Result Alias.

Using Function Result Aliases

Three functions: Participation, Final Average Earnings, and Cash Balance Accounts, always produce extra results beyond the ones referenced by the Function Result name. These are the results you'll reference with Function Result Aliases.

Typically you'll reference Function Result Aliases for Final Average Earnings and Cash Balance Accounts within the benefit formula.

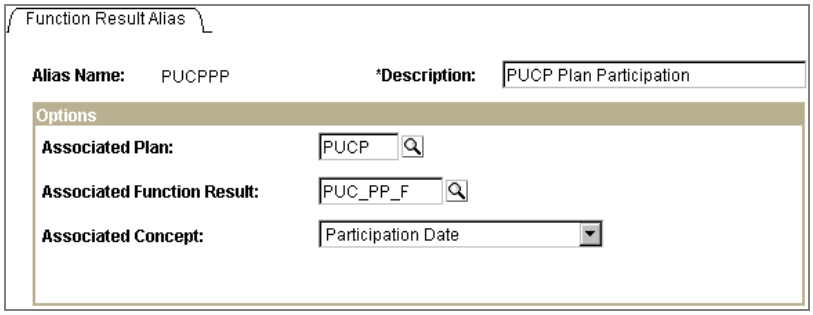
You might use the participation date when you set up a service definition if you want to exclude service before the participation date.



Although you don't have to set up Function Result Aliases for the extra results, the calculation will produce warning messages every time it calculates an extra result that doesn't have a Function Result Alias defined. Therefore, we suggest you define Function Result Aliases even if you're not going to use them in order to avoid having your users receive this message.

Function Result Alias Page

Usage	Use the Function Result Alias page to create a function result alias.
Object Name	PA_ALIAS_AUTO_ASGN
Navigation	**Define Business Rules, Maintain Pension Parameters, Variables, Function Result Alias**
Access Requirements	Alias Name



Function Result Alias page

Associated Function Result Select the **Associated Function Result:** the Function Result producing the extra value.

CHAPTER 35

Using Actuarial Factor Aliases

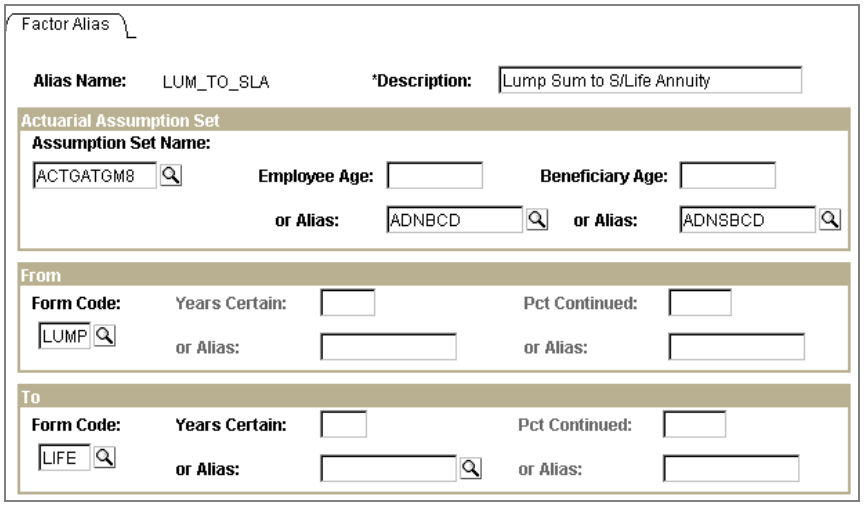
You'll use factors to determine an actuarially equivalent amount when you convert pension payments from one payment form to another. A factor alias calculates the factor based on three pieces of information: the actuarial assumption set, the two forms of payment, and, because annuities are paid over the recipient's lifetime, the ages of the participant and the beneficiary. Typically this is the ages at benefit commencement.

You can use the factors you create anywhere your plan needs them. If your cash balance plan produces a lump sum amount, but your normal form is an equivalent annuity, you might set up a lump-to-annuity conversion factor to include in your benefit formula. When you determine the annuity value of an employee's contributions, you'll use a factor alias to perform the conversion.

You won't need to use factors when you set up your optional form sets for each plan; the Optional Forms function handles the conversions itself.

Factor Alias Page

Usage	The factor utility calculates actuarial factors that convert payment amounts from one optional form of payment to another. Use the Factor Alias page to set up your factor parameters.
Object Name	PA_FACTOR_SETUP
Navigation	**Define Business Rules, Maintain Pension Parameters, Variables, Factor Alias, Factor Alias**
Access Requirements	Alias Name



Factor Alias page

Description Enter a **Description** for the alias you're setting up.

Assumption Set Name Enter an actuarial **Assumption Set Name.** An actuarial assumption set incorporates assumptions about mortality, interest, and payment frequency. For example, if you want to convert from a lump sum to a monthly annuity, the actuarial assumptions should specify a monthly payment frequency.

For more information about Actuarial Assumptions, see PeopleSoft Pension Administration, "Using Actuarial Assumptions"

Employee Age Indicate the annuitant's age in the **Employee Age** field.

Beneficiary Age Enter the beneficiary's age in the **Beneficiary Age** field.

You can enter either constant ages or aliases for these fields.

The factor is used to convert payments from one form to another, for example, from a lump sum to a single life annuity, or from a single life annuity to a 50% J&S. Define the two payment forms in the **From** and **To** group boxes. Describe each form by entering a **Form Code.** Your options are:

- ***Certain Only Installment***
- ***Joint and Survivor Annuity***
- ***Life Annuity***
- ***Level Income Option***

- ***Last to Survive Annuity***
- ***Lump Sum***
- ***Pop Up Annuity***
- ***Reversionary Annuity***

You'll also see an option for ***Spouse J&S Demonstration.*** This is used in the optional forms pages when your plan provides an automatic benefit to a spouse. Don't select this option here in the Factor Alias page: use ***Joint and Survivor Annuity*** instead.

Certain forms incorporate additional parameters. If you select a ***Certain Only Installment*** or if you want to specify a guaranteed number of payments for any of the annuity options, enter the number of **Years Certain.** For example, to enter a 5-year certain and continuous form, select the ***Life Annuity*** form code and enter five **Years Certain.**

If the option includes a survivor benefit, for example, a ***Joint and Survivor Annuity*** or a ***Last to Survive Annuity,*** enter the **Pct Continued** (percent continued) to indicate the survivor's continuing percentage of the original annuity. For example, to enter a 50% J&S form, select the ***Joint and Survivor Annuity*** form code and enter ***50*** **Pct Continued**.

Understanding Form Codes

When you deal with forms of payment, whether in the factor utility or the optional forms function, you'll define your payment form using a form code, a guaranteed number of payments, and a continuing percentage.

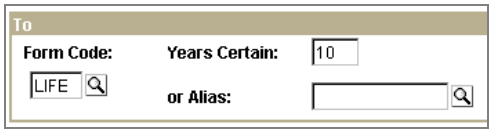
The Factor Alias utility recognizes form codes and automatically applies the appropriate actuarial equation. Following are the form codes, their definitions, and information as to whether the years certain and percent continued options are necessary (Y), not applicable (N), or optional (O).

Code	*Full Name*	*Description*
CO	Certain Only Installment Years Certain: **Y** Pct Continued: **N**	Amount is paid for a specified number of years and no longer. If participant dies, any remaining payments are made to a beneficiary.
JS	Joint and Survivor Annuity Years Certain: **O** Pct Continued: **Y**	One amount is paid until the participant dies. Then a survivor benefit, reduced to the percent continued, continues until the beneficiary dies.
LIFE	Life Annuity Years Certain: **O** Pct Continued: **N**	A periodic amount paid for the life of the participant.
LIO	Level Income Option Years Certain: **O** Pct Continued: **O**	A monthly payment that is reduced at Social Security Retirement Age by the estimated amount of money to be received from Social Security.

LTS	Last To Survive Annuity Years Certain: **O** Pct Continued: **Y**	Similar to a Joint and Survivor annuity, except that the amount is reduced when either the participant or the beneficiary.
LUMP	Lump Sum Years Certain: **N** Pct Continued: **N**	One-time payment.
POP	Pop Up Annuity Years Certain: **O** Pct Continued: **Y**	Similar to a Joint and Survivor annuity, except that the participant's otherwise reduced benefit "pops up" to the single life annuity level if the beneficiary pre-deceases the participant.
REV	Reversionary Annuity Years Certain: **O** Pct Continued: **N**	The entire benefit is paid as a life annuity to a beneficiary upon the retiree's death. The system's actuarial calculation of a reversionary annuity assumes that the benefit is forfeited if the beneficiary predeceases the retiree. If your plan rules differ, use a different method for calculating this optional form. If you enter a Years Certain, the certain period starts when the beneficiary begins receiving payments.
SPJS	Spouse Demonstration Joint & Survivor Years Certain: **O** Pct Continued: **Y**	No actual benefit; this is informational only to show the benefit that the spouse is losing if the participant names a non-spouse beneficiary.

Any time you specify a number of **Years Certain,** any payments remaining after the participant dies are paid to a beneficiary.

Note that there is no separate form code for certain and continuous forms of payment. You'll create these forms by adding **Years Certain** criteria to other forms. Typically you'll add to a single life annuity (LIFE), but possibly to joint and survivor or other forms as well. For example, a 10 year certain and continuous with no joint and survivor criteria would look like this:



Setting Ten Year Certain and Continuous on the Factor Alias page

CHAPTER 36

Using Custom Statements

No two pension plans are alike. Within our parameter pages we've included many of the types of calculation processes that your plans may use, but, because of the numerous variations that are possible, we've also provided a tool that you can use to build your own custom logic statements. This tool is the Custom Statement. Using the Custom Statement page, you can set up mathematical operations and conditional statements. The values calculated can be referenced from other calculation components. The values don't, however, appear on the calculation worksheet or in any online page.

Several components of your plan rules will use the Custom Statement as the main parameter page. The Plan Eligibility, Benefit Formula, Group Definition, Spouse Eligibility, and Status Code Definition pages are all just custom statements.

In this section, you'll take a general look at the Custom Statement page and talk about how to use this page for specific parts of your plan setup.

Using the Custom Statement Page



For more information, see Plan Eligibility Page, Benefit Formula - Benefit Formula Page, Group Definition Page, Spouse Eligibility Page, and Status Code Definition Page.

You'll use the Custom Statement page to define variables that the other PeopleSoft Pension Administration utilities can't accommodate. The Custom Statement can perform mathematical operations, evaluate boolean statements, and perform certain predefined functions such as minimum and maximum.

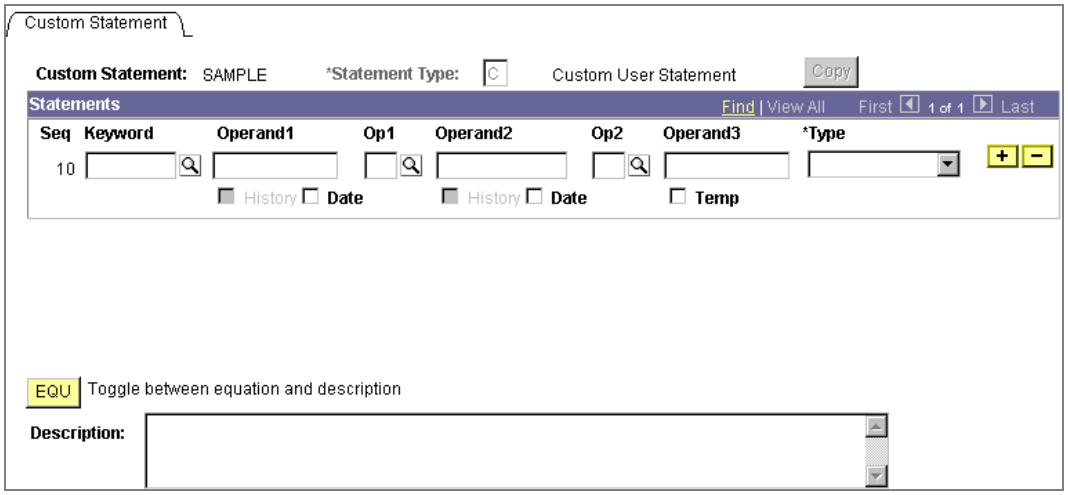
The Custom Statement page is much more flexible than most PeopleSoft Pension Administration pages. Rather than presenting you with predefined choices, the Custom Statement gives you the latitude to set up your own rules. For example, given the uniqueness of most benefit formulas, we couldn't possibly offer you a complete list of formulas from which to choose. Instead, we give you a tool for setting up your own formulas.

Because this is such a flexible tool, you'll see the Custom Statement page in six different places in the system. In addition to the "generic" Custom Statement page, you'll also find this page under menus for Plan Eligibility, Benefit Formula, Group Definition, Spouse Eligibility, and Pension Status Code Definition.

Let's take a cursory look at the Custom Statement page, and then you'll look at the various page components more closely.

Custom Statement Page

Usage	Use the Custom Statement page to define variables that the other PeopleSoft Pension Administration utilities can't accommodate.
Object Name	PA_CUSTOM_PNL
Navigation	• **Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition, Status Code Definition** • **Define Business Rules, Maintain Pension Parameters, Variables, Custom Statement, Custom Statement** • **Define Business Rules, Maintain Pension Parameters, Variables, Spouse Eligibility, Spouse Eligibility** • **Define Business Rules, Maintain Pension Plans, Define, Benefit Formula, Benefit Formula** • **Define Business Rules, Maintain Pension Plans, Define, Plan Eligibility, Plan Eligibility** • **Define Business Rules, Maintain Pension Plans, Implement, Group Definition, Group Definition**
Access Requirements	Custom Statement Name



Custom Statement page

Custom Statement Name and Type

Custom Statement You'll name the custom statement when you add it to the system.

Statement Type

The statement type is based on how you got to the page, as a standalone statement or through one of the functions that incorporates the Custom Statement page. Standalone statements have a type of ***C - Custom User Statement.***

For more information about statement types, see Understanding Custom Statement Types.

Copying a Custom Statement

Copy

Because custom statements can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar statements. Establish the first custom statement, click the **Copy** button, enter a new name and description, and the system will clone the original statement using the new name. You can then make whatever minor adjustments you need to the new statement. If you have to make major adjustments, consider creating the new statement from scratch instead.

Custom Statement Clause Types and Keywords

Seq (sequence)

The heart of the custom statement is a series of clauses that together produce a result. Each row in the Custom Statement page constitutes such a clause. The clauses (rows) are ordered by the sequence numbers in the **Seq** field. The system automatically assigns a unique sequence number when you create a clause. You can't directly edit the numbers to change the clause order. Instead, you have to create and delete rows to change the order.

Sequence numbers also serve to identify the clauses within error messages. If the system detects an error when you try to save a custom statement, the error message will use the sequence number to direct you to the row with the error. For example, if you try to use an alias that doesn't exist, you might see a custom statement error message.

Type

At the end of each clause, the **Type** field identifies whether the clause is a ***Boolean, Function,*** or ***Operation*** clause.

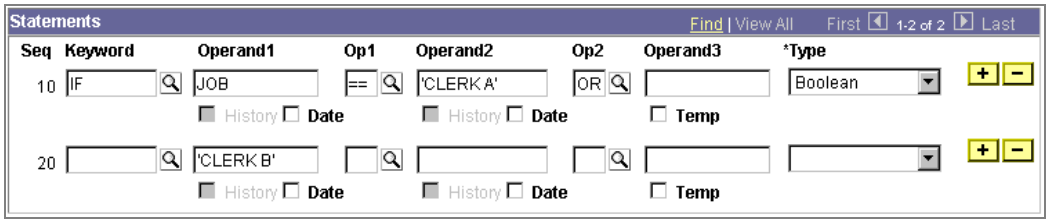
- ***Boolean*** clauses handle comparative logic and if-then conditions. You can use the keywords ***IF*** and ***ELSEIF.***
- ***Function*** clauses use one of the custom statement's predefined functions, for example, finding the minimum or maximum value in a set. Valid keywords are ***IN, MIN,*** and ***MAX.***

- Mathematical ***Operation*** clauses incorporate basic arithmetic functionality such as addition, subtraction, multiplication, division, and exponentiation. Such clauses don't use keywords.

You'll also use operation clauses as the "then" portion of an "if-then" statement. Valid keywords for this usage include ***THEN*** and ***ELSE.***

Keyword There are logical operators that can be associated with each type of clause. These belong in the **Keyword** field. When you enter a keyword value for a clause, the system automatically enters the appropriate clause type based on the keyword.

Some clauses won't have keywords, so you'll enter the type manually for those clauses. Clauses without keywords include arithmetic operation clauses and continuations of boolean or function phrases. For example, the boolean phrase pictured here encompasses two clauses, but only the first one has a keyword:



Boolean Phrase with Two Clauses

Operands and Operators

Op1/Op2 (operators 1 and operators 2) The **Op1** and **Op2** fields contain operators specific to the clause type, for example, "greater than" operators are only available in boolean clauses while arithmetic operators are only available in operation clauses. Function clauses won't use these fields.

Operand1/Operand2 The operands within a clause can be either constants or variables. You are free to mix constants and variables as long as the results make sense, for example, you can add two numbers, but you can't add a number and a character. You'll always reference at least one variable from within a custom statement.

The **Operand1** and **Operand2** fields prompt against existing variables.

You can't reference group types of custom statements, including Group Definitions, Plan Eligibility, Spouse Eligibility, or Status Code Definitions, from within another custom statement *of any type.* All the group types of custom statements are time-sensitive and thus can't be reliably resolved from within another custom statement.

History/Date/Temp The History, Date, and Temp check boxes underneath the two operand fields enable you to further define your operand values as described in other topics. Select the field name to jump to a description of the field.

Operand3 The **Operand3** field contains the names of any temporary variables you set up within a statement as well as the final assignment necessary in mathematical statements.

Description and Equation

Description You can enter explanatory text about the custom statement in the **Description** field.

Equ (equation) Click the **Equ** button to toggle the long text field between the **Description** field and an **Equation** field that translates your statement into an equation, showing the custom statement as a formula, complete with parentheses grouping the clauses. Each time you toggle to the **Equation** field, you refresh the equation.

Understanding Custom Statement Types

You'll find the Custom Statement page in six different places in the system. In addition to the "generic" Custom Statement page, you'll also find this page under the menus for Plan Eligibility, Benefit Formula, Group Definition, Spouse Eligibility, and Pension Status Code Definition.

In the Custom Statement page, the default for the **Statement Type** field is based on the navigational path that you used to open the page.

The five possible statement type values in the **Statement Type** field are:

Statement Type	*Navigation*
Benefit Calculation	**Define Business Rules, Maintain Pension Plans, Define, Benefit Formula**
Custom User Statements or "standalone Custom Statement"	**Define Business Rules, Maintain Pension Parameters, Variables, Custom Statement**
Group Function Definition	**Define Business Rules, Maintain Pension Plans, Implement, Group Definition**

Plan Eligibility	**Define Business Rules, Maintain Pension Plans, Define, Plan Eligibility**
Spouse Eligibility	**Define Business Rules, Maintain Pension Parameters, Variables, Spouse Eligibility**
Status Code Definition	**Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition**

Benefit calculations and standalone custom statements are typically mathematical formulas.

Group definitions, eligibility definitions, and status code definitions are boolean formulas that determine whether or not an individual meets the criteria for belonging in a particular group.



For more information about the specific functions that use custom statements, see Defining Plan Eligibility, Defining Benefit Formulas, Grouping Employees, Using Spouse Eligibility Statements, and Using Pension Statuses.

Understanding Mathematical Statements

When you use the custom statement to create your plan benefit formulas, you'll set up statements with the type ***Benefit Calculation.*** The Benefit Formula component includes an additional page to describe the normal form of the benefit. General purpose mathematical equations will have the type ***Custom User Statement.***

These mathematical equations can incorporate function clauses and boolean clauses, but the final product of the result is a number or a date.

Mathematical equations require a final clause to assign a name to the result. This name must be the custom statement name.



For more information about mathematical statements in general, see Setting Up Mathematical Operations in this Custom Statement main topic. For specific information about benefit calculations, see Defining Benefit Formulas.

Understanding Group Statements

The **Group Function Definition** statement type establishes subsets of the employee population that you can then link to specific plan rules. These group definitions are key to implementing your plan rules, since rules must always be explicitly associated with a group when you set up a function result.

The **Plan Eligibility** statement type defines the criteria which qualify employees for a specific plan. Plan Eligibility Custom statements will look very similar to Group Definitions since the Plan Eligibility groups are a specialized application of the grouping logic.

The **Spouse Eligibility** statement type defines the criteria which employees must meet in order to take advantage of automatic (non-optional) joint and survivor benefits if a plan offers this benefit.

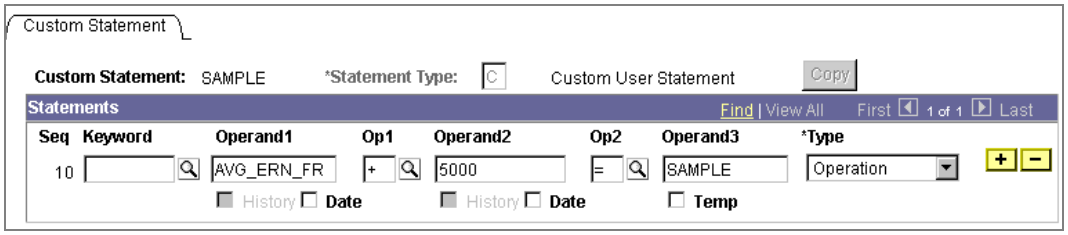
The **Status Code Definition** statement type is another specialized application of the grouping logic, this time to determine criteria for pension status assignment.

When you set up group statements, you must use a single IF statement to state the inclusion criteria. You can't have more than one IF statement in a custom statement. Group statements don't require a corresponding THEN clause or a final assignment, because the system automatically assigns a ***Y*** (yes) value when the employee meets the criteria.

For more information about group statements, see Setting Up Group Definitions in this section. For more information about the specific functions that use group Custom Statements, see Defining Plan Eligibility, Grouping Employees, Using Spouse Eligibility Statements, and Using Pension Statuses.

Setting Up Mathematical Operations

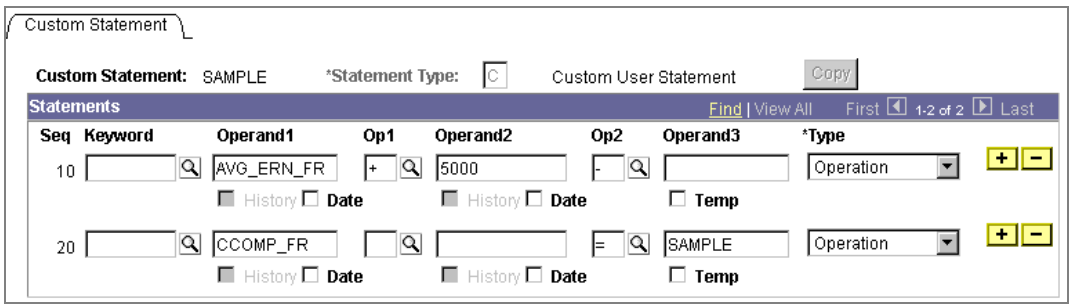
Perhaps the simplest use of the custom statement is for mathematical operations. Let's look at a couple of sample clauses:



Simple Mathematical Operation

In this very simple case, you are performing a mathematical operation (addition) using only two operands. Notice that the clause type is ***O*** to indicate that this is a mathematical operation. Also notice that we've specifically assigned the result of the operation to the variable ***SAMPLE,*** which is the name of the custom statement. This is required of all mathematical equation types in order to associate the name of the custom statement with the final value.

Now let's add another component:



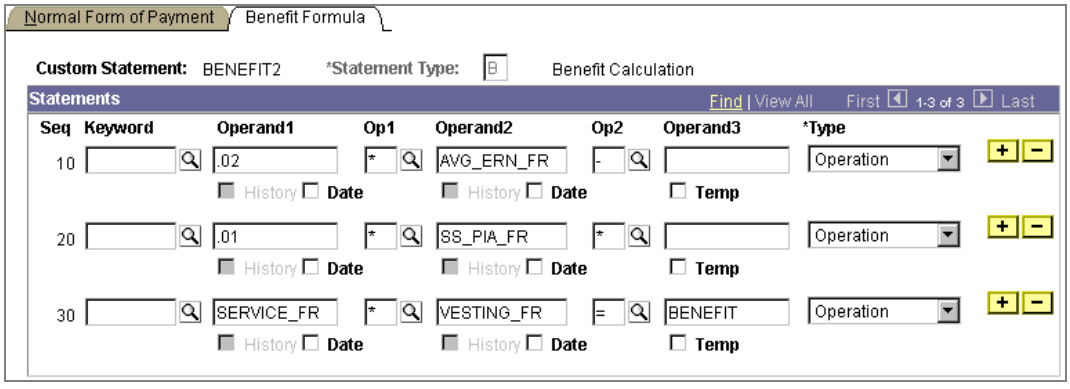
Extended Mathematical Operation

You can see that the operation skips the **Operand3** field and simply continues. You can continue as long as you like using just the first two operand fields and the first two operator fields. The third operand field is reserved for assigning intermediate (temporary) or final results to variable names.

Arranging Clauses in Mathematical Operations

The above examples are more simple than most equations that you would create. As you begin to plan more complex operations, you have to determine where in the statement the implied parentheses fall.

You'll notice that there are no fields for parentheses on the custom statement page. You can't, therefore use actual parentheses to create your own groupings within an operation. To see how the custom statement evaluates a series of clauses, let's look at an example.



Multiple Clauses within a Custom Statement

With no parentheses, this statement (without the final assignment) would be:

```
.02 x AVG_ERN_FR - .01 x SS_PIA_FR x SERVICE_FR x VESTING_FR
```

Clearly you wouldn't want to execute each operation in the order given. You would end up subtracting .01 instead of subtracting 1% of social security PIA. And although you may be used to performing all multiplication and division first, addition and subtraction last, this isn't how the

custom statement handles the situation. Instead, the custom statement's first step is to group the items by clause. This yields:

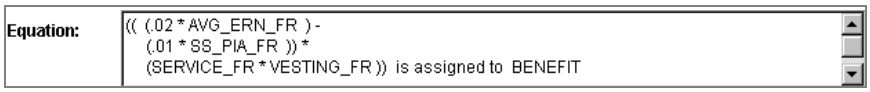
```
(.02 x AVG_ERN_FR) - (.01 x SS_PIA_FR) * (SERVICE_FR x VESTING_FR)
```

Taking each clause as a unit, the custom statement evaluates each operation in sequence order. It ignores any precedence of one type of operation (multiplication) over another (subtraction). In this instance, the system first calculates Clause 1, then subtracts the result of Clause 2, then multiplies that value by the result by Clause 3:

```
{[(.02 x AVG_ERN_FR)-(.01 x SS_PIA_FR)]x(SERVICE_FR x VESTING_FR)}
```

The default parentheses, although not displayed in the working area of the Custom Statement page, occur around each clause and again after each new clause. To see the equation as it would look with parentheses, click the **Equ** button. This toggles the long text field at the bottom of the page between a **Description** field, where you can enter information about the formula, and an **Equation** field that translates your statement into an equation, showing the implied parentheses. Each time that you toggle to the **Equation** field, you refresh the equation.

The equation for the page that you've just set up looks like this:



Custom Statement Equation

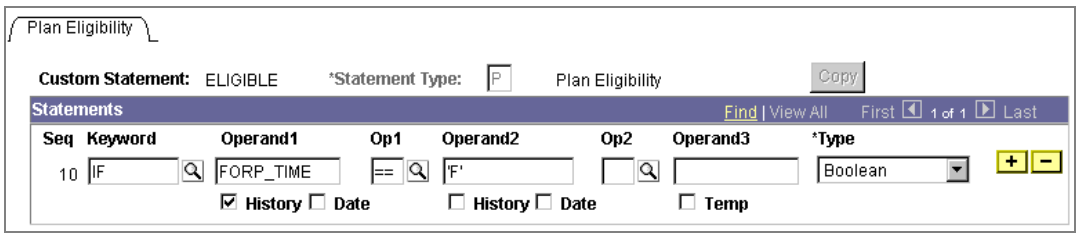
Always check your equation to see that the operation calculates as you intended. Remember, the precedence is determined strictly by the order of the clauses. Each clause is evaluated and compared to the cumulative result of all preceding operations.

For this particular example, the default processing order works fine. With more complex formulas, however, you may need to set up other groupings. You'll do this by assigning temporary variables.

Setting Up Group Definitions

When you use the Custom Statement page to set up groups, you'll set up IF clauses comparing employee data, referenced by aliases, to specific criteria. You have to put the looked-for value in quotation marks to indicate that this is a literal value rather than an alias.

For example, if you use the alias FORP_TIME, which is delivered with the system, to look up an employee's full-time/part-time status, the following custom statement checks if that status is ***'F'*** (full-time). If the status is ***'F',*** the employee is in the group; otherwise, the employee isn't in the group.



Group Statement

You can enter AND or OR connectors in the **Op2** field to string together multiple conditions.

When you reference database aliases, it's important to know the valid values for the field. For example, if you're using the FORP_TIME alias, a full-time employee will have the value ***'F,'*** not "FT" or "FULL." So if you set up a custom statement that checks for "FORP_TIME equals 'FT,'" no employees will meet the criteria. For fields whose valid values are defined on the Translate table, you can verify those values using Application Designer.

Notice that there is no assignment to the **Operand3** field. Group definitions don't require this assignment. When an employee meets the conditions, a ***Y*** (yes) value is assumed; otherwise, an ***N*** (no) value is assumed.

Arranging Clauses in Group Statements

When there are both AND and OR conditions in a single IF statement, the system resolves the conditions one at a time. The following example shows how a hypothetical AND/OR statement would get treated:

```
A and B and C or D and E


1.  (A and B) is True or False

2.  (1 and C) is True or False

3.  (2 or D) is True or False

4.  (3 and E) is True or False
```

Because this can get complicated, it is advisable to use the IN function to isolate OR clauses wherever possible. You'll take a closer look at IN clauses in another topic, but here's an example of how you might replace a string of OR conditions

Key	*Operand1*	*Op1*	*Operand2*	*Op2*	*Operand3*	*Type*
IF	UNION_CD	==	"81"	OR		BOOLEAN
	UNION_CD	==	"82"	OR		BOOLEAN
	UNION_CD	==	"83"			BOOLEAN

with an IN statement:

Key	Operand1	Op1	Operand2	Op2	Operand3	Type
IN	UNION_CD		"81"			FUNCTION
	"82"		"83"			FUNCTION

Assigning Final and Temporary Variables

Custom statements use only the **Operand1** and **Operand2** fields for the actual operation. The **Operand3** field is reserved for assigning variable names to results.

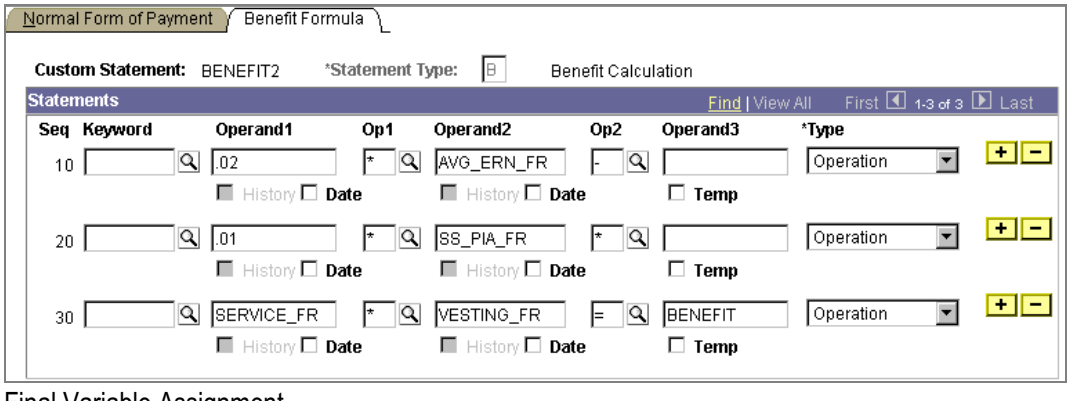
For mathematical equations, the variable name that you'll assign to the final result must be the custom statement name. For group statements, the final result is always an implied yes or no, so you won't make an explicit final assignment.

You can also assign intermediate values to temporary variables. You might do this to set up complex clause groupings.

Making Final Assignments

For mathematical equations (Custom User Statements and Benefit Formulas) you must explicitly assign a final "answer" to the custom statement. For group statements (Group Definitions, Plan Eligibility, Spouse Eligibility, and Status Code Definitions) the system takes care of this final assignment automatically.

You make a final assignment by entering the "assign to" operator = in the **Op2** field and the custom statement name in the **Operand3** field. For example, in a custom statement called "BENEFIT," your final clause would include an = (assign to) in the **Op2** field and ***BENEFIT*** in the **Operand3** field.



Final Variable Assignment

Making Multiple Final Assignments

You can make multiple assignments within a single custom statement, but you need to be extremely careful, as these assigned values will remain fixed throughout the rest of the calculation.

To make multiple final assignments, simply add the additional assignment clauses. For example, you could set up custom statement XYZ with the following parameters:

```
If        "A" equals    B

Then      "C" assign to D

          "E" assign to F
```

with the caveats that:

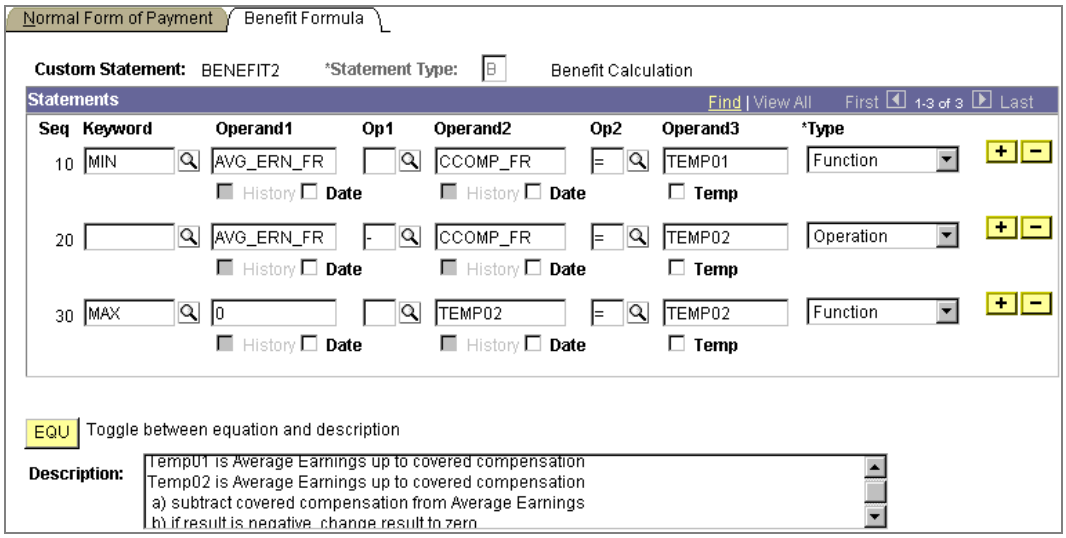
- There must be aliases called D and F.
- D and F can't be referenced before Custom Statement XYZ in the job stream. If they were, they would already have values and this attempt to assign new values would fail.
- Any references to D or F later on in the calculation will use these values. You can't reassign the values even by processing the D and F Custom Statements.



You should generally avoid making multiple assignments within a custom statement. Results may be unpredictable if you have subsequent assignments to the same variable. If you do make multiple assignments, be sure to perform a thorough analysis of your calculation job stream to look for previous and subsequent references to any secondary variables.

Making Temporary Assignments

You can make temporary assignments in order to help you group your clauses when the default processing isn't the desired method. There are predefined temporary variables that you can use in custom statements in order to reference intermediate results later in the same statement.



Temporary Variable Assignment

In the example pictured, clause 30 references the temporary variable that you created in clause 20. You can assume that later clauses will reference the temporary variables you created in clauses 10 and 20, since that is the only reason to set them up in the first place.

Notice also that you used the same temporary variable, ***TEMP02,*** in clauses 20 and 30. Once you reuse the name in clause 30, the value that it had in clause 20 can no longer be referenced.

When you set up temporary assignments, assign one of the following predefined temporary variables:

- For characters and dates, use ***TEMPC00*** through ***TEMPC99.***
- For numbers, use ***TEMP00*** through ***TEMP99.***

If you select the **Temp** check box under the **Operand3** field, you'll be able to press F4 to display a list of the temporary variables when your cursor is in the **Operand3** field. You don't, however, have to select the **Temp** check box in order to use a temporary variable. You can simply type it in if you want. Because this is merely a data entry aid, the mark in the check box isn't preserved when you close and open the page.

If you prefer, you can set up separate custom statements for each temporary variable, although, if you do this, the variable is, of course, no longer temporary. For example, if a benefit formula is the maximum of Benefit A and Benefit B, you can set up custom statements for each of the component formulas and then reference them from the Benefit Formula statement. This approach will help you shorten some custom statements. In addition, this is the most efficient way to set up your aliases when you need the intermediate values for other purposes.

The intermediate results aren't shown in the calculation worksheet regardless of whether you use temporary variables or standalone custom statements. In order for the worksheet to display the various values, you'll have to set each component up as a Benefit Formula function result.

Using the Three Types of Clauses

You've looked briefly at the different types of clauses:

- Operation
- Boolean
- Function

To look at the various options in more detail, let's examine the different keywords available to us:



Prompt for Valid Keywords

Notice that the description for each keyword indicates the associated clause type. The one keyword that is independent of clause type is the ***Comment.*** The system ignores comment clauses when resolving the custom statement so you can use them for any incidental information that you want displayed online, but ignored in processing. You also won't find comments in the equation at the bottom of the page.

Operation Clauses

Operation clauses incorporate basic mathematical operations: addition, subtraction, multiplication, and exponentiation.

In an "if-then" statement, the "then" portion of the statement is an operation clause. The "if" portion is a boolean clause.

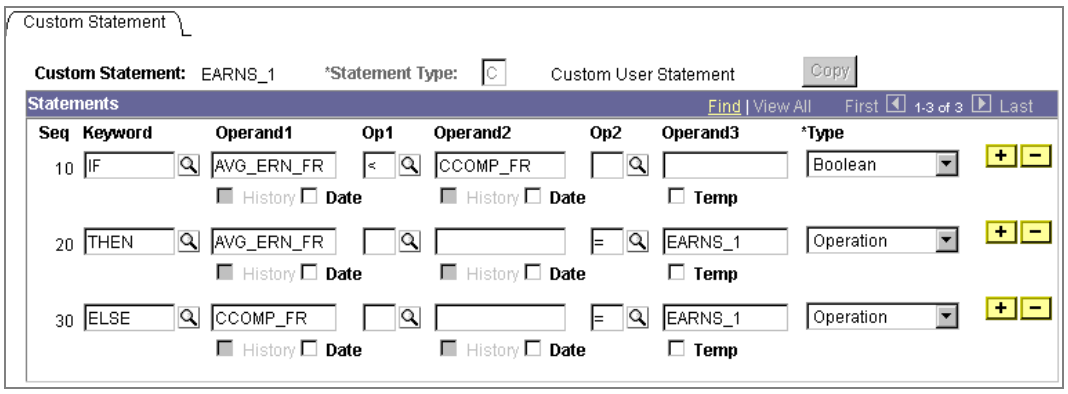
Boolean Clauses

Boolean clauses set up conditional statements using the keywords IF and ELSEIF. You can resolve the conditions with operation clauses using the THEN and ELSE keywords.

All four types of group statements (Group Definitions, Plan Eligibility, Spouse Eligibility, and Status Code Definitions) will only accept a single IF clause. You can't add any additional boolean

criteria. Mathematical statements, however, can leverage boolean capabilities to build complex formulas. The pairing of IF and THEN keywords gives you an easy to understand statement. Use an ELSE clause to resolve a statement when the IF condition isn't met. Use an ELSEIF boolean keyword when that resolution requires evaluating additional conditions.

For example, consider the following custom statement that defines Average Earnings up to Covered Compensation:



Average Earnings up to Covered Compensation

Because this calculation requires comparing average earnings to covered compensation, it uses boolean clauses to establish which value to assign. Operation clauses then make assignments based on whether or not the boolean condition is met.

Boolean clauses allow the following operators in the **Op1** field: ***equal, not equal, less than, less than or equal to, greater than,*** and ***greater than or equal to.*** They allow ***and*** and ***or*** operators in the **Op2** field.

Operation clauses allow the following operators in both the **Op1** and **Op2** fields: ***add, minus, multiply, divide, exponentiation.***

The **Op2** field has one additional operator, ***assign to,*** used for making either final or temporary assignments. ***Assign to*** can be part of an operation or function clause.

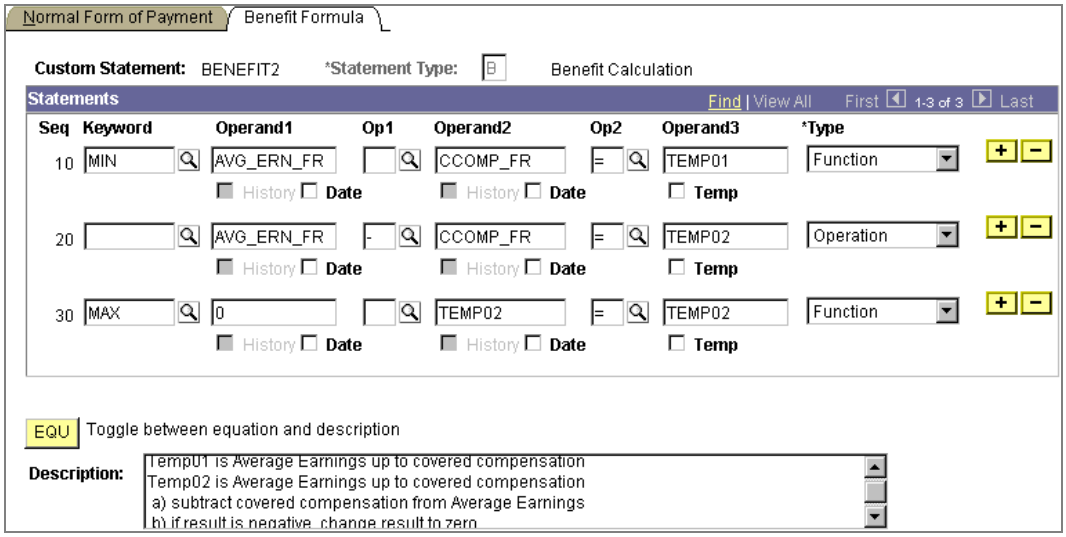
Function Clauses

The functions available on the Custom Statement page are ***MIN*** (minimum), ***MAX*** (maximum), and ***IN.*** To set up a function, start by entering the keyword for the function into the clause. Because the function is predefined, you won't enter operators in function clauses except when you use the **Op2** field to make a temporary or final assignment.

Often you'll make temporary assignments to function clauses. You can then reference the temporary variables elsewhere in the statement.

Using the Maximum and Minimum Functions

The Maximum and Minimum functions evaluate a series of values to determine which is the highest or lowest. You can compare both variables and constants. Enter the values in the **Operand1** and **Operand2** fields, using multiple clauses, if necessary. When you've entered all the values, make either a final or temporary assignment. For example, a custom statement that uses the MIN and MAX functions to find average earnings up and above covered compensation would be set up as follows:



Minimum and Maximum Function

You would expect this statement to use the variables in later clauses. For example, if this were a benefit formula, later clauses might be:

Key	*Operand1*	*Op1*	*Operand2*	*Op2*	*Operand3*	*Type*
	.02	*	TEMP01	.		Operation
	.03	*	TEMP02	*		Operation
	SERVICE_FR	*	VESTING_FR	=	BENEFIT2	Operation

Using the IN Function

You'll use the IN function when you're setting up group definitions or plan eligibility criteria. This function checks to see if a variable matches one of a defined list of values. For example, you can look to see if an employee is assigned to any of several locations. Do this by entering the location variable, in this case, a database field lookup alias, in the **Operand1** field, then listing the looked-for values in the subsequent **Operand1** and **Operand2** fields.

When you use IN clauses, you must assign a final or temporary variable to the result. The system automatically assigns a value of "Y" when the conditions are true.

Key	Operand1	Op1	Operand2	Op2	Operand3	Type
IN	UNION_CD		"081"			FUNCTION
	"082"		"083"	=	TEMPC01	FUNCTION

You can include several IN clauses in a statement and then reference the temporary variables within an IF clause later in the statement:

Key	Operand1	Op1	Operand2	Op2	Operand3	Type
IF	TEMPC01	==	"Y"	AND		Boolean
	TEMPC02	==	"Y"	AND		Boolean
	TEMPC03	==	"Y"			Boolean

This is a particularly useful technique when you're checking several fields for valid values. Because the IN statement uses an implied "or" condition, it separates all the "or" clauses from the "and" clauses of the final IF statement.

Note. You can set up group statements using IN instead of IF, but such statements require a final assignment. Group statements infer the final assignment only when based on an IF statement.

Configuring Operands

The **Date** and **History** check boxes underneath the **Operand1** and **Operand2** fields indicate certain characteristics of the data in that field.

Formatting Date Constants

In most PeopleSoft pages, you can enter an unformatted date. For example, you could enter 01011988 to mean January 1, 1988, and the system will automatically reformat your entry to 01/01/1988. There's no need to enter the slashes or any other separator.

However, if you enter an unformatted date into one of the operand fields, the custom statement will treat it as a number. In order to indicate that the eight digits actually represent a date and not a number, select the **Date** check box beneath the operand in question. This is only necessary when you enter unformatted dates. If you include a separator (a slash, dash, or space) when you enter a date, you don't have to select this check box.

Note. Custom Statement pages require you to enter eight-digit dates, that is, you need to include the century. This is different from most PeopleSoft pages, which accept six-digit dates. For example, in the Custom Statement page you would enter January 1, 1995, as 01/01/1995, not as 01/01/95.

When you use a date alias, there's no reason to select the **Date** check box, since the system already knows the value is a date and has formatted it appropriately.

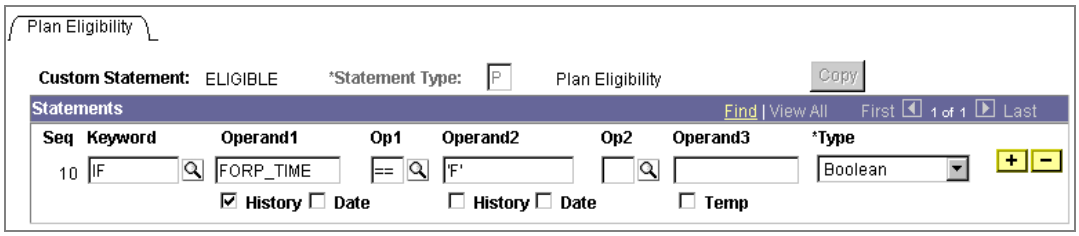
Using History

When you use the custom statement to define groups, the custom statement can evaluate the eligibility requirements over time and build a timeline of eligible and ineligible periods. This is a very powerful feature, and is key to evaluating plan eligibility and group membership.

To activate this feature select the **History** check box underneath all effective-dated variables.

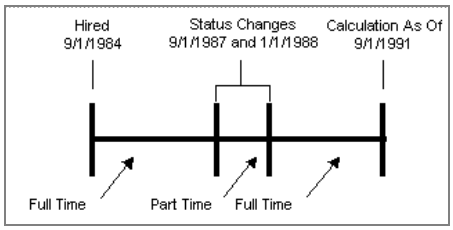
Note. You should always use the **History** check box for aliases to effective-dated fields. You can't use it with fields that aren't effective-dated because there is no history to reference.

For example, suppose you are setting up a group for full time employees.



Group Definition Based on Historical Data

The group function would look at the employee data over time and come up with a timeline. For example, Julius Jones worked part-time for three months after his daughter was born and therefore has the following work history:

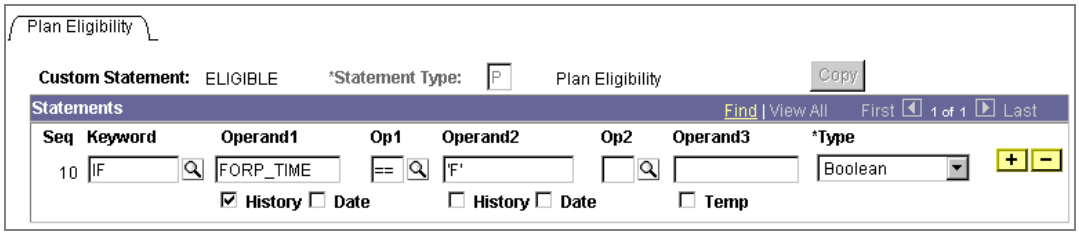


If you hadn't selected the **History** check box, there would only be one segment. In Julius' case, the custom statement would only look at the current information and thus would say that he had always been part of the full-time group.

If Julius had left the company while he was only working part-time, failure to select the **History** check box would result in a single result showing that Julius had never been part of the full-time group. This happens because his status at the time of the calculation would have been part-time. The fact that the he was previously in the group would have been disregarded.

Using Literal Operands

If you use custom statements to look for a literal value, be sure to put quotation marks, single or double, around the value. The same rule applies to making literal assignments. For example, consider our group eligibility statement:



Using Literal Operands

When you reference a database aliases, it's important to know the valid values for the field. For example, if you're using the FORP_TIME alias, a full-time employee will have the value "F," not "FT" or "FULL." So if you set up a custom statement that checks for "FORP_TIME equals 'FT,'" no employees will meet the criteria.

If you don't use quotation marks, the system treats values beginning with a number as numbers and values beginning with characters as aliases. Note that the system prevents you from creating alias names that begin with numbers so that the custom statement can make this assumption.

CHAPTER 37

Using Spouse Eligibility Statements

Certain plans, particularly public sector plans, offer spouses an automatic Joint & Survivor benefit. That is, the spouse gets the benefit continuation without there being any actuarial reduction to the employee's benefit. If you sponsor a plan with this feature, you will incorporate the automatic benefit into the Normal Form of Payment parameters in your benefit formula.

Plans that offer this feature may have eligibility requirements for the automatic benefit. For example, the plan may require that the employee be married at least a year in order to receive this benefit. Use the Spouse Eligibility alias to set up any such eligibility requirements.

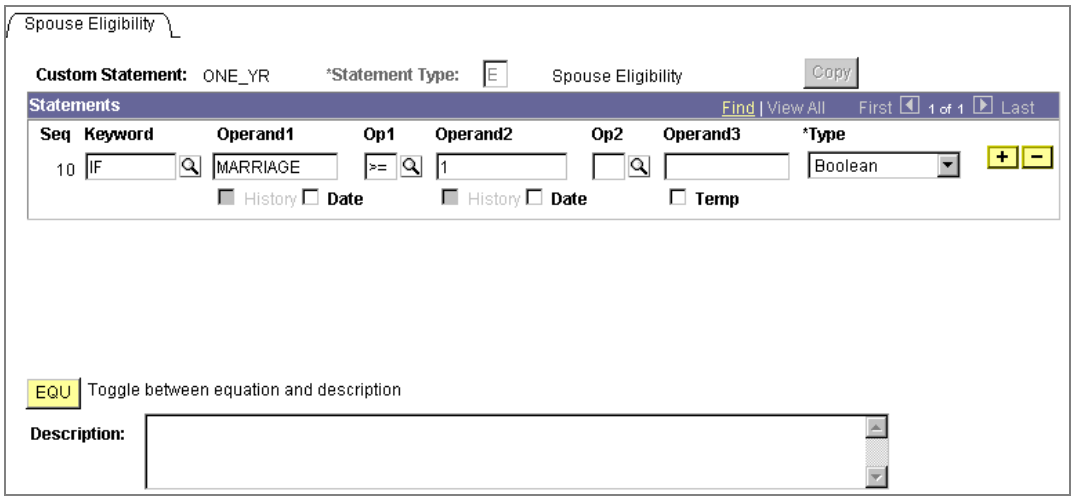


If you have any benefit formulas where the normal form of the benefit includes an automatic benefit, the plan that uses this benefit formula *must* have an eligibility statement. In the case of a plan that doesn't have any eligibility requirements, you will still need to create and apply a dummy eligibility statement.

Spouse Eligibility Page

Usage	The Spouse Eligibility page creates a Custom Statement with a **Statement Type** of ***Spouse Eligibility.***
Object Name	PA_CUSTOM_PNL
Navigation	• **Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition, Status Code Definition** • **Define Business Rules, Maintain Pension Parameters, Variables, Custom Statement, Custom Statement** • **Define Business Rules, Maintain Pension Parameters, Variables, Spouse Eligibility, Spouse Eligibility** • **Define Business Rules, Maintain Pension Plans, Define, Benefit Formula, Benefit Formula** • **Define Business Rules, Maintain Pension Plans, Define, Plan Eligibility, Plan Eligibility** • **Define Business Rules, Maintain Pension Plans, Implement, Group Definition, Group Definition**
Access	Custom Statement Name

Requirements	



Spouse Eligibility page

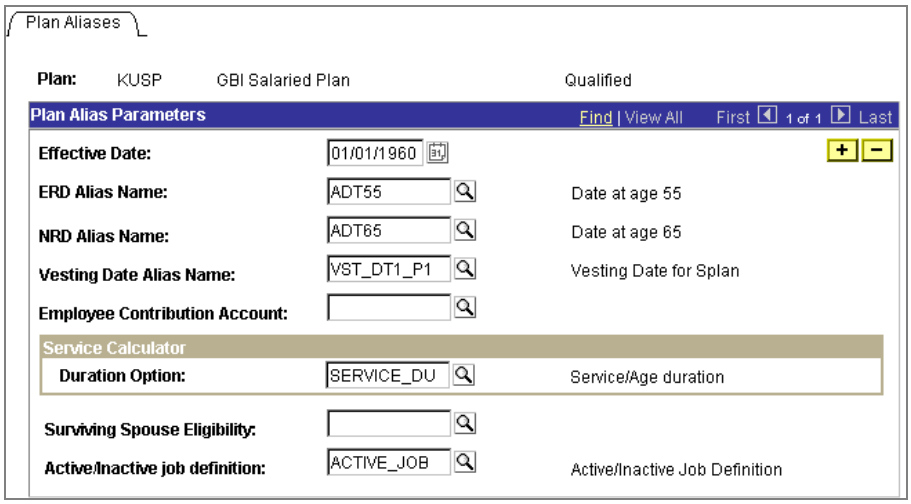
When you set up Spouse Eligibility Custom Statements, you will enter your requirements in Boolean "If" clauses. You don't need the "Then" portion of the "If-Then" statement. When the conditions are met, a ***Y*** (yes) value is assigned.

For example, to set up a requirement that the employee be married for a year, you would first create a duration to measure the time between the marital status date and the event date (both are delivered aliases). The custom statement would then have a single clause evaluating whether this duration is greater than one. To set up a dummy statement that will always be true, you can use a simple statement such as: if "yes" equals "yes."

For more information about using the Custom Statement page to create Spouse Eligibility aliases, see Using Custom Statements.

Plan Aliases Page

Usage	To apply the Spouse Eligibility statement to a plan, enter the name of the statement in the Plan Aliases page.
Navigation	**Define Business Rules, Maintain Pension Plans, Implement, Plan Aliases, Plan Aliases**
Access Requirements	Benefit Plan



Plan Aliases page

Surviving Spouse Eligibility Enter the name of your Spouse Eligibility statement in the **Surviving Spouse Eligibility** field.

For more information about the Plan Aliases page, see Plan Aliases Page.

CHAPTER 38

Creating Action/Reason Categories

Pensions are often based on the entire work history of an individual. An employee's service, consolidated hours, and consolidated earnings are determined by using Action/Reason code histories which analyze data from different points of an employee's career. For example, employees on disability or on certain types of leaves may require service adjustments or hours and earnings generation.

You will incorporate these requirements into your plan rules by referencing the Action and Reason fields from employees' job histories. Because the job record is effective-dated, you have a complete history of relevant events in employees' lives.

In this section, you will learn to incorporate employee Action/Reason history into your pension rules.

Referencing Action/Reason Codes

Your PeopleSoft HRMS system comes with a basic set of Action codes. Because your company may use these codes differently than another company or because it may have modified this list, pension calculations don't assume anything about the relevance of particular Action codes. Instead, those functions that look at an employee's action history, service and consolidations, require that you specify the codes that impact the pension calculation.

Your company may have any number of Action codes that are treated the same in specific situations. For example, all "hire" and "rehire" actions might fall into a single category for service purposes. To eliminate the tedious work of identifying all significant Action/Reason combinations in the consolidation and service pages, you will set up categories for codes that are treated similarly.

If actions are treated differently depending on the associated reason, for example, paid leaves of absence are treated differently from unpaid leaves, you can specify which reasons belong in which category.



You can only reference Action/Reason codes through categories. Even if a category consists of just a single action or action/reason combination, you must create the category in order to reference that code in your service and consolidation rules.

Using Action/Reason Categories

There are three PeopleSoft Pension Administration functions that reference Action/Reason categories: service, consolidated earnings, and consolidated hours.

Service

Service calculations break the employee's career into segments based on the Action/Reason history.

For elapsed time and hours equivalence methods, you will indicate which categories of Actions/Reasons start and stop service. You can also apply minimums and maximums for particular statuses.

Hours counting service uses the segments only for applying minimum and maximum accruals. The Action/Reason history doesn't control service accruals because service is based on actual hours worked as recorded by payroll.

Consolidated Earnings and Hours

Earnings and hours consolidations use Action/Reason histories to do the following:

- Generate earnings and hours for specified statuses.
- Identify partial periods based on events occurring during the period.
- Identify hire and term periods in order to annualize earnings and hours from those periods.

Earnings consolidations use Action/Reason histories for two other purposes as well:

- You can determine the partial period fraction, the portion of the period during which the hours and earnings are attributed, using the Action/Reason history.
- If you calculate earnings based on compensation rate, you can exclude pay earned during a particular status.

Understanding the Pension Job Stack

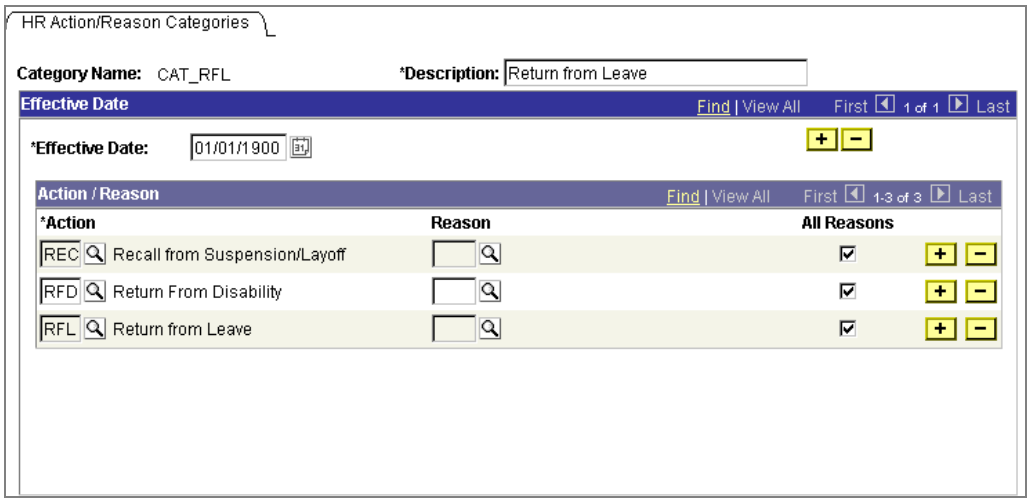
Although many Action/Reason events are important to pension, others aren't. For example, ***Assignment Completion*** is unlikely to impact pension. Even codes that imply pension significance may turn out to be irrelevant. For example, a ***Transfer*** action isn't, in and of itself, significant. What is significant is the new location or job to which the transfer alludes.

At the beginning of every calculation, the system identifies all those codes you have included in categories and creates the job stack, a history with all the irrelevant Action/Reason codes filtered out.

Then, when you calculate service or consolidations, the function in question further filters the job stack to include only those action codes referenced in the parameters for the function.

HR Action/Reason Categories Page

Usage	Use the HR Action/Reason Categories page to set up categories of Action/Reason codes.
Object Name	PA_HR_CATEGORY
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, HR Action/Reason Categories, HR Action/Reason Categories**
Access Requirements	Category Name



HR Action/Reason Code Categories page

Action List all the **Action** codes to include in the category.

Reason To include the action only for specified reasons, indicate the **Reason.** You'll add additional rows for additional reasons.

All Reasons To include all reasons for a particular action, select the **All Reasons** check box.

The category is effective-dated; you can update your categories as necessary and yet retain information for evaluating historical information.

CHAPTER 39

Using Actuarial Assumptions

Actuarial calculations adjust benefit amounts to an equivalent amount for a different commencement date or for a different form of payment. The conversion is based on specified assumptions about mortality, interest, and payment frequency. Together these assumptions constitute an actuarial assumption set.

Applying Actuarial Assumptions

Certain other pension objects use actuarial assumptions to calculate actuarial factors:

Early/Late Adjustments	Determines an early or late retirement factor. Actuarially-derived early/late adjustments are in turn incorporated into 415 limits definitions to adjust the limit for early or late commencement.
Optional Forms	Converts the normal form of the benefit to optional forms.
Actuarial Factor Alias	Determines factors for converting from one payment form to another. The factors can be used in several places. One important usage of the actuarial factor alias is within Employee-Paid Benefit definitions, where the system uses the factor to convert the projected employee account balance to an annuity.

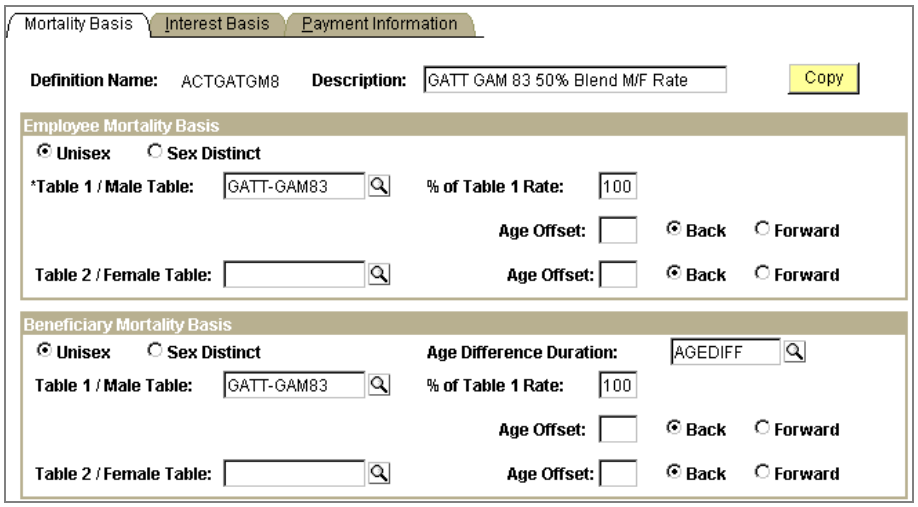
Establishing Actuarial Assumption Sets

Actuarial adjustments depend on assumptions about mortality rates, interest rates, and payment timing. To establish an actuarial assumption set, use the Actuarial Assumptions component.

Actuarial Assumptions - Mortality Basis Page

Usage	Mortality tables determine how long annuitants are expected to live. The Mortality Basis page establishes which table you use and any adjustments you make.
Object Name	PA_FACTORS_MORT
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Actuarial Assumptions, Mortality Basis**

Access Requirements	Definition Name



Actuarial Assumptions - Mortality Basis page

Establishing Retiree and Beneficiary Mortality Bases

Employee/Beneficiary Mortality Basis

Annuities provide an ongoing benefit for the life of a participant. Some payment forms also provide a continuing annuity for a beneficiary. Your actuarial assumption set must therefore have both an employee mortality basis and a beneficiary mortality basis. The parameter sets are identical, but they're simply applied to different individuals.

Age Difference Duration

You don't need the actual employee and beneficiary ages at this point. You'll put those in the definitions of the functions that use assumption assumptions. What you do need now, however, is the age difference between the employee and the beneficiary. This enables the system to more efficiently access appropriate mortality information. Enter a duration that measures the difference between the two ages in the **Age Difference Duration** field.

Referencing Mortality Tables

Set up your mortality tables ahead of time using the Mortality Rates Page. You can then reference these tables from within your actuarial assumption pages.

For more information about mortality tables, see the Mortality Rates Page in this section.

You can either use one table for both men and women, or you can use two different tables.

Sex Distinct

To use separate tables, select **Sex Distinct.**

If you select **Sex Distinct,** you'll use **Table 1 / Male Table** and **Table 2 / Female Table** for the two different tables. Enter the appropriate mortality table names in the corresponding fields.

Note. You'll only use sex distinct tables for reproducing historical calculations, as it is currently illegal to use sex distinct mortality tables.

Unisex

Otherwise, select **Unisex.** Make this choice for both the employee and beneficiary mortality basis.

If you select **Unisex,** you can either use one table, which you'll enter in the **Table 1** field, or a combination of two tables. For example, you may use a blend of male and female mortality tables. If you are combining tables, enter the table names in the **Table 1** and **Table 2** fields, then indicate the value in the **% of Table 1 Rate** field. This indicates how to weigh the two tables in determining the final rate. For example, if the Table 1 rate is 75%, you'll add 75% of the Table 1 rate to 25% of the Table 2 rate to reach your blended rate.

Some tables such as the GATT_GAM83 table, which is supplied with the system, already represent blended rates.

Establishing Age Offsets

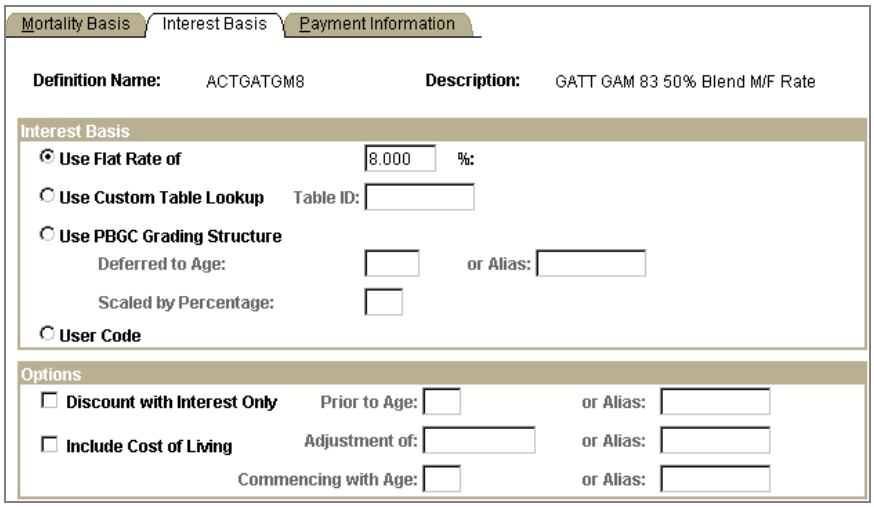
Age Offset

To use the mortality rate for an age which is a certain number of years older or younger than the actual age of the participant or beneficiary, use the **Age Offset** option. Enter the number of years to adjust by, and select either **Back** or **Forward** to indicate whether the adjustment is to a younger or older age.

Actuarial Assumptions - Interest Basis Page

Usage	An actuarial assumption set must include an interest rate assumption. This enables the calculation to consider the potential gain or loss of interest resulting from an early or late benefit commencement. Use the Actuarial Assumptions – Interest Basis page to set up this assumption.
Object Name	PA_FACTORS_INT
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules,**

	Actuarial Assumptions, Interest Basis
Access Requirements	Definition Name



Actuarial Assumptions - Interest Basis page

Making Interest Assumptions

Interest Basis — Use the **Interest Basis** group box to make interest assumptions.

Use Flat Rate of — Select **Use Flat Rate of** and entering the interest rate to enter your own assumed interest rate.

Use Table Lookup — Select **Use Table Lookup** to use a table of rates.

Table ID — If you select **Use Table Lookup,** enter the name of a table lookup alias in the **Table ID** field. PeopleSoft delivers rate tables for 30-year Treasury Bond rates, but even if you use this table, you need to set up a table lookup alias to reference it.

Use PBGC Grading Structure — To use the PBGC rates and grading structure, select **Use PBGC Grading Structure.** The PBGC grading structure applies interest over a number of years, typically from the event date to the benefit deferral date if, for example, an employee terminates at age 40 but won't receive a benefit until age 65. The graded structure includes an immediate interest rate after the deferral date, an interest rate for a defined period prior to the deferred age (say the first seven years before the deferral date), another interest rate for a defined period prior to that, and a fourth rate for all other years back to the event date.

Table ID	If you're using PGBC grading, enter the name of a table lookup in the **Table ID** field. The lookup must provide the "immediate rate," and the system will then derive the additional rates that make up the graded structure. Normally you would reference the PGBC rate table, although theoretically you could use any rate table.
Deferred to Age	Indicate the age at which the benefit is assumed to commence in the **Deferred to Age** field. You can enter either a constant age such as age 65, or an alias such as the benefit commencement date.
Scaled by Percentage	If the event date is after the assumed benefit commencement date, any years after the deferred age use the immediate rate. To increase the rate annually during the time after the deferred age, enter an annual scaling percentage in the **Scaled by Percentage** field. The immediate rate will then grow at that rate. Enter ***100%*** to keep the same rate after the deferred age.
User Code	Finally, you have the option to set the interest assumptions using your own custom User Code.



For more information about the PBGC Interest Rate table, see the PBGC Interest Rates Page.

Adjusting the Mortality and Interest Assumptions

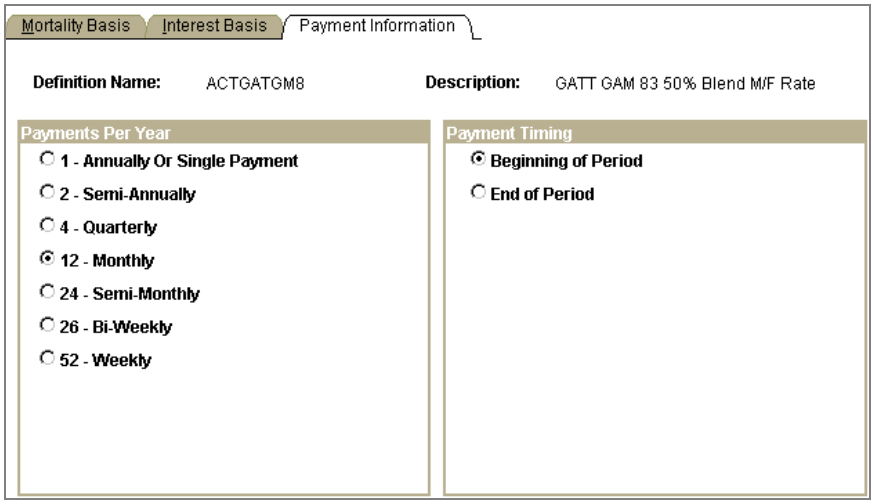
Discount with Interest Only	For employees under a certain age, you may choose to disregard the mortality rates and only use the interest assumptions. To do this, select the **Discount with Interest Only** check box.
Prior to Age	Specify the cutoff age in the **Prior to Age** field.
or Alias	You may also use either a constant **or Alias** as your cutoff age.
Include Cost of Living	If you want your assumption set to take into account an assumed cost of living adjustment (COLA), click **Include Cost of Living.**
Adjustment of	Indicate the adjustment percentage in the **Adjustment of** field.
or Alias	You can use either a constant percentage **or Alias** as your adjustment percentage.

Commencing with Age Enter the age when the adjustment is assumed to occur in the **Commencing with Age** field.

or Alias You can use either a constant **or Alias** as the age when adjustment is assumed to occur.

Actuarial Assumptions - Payment Information Page

Usage	Use the Actuarial Assumptions - Payment Information page to configure the third element in your actuarial assumption set: your payment timing assumptions.
Object Name	PA_FACTORS_PAYMT
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Actuarial Assumptions, Payment Information**
Access Requirements	Definition Name



Actuarial Assumptions - Payment Information page

Payments Per Year

Choose the assumed number of payments per year from the following options. Most pension plans make 12 monthly payments.

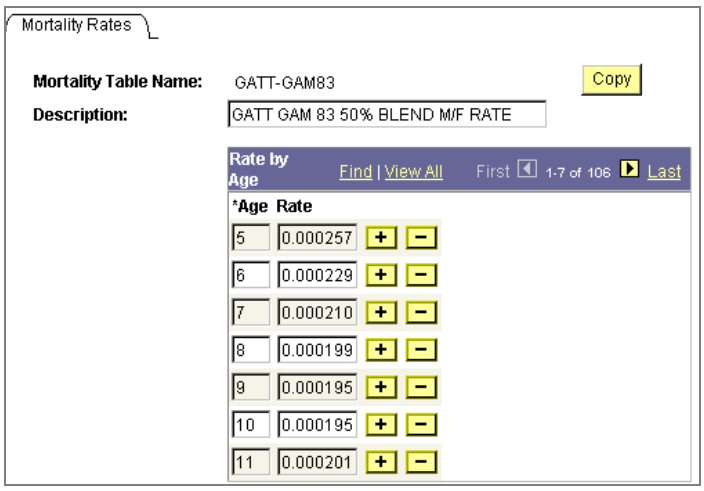
- **1 - Annually Or Single Payment**
- **2 - Semi-Annually**
- **4 – Quarterly**
- **12 – Monthly**
- **24 - Semi-Monthly**
- **26 - Bi-Weekly**
- **52 – Weekly**

Payment Timing

Indicate the payment timing, or when the period payments occur. Select either **Beginning of Period** or **End of Period.**

Mortality Rates Page

Usage	When you create an actuarial assumption set in the PeopleSoft Pension Administration system, you'll specify your mortality assumptions by referencing a mortality table, which is a table that provides assumed death rates according to age.
Object Name	PA_MORT_RATES
Navigation	**Define Business Rules, Maintain Pension Parameters, Tables, Mortality Rates, Mortality Rates**
Access Requirements	Mortality Table Name



Mortality Rates page

Several mortality tables come with the system:

- GA71M - the male GAM71 table
- GA71F - the female GAM71 table
- GA83M - the male GAM83 table
- GA83F - the female GAM83 table
- GATT_GAM83, the blended table using 50% of the GAM83 male mortality rates and 50% of GAM83 female mortality rates published by the IRS. As a result of the General Agreements on Tariffs and Trade (GATT), this table must now be used when actuarially increasing or reducing 415 limits and for determining the present value of lump sum payments.
- UP1984

Copy Because mortality tables can require extensive data entry, we've provided a shortcut for cases where you have multiple similar tables. Establish the first schedule, click the **Copy** button, enter a new name and description, and the system will clone the original table using the new name. You can then make whatever minor adjustments you need to the new table. If you have to make major adjustments, consider creating the new definition from scratch instead.

Age Each row in the table contains an **Age**.

Rate Each row in the table also contains an associated death **Rate**.

Determining Actuarial Factors at Non-Integer Ages

Mortality tables include mortality assumptions for integer ages only. To determine annuity factors at non-integer ages, PeopleSoft Pension Administration interpolates using the methodology shown in the following formula, which assumes you are deriving a monthly single life annuity for a participant at age 60.25:

$$\ddot{a}^{(12)}_{60.25} = \frac{N^{(12)}_{60} * (.75) + N^{(12)}_{61} * (.25)}{D_{60} * (.75) + D_{61} * (.25)}$$

In a more generic format, the equation is:

$$\ddot{a}^{(m)}_{n+f} = \frac{N^{(m)}_{n} * (1-f) + N^{(m)}_{n+1} * (f)}{D_{n} * (1-f) + D_{n+1} * (f)}$$

Where:

- n = integer representing whole years of age.
- f = decimal representing partial year of age.
- m = payments per year.

And:

- is the actuarial factor for age n+f with payment frequency m.
- is the commutation function N at age n+f with payment frequency m.
- is the commutation function D at age n+f.

CHAPTER 40

Using Interest Methods

Interest methods are used with accounts that accrue interest over time: cash balance accounts and employee accounts.

You don't use interest methods with the functions that use actuarial assumption sets because assumption sets already incorporate interest rules.

Applying Interest Methods

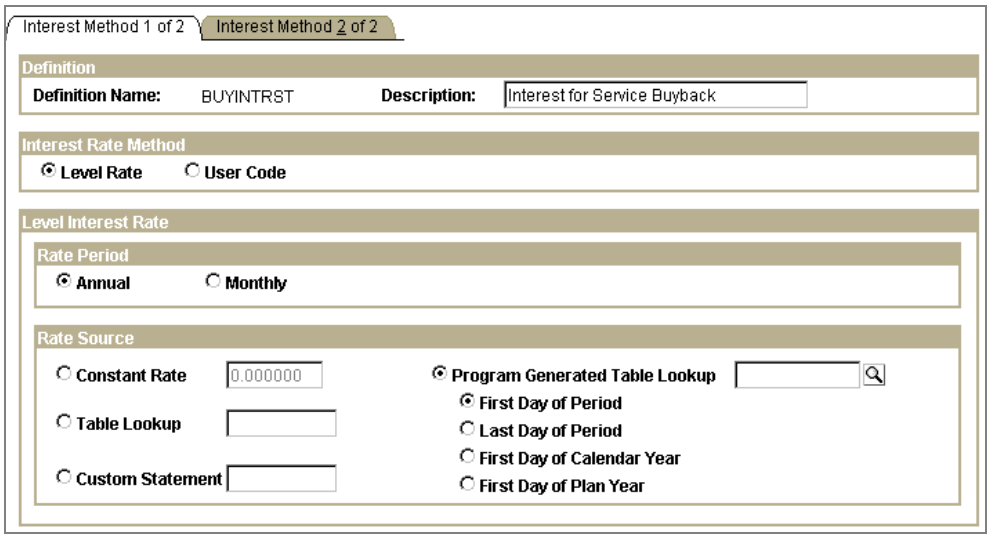
There are two functions that apply interest methods. Cash balance accounts applies interest to an employee's hypothetical pension account. Employee accounts applies interest to an employee's actual contributions.

Setting Up Interest Methods

Pension functions involving employee accounts or cash balance accounts must track interest credited to the accounts. To establish an interest method, use the Interest Method component. You'll then reference these rules from the cash balance accounts and employee accounts pages.

Interest Method - Interest Method 1 of 2 Page

Usage	Use the Interest Method – Interest Method 1 of 2 page to set the actual interest rate.
Object Name	PA_INTEREST_P1
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Interest Method, Interest Method 1 of 2**
Access Requirements	Interest Parameter Set Name



Interest Method - Interest Method 1 of 2 page

Interest Rate Method Choose an interest rate method. Click ***Level Rate*** unless you're using your own custom User Code.

Level Interest Rate

Rate Period Choose whether the **Rate Period** is to be an ***Annual*** or a ***Monthly*** rate.

Rate Source Choose one of the following methods as your rate source: ***Constant Rate, Table Lookup, Custom Statement,*** or ***Program Generated Table Lookup.***

Constant Rate: Specify the annual or monthly ***Constant Rate.***

Enter the ***Table Lookup*** alias. This provides a single rate that will be used at all times. This option isn't commonly used. More likely you'll want to vary the interest rate, say, to get the Federal Mid-Term rates at the beginning of each year. In this case, use a program generated table lookup instead.

Enter a ***Custom Statement*** alias.

The ***Program Generated Table Lookup*** option enables you to look up interest rates that vary over time. For example, if you apply interest based on the Federal Mid-Term rates that are in effect on the first day of the month, you are varying the rate and you'll use a program generated lookup.

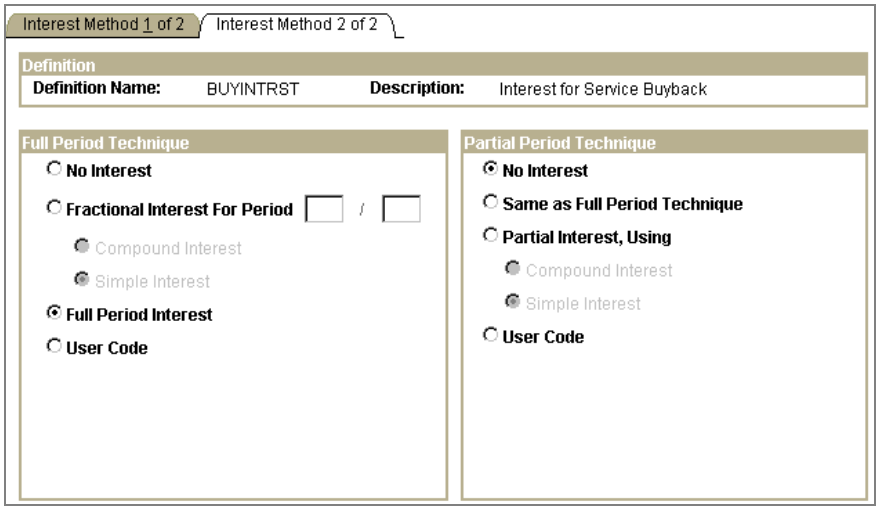
For this method, your lookup is always based on a date. Choose which date from among the options shown: ***First Day of Period, Last Day of Period, First Day of Calendar Year,*** or the ***First Day of Plan Year.*** The term "program generated" refers to the fact that the function using this interest rule has to provide the date for each period.



The edit box for program generated lookups prompts against this type of table lookup, so, if you don't see the alias you're looking for, go to the Table Lookup Alias Page and check that you've identified the lookup as a program generated lookup.

Interest Method - Interest Method 2 of 2 Page

Usage	Use the Interest Method – Interest Method 2 of 2 page to set rules for applying the interest rate over full periods and partial periods.
Object Name	PA_INTEREST_P2
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Interest Method, Interest Method 2 of 2**
Access Requirements	Interest Parameter Set Name



Interest Method - Interest Method 2 of 2 page

Full Period Technique

No Interest

You can give a **No Interest** technique for full periods.

Fractional Interest for Period

The **Fractional Interest for Period** option for full periods enables you to approximate interest that would be credited if contributions were collected at intervals throughout the period. For example, if contributions were collected monthly over an annual period, employees would receive 12 months of interest on the first contribution, then 11 months of interest on the next, and so on until one month of interest on the last. An approximation of the total interest on the consolidated annual amount would be the average amount of interest, which would be five and a half months of interest or 11/24 of the year. You'll enter this fractional amount in the fields next to this option.

With fractional interest, you can choose between simple and compound interest. When you select **Simple Interest,** the interest formula is:

```
Amount * Rate * Period Fraction
```

When you select **Compound Interest,** the interest formula is:

$$[Amount * (1 + Rate)^{Period\ Fraction}] - Amount$$

Full Period Interest

User Code

You may also enter a User Code.

Partial Period Technique

No Interest

You can also give no interest for partial periods.

Same as Full Period Technique

Partial Interest, Using

The **Partial Interest, Using** option prorates interest over the number of days in the partial period.

With partial interest, you can choose between simple and compound interest. When you select **Simple Interest,** the interest formula is:

```
Amount * Rate * Period Fraction
```

When you select **Compound Interest,** the interest formula is:

$$[Amount * (1 + Rate)^{Period\ Fraction}] - Amount$$

CHAPTER 41

Applying 401(a)(17) Earnings Limits

Section 401(a)(17) of the Internal Revenue Code limits the amount of annual earnings that can be used in pension benefits. Although the IRS determines these limits, there are a number of ways to apply them. You'll set up 401(a)(17) parameters to reflect your plan's interpretation of how these limits will be used.

Using 401(a)(17) Limits

Three of the PeopleSoft Pension Administration core functions incorporate earnings data and thus may need to apply 401(a)(17) limits to the earnings:

- Final Average Earnings.
- Cash Balance Accounts, which calculates credits as a percentage of earnings.
- Employee Accounts, which uses projected earnings to estimate future contributions.

Because you apply 401(a)(17) limits after consolidating earnings, consolidation rules don't use limit rules.

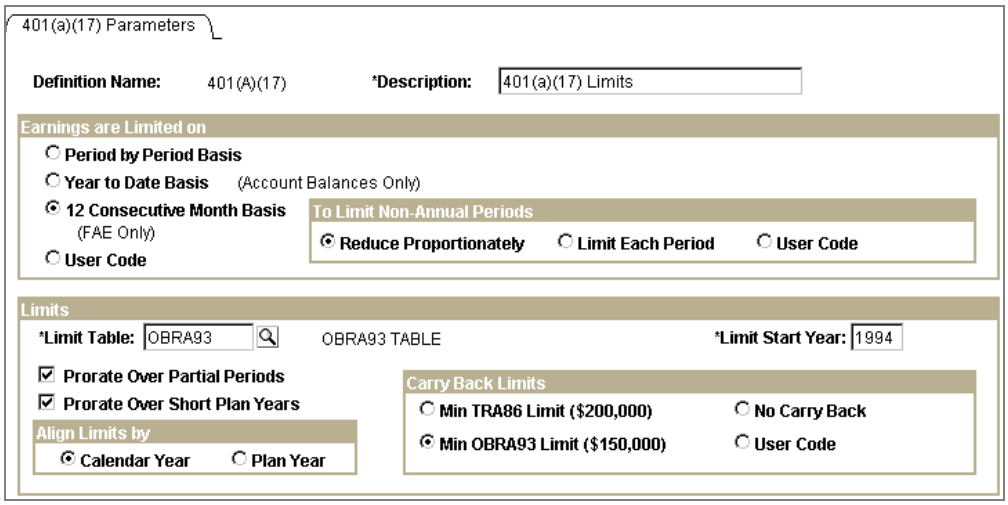
When you use 401(a)(17) limits for final average earnings, limits are applied before any determination of the "high" periods. For example, if a final average earnings definition averages the high five years, the system will apply the limits to the consolidated earnings before determining which years are the high years. Additionally, the final average can't be higher than the 401(a)(17) limit in effect on the event date.

If your consolidated earnings use a payroll special accumulator which is already set up to conform to 401(a)(17) limits, you won't need to set up or apply these limits from within the pension system.

However, if you sponsor a nonqualified "limit" plan that gives participants the difference between their limited and unlimited benefit from a qualified plan, you'll find that there are advantages to using the pension system's 401(a)(17) functionality. If you incorporate 401(a)(17) limits into pension rather than payroll, the system can calculate both limited and unlimited values for final average earnings and cash balance accounts. When you build your nonqualified plan, therefore, you can simply reference already existing results because there's no need to clone the entire qualified plan.

401(a)(17) Parameters Page

Usage	There are several considerations when applying 401(a)(17) limits. To start with, your earnings periods may be periods other than calendar years, in which case you need to determine the appropriate limits to apply. If the limit applies to earnings from more than one period, either because you're using monthly periods or because your limit periods are made up of portions of separate consolidation periods, you'll have to determine how much to reduce each consolidation period.
Object Name	PA_401A17_PARMS
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, 401(a)(17) Parameters, 401(a)(17) Parameters**
Access Requirements	Limit Use Name



401(a)(17) Parameters page

Finding and Applying the Limit

The 401(a)(17) limits are published annually by the IRS. Because the limits can change over time, it's important to identify the correct limit for each earnings period.

Align Limits by

Regardless of the period being limited, month, calendar year, plan year, or other year, the system will determine the limit based on your **Align Limits by** choice: ***Calendar Year*** or ***Plan Year.*** This setting also determines the limit for the event date, which is used as a final limit for the final average earnings result.

If you select ***Calendar Year,*** the system uses the limit for the year containing the first day of the consolidation period.

If you select ***Plan Year,*** the system uses the limit for the first day of the plan year containing the first day of the consolidation period. So a period beginning 1/1/1997 but falling in the 1996-1997 plan year would use the 1996 limit.

For more information and a comparison of aligning by calendar year versus aligning by plan year, see Aligning by Plan Year versus Calendar Year in the examples portion of this topic.

Earnings are Limited on

Besides identifying the limit that goes with each earnings period, you need a method for applying the limit. Your options are ***Period by Period Basis, Year to Date Basis, 12 Consecutive Month Basis (FAE only)*** and User Code.

Using the ***Period by Period Basis*** option, the limit is divided by the number of periods in a year and then applied to each period.

For annual periods, this is the same as applying the limit directly to the period.

For monthly periods, you may have some periods are above the limit and other are below. In this situation, the months where earnings exceed 1/12 of the limit are reduced. You may end up reducing earnings even if the twelve month total is less than the annual limit.

The ***Year to Date Basis (Account Balances Only)*** option is used only for cash balance accounts.

For annual periods, this simply applies the limit to the earnings and works identically to the ***Period by Period Basis*** option.

For monthly periods, the system groups the periods into calendar years or plan years, depending on how you've aligned your limits. In each group, including the first and last groups which may not have 12 periods, no periods are limited until the year-to-date earnings reach the applicable limit. The period where the earnings reach the limit is reduced to that the year-to-date earnings equal the limit, and all subsequent periods are reduced to zero.



For more information and a comparison of period by period and year to date methods, see Limiting on a Period by Period Basis versus a Year to Date Basis in the examples portion of this topic.

This ***12 Consecutive Month Basis (FAE only)*** method is used only for final average earnings.

This method tries to eliminate short periods by redistributing earnings into allocation periods corresponding to one full year of earnings. The allocation starts with the event date and continues back in time. For example, if the final period is only a third of a year, two thirds of the prior year's earnings are lumped together with the final period. The prior period is now only a third of a year, and it appropriates two thirds of the earnings from the year before. This continues on, bridging any other partial years that occur due to leaves of absence or other events. In the end, there may be one final short period at the very beginning of the employee's earnings history.

Each consolidation period thus is divided into segments according to what portion of the earnings go into which allocation period. Once the segments are individually limited, they are added back together to produce the limited earnings for the consolidation period.

The allocation periods will almost always encompass multiple consolidation periods and thus span multiple calendar years. The limit is based on the first day of the last consolidation period being used. Thus, if you align by calendar year, a limit period encompassing months from 1992, 1993, and 1994 would use the limit for the first day of 1994. If you align by plan year, a limit period encompasses months from the 1992–93 plan year and the 1993–94 plan year would use the first day of the 1993–94 period, which is 1993.

To Limit Non-Annual Periods

Because the limits cross multiple consolidation periods, you have to figure out which earnings periods to reduce, and how much. Select one of the following options to limit non-annual periods: ***Reduce Proportionately*** or ***Limit Each Period.***

- ***Reduce Proportionately:*** The system compares total earnings for the allocation period to the appropriate limits to find a reduction ratio. Each segment is reduced using the same factor. For example, an allocation period has two segments that together have earnings of $200,000. The limit is $150,000, so both segments are reduced by a factor of .75.

- ***Limit Each Period:*** The system determines what percent of the allocation period comes from each segment and reduces the limit for that segment with the same factor. For example, an allocation period has two segments: 60% of 1998 and 40% of 1997. The limit is $160,000. The first segment is limited to 60% of the limit ($96,000) and the second segment is limited to 40% of the limit ($64,000). If the first segment had $180,000 of earnings and the second segment had $10,000 of earnings, then after limits are applied, the first segment would have $96,000 and the second would still have $10,000. Notice that in this scenario, the total for the allocation period, $106,000, is well below the $160,000 limit.



For more information**,** examples of using a 12 consecutive month basis, and comparisons of the **Reduce Proportionately** and **Limit Each Period** options, see Using a 12 Consecutive Month Basis with Annual Consolidations and Using a 12 Consecutive Month Basis with Monthly Consolidations in the examples section of this topic.

Selecting Limit Tables

Limit Table

The system looks up the limit for each year using the Table Lookup utility. The table used associates calendar years with limits. Enter the name of the table lookup to use in the **Limit Table** field.

The system comes with two predefined table lookups for the most common limit tables. The ***TRA86*** table lookup uses the TRA'86 Limits table; the ***OBRA93*** table lookup uses the OBRA'93 Limits table. You can examine both of these tables under 401(a)(17) Limits. To see the Table Lookup parameters, go to Table Lookup Alias.

If you look at either of the delivered table lookups, you'll notice that they are "program generated." This means that 401(a)(17) processing provides the lookup year for each period. If you decide to develop your own limit table, perhaps one that blends TRA and OBRA limits, be sure to make it a program generated lookup.

You'll also notice that the delivered lookups are set to use the maximum (latest) value when the lookup year is after the last year in the table. This means that the limit doesn't get projected; projected earnings will use the last available limits.

Prorating Limits

Prorate Over Partial Periods

During partial periods, employees frequently have lower earnings and therefore are less likely to reach the 401(a)(17) limit. When you limit on a period by period basis**,** you can prorate the limits for short periods, including the final period, by selecting **Prorate Over Partial Periods.**

For example, an employee with $100,000 of earnings in a six-month long partial period is under the $150,000 limit, but if you prorate the limit, the half year limit is $75,000 and the employee has exceeded that amount.

This option is irrelevant for the other limit methods. When you limit on a 12 consecutive month basis, partial periods are irrelevant because the system reaches back to previous periods to form only complete periods. You also won't prorate when you limit on a year to date basis: the whole premise of applying the limits on a year to date basis is that your earnings count until you reach the limit, regardless of when during the year you reach that limit.

Prorate Over Short Plan Years

If you align limits by plan year, a change in plan year results in a partial period. You therefore also have the option to prorate over short plan years. This option only applies when you're applying the limits on a year to date basis using monthly consolidations.

In order for the system to recognize short plan years, the short year must have its own effective-dated row in the Pension Plans (US) table.

For more information about recording short plan years, see PeopleSoft Pension Administration, "Establishing Pension Plans"

Using Carry Back Rules

401(a)(17) limits came into effect in 1989. Calculations with an event date prior to 1989 won't use 401(a)(17) limits. If you've aligned by plan year, event dates in the 1988–1989 plan year are also considered exempt from 401(a)(17) limits.

If the event date is 1989 or later, however, you can limit all of an employee's earnings, not just earnings after 1989.

Limit Start Year

Because there are no published limits for years prior to 1989, you must choose what limit, if any, to use for those earlier years. The amount you use is the "carry back" limit. It is applied to all years from the hire date until the limit start year. Beginning with the limit start year, the limits are determined based on the table lookup that you specified in the **Limit Table** field.

Carry Back Limits

Enter a limit start year and choose one of the **Carry Back Limits** options to specify what limit, if any, will be applied to years before the limit start year**:** ***Min TRA '86 Limit ($200,000), Min OBRA '93 Limit ($150,000), No Carry Back,*** or User Code**.**

- ***Min TRA '86 Limit ($200,000)*** applies a $200,000 limit.
- ***Min OBRA '93 Limit ($150,000)*** applies a $150,000 limit.
- ***No Carry Back*** means that years prior to the specified threshold aren't limited.
- User Code is for your own custom carry back rules.

Aligning by Plan Year versus Calendar Year

If you align by **Plan Year,** the system uses the limit for the ***first day of the plan year containing the first day of the consolidation period.*** For example:

Period	*Limit if Aligned by Calendar Year*	*Limit if Aligned by Plan Year**
Year beginning 1/1/1992	1992: year containing the first day of the period.	1991: the first day of the period is in the 1991-92 plan year.
Year beginning 7/1/1992	1992: year containing the first day of the period.	1992: the first day of the period is in the 1992-93 plan year.
Month beginning 1/1/1992	1992: year containing the first day of the period.	1991: the first day of the period is in the 1991-92 plan year
Month beginning 7/1/1992	1992: year containing the first day of the period.	1992: the first day of the period is in the 1992-93 plan year.

* assume plan year from 7/1 to 6/30

Limiting on a Period by Period Basis versus a Year to Date Basis

For annual earnings consolidation periods, you'll get the same results applying limits on a period by period basis as you would applying limits on a year to date basis. However, for monthly consolidation periods, you can get different results.

If you apply the limits on a period by period basis, the applicable limit is divided by the number of periods in a year, twelve, and then applied to each period. If some periods are above the limit and other are below, only the ones above the limit are reduced. You may end up reducing earnings even if the 12-month total is less than the annual limit.

If you apply the limits on a year to date basis, monthly periods are grouped according to how you've aligned your limits: into calendar years or plan years. Within each group, including the shorter first and last groups, no periods are limited until the year-to-date earnings reach the applicable limit.

The following table applies a $150,000 limit to Annie's earnings using each of these methods. The period by period monthly limit is one twelfth of $150,000, or $12,500.

Annie's Monthly Earnings	*Period by Period*	*Year to Date*
$ 20,000	$ 12,500	$ 20,000
$ 12,500	$ 12,500	$ 12,500
$ 25,000	$ 12,500	$ 25,000
$ 22,500	$ 12,500	$ 22,500
$ 22,000	$ 12,500	$ 22,000
$ 20,000	$ 12,500	$ 20,000

$ 20,000	$ 12,500	$ 20,000
$ 40,000	$ 12,500	$ 8,000
$ 8,000	$ 8,000	0
$ 20,000	$ 12,500	0
$ 20,000	$ 12,500	0
$ 20,000	$ 12,500	0
$ 250,000	$ 145,500	$ 150,000

Using a 12 Consecutive Month Basis with Annual Consolidations

Marshall earns $200,000 per year. He took a six-month leave during 1993 and terminated on March 31, 1994. His earnings were consolidated into calendar year periods.

Annual Consolidated Earnings

Year	*Earnings*	*Partial Period Fraction*
1994	100,000	.25
1993	50,000	.5
1992	200,000	1.0
1991	200,000	1.0

The 12 consecutive month basis method starts with the event date and continues back in time, creating one-year periods. So to create the first allocation period, the system gathers his final 12 months of earnings. He had earnings for 25% of 1994 and for 50% of 1993, so, the system adds 25% of the 1992 earnings to produce one year's worth of earnings. This continues back to his earliest earnings period.

Dividing Consolidation Periods into Allocation Periods

Year	*Earnings*	*Fraction of Year*	*Allocation Period*	*Amount*
1994	100,000	.25	first	100,000
1993	50,000	.5	first	50,000
1992	200,000	.25 to period 1 .75 to period 2	first second	50,000 150,000

1991	200,000	.25 to period 2 .75 to period 3	second third	50,000 150,000

The first allocation period includes earnings from 1994, 1993, and 1992. Because the limit is based on the first day of the last earnings period, the limit is the one as of January 1, 1994. This is true even though you used earlier earnings as well.

Depending on how limits are aligned, the applicable limit could be the 1994 limit or, if January 1,1994, falls into a 1993–94 plan year, the 1993 limit. You'll simply assume limits of $150,000 throughout the example.

There are two possible methods for applying the limits: reduce proportionately or limit each period.

If you reduce proportionately, total earnings for the allocation period are compared to the appropriate limits to find a reduction ratio and each segment is reduced accordingly. In Marshall's case, his total earnings for both the first and second allocation periods were $200,000, the applicable limit for both period was $150,000, so each segment's earnings were reduced by a factor of 75%. After the earnings are reduced, segments are recombined into the original calendar year consolidation periods.

Applying Limits by Reducing Proportionately

Year	*Allocation Period*	*Amount*	*Limit Factor*	*Limited Segment*	*Limited Year*
1994	1	100,000	.75	75,000	75,000
1993	1	50,000	.75	37,500	37,500
1992	1 2	50,000 150,000	.75 .75	37,500 112,500	150,000
1991	2 3	50,000 150,000	.75 *	37,500 *	*

* the reduction factor depends on total earnings for third segment, which includes earnings from the previous year.

If you limit each period, the system determines what percent of the allocation period comes from each segment and reduces the limit for that segment with the same factor. Marshall's 1994 consolidation only included a quarter of a year, so his 1994 earnings are limited to a quarter of $150,000. That's $37,500. His 1993 segment is reduced to half of the limit, and so on.

Applying Limits by Limiting Each Period

Year	*Allocation Period*	*Amount*	*Limit Factor*	*Limit*	*Limited Segment*	*Limited Year*
1994	1	100,000	.25	37,500	37,500	37,500
1993	1	50,000	.5	75,000	50,000	50,000
1992	1 2	50,000 150,000	.25 .75	37,500 112,500	37,500 112,500	150,000
1991	2 3	50,000 150,000	.25 .75	37,500 112,500	37,500 112,500	150,000

Once you're past the partial periods, it might look like the 12 consecutive month method is the same as applying the limit to the total earnings for the consolidation period. However, don't forget that the example unrealistically assumed a constant limit of $150,000. When segments from one consolidation period fall into two allocation periods with different limits, the limited earnings for the period will be somewhere between the two limit amounts. The exact limited amount depends on what portion of the period uses each amount.

Using a 12 Consecutive Month Basis with Monthly Consolidations

The **12 Consecutive Month Basis** option works the same for monthly periods as it does for annual periods, but there will be more consolidation periods per limit period.

The following table shows how the **Reduce Proportionately** and **Limit Each Period** options might be applied to a monthly consolidation. In this example, Nina worked through the last day of the month and then retired, so there are exactly twelve whole consolidation periods in a single limit period. You'll use your usual $150,000 limit.

The factor for the **Reduce Proportionately** option is the limit divided by the total earnings, or 150,000 / 250,000, which equals .6. The monthly limit under the **Limit Each Period** options is one twelfth of $150,000, or $12,500.

Monthly Earnings	*Reduce Proportionately*	*Limit Each Period*
$ 20,000	$ 12,000	$ 12,500
$ 12,500	$ 7,500	$ 12,500
$ 25,000	$ 15,000	$ 12,500
$ 22,500	$ 13,500	$ 12,500
$ 22,000	$ 13,200	$ 12,500
$ 20,000	$ 12,000	$ 12,500
$ 20,000	$ 12,000	$ 12,500
$ 40,000	$ 24,000	$ 12,500

$ 8,000	$ 4,800	$ 8,000
$ 20,000	$ 12,000	$ 12,500
$ 20,000	$ 12,000	$ 12,500
$ 20,000	$ 12,000	$ 12,500

CHAPTER 42

Projecting Hours and Earnings

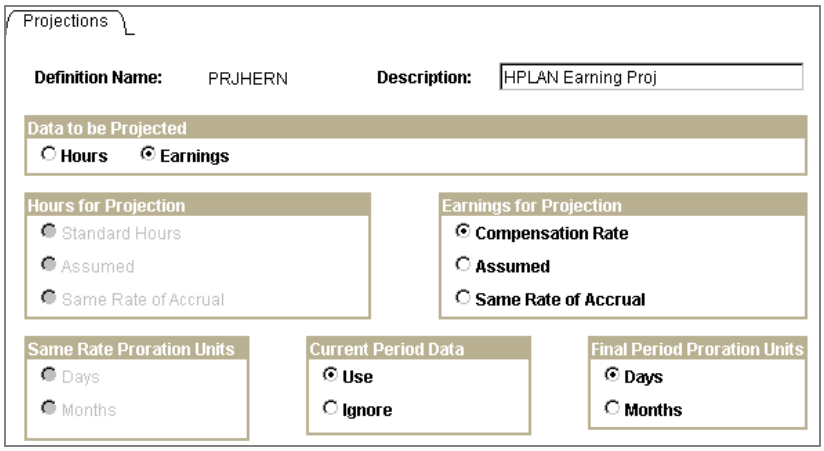
Consolidation functions produce periodic totals of payroll earnings and hours. Consolidations only use actual earnings and hours as recorded in PeopleSoft Payroll for North America tables. When you run pension estimates based on future event dates, however, you have to project earnings and hours data up to that future date.

Using Projection Methods

You'll use earnings and hours projection methods almost anywhere that you use earnings and hours. Hours data is typically needed by the Service function, and earnings data is needed by the Final Average Earnings, Social Security, Cash Balance Accounts, and Employee Accounts functions. The Employee Accounts function uses projected earnings as the basis for estimating future contributions, since contributions are a percent of earnings.

Projections Page

Usage	Use the Projections page to set up projection methods.
Object Name	PA_PROJECTIONS
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Projections, Projections**
Access Requirements	Projection Method Name



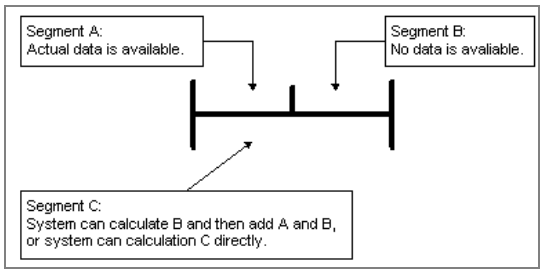
Projections page

Understanding Projections

There are multiple steps to projecting earnings and hours.

First, the system looks for the most recent consolidation period with data. This is the base period for the projection.

Second, if the base period is incomplete (for example, if the consolidation period is annual, but you've only processed consolidations through September), the system figures out what the earnings or hours for the entire base period should be. You'll decide whether the system should project data for the remainder of the period and add this to the actual data, or whether the system should ignore the actual data and simply calculate data for the entire period.



Determining Total Hours or Earnings for the Base Period

There are several methods for determining the hours or earnings, either for segment B or segment C, as illustrated above.

Third, once the system establishes the base period amount, it fills in data for all periods up to the final period. When projecting hours, the system simply uses the same number of hours for all periods. For earnings, the system will apply an annual increase only if the pension administrator enters an assumed increase at calculation time.

Fourth, the system will prorate the final period data if the final period (the period containing the event date) isn't a full period.

Choosing the Projection Type

Data to be Projected First choose the data to be projected. Select ***Hours*** or ***Earnings.***

Hours for Projection When you project ***Hours***, complete the **Hours for Projection** parameters.

Earnings for Projection When you project ***Earnings***, complete the **Earnings for Projection** parameters.

Finding the Base Period Data

Hours for Projection In the **Hours for Projection** group box, select the source for your base period hours: ***Standard Hours, Assumed,*** or ***Same Rate of Accrual.***

Standard Hours annualizes the standard weekly hours for the employee's job as established in PeopleSoft Human Resources.

Assumed uses an annual earnings amount that the pension administrator will have to enter into the calculation page.

Same Rate of Accrual annualizes the actual period-to-date hours.

Earnings for Protection In the **Earnings for Projection** group box, select the basis for your base period earnings: ***Compensation Rate, Assumed*** or ***Same Rate of Accrual.***

Compensation Rate uses estimated earnings for the period based on the annual salary as of the first day of the base earnings period.

Assumed uses an amount that the user will have to enter into the calculation page.

Same Rate of Accrual annualizes the actual period-to-date earnings as described in the following section.



If you set up a projection method using assumed hours or earnings, you should make the corresponding fields on the Setup Pension Calculation - Plan Inputs Page required. Conversely, if you use any other method, you should remove the fields from that page to avoid misleading your users.

Annualizing Based on Same Rate of Accrual

Same Rate Proration Units

If you select **Same Rate of Accrual** for either hours or earnings, the system will annualize the actual earnings and hours based on the consolidation "process through" date. When you select this method, select the same rate proration units to use when annualizing. Select ***Days*** or ***Months.***

Months: If the system prorates using months, it divides the actual hours by the number of complete months in the partial period, then multiplies the result by the twelve. If the system annualizes using days, it divides the total hours by the number of days in the period and multiplies by 365 (regardless of whether the year is a leap year).

Days: If the system prorates using days, it divides the actual hours by the number of calendar days in the partial period, then multiplies the result by the 365 (regardless of whether the year is a leap year).

Days will always give you a more precise annualization. Using ***Months*** tends to overstate earnings because it drops any partial month and so it's as though the employee had the same amount of earnings or hours in slightly less time.

For example, if you consolidate based on a calendar year, using months to annualize period-to-date earnings of $15,000 as of April 15 yields:

```
($15,000 / 3) * 12 = $60,000
```

whereas annualizing the same amount by counting days yields:

```
($15,000 / 105) * 365 = $52,143.90
```

Note. If the projection method will be applied to a monthly consolidation, you must annualize using ***Days.***

Handling Base Period Data

Current Period Data

When determining the hours or earnings for the base period, use the **Current Period Data** group box to indicate whether to calculate data for the entire period or just for the remaining portion of the period, which is the portion for which there's no actual data

Note. When you use a same rate of accrual method, the system always uses the annualized amount for the entire period. There's no sense in annualizing then prorating! Therefore, this option will be made unavailable.

Use: If you select ***Use,*** the system will calculate data for the remainder of the period and add that to the actual period-to-date data. The system looks at the partial period fraction in the base consolidation period to determine what portion of the period the existing data covers.

If, for example, the partial period fraction for an annual period is .25, the actual data represents 25% of the period or three months. The system will then add this actual data to 75% of the annual hours as determined by the compensation rate/standard hours or by the assumed amount of earnings/hours entered in the calculation page.

Using this example, if the base consolidation period shows actual earnings of $10,000 and a partial period fraction of .25, the system will multiply the annual compensation rate by .75 (the unworked portion of the period) and add that prorated amount to the original $10,000.

Ignore: If you select ***Ignore,*** the system will use your chosen method to calculate data for the entire period.

Establishing a Final Period Proration Method

Final Period Proration Units

The final period will usually be an incomplete period. The system will prorate the hours or earnings based on the length of the period. Select ***Days*** or ***Months*** for the final period proration units used for final period proration.

As with the proration units for the **Same Rate of Accrual** option, ***Days*** will give a more precise proration. Again, don't prorate using ***Months*** for monthly consolidation periods.

CHAPTER 43

Grouping Employees

A pension plan can include unique provisions for different subsets of your employee population. There might be different rules for salaried and hourly employees, for employees in different unions, or for employees who were covered under an acquired company's plan.

A critical step in implementing your plan rules is applying the rules to the appropriate groups. You'll use Custom Statements to specify criteria to define each group. The group definitions can be shared among plans and function results.

You can even set up group precedence to establish a method for handling situations when an employee falls into more than one group. The precedence is specific to each function result, so you can set up different precedence orders for different areas of your plan.

Periodic processing can use group definitions to determine which employees to process in a particular job.

Why Groups?

Groups are extremely important to implementing your plan rules. Group membership controls which rules are used at every step of the calculation. Consider the following examples, which only begin to illustrate the power of this very flexible feature.

Time-Based Grouping

When you grandfather rules, you'll set up time-based groups to identify employees who qualify for the grandfathered benefit. For example, in 1970 you changed your plan rules from five-year cliff vesting to seven-year step vesting:

Group Criteria	*Vesting Definition*
Hire date is before 1970	Better of five-year cliff vesting and seven-year step vesting
Hire date is 1970 and after	seven-year step vesting

Grouping with Benefit Eligibility

You only want to calculate the reduced benefit amount for employees who are eligible for early retirement:

Group Criteria	*Benefit Formula Definition*
Early Retirement eligibility is yes	Unreduced Benefit x Early Retirement Factor



There's no group for employees who aren't eligible. Those employees will bypass this function result. Therefore, you need to be very careful that no other function result down the line looks for the missing results.

Grouping with Service

Your cash balance account credits vary with service:

Group Criteria	*Cash Balance Definition*
Service is less than 10 years	Credit 5% of salary.
Service is greater than 10 years	Credit 6% of salary.

Grouping with Vesting

Vested employees use different break-in-service rules than unvested employees:

Group Criteria	*Service & Break Definition*
Vesting equals 0%	Use rule of parity to determine if prior service is restored.
Vesting greater than 0%	Always restore previous service.

Grouping Based on Job

You've negotiated different unreduced early retirement criteria with different unions:

Group Criteria	*Benefit Eligibility Definition*
Union Code = 81	Age 60 or 30 years of service
Union Code = 82	Age 60

Grouping Based on Employee Type

Full-time employees use elapsed time service. Part time employees use hours counting service:

Group Criteria	*Service Definition*
Employee Status is "F"	Elapsed time service
Employee Status is "P"	Hours counting service

Grouping Based on Calculation Reason

Death benefits have a different (reduced) set of optional forms from regular retirement benefits:

Group Criteria	*Optional Forms Definition*
Calc Reason Code is term or disability	Full set of optional forms
Calc Reason Code is death	No joint and survivor forms allowed

Calculate social security benefits differently for old age retirement and disability retirement:

Group Criteria	*Social Security Definition*
Calc Reason Code is disability	Calculate social security disability benefits.
Calc Reason Code isn't disability	Calculate social security old age benefits.

Grouping Based on Payee

QDRO calculations are based on an amount entered into the system by the administrator. The calculation then runs the Early/Late Adjustments and Optional Forms functions to apply any early retirement reduction and produce optional form choices. These two functions, therefore, may need QDRO-specific definitions:

Group Criteria	*Optional Forms Definition*
Regular employees	Full set of optional forms
QDRO alternate payees	No forms with survivor benefits

Group Criteria	*Early/Late Adjustments Definition*
Regular employees	6% reduction for each year early between employee's age 65 and 60 (Employee ID used to kick off the calculation)
QDRO alternate payees	6% reduction for each early between the original employee's age 65 and 60 (QDRO ID is used to kick off the calculation, original employee is the former spouse)

Time-Sensitive Grouping Based on Eligibility

The eligibility function produces a timeline of eligible and ineligible periods. Service typically accrues only during periods of eligibility. Cash balance accounts and employee (contributory) accounts typically accumulate both credits and interest during periods of eligibility, but only accumulate interest during periods of ineligibility.

Understanding Eligibility-Based Groups

Following are some examples of when you would use eligibility history as grouping criteria.

Service

Service only accrues while an employee meets plan eligibility criteria:

Group Criteria	*Service Definition*
Eligible	Plan service rules
Ineligible	No service accrues

Elapsed time and hours equivalence service accrue based on an employee's action/reason history. If you fail to establish eligible and ineligible definitions, employees will continue to accrue service for time worked while ineligible. For example, an hourly employee who used to be salaried could continue to accrue service under the salaried plan. This may be desirable for vesting service, but is likely undesirable in other situations.

Hours counting service accrue based on consolidated hours. If the consolidated hours definition already distinguishes between hours worked while eligible and hours worked while ineligible, you may not need to create separate eligible and ineligible definitions for this service type.

Cash Balance Accounts

Accounts earn interest at all times, but only get additional earnings-based credits during periods of eligibility:

Group Criteria	*Cash Balance Definition*
Eligible	Cash balance credit of 4% of salary and interest
Ineligible	Interest only

If the consolidated earnings definition excludes ineligible earnings, you may not need to set up eligible and ineligible groups for cash balance accounts.

If the consolidated contributions definition only includes eligible contributions, you may not need to set up eligible and ineligible groups for employee accounts.

Consolidated Earnings

Final Average Earnings (FAE) only uses earnings from periods when the employee met the plan's eligibility requirements. Since FAE uses the consolidated earnings result, you'll restrict earnings at the consolidation level:

Group Criteria	*Consolidated Earnings Definition*
Eligible	Plan earnings definition
Ineligible	Zero earnings



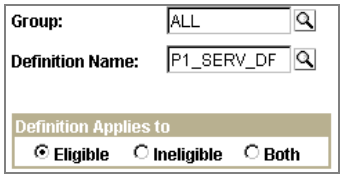
In this scenario, you would make the FAE definition ignore zeros. Otherwise, you might lower the average by picking up zeros from periods of ineligibility.

Setting Up Eligibility-Based Groups

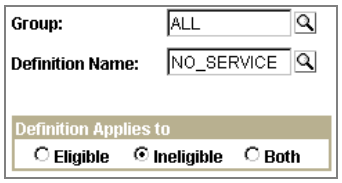
When employees change jobs within a company, they often move in and out of pension plan eligibility. When you run a calculation for such an employee, service accrual may stop during the period of ineligibility and resume if the employee becomes ineligible again. For a cash balance plan, account credits probably stop, but interest continues during the period of ineligibility. You may also want to exclude earnings from the consolidated earnings history to prevent the FAE function from using the ineligible earnings.

All of these scenarios demand that you set up different definitions for eligible and ineligible periods. As employees move in and out of eligibility, the system will automatically use the appropriate definition for the eligible and ineligible periods. And to apply these eligible and ineligible definitions, you'll need eligible and ineligible groups.

Eligibility-based grouping is so fundamental to the way that your pension plan works that we've provided a shortcut for setting up these groups. Instead of including eligibility criteria in the Custom Statement that defines the group, the Function Result page where you put your groups and definitions together, includes a field where you indicate any eligibility criteria.



Grouping Based on Eligibility: Eligible Employees



Grouping Based on Eligibility: Ineligible Employees

Select **Eligible** to add an "and employee is eligible" clause to your group statement. Select **Ineligible** to add an "and employee is ineligible" clause to your group statement. Both clauses evaluate eligibility over time, so employees use the appropriate definition based on their changing eligibility status.

If you select **Both,** your group statement remains untouched. It won't have any eligibility criteria unless you've explicitly put such criteria in.

PeopleSoft delivers two group custom statements with the system: PA_ELIG and PA_INELIG. When you select **Eligible** or **Ineligible,** the system uses these statements to append the eligible or ineligible criteria to your group. Don't modify these statements.

Using Groups for Periodic Processing

Periodic processes are those processes that you run on a regular basis to maintain your pension data. Consolidations run only as periodic processes, and other functions which store history also run in periodic mode.

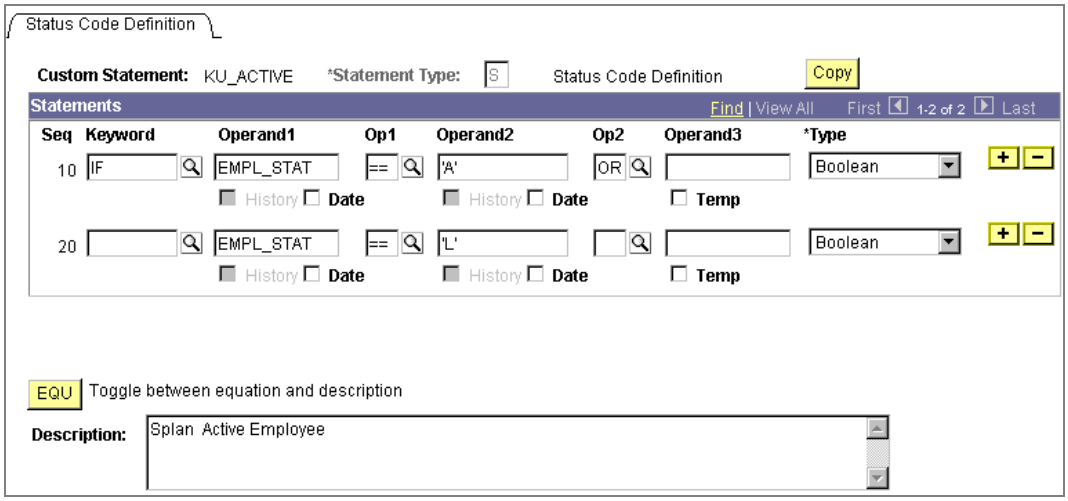
You can run periodic processes for all employees at once, or for individual employees, for employees identified by employee ID on a predefined list, or for employees who meet criteria defined by a Group custom statement.

When you use a Group custom statement, the system evaluates each and every employee in the system against the criteria to determine whom to process. This is a very slow process, and we don't recommend that you use it on a regular basis. Instead, use pre-defined employee lists, which process those employees on the list without needing to evaluate any other employees.

List processing is much more efficient than group processing. A group that you've defined as all employees belonging to Plan A will take exponentially longer to process than a list consisting of the exact same employees. It is well worth your while to use SQRs to create and maintain lists for periodic processing. For example, to process all employees who are paid monthly, don't create a group with this criteria. Instead, create an SQR that selects employees who are paid monthly and creates a calculation group list consisting of those employees. Run that SQR again before each periodic processing to keep your lists up to date.

Group Definition Page

Usage	Use the Group Definition page to set up groups. This page is the Custom Statement page, but when you access it through this path, the statement type is always ***Group Function Definition.***
Object Name	PA_CUSTOM_PNL
Navigation	• **Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition, Status Code Definition** • **Define Business Rules, Maintain Pension Parameters, Variables, Custom Statement, Custom Statement** • **Define Business Rules, Maintain Pension Parameters, Variables, Spouse Eligibility, Spouse Eligibility** • **Define Business Rules, Maintain Pension Plans, Define, Benefit Formula, Benefit Formula** • **Define Business Rules, Maintain Pension Plans, Define, Plan Eligibility, Plan Eligibility** • **Define Business Rules, Maintain Pension Plans, Implement, Group Definition, Group Definition**
Access Requirements	Custom Statement Name



Group Definition page

When you set up Group custom statements, you'll enter your requirements in boolean "If" clauses. You don't need the "Then" portion of the "If-Then" statement. When an employee meets the conditions, a "Y" (yes) value is assumed.

You can base your groups on any criteria that the database tracks. This might include:

- personal and job data - for example, "employee status is active."

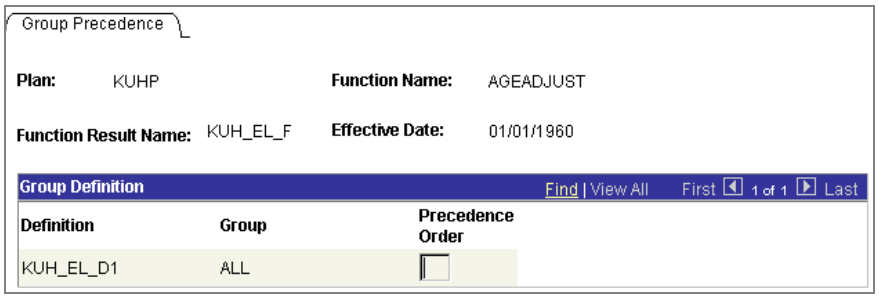
- the event reason entered at calculation time - for example, “event reason is death.”
- results from other parts of the calculation - for example, “vesting percentage is 100.”

For more information about using the Custom Statements page to create group definitions, see Using Custom Statements.

Copy Because Group custom statements can be quite complex to set up, we’ve provided a shortcut for cases where you have multiple similar statements. Establish the first definition, click the **Copy** button, enter a new name and description, and the system will clone the original statement using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead.

Group Precedence Page

Usage	When you set up a function result, you’ll associate groups with the definitions that they’ll use. Implicit in this organization is the requirement that each employee only belong to a single group. If an employee meets the criteria for multiple groups, you’ll need a way to determine which group affiliation takes precedence. The Function Result page includes a precedence order field; however, you can only see one row of data at a time, so setting up the precedence order can involve a lot of scrolling. A more convenient way to set your precedence order is to use the Group Precedence page. This page displays all the groups used in a function result in a convenient summary format that allows you to easily review all the groups and their precedence. This page is always keyed to a specific effective-dated row within a Function Result.
Object Name	PA_GROUP_PRECEDNCE
Navigation	**Define Business Rules, Maintain Pension Plans, Implement, Group Precedence, Group Precedence**
Access Requirements	Benefit Plan



Group Precedence page

Definition The page also displays each **Definition.**

Group The page automatically gathers the **Group** information from the Function Result page and displays each group.

CHAPTER 44

Setting Up Function Results

There are 19 core functions including three consolidation processes that the PeopleSoft Pension Administration system uses to determine benefits. Using the various core function pages, you set up methods, also called "definitions", for calculating particular portions of a benefit.

The next step after creating the definitions is to apply them to the right people at the right time. You'll use the Function Result page to apply your definitions.



For more information and a review of PeopleSoft Pension Administration system architecture, see Setting Up the Calculation Rules.

Understanding Function Results

Function results are the final calculation element you build in order to actually apply your definitions to specific employees at specific times. In a function result, there are three different types of information attached to a definition: effective dates, groups, and time segments.

Effective dates enable you to track changes to your rules over time. For example, suppose your plan rules for vesting were originally effective on 1/1/1960, and later on your vesting rules changed effective 7/1/1987. You would then have two effective dates for your vesting rules: the first set with the original vesting definition effective-dated 1/1/1960, and the second set with your new vesting definition effective 7/1/1987.

Groups enable you to apply different definitions to different people. A small sampling of possible grouping criteria and reasons includes:

- Hire date - employees hired before a particular date receive a grandfathered benefit not available to employees hired after that date.
- Job data - union negotiations result in different benefits for employees in different unions or in different locations.
- Service - employees with more service get more generous cash balance credits, interest rates, early retirement factors, or other benefits.
- Benefit eligibility - normal retirement, early retirement, disability retirement, and death retirement benefits vary.
- Payee type - QDRO alternate payees require differently structured calculations.

Time segments enable you to apply different definitions at different points in an employee's career. This only applies to functions that can apply different rules at different times. For example, if you use an hours counting service method until 1/1/1980 and an elapsed time method subsequently, you won't recalculate service prior to 1980 with the new method. Instead, you'll use the earlier method for any time worked prior to 1/1/1980 and the latter method for time worked 1/1/1980 and after. You'll then add the two separately-calculated segments to arrive at your total service.

There are seven functions that use time segments:

- consolidations (earnings, hours, and contributions)
- service
- cash balance accounts
- employee accounts
- death coverage

Adding a Function Result

To set up a function result, use the Function Result component.

Specifying the Function

When you use the Add action to create a function result, you'll have to identify both the plan and the function in question.

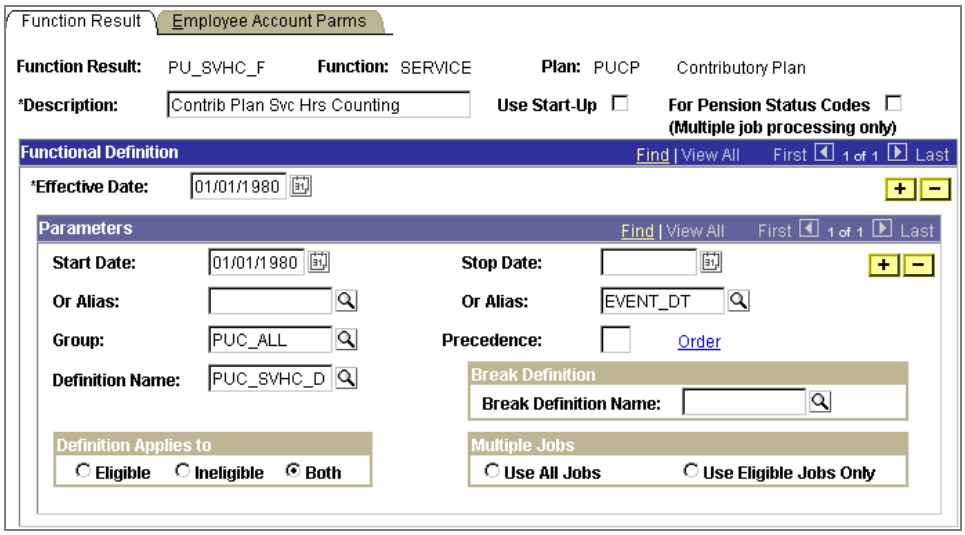
Identify the benefit plan and function name. Following are the names to use for each of the functions:

Function Name	*System Name*
Consolidated Earnings	CONSOLIDTE
Consolidated Hours	CONSOLIDTH
Consolidated Contributions	CONSOLIDTC
Eligibility	PLANELIG
Participation	PLANPARTIC
Service	SERVICE
Vesting	VESTING
Benefit Eligibility (Retirement Types)	BENELIG
Final Average Earnings	FAE
Cash Balance Accounts	CASHBAL

Employee Accounts (Contributory Balances)	EMPLACCTS
Social Security	SOCSEC
Covered Compensation	COVRDCOMP
Early/Late Adjustments	AGEADJUST
Death Coverage	DEATHCVRG
Benefit Formula	BENCALC
Employee Paid Benefit	CONTSBEN
Optional Forms	OPTFORMS
415 Limits	LIMIT415

Function Result - Function Result Page

Usage	Use the Function Result – Function Result page to associate your definitions with effective dates, groups, and (for some functions) time segments.
Object Name	PA_FUNCDEF_MAIN
Navigation	**Define Business Rules, Maintain Pension Plans, Implement, Function Result, Function Result**
Access Requirements	Benefit Plan



Function Result - Function Result page

Enter a description identifying the function result. This is particularly important for benefit formula function results because this description appears on the calculation worksheet and is your best indication of what benefit is represented.

Using Start Up Data

When you initially set up PeopleSoft Pension Administration, you can load starting balances for three functions: service, cash balance accounts, and employee accounts. The start up consists of a starting balance and an as-of date. For example, Wanda Jackson had 5.2 years of service as of January 1, 1997, so the system will only calculate service accrued after that date and will add 5.2 to the calculated amount.

Use Startup The calculation only checks for startup information if you select the **Use Startup** check box. If you don't select this check box, the system ignores any startup information. You should select this check box if you've loaded startup values.

Switching on Multiple Jobs Processing for Pension Status Codes

For Pension Status Codes (Multiple job processing only) This field is shown only when a Service function result is selected.

If you select the **For Pension Status Codes (Multiple job processing only)** check box, it will enable the system to read additional information from the Service function result, used in the custom statements.

For more information on Pension Status Codes, see PeopleSoft Pension Administration, "Using Pension Statuses".

Using the Effective Date

Effective Date Enter the **Effective Date** for the plan rules. Effective dates will always correspond to the date of some change in plan rule.

When you run a calculation, you'll specify a rules "as-of" date in the calculation page. The system determines the appropriate rules based on this information. This enables you to run historical and future dated calculations and automatically use the rules effective on the indicated "as of" date.

Effective dating doesn't automatically grandfather plan rules. Any grandfathered provisions must be included within the effective-dated row.

Establishing Time Segments

Time segments represent the portion of an employee's working history to which the specified rules apply.

Most functions will use a single time segment for all definitions. The time segment covers the employee's entire career. For example, even if your final average earnings rules change, you don't use one rule to average earnings from the first five years the employee worked and another rule to average earnings from the next ten years. Instead, you determine which rule to use (based on the rules effective on the employee's event date and based on which group the employee falls into) and apply that one rule over the employee's entire career.

Certain functions can apply different rules over different parts of the employee's career. These functions are:

- Consolidations (earnings, hours, and contributions)
- Service
- Cash balance accounts
- Employee accounts
- Death coverage

For example, a plan might changed its service rule as of 1/1/1971. In this case you would use the earlier rule for any time worked before 1971 and the later rule for time worked afterwards. To find the final service amount, you would add the two amounts.

The benefit calculation doesn't use time segments. Each benefit calculation function result only uses one definition for each group of employees. If you want to add the benefit earned during one time period to the benefit earned during another time period, you'll have to set up an additional benefit formula definition and function result to handle this addition.

Like effective dates, time segments correspond to the dates of changes in plan rules. The difference, however, is that a new time segment doesn't replace the old one, instead it applies the rule to a specific portion of an employee's working history.

Start/Stop Date

Create a time segment with the **Start Date** and **Stop Date** fields. You can enter a date or an alias in either field. Aliases must reference calculation inputs - typically the event date. Don't reference employee personal data (such as the hire date) because the system determines the start and stop dates prior to the selection of any employee data. To ensure that a time segment covers all periods in an employee's career, use the date that your plan went into effect as your start date.

Note. Always use EVENT_DT (the calculation event date) as the stopping point for current rules.

Certain functions have built-in stop dates: service always stops at the event date; cash balance accounts produces results as of the event date, the normal retirement date, the benefit commencement date, and the lump sum date; and the Employee Paid Benefit function automatically projects the employee account to the later of the refund of contributions date or the normal retirement date.

Specifying Groups

Group

Specify the group name in the **Group** field.



The Plan Eligibility function is unique in that it doesn't include groups in its function results. In this case, the group logic is incorporated into the definition, so you the **Group** field is made unavailable.



For more information about groups, see Grouping Employees.

Setting Group Precedence

Implicit in the idea of the group-definition association is the requirement that for each effective-dated row, each employee belongs to a single group only. If an employee meets the criteria for multiple groups, you'll need a way to determine which group affiliation takes precedence.

Precedence

You can indicate the group precedence order by entering a number in the **Precedence** field of every rule set. Groups with precedence ***1*** would take precedence over groups with precedence ***2,*** and so on.

The system evaluates employees against the group criteria in the order of the group precedence. Group processing stops after the first match. Therefore, processing time will be reduced if you can assign precedence one to the group that includes most employees, precedence two to the next largest group, and so on.

Order

Because you can only see one row of data at a time, setting up the precedence order can involve a lot of scrolling. A more convenient way to set your precedence order is to click the **Order** button, which will transfer you to the Group Precedence Page. This page displays all the groups used in the function result in a convenient summary format that allows you to easily review all the groups and their precedence. Because this page transfer opens the Group Precedence page without first saving the function result data, you should manually save before transferring so that any new data will appear in the Group Precedence page.

Be sure that all employees will be caught in at least one group. One approach is to create an "All Employees" group that has the lowest precedence among your groups. This group would then catch any employees that didn't belong to your other groups.

For more information about groups and group precedence, see Grouping Employees.

Specifying Definitions

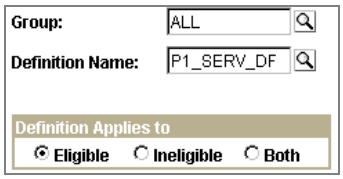
Definition Name

Each inner row in the Function Result page contains a single set of rules, which is represented by a single definition. The definition is the calculation method you created in the pages corresponding to a particular function. Specify which definition to use in the **Definition Name** field. The rest of the parameters in the inner scroll area provide instructions for applying the definitions, that is, they specify the group and the time segment.

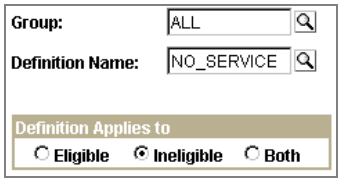
Adding Eligibility Criteria to Groups

Often rules depend on whether an employee meets the plan's eligibility requirements at a specific point in time. For example, service typically accrues only during periods of eligibility. Cash balance accounts and employee accounts typically accumulate both credits and interest during periods of eligibility, but only accumulate interest during periods of ineligibility.

The Plan Eligibility function produces a timeline of eligible and ineligible periods, so information about employee eligibility is available through the delivered alias PLAN_ELIG. However, eligibility-based grouping is so fundamental to the way that your pension plan works that we've provided a shortcut for setting up these groups. Instead of including eligibility criteria in the Group definition, there's a separate field in the Function Result page where you establish any eligibility grouping.



Grouping Based on Eligibility: Eligible Employees



Grouping Based on Eligibility: Ineligible Employees

Definition Applies to

Select whether the definition name applies to employees who are: eligible, ineligible or both.

Selecting **Eligible** adds an "and employee is eligible" clause to your group statement. Selecting **Ineligible** adds an "and employee is ineligible" clause to your group statement. Both clauses evaluate eligibility over time, so employees use the appropriate definition based on their changing eligibility status.

If you select **Both,** your group statement remains untouched. It won't have any eligibility criteria unless you've explicitly put such criteria in. The system default is **Both.**

If you set up a row for eligible time periods, be sure to set up a corresponding row for ineligible time periods. This ensures that calculations will have definitions to use at all points in an employee's career.

Note. If you create pairs of eligible/ineligible definitions, make sure that the ineligible definition mirrors the eligible definition except for difference required for the ineligible period. This is important because some adjustments are based on the final definition. For example, the final service adjustments are all done based on the definition in effect at event date, so you want to be sure that the adjustments are made regardless of whether the employee is eligible or ineligible at that particular moment.

Warning! If the calculation doesn't have definitions to cover an employee's entire career, the calculations will fail.

Setting Up Service Function Results

Break Definition Name

When you create a function result for the Service function, you'll include a break definition name along with each service definition. Break definitions determine how to treat periods of time when the employee isn't accruing service and when to take away previous service credit due to breaks in service.

If your break rules change, you'll create a new effective-dated row in the function result, just as you would if the service rules change.

Note. The break definition parameters are only visible in service function results.

For more information about Break definitions, see PeopleSoft Pension Administration, "Defining Service and Break Rules"

Specifying Multiple Jobs Service Parameters

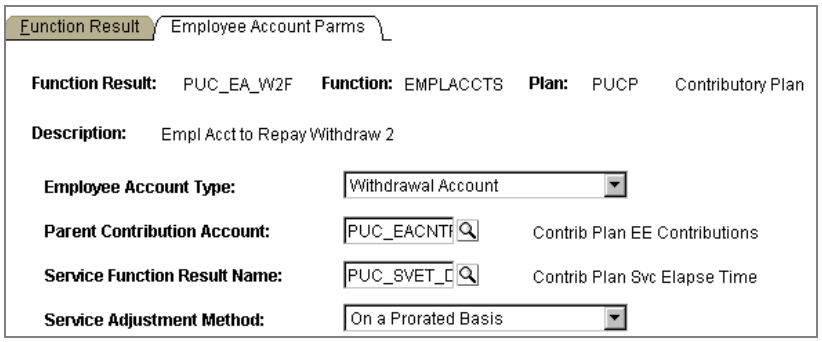
Multiple Jobs

This group box is shown only when a Service function result is selected.

In the multiple jobs environment some jobs may not be covered by a Pension plan. If you want to include all jobs, eligible and ineligible, select the ***Use All Jobs*** radio button. If you want to include only eligible jobs, select the ***Use Eligible Jobs Only*** radio button.

Function Result - Employee Account Parms Page

Usage	The Function Result - Employee Account Parms (employee account parameters) page has additional function result parameters used only for employee accounts function results.
Object Name	PA_FUNCDEF_EACCT
Navigation	**Define Business Rules, Maintain Pension Plans, Implement, Function Result, Employee Account Parms**
Access Requirements	Benefit Plan



Function Result - Employee Account Parms page

Establishing the Account Type

Employee Account Type

PeopleSoft Pension Administration supports three different types of employee account. You'll create separate function results for each account type that you use, specifying the employee account type here in the Function Result page group as well as in each of the definitions used in the employee account.

Contribution Account: A basic ***Contribution Account*** tracks contributions and interest. Every contributory plan will have one contributory account.

Withdrawal Account: A ***Withdrawal Account*** tracks amounts withdrawn from and repaid to the contribution account. When an employee withdraws money from a withdrawal account (typically upon termination), the employee forfeits the service associated with those contributions. Repaying the contributions reinstates the forfeited service.

Service Purchase: A ***Service Purchase*** account tracks additional payments made to the contribution account in order to purchase service for time periods not actually worked. Service purchase arrangements typically require the employee to purchase service by paying the contributions and interest that the plan would have collected if the employee had been working and contributing during that time. You'll only create purchase accounts if you permit employees to purchase service.

Note. The function result and all of the definitions that it references must all have the same employee account type.

If this is a contribution account, you won't need to enter any more information. Withdrawal and service purchase accounts, however, require you to complete the rest of the fields on the page.

Adding Detail for Withdrawal and Service Purchase Accounts

Parent Contribution Account

Transactions in withdrawal accounts and service purchase accounts roll up to a "parent" account - the plan's actual contributory account. In order to link the accounts, enter the parent contribution account for your withdrawal and service purchase accounts.

Service Function Result Name	Because activity in withdrawal and service purchase accounts can affect the employee's service credit, specify the service function result name for the related service account.
Service Adjustment Method	When you establish a withdrawal account or a service purchase account for an employee, you'll establish the total amount of service available to be bought. In the **Service Adjustment Method** field, specify whether employees receive credit for that service ***Upon Any Payment/Redeposit, Upon Full Payment/Redeposit,*** or ***On a Prorated Basis.***



For more information about the different types of employee accounts, see Implementing Service Buy Back.

CHAPTER 45

Creating the Plan Implementation and Plan Aliases

The final product of your calculation, a benefit amount in all its optional forms, depends on several components: service, final average earnings, vesting, early retirement factors, and so on. The rules you define for individual functions provide values for these individual components. These rules are heavily interdependent: vesting may depend on service, the benefit formula may depend on both vesting and service, and so on.

A calculation must process the benefit components in the proper order; otherwise, results may not be available when they're needed. For example, if vesting is dependent on service, then you'll need to know how much vesting service an employee has before starting the vesting calculation.

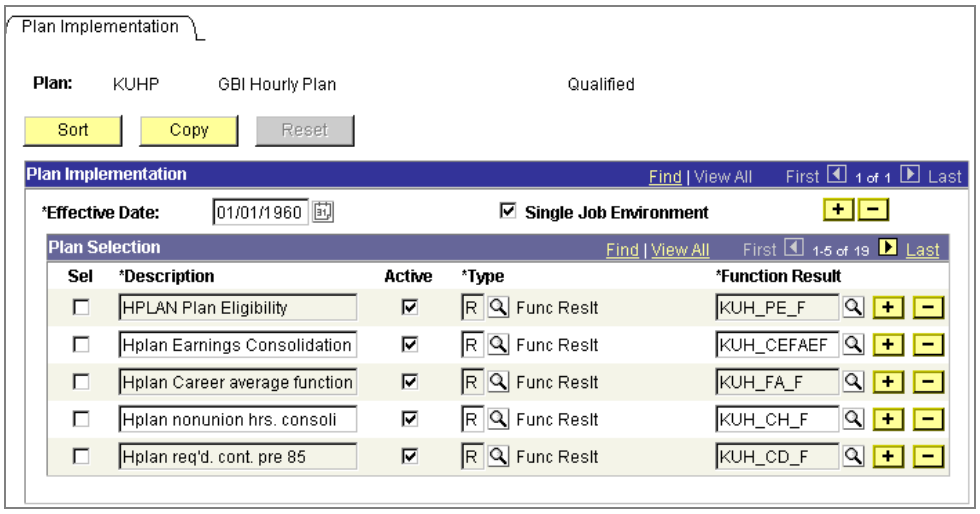
The final step of your Plan Implementation, is to sequence all the Function Results you've created to form the final calculation job stream. The job stream is the high level overview of an entire plan, consisting of all the separate processes in the correct order.

You will then place the plan in the system's overall list of plans. Until you add the plan to this list, many fields in other pages that prompt against pension plans, won't recognize the plan as a valid value. Because the pension plan list also establishes the plan order when a calculation encompasses multiple plans, the page where you maintain the list is the Order Plans Page.

Finally, you need to define aliases to calculate the plan's Normal Retirement Date (NRD), Early Retirement Date (ERD), and other specific plan information. Many of the functions have parameters that refer to this information, so you won't be able to run calculations until you've created these definitions.

Plan Implementation Page

Usage	Just as you created Function Results to deploy your plan definitions, you'll create a Plan Implementation to deploy your Function Results. You'll place all the Function Results for a plan in the correct processing order in the Plan Implementation page.
Object Name	PA_IMPLEMENT_PLAN
Navigation	**Define Business Rules, Maintain Pension Plans, Implement, Plan Implementation, Plan Implementation**
Access Requirements	Benefit Plan.



Plan Implementation page

Effective Date

When you run a calculation or periodic processing, the system looks at the rules date you specify (the "as of date" on the Calculation page) and fetches the appropriate components from the corresponding **Effective Date** in the Plan Implementation page. Once the system loads the job stream into the Calculation page group, the person running the calculation can view the list, choose to run only certain processes from the list, or enter override for specific Function Results.

If your job stream changes over time, you'll enter a new **Effective Date** with the new information. Most plans will have only a single Plan Implementation **Effective Date**; plan changes will more often be reflected in new effective dates within Function Results, not in the Plan Implementation. However, if you add or remove any Function Results, you need to create a new **Effective Date** for the Plan Implementation.

Note. Always add a new Plan Implementation **Effective Date** when you add or remove Function Results from the implementation.

Single Job Environment

The system defaults to having the **Single Job Environment** option selected.

To use the Multiple Jobs functionality, de-select the **Single Job Environment** check box.

For more information on Multiple Jobs processing, see Defining the Primary Job Record and Multiple Jobs Considerations , "Defining the Primary Job Record and Multiple Jobs Considerations".

Sel (select)

To select a module, first select the **Sel** check box.

Description/Function Result

When you first enter a Plan Implementation **Effective Date** for a particular plan, all the Function Results that you've already set up, automatically appear in the job stream. You'll add all Custom Statements and User Code modules manually. Function Results appear in the system's default order; you'll need to rearrange them as necessary.

Any Function Results that you create after the first time you save the Plan Implementation page won't automatically be added to the job stream. Instead, you must add the processes manually.

Be sure to check the order of the Function Results, both those entered automatically and those entered manually.

The **Function Result** field displays the name of the **Function Result**, Custom Statement name, or User Code COBOL executable. The **Description** field defaults to the associated description from the Function Result or Custom Statement page, but you can modify it to provide more information about the process. It's very important to have clear descriptions, particularly for benefit formulas, because this is the text that identifies the calculation results on the calculation worksheet.

To add processes to the Plan Implementation page, and thus to the job stream, insert a new row. Select the type of process you're entering.

If you're entering a **Function Result** or Custom Statement, you can prompt for valid values in the **Function Result** field. If you're adding User Code, you'll have to type the name of your COBOL module in the Function Result field.

Active

You can remove any process by deleting a row. We recommend that you not delete any **Function Results.** Instead, deactivate the process by clearing the **Active** check box, and move the process to the end of the job stream. This gets the process out of your way, but ensures that you still have a complete list of all the Function Results that exist for the plan.

Type

The job stream can include three **Types** of processes. The first two, ***Function Result*** and ***Custom Statement,*** are processes you build within the PeopleSoft Pension Administration system. The third type of process, ***User Code,*** refers to custom code modules that you set up to handle processes beyond the scope of the system's pre-defined functions. Unlike the predefined User Code options within the parameter pages, which handle specific defined functions and are expected to return particular types of results, User Code processes inserted into the Plan Implementation page are completely user defined.

Function Results *must* be in the job stream to be processed. The fact that another process references a Function Result doesn't mean that the system will get the result on demand. If the first Function Result isn't in the job stream, any other processes that reference the result will produce an error.

Custom Statements can go directly into the job stream, but don't have to if they're referenced by another process. If the Custom Statement isn't in the job stream, the first process within the job stream that references that Custom Statement will kick off a subprocess to resolve the Custom Statement.

Ordering Processes

We've already mentioned how important it is to process Function Results in the correct order. The individual plan components are heavily interdependent, and you must structure your job stream correctly so that the calculation will have the values it needs when it needs them.

Plan Eligibility should always be the first process you run. This enables both periodic processes and calculations to filter out ineligible employees right off the bat. This also builds the timeline of eligible and ineligible periods so that the system can determine which group, and therefore which definition, an employee falls into at any given time.

After Plan Eligibility, the order of your other functions depends on the dependencies within your plan. For example, if you require a completed service calculation before you calculate vesting, you must be sure to run Vesting Service before running Vesting.

Be sure your consolidation Function Results are also appropriately ordered. For example, put Consolidated Hours *before* any service Function Result that uses those hours.

Using the Default Processing Order

When you first open the Plan Implementation page and see all the Function Results you've set up, everything follows the default order of our delivered functions:

1. Eligibility
2. Consolidated Earnings
3. Consolidated Hours
4. Consolidated Contributions
5. Participation
6. Service
7. Vesting
8. Benefit Eligibility (Retirement Types)
9. Final Average Earnings
10. Cash Balance Accounts
11. Employee Accounts
12. Social Security
13. Covered Compensation
14. Early/Late Adjustments
15. Death Coverage
16. Benefit Formula
17. Employee Paid Benefit
18. Optional Forms
19. 415 Limits

Reordering Processes

Sort	The **Sort** button moves any inactive processes to the end of the job stream. It doesn't rearrange any other processes. To rearrange other modules, you must select a row, copy it, paste it into the right position, then delete the original.
Sel (select)	To select a module, first select the **Sel** check box.
Copy	To copy the module, click the **Copy** button.

Paste	The **Copy** button then changes to a **Paste** button. If you decide not to paste, you must click the **Reset** button to change **Paste** back to **Copy.**
Reset	The **Reset** button is only available after a copy action.

To paste the module into the right position, insert a blank row where you want to put the module, select that row by selecting the **Sel** check box, then click the **Paste** button. If you select a row that already has data, the system won't overwrite what's there; instead, the system will ask if you would like to insert a blank row after that row and paste into the blank row.

Remember to go back and delete the original row after you paste the module.

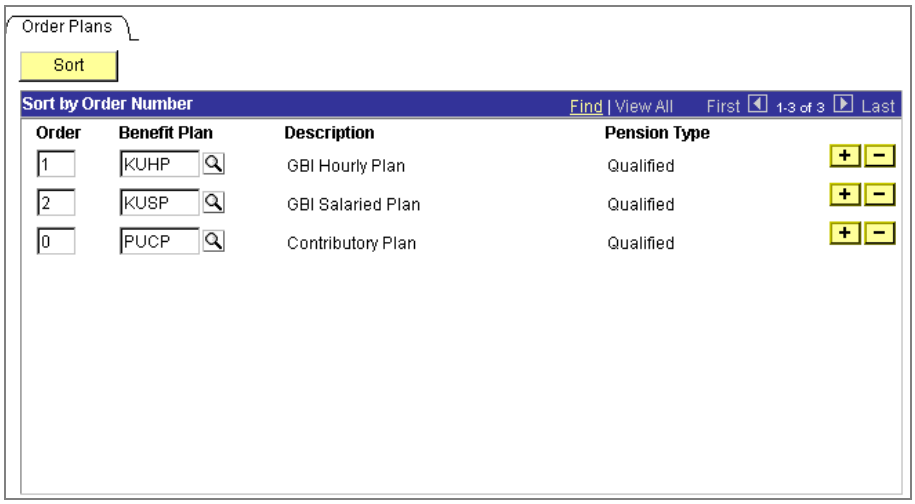
Activating Processes

The **Active** check box should be selected for each process you want included in either periodic processing or calculations - this means that consolidations as well as calculation functions must be active. If you clear this option, both periodic processing and calculations will bypass this process.

The check box thus enables you to remove processes from the job stream without deleting them from your list.

Order Plans Page

Usage	When you run a calculation for multiple plans, the system will process plans in the order you specify in the Order Plans page. Placing a plan in this page is the final step necessary for establishing a plan in the system. Until you add a plan to the Order Plans page, many fields that prompt against pension plans won't recognize the plan as a valid value. This is therefore a critical step even if you only have one plan.
Object Name	PA_PLAN_ORDER
Navigation	**Define Business Rules, Maintain Pension Plans, Implement, Order Plans, Order Plans**



Order Plans page

Benefit Plan Insert a row for each **Benefit Plan.**

Order Specify the **Order** for each **Benefit Plan.** Gaps in your order numbers enable you to add additional rows later, and easily put them in the right place.

Sort The **Sort** button updates the page to show plans in the order you've assigned.

As you enter plans, you'll see each plan's **Description** and its Qualified/Nonqualified **Pension Type.**

Always run your Qualified plans first and then your Nonqualified plans. This is important for correct processing of 415 limits, which apply to all Qualified plans.

Under certain circumstances, you'll set up a special 415 "dummy" plan to house your 415 rules. This plan belongs in a fixed spot in your plan order, after the last qualified plan and before the first nonqualified plan. It won't run at all if there are any Nonqualified plans before it.

Set your plans up in the following order:

1. All Qualified plans.
2. The 415 dummy plan.
3. All Nonqualified plans.

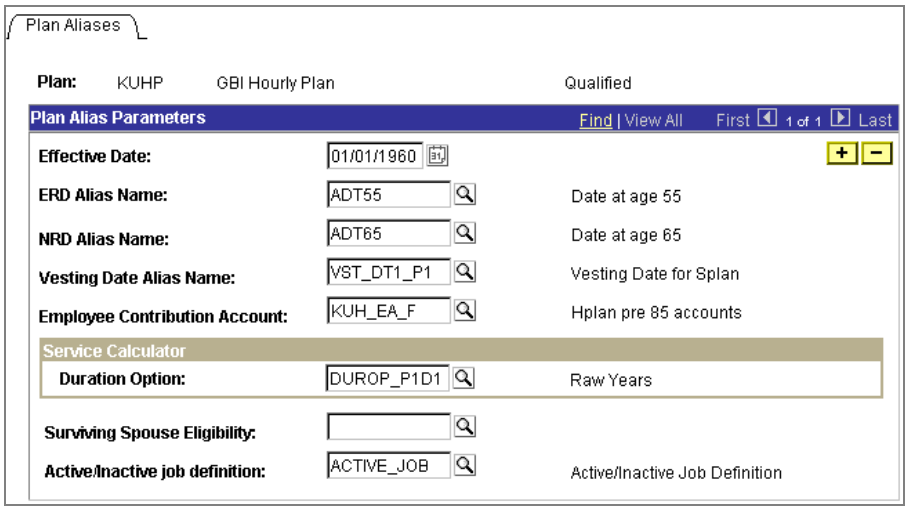


For more information about the 415 dummy plan, see Applying 415 Limits.

Another reason to run Nonqualified plans last is so that results from your Qualified plans are available for any Nonqualified limit plans that make up the difference between limited and unlimited benefits from Qualified plans.

Plan Aliases Page

Usage	The Plan Aliases page contains miscellaneous plan specific information. Some of the information may be needed in the calculation; other information is used for retirement counseling and to track repayment of employee contributions.
Object Name	PA_PLAN_ALIASES
Navigation	**Define Business Rules, Maintain Pension Plans, Implement, Plan Aliases, Plan Aliases**
Access Requirements	Plan



Plan Aliases page

Effective Date The **Effective Date** enables you to keep historical information if you need to change some of the aliases.

Setting Plan Retirement Dates

Pension plans typically have a standard Normal Retirement Date (NRD) and Early Retirement Date (ERD). Several of the system's core functions reference these dates, for example, the Cash Balance Accounts function produces the balance at NRD, and the Employee Paid Benefit function projects the employee account balance to NRD. You can also reference these dates from the Calculation page, when you specify an assumed benefit commencement date.

ERD/NRD Alias Name Enter date aliases in the **ERD Alias Name** and **NRD Alias Name** fields to specify the plan's ERD and NRD.

Setting the Vesting Date

Another significant date for a plan participant is the date of first vesting. Although this isn't directly referenced in the calculation, it is relevant for retirement counseling.

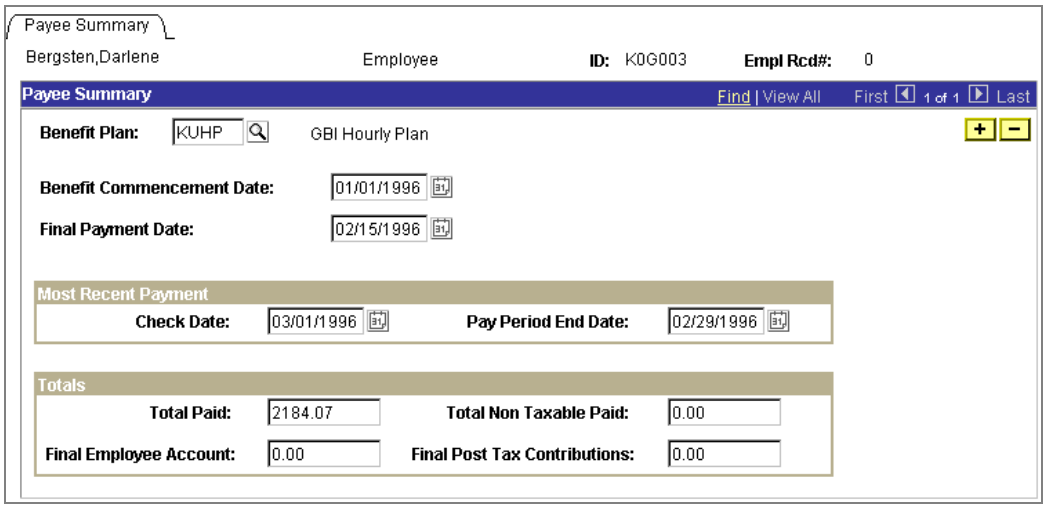
Vesting Date Alias Name

Enter a date alias in the **Vesting Date Alias Name** field. Periodic processing will resolve this alias during each run. You can then look up this date on the Plan Information page found under **Compensate Employees, Administer Pension Plan, Inquire, Plan History.**

You won't be able to use the Vesting function to determine the vesting date; you'll have to set up an independent date alias that figures out the vesting date. For example, if you use five year cliff vesting, you could set up a date alias that adds five years to the date of hire. This won't, however, account for leaves of absence or other interruptions in service.

Specifying the Employee Account

Usage	When employees contribute toward their pensions, the plan is obligated to see that the employee or a beneficiary recovers the full amount of these contributions, plus interest. Furthermore, if the contributions were made after-tax, the plan treats a portion of the employee's pension benefits as non-taxable until the total non-taxable payments equal the total after-tax contribution. When you make a retiree's first pension payment, the system automatically sets up a payment summary record to keep track of total payments and total non-taxable payments. The summary record also includes final balances from the employee's contributory account, so that you can track payments against the total account balance and non-taxable payments against the final after-tax balance. The system accesses this information based on the employee account you identify here in the Plan Aliases page. Enter the name of the Employee Contribution Account that will provide final balance information for the payment summary record. This is an Employee Accounts Function Result.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Summary**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status



Payee Summary page

For more information about the Payee Summary page, see Payee Summary Page.

Setting a Service Calculation Method for Service Purchases

In certain situations, you might allow your employees to purchase additional service by paying the contributions and interest that the plan would have collected, if the employee had been working and contributing during that time. For example, this service purchase arrangement might be available for periods of military leave or for periods where an employee was working but wasn't eligible to participate in the plan.

When an employee purchases service, you must calculate just how much service the employee is eligible to purchase. The pages where you set this up offer a "service calculator" utility: you'll enter the begin and end dates for the purchase period and the calculator will use a predefined duration option to calculate the corresponding amount of service. In the **Service Calculator** box, specify the **Duration Option** for the service calculator to use.

You'll access the **Service Calculator** from the pages where you establish service purchase Employee Plan Data - Empl Acct Adj Page and Employee Plan Data - Service Adj Page.

Establishing Eligibility for Automatic Benefit Continuation

Some plans offer automatic survivor benefits to employee's spouses. This means that a portion of the employee's monthly pension is automatically paid to the surviving spouse for life, regardless of the employee's optional for election. There is no actuarial reduction for this benefit. The plan covers the cost.

The plan rules specify the continuation percentage of any automatic survivor benefit. You'll enter this in the Normal Form of Payment page that's part of your Benefit Formula definition.

You must also establish eligibility criteria for the automatic spouse benefit. For example, you might require that the employee and spouse be married at least a year. You'll establish the conditions in a Spouse Eligibility statement.

Once you've created the Spouse Eligibility statement, enter the name of the statement in the **Surviving Spouse Eligibility** field on the Plan Aliases Page.



If you've set up an automatic benefit, you must specify a Surviving Spouse Eligibility statement. If there are no eligibility conditions other than being married, set up a statement such as "if marital status = married" that will always be true for married participants.



For more information about automatic benefits, see Setting up Automatic Joint & Survivor Benefits for Spouses.

CHAPTER 46

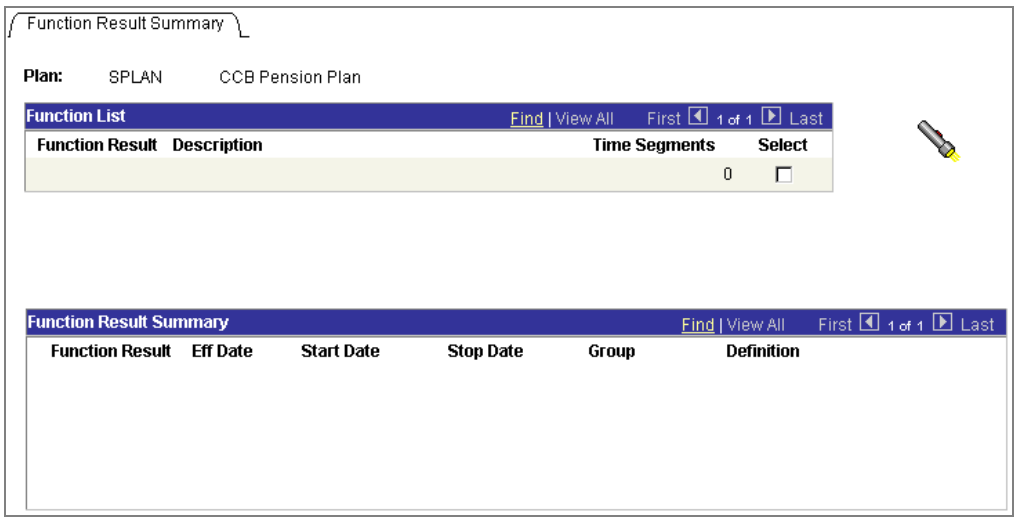
Examining Plan Rules

Setting up a pension calculation is a complex process involving hundreds of modular *objects* that get individually configured and then assembled to form a complete calculation. The key to a successful implementation is being extremely organized about keeping track of these individual modules.

PeopleSoft Pension Administration provides some tools to help you with this tracking. There are two pages that show Summary Information about your Function Results. There's also a report to give you detailed information about all the modules included in the plan.

Function Result Summary Page

Usage	The Function Result Summary page shows you all the Function Results within a plan and then enables you to navigate to see the components of each Function Result: the definitions and groups.
Object Name	PA_FNC_RSLT_SUMMRY
Navigation	**Define Business Rules, Maintain Pension Plans, Inquire, Function Result Summary, Function Result Summary**
Access Requirements	Benefit Plan



Function Result Summary page

Function Result The upper portion of the page shows each **Function Result** in the specified plan.

Description The upper portion of the page also shows a **Description** of each **Function Result.**

Time Segments The **Time Segments** column tells you how many rows there are in the inner scroll area of that particular Function Result. In this case, the term **Time Segments** refers generally to a set of rules within the Function Result, not specifically to the time period during which those rules are effective. That is, if there are two groups in a Function Result, there are two time segments, even if the time periods referenced are identical.

Select To see detailed information about any **Function Result(s)**, first select the check box in the **Select** column.

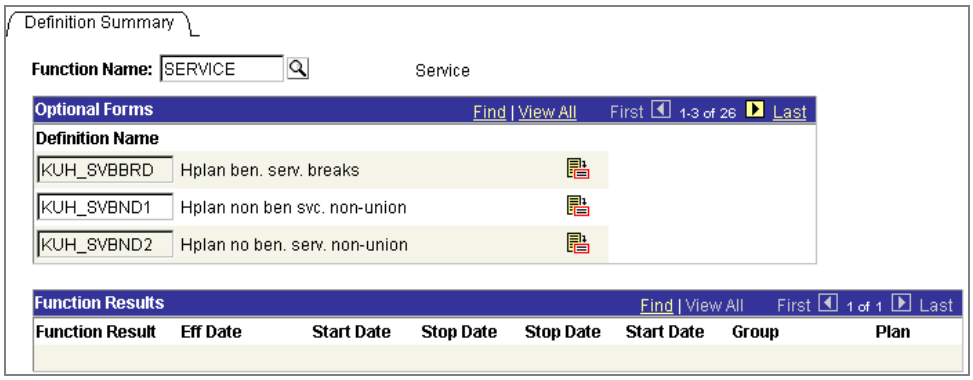


Click the **View Functn Results Push Buttn** (view function results push button) to fill the lower portion of the screen with the detail for the various segments.

To look at detailed information for a different **Function Result,** select a new **Function Result**, which automatically deselects the previous one, and again click the flashlight button.

Definition Summary Page

Usage	The Definition Summary page provides *where used* information for all the definitions in the system.
Object Name	PA_DFN_SUMMARY
Navigation	**Define Business Rules, Maintain Pension Plans, Inquire, Definition Summary, Definition Summary**
Access Requirements	None



Definition Summary page

Function Definitions always belong to a specific function. To list the definitions for a particular function, first select a function from the **Function** list.

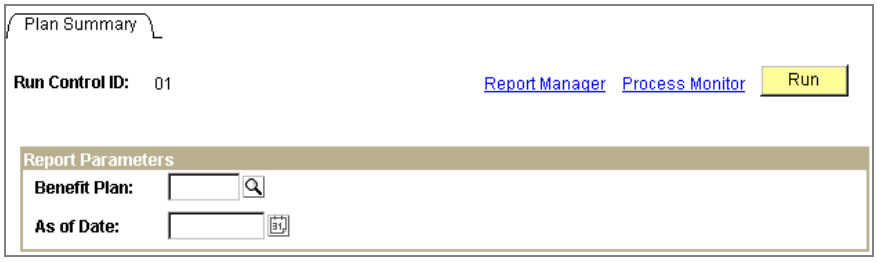
Definition Name The definitions then appear in the **Definition Name** list.

View results To see usage details for a definition, select the definition and click the **View results** button.

Function Result, Eff Date (effective date)**, Start Date, Stop Date, Group, Plan** A list of all uses of the definition appears in the lower portion of the page. The list includes information about the **Function Result, Eff Date**, **Start Date, Stop Date, Group,** and **Plan.**

Plan Summary Page

Usage	The Plan Summary page enables you to produce a report with detailed information about your plan rules. You can use an existing Run Control ID, or create a new one to run this report.
Object Name	RUNCTL_PASPS01
Navigation	**Compensate Employees, Administer Pension Plan, Report, Plan Summary, Plan Summary**
Access Requirements	Run Control ID



Plan Summary page

This report provides:

- Plan information from the Benefit Plan and Pension Plans (US) – US Plans Page pages.
- The Plan Implementation: a list of all the plan components for each effective date. Until you've set up the job stream, the report won't contain any information.
- The Plan Aliases for such things as the Normal Retirement Date and Early Retirement Date.
- Settings for all definitions used in any of the plan's Function Results.



For more information about running reports, see Generating PeopleSoft Pension Administration Reports.

Specify the **Benefit Plan** name and the **As of Date** for the rules.



You can only run the Plan Summary report after you've created your Plan Implementation.

Click **Run** to run the report using Process Scheduler. Process Scheduler runs the Plan Summary process at user defined intervals.



For more information about Process Scheduler, see Process Scheduler.

Select the ***Pension Plan Summary Report*** and click **OK** to put the job into the Process Scheduler queue.

CHAPTER 47

Using Pension Statuses

Pension status codes categorize participants based on pension-related information. Pension status codes are plan-specific and effective-dated, enabling you to track an employee's changing status in a plan over time. These statuses are more than just for information - they are also the foundation for your actuarial valuation extract and your Form 5500 reporting.

Pension statuses fall into three categories based on how they are maintained. Periodic processing maintains the first group, active and terminated statuses, using criteria you've defined. You manually set statuses in the second group; these statuses are for participants awaiting their first pension payment and for dead participants. The third group of statuses is for people who have started receiving payments; the system's payment process manages these.

At implementation time, you can perform three tasks related to pension status codes: setting up criteria for the first group of status codes, matching all possible pension statuses to actuarial valuation categories, and choosing how to report on employees based on their changing valuation category over the year.

Maintaining Pension Statuses

PeopleSoft Pension Administration maintains pension statuses in three different ways:

Status Types	*How Maintained*	*Included Statuses*
Active and terminated employees.	Periodic Processing assigns codes based on criteria you've defined.	ANP - Active, not yet participating APR - Active participant AVS - Active, accrue vesting only ANS - Active, not accruing service A70 - Active, over age 70-1/2 TNV - Terminated, not vested TDF - Terminated, deferred benefit (vested)
Participants who are awaiting their first payment and deceased participants.	You manually assign the status according to when specified events occur.	RDF - Retired, deferred benefit DDF - Disability retired, deferred benefit BDF - Beneficiary, deferred benefit QDF - QDRO payee, deferred benefit XBP - Deceased, with beneficiary XNB - Deceased, no benefit/beneficiary

Participants who have started receiving payments.	The system's payment process automatically assigns codes based on the payment instructions.	TST - Terminated, payment complete TPY - Terminated, in pay status TDF - Terminated, deferred benefit RST - Retired, payment complete RPY - Retired, in pay status RDF - Retired, deferred benefit DST - Disability retired, payment complete DPY - Disability retired, in pay status DDF - Disability retired, deferred benefit BST - Beneficiary, payment complete BPY - Beneficiary, in pay status BDF - Beneficiary, deferred benefit QST - QDRO payee, payment complete QPY - QDRO payee, in pay status QDF - QDRO payee, deferred benefit

The five deferred benefit statuses (TDF, RDF, DDF, BDF, and QDF) fall into two categories. You set these manually - or, in the case of TDF, using periodic processing - at the time you create the payee records in preparation for the first pension payments. If payments are later suspended, the payment process will reassign the deferred benefit status.

Defining Status Criteria for Active and Terminated Employees

Periodic processing maintains statuses for active and terminated employees based on criteria you define. These criteria typically come from the participant's personal data, job data, employment data, and pension calculation results.

Defining the criteria for the pension status codes you plan to use is a two-step process:

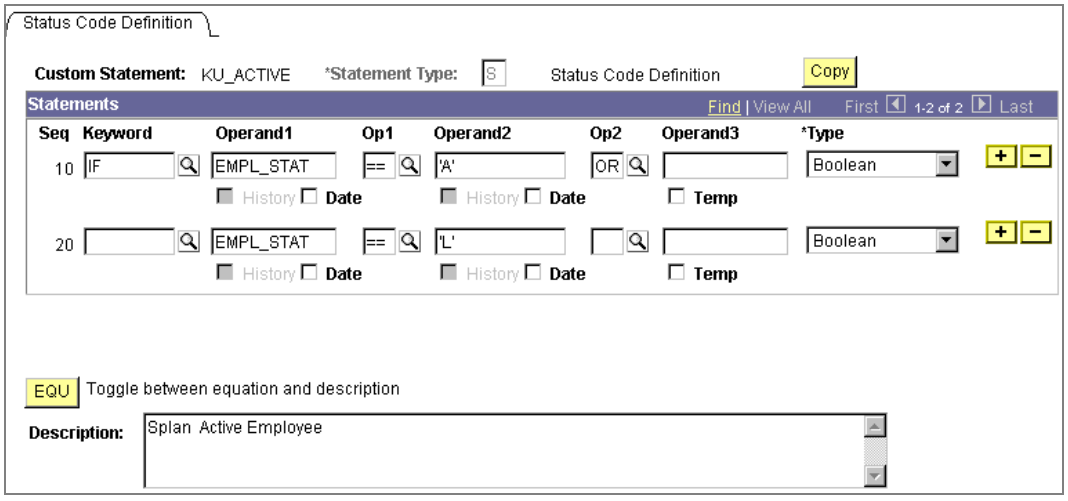
- Create a definition to establish the criteria.
- Assign that definition to the appropriate pension status code.

You'll go through the second step, the matching process, once for each plan. Depending on your definitions, however, you can likely use the same definitions for each plan.

Status Code Definition Page

Usage	Use the Status Code Definition page to create status code definitions. You don't have to use all the valid pension status codes, but you do want to make sure all participants will fall into one - and only one - of the categories you're using. The Status Code Definition page consists of a Custom Statement.

Object Name	PA_CUSTOM_PNL
Navigation	• **Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition, Status Code Definition** • **Define Business Rules, Maintain Pension Parameters, Variables, Custom Statement, Custom Statement** • **Define Business Rules, Maintain Pension Parameters, Variables, Spouse Eligibility, Spouse Eligibility** • **Define Business Rules, Maintain Pension Plans, Define, Benefit Formula, Benefit Formula** • **Define Business Rules, Maintain Pension Plans, Define, Plan Eligibility, Plan Eligibility** • **Define Business Rules, Maintain Pension Plans, Implement, Group Definition, Group Definition**
Access Requirements	Enter the Custom Statement name.



Status Code Definition page

Statement Type The **Statement Type** is always ***Status Code Definition.***

Copy

Because status code definitions can be quite complex to set up, we've provided a shortcut for cases where you have multiple similar statements. Establish the first statement, click the **Copy** button, enter a new name and description, and the system will clone the original statement using the new name. You can then make whatever minor adjustments you need to the new statement. If you have to make major adjustments, consider creating the new definition from scratch instead. The definition will consist of an IF statement identifying the criteria.



Because the pension status codes determine how participants are categorized for Form 5500 participant counts, be sure your definitions categorize participants appropriately for regulatory reporting.

You can also use IN clauses - clauses with the keyword *IN* - to check for several different values for a single field. For example, you can check if the employee status is in the set of values ***active,*** ***leave,*** or ***leave with pay.*** When you use IN clauses, you'll assign a temporary variable to the result.

Key	*Operand1*	*Op1*	*Operand2*	*Op2*	*Operand3*	*Type*
IN	EMPL_STATUS		"active"			Function
	"leave"		"leave with pay"	=	TEMPC01	Function

You can set up as many IN clauses as necessary. Then when you set up your IF statement, you can simply check the various temporary variables:

Key	*Operand1*	*Op1*	*Operand2*	*Op2*	*Operand3*	*Type*
IF	TEMPC01	==	"Y"	AND		Boolean
	TEMPC02	==	"Y"			Boolean

This technique is particularly useful when you're checking a large set of valid values. Because the IN statement uses an implied OR condition, it separates all the OR clauses from the AND clauses of the final IF statement.



For more information about using Custom Statements to build status criteria, see Using Custom Statements.

Multiple Jobs Considerations for Pension Status Codes

Multiple jobs processing adds an additional level of complexity to Pension status usage. Pension status is based on the employee rather than the job.

When using Multiple Jobs processing for the status codes maintained by periodic processing and user defined criteria (ANP, APR, AVS, ANS, A70, TNV AND TDF), there is no need to specify whether an employee is active or inactive in the criteria. This is because you have defined what an active participant is in the Active/Inactive Job Page and Plan Aliases page.



For more information on setting up Active and Inactive Jobs, see Using the Active/Inactive Page.

For these seven Pension codes: ANP, APR, AVS, ANS, A70, TNV, TDF, the active and inactive status is designated when you assign status codes to custom statements. The active statuses: ANP, APR, AVS, ANS, A70, will only apply to active employees defined in the Active/Inactive Job Page. The inactive statuses, TNV and TDF, only apply to inactive employees.

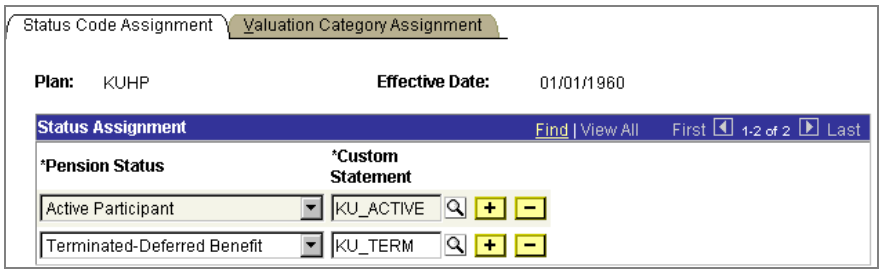
Multiple jobs processing gives you access to additional information for the service status. This enables you to determine whether or not a participant is in an eligible period of service credits or not.



For more information about using the service status from Pension statuses, see Multiple Jobs Considerations for Database Aliases and Multiple Jobs Considerations for Setting Up Service Function Results.

Status Codes - Status Code Assignment Page

Usage	Use the Status Codes - Status Code Assignment page to assign the status code definition you've created to a specific pension status code. You need to create this map for each plan; you can reuse definitions if you like.
Object Name	PA_STAT_ASSGNMT
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Status Codes, Status Code Assignment**
Prerequisites	First create a status code definition on the Status Code Definition page.
Access Requirements	Enter the Benefit Plan.



Status Codes - Status Code Assignment page

Pension Status Under **Pension Status,** prompt for the appropriate pension status codes.

Custom Statement Under **Custom Statement,** enter the status code definitions you created.

You only need to map real definitions for the seven statuses that get set by periodic processing: ***A70, ANP, ANS, APR, AVS, TDF,*** and ***TNV.***

Understanding the Actuarial Valuation

Pension plans are subject to an annual actuarial valuation so an actuary can determine plan liabilities. PeopleSoft Pension Administration produces an extract, the Actuarial Valuation Extract, with the data necessary for the valuation.



The Actuarial Valuation Extract doesn't analyze the data or offer any conclusions about the plan's liabilities. It merely presents the relevant data that a qualified actuary can use to perform the valuation.

The extract consists of two separate data files: the *active* extract, for those whose benefits are still accruing, and the *inactive* extract, for those whose benefits are no longer accruing and haven't yet been paid out.

For example, current employees covered under the plan, whether or not they have begun to participate, would typically be active. Employees who have separated from service, whether receiving benefits or awaiting deferred benefits, would typically be inactive. Beneficiaries and QDRO alternate payees are also typically inactive.

The employee's valuation category tells the system whether the employee belongs in the active file, the inactive file, both files, or neither file. When you run the Actuarial Valuation Extract, the system populates a table with the employee's valuation category as of the extract date: *Active, Inactive, Both,* or *Done.*

The next time you run the extract, an employee's previous valuation category can impact whether the employee falls into the active or inactive valuation file. For example, an employee who was previously *Active* but who is now *Done* (say, an employee who terminated at some point during

the year with a small benefit cash-out) would appear in that year's active file. An employee who was *Done* last time and this time doesn't appear in either extract file.

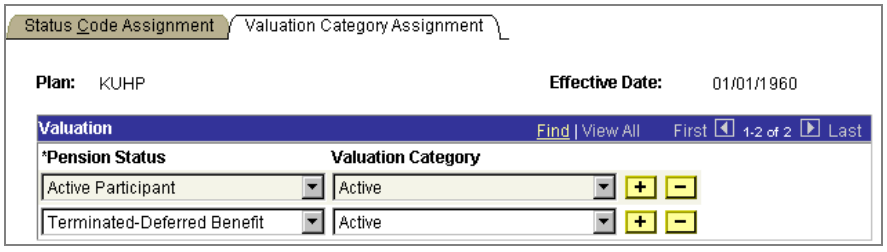
An employee with no recorded prior year valuation category is automatically assigned a prior category of *None* to indicate that no record exists.

Events that most likely change an employee's valuation category are terminations and rehires. Rehired retirees and employees over age 70-1/2 who are receiving mandatory pension distributions are the most likely to have a valuation category of *Both*.

For your implementation, you need to make your own determination as to which pension status codes go with which valuation categories. You also need to determine which extract file(s) include which employees, based on every possible combination of the prior year's valuation category and the current valuation category.

Status Codes - Valuation Category Assignment Page

Usage	Use the Status Codes - Valuation Category Assignment page to map appropriate valuation categories to a participant's pension statuses.
Object Name	PA_PEN_VAL
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Status Codes, Valuation Category Assignment**
Prerequisites	You must have assigned status codes in the previous page, the Status Codes - Status Codes Assignment page.
Access Requirements	Enter the Benefit Plan.



Status Codes - Valuation Category Assignment page

Pension Status Insert a row for each of the system's 21 **Pension Status** codes.

Valuation Category

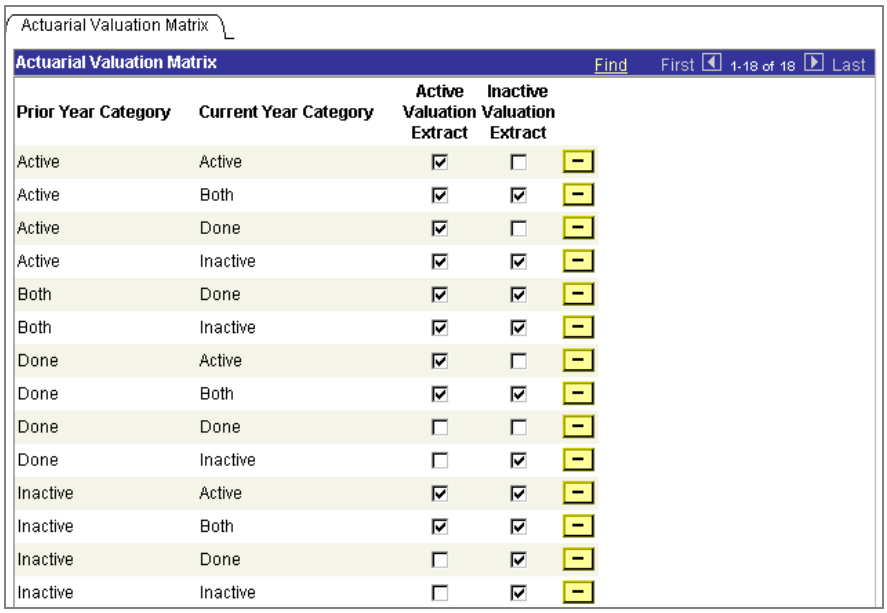
For each status, identify the **Valuation Category** for the code. Valid values are ***Active, Inactive, Both*** (Active and Inactive), and ***Done*** (no liability remaining).

The valuation codes correspond to the two different parts of the extract. ***Active*** participants are still accruing a benefit; ***Inactive*** participants are no longer accruing a benefit but haven't yet been completely paid out. Participants can be ***Both*** if, for example, a rehired retiree is receiving pension payments and is also continuing to accrue additional benefits. Participants with ***Done*** status have received their entire benefit - the plan no longer owes them anything.

There is one other value in the **Valuation Category** field: ***No Record Exists.*** You don't assign this value; the system sets this as the prior year valuation category when an employee appears in the system for the first time.

Actuarial Valuation Matrix Page

Usage	Use the Actuarial Valuation Matrix page to choose how combinations of valuation categories should be treated. The Actuarial Valuation Extract determines which extract file(s) to use for a particular employee based on the combination of the current valuation category and the prior year's valuation category, which was saved in the system at the time of that valuation. Various valuation category combinations must be considered. These choices apply to all plans.
Object Name	PA_PEN_VAL_MTX
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Actuarial Valuation Matrix, Actuarial Valuation Matrix**

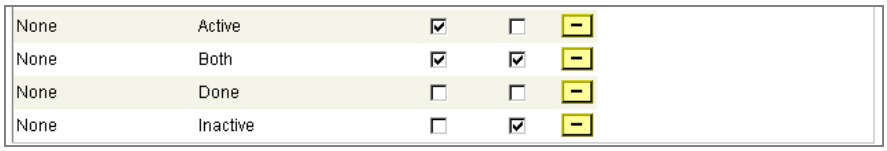


Actuarial Valuation Matrix

Actuarial Valuation Matrix Find First 1-18 of 18 Last

Prior Year Category	Current Year Category	Active Valuation Extract	Inactive Valuation Extract
Active	Active	☑	☐
Active	Both	☑	☑
Active	Done	☑	☐
Active	Inactive	☑	☑
Both	Done	☑	☑
Both	Inactive	☑	☑
Done	Active	☑	☐
Done	Both	☑	☑
Done	Done	☐	☐
Done	Inactive	☐	☑
Inactive	Active	☑	☑
Inactive	Both	☑	☑
Inactive	Done	☐	☑
Inactive	Inactive	☐	☑

Actuarial Valuation Matrix page (1 of 2)



None	Active	☑	☐
None	Both	☑	☑
None	Done	☐	☐
None	Inactive	☐	☑

Actuarial Valuation Matrix page (2 of 2)

Prior/Current Year Category

For each combination of **Prior Year Category** and **Current Year Category,** you can select whether to include the participant in the ***Active Valuation Extract*** and the ***Inactive Valuation Extract.*** The system provides default values, but be sure to conduct your own analysis.

Note. You'll have to scroll to review all of the possible combinations.

Producing Form 5500 Participant Counts

Pension status codes, along with vesting percentage, determine how participants are reported on your Form 5500. Be sure to run periodic processing to update both pension status and vesting before running the Form 5500 participant count report.

The following table shows how status codes map to Form 5500 line numbers:

Code	*Form 5500 Item 7*	*Additional Logic or Conditions*
APR, AVS, ANS, A70	(a) 1	If Vested Percent = 100
APR, AVS, ANS	(a) 2	If Vested Percent > 0 and < 100
APR, AVS, ANS	(a) 3	If Vested Percent = 0
TNV	(h)	If terminated within the reporting year
TDF	(c)	
TDF, TST, TPY, RDF, RPY	(h)	If terminated within the reporting year and vested percent < 100
TPY	(b)	
RDF	(c)	
RST	Not included	
RPY	(b)	
XBP	(e)	
XNB	Not included	
DDF	(c)	
DST	Not included	
DPY	(b)	
BDF	(e)	
BST	Not included	
BPY	(e)	

The following table shows how the Form 5500 line numbers map to pension codes:

Form 5500 Item 7	*Code*	*Additional Logic or Conditions*
(a) 1	APR, AVS, ANS, A70	If Vested Percent = 100
(a) 2	APR, AVS, ANS	If Vested Percent > 0 and < 100
(a) 3	APR, AVS, ANS	If Vested Percent = 0
(b)	TPY, RPY, DPY	
(c)	TDF, RDF, DDF	
(e)	BDF, BPY, XBP	

(h)	TNV TDF, TST, TPY, RDF, RPY	If terminated within the reporting year If terminated within the reporting year and less than 100% vested

Participants who terminated or retired within the reporting year with a vested percent of less than 100 may be counted twice. The second occurrence would be on line (h). This is acceptable because this line item isn't part of the total participant count - it serves as a red flag to the IRS to warn of a possible partial plan termination.

You must perform the count for row (i) separately. This row contains participants with a Pension Status Code of TDF, RBP, XDF, or DDF who terminated in the current 5500 reporting year and who haven't been paid out (either completely or in part) by the due date for filing Form 5500.

QDRO recipients who aren't otherwise participants in their own right aren't included.

Active participants who have reached age 70+ and are receiving payments are presumed to be 100% vested. They are counted as active (and not receiving payments) for 5500 reporting purposes to avoid counting them twice.

Periodic Processing for Pension Status Codes

Periodic processes are those processes you run on a regular basis to maintain your pension data. You can run periodic processes for all employees at once, for individual employees, or for those employees that meet specific criteria you've defined in a Custom Statement. You can run periodic processes on one plan at a time, or on all plans at once.

One of the periodic processes available is maintenance of your pension status codes. When you run the Pension Statuses process, the system processes each employee whose current status is one of those maintained through periodic processing: that is, *active* or *terminated*. The periodic process evaluates each employee according to the status code definitions you've set up. Based on the results of this evaluation, a new status code is assigned. The effective date of the new status is the date of the periodic processing job.

If your status code definitions rely on calculated values such as service, be sure that you run the relevant calculation in the same periodic processing job that determines pension statuses. Otherwise, the needed values (in this case, service values) won't be available.

It's important to run this process regularly - at least monthly - to keep the pension status code current.



Periodic processing only updates status codes for employees whose current status is one of the seven statuses handled through periodic processing. If an employee's current status indicates that the employee is dead, is in payment status, has finished receiving payments, or has a deferred benefit (except for status ***TDF*** - Terminated, deferred benefit), periodic processing won't change the status.

CHAPTER 48

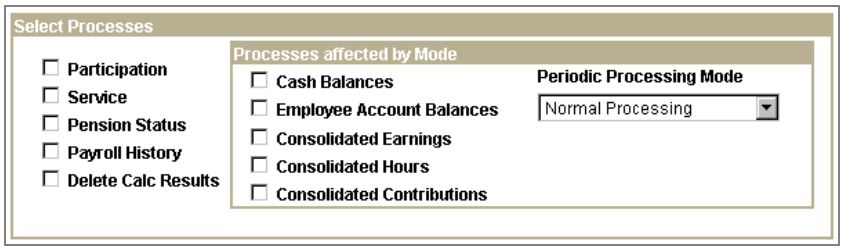
Running Periodic Processes

Periodic processing encompasses several different processes that you will use to maintain your pension data. Several of the processes mirror individual calculation components. Other processes calculate plan-specific data that isn't available through calculations. There are also two housekeeping processes.

In this section, you will first look at each of the individual processes that are lumped together under the general category of periodic processing. Next, you will look at the Periodic Processing page and discuss how you actually run the processes and how you can see the output from the processes.

Using the Periodic Processes

When you set up a periodic processing job in the Periodic Processes page, you will choose which of the individual processes to include.



Individual Processes Included in Periodic Processing

In the **Select Processes** group box, you can select those processes you want to run. There are three periodic processes that don't appear in the list of check boxes: Plan Eligibility and Plan Dates, which always run; and Vesting, which runs whenever you run Service.

For more information see the Processes Page in this section. For an explanation of the **Periodic Processing Mode** field pictured above, see Selecting a Processing Mode.

Let us take a detailed look at each of the processes to see what results they produce and how you will use those results.

Calculation Processes

Several of the system's core functions have both a Calculation mode and a Periodic Processing mode. These functions consist of the following: Eligibility, Participation, Service, Vesting, Cash Balance Accounts, and Employee Accounts. During a periodic processing job, these run in the same order they would during a calculation. This usually means that Eligibility runs first, enabling the system to filter out employees who have never been eligible.

Periodic processing creates a plan history that is independent of any particular calculation or termination date. Unlike calculations, periodic processing doesn't project into the future.

Depending on which function you are using and whether you are running periodic processes or a calculation, you will sometimes add onto the existing history and sometimes throw it away and start from scratch.

Function	*Periodic Mode*	*Calculation Mode*
Eligibility and Participation	Adds onto existing history.	Disregards history; calculates from scratch.
Service and Vesting	Rebuilds entire history each time.	Disregards history; calculates from scratch.
Cash Balance Accounts and Employee Accounts	Adds on to existing history. Note that in periodic mode, these functions don't process partial periods, only completed periods.	Uses existing history for complete periods prior to the event date, then calculates additional accruals from the end of the available history up to the event date.

Plan Eligibility

The Plan Eligibility process always runs; there is no check box on the page that enables you to select whether or not to run this process. If an employee isn't and has never been eligible, processing for that employee ends. If the employee is currently or was previously eligible, processing continues and the individual processes that you have checked on the Periodic Process page will run.

Eligibility builds a timeline with the employee's eligible and ineligible status. Periodic processing adds on to the existing history. The only way to rebuild eligibility history from scratch is by selecting the Delete and Rebuild Processing mode.



If you decide to Delete and Rebuild your eligibility history, don't run any of the other processes affected by processing mode at the same time unless you would like to delete and rebuild those histories, too.



For more information about processing modes, see Selecting a Processing Mode.

Other periodic processes use eligibility history. For example, if your service rules are set up to not award any service credit during periods of plan ineligibility, then Service will use the eligibility history to determine when employees are eligible and when they are ineligible.

The stored eligibility history doesn't get used in calculations because the calculation process recreates the eligibility history from scratch.

To view eligibility history, see the Plan History - Eligibility and Participation Page.

Participation

The Participation process evaluates employees according to your participation criteria, typically age and service. Once an employee meets the criteria, the participation status doesn't usually change unless the employee loses service due to a break. Therefore, the participation history consists of a single date at which the employee began participating.

Employees can lose participation status due to withdrawal of contributions or breaks in service. If such an employee later requalifies for participation, it is as if the earlier participation date never existed; the history still only consists of a single participation date.

The stored participation history may be used if it is referenced by another periodic process, for example, the service rules may exclude time before the participation date. The stored history never gets used during calculations because the calculation process recalculates the date from scratch.

To view participation history, see the Plan History - Eligibility and Participation Page.

Service

The Service process calculates service according to your plan rules. If you have different service rules within a plan: participation service, vesting service, or service credit, the system processes each of the different service components. Processing Service also automatically processes Vesting.

Service results are stored as history. The stored history can be used in other periodic processes, for example, cash balance credits may be based on service. The stored history never gets used during calculations because the calculation process recalculates the entire history from scratch.

Service always runs in Delete and Rebuild mode, meaning that each time you process Service, any prior service history is deleted and the system recalculates the entire history anew. This enables the system to adjust prior periods if subsequent actions have had an affect of the service amount.



For more information about processing modes, see Selecting a Processing Mode.

You will normally update the service history at the end of each service period. If you like, you can calculate Service more often; the system will include Service as of the process-through date you select.

To view service history data, see the Plan History - Service History Page.

Vesting

Whenever you process Service, the system automatically processes Vesting as well.

The Form 5500 Participant Count extract uses the vesting result and the pension status to categorize participants. Therefore, if you plan to run that extract, be sure to process Vesting (and therefore Service) immediately beforehand.

To see the vesting result, see the Plan History - Plan Information Page.

Cash Balance Accounts

Cash balance accounts are the hypothetical employee accounts used in a cash balance plan to represent employees' accrued benefits. Cash balance accounts consist of credits - calculated as a percentage of employee earnings - and applicable interest.

Cash balance results are stored in a period-by-period history. When you run a calculation, the system uses the stored history (that is, any periods completed before the event date) and only calculates accrual for subsequent periods. The history never has any gaps. Each time you run the process, it calculates the next period in the employee's cash balance history. If you miss periodic processing for four periods, you will have to run Cash Balance Accounts four separate times in order to update the history.



Periodic processing only handles one Cash Balance period per job.

Process cash balance accounts at the end of each cash balance period. There is no point in processing more frequently because the system will only process complete periods.

Cash balance credits are based on consolidated earnings. Always run consolidated earnings for the period before running cash balances. Your plan rules should be defined so that consolidated earnings appear earlier in the calculation job stream. As long as this is done correctly, you can run both processes in the same job and consolidations will run first.

To view cash balance history data, see the Plan History - Cash Balance History Page.

Employee Accounts

Employee Accounts track money that employees have contributed toward their pension benefits. Employee Accounts consist of credits - determined by consolidated contributions - and applicable interest.

Employee account results are stored in a period-by-period history. When you run a calculation, the system uses the stored history (that is, any periods completed before the event date) and only calculates accrual for subsequent periods. The history never has any gaps. Each time you run the process, it calculates the next period in the employee's account history. If you miss periodic

processing for four periods, you will have to run four separate periodic processing jobs in order to update the history.



Periodic processing only handles one Employee Account period per job.

Process the history at the end of each Employee Accounts period. There is no point in processing more frequently because the system will only process complete periods.

Employee Accounts are based on consolidated contributions. Always run consolidated contributions for the period before running Employee Accounts. Your plan rules should be defined so that consolidated contributions appear earlier in the calculation job stream. As long as this is done correctly, you can run both processes in the same job and consolidations will run first.

To view employee accounts history data, see the Plan History - Employee Account History Page.

Non-Calculation Processes

There are three processes that calculate plan-specific data which isn't part of the normal calculation job stream.

Plan dates are aliases that do get resolved during the calculation, but by running them through periodic processing, you populate inquiry pages in order to access the results even without a calculation.

Pension statuses and consolidations don't get processed during a calculation; therefore, it is particularly important to run these processes regularly so that the results, which get used in the calculation, remain current.

Plan Dates

The Plan Dates process always runs; there is no check box on the periodic processing page that enables you to select whether or not to run this process.

Your plan implementation includes aliases that establish the dates employees reach:

- Normal retirement age
- Early retirement age
- First vesting

To see how these are defined, see the Plan Aliases page.

Updating plan dates determines the appropriate dates based on your definitions. Those dates are then displayed in the Plan History - Plan Information Page.

Pension Statuses

Pension status codes categorize participants based on pension related information. They are plan-specific and effective-dated, enabling you to track an employee's changing status in a plan over time. These statuses are more than just informational, they are also the foundation for your actuarial valuation extract and Form 5500 extracts.

You will use periodic processing to maintain statuses for active and terminated employees. You will manually update the status when you are preparing payments. Once you start paying benefits to your pension payees, the payment process automatically maintains pension statuses.

Periodic Processing maintains the following pension statuses:

- ***ANP - Active, not yet participating***
- ***APR - Active participant***
- ***AVS - Active, accrue vesting only***
- ***ANS - Active, not accruing service***
- ***A70 - Active, over age 70-1/2***
- ***TNV - Terminated, not vested***
- ***TDF - Terminated, deferred benefit***

Periodic processing will evaluate the pension status only for employees with one of the above statuses or with no recorded status. This means that individuals who are receiving, are about to receive, or have finished receiving pension payments won't be affected by status code periodic processing.

If pension statuses are based on the results of service or participation, be sure to run those processes during the same job.

Be sure to run pension statuses before producing your actuarial valuation extract or your Form 5500 participant count report. The Form 5500 report relies on vesting information as well as pension status. Vesting runs automatically during periodic service processing; therefore, service processing is the other prerequisite for Form 5500 reporting.

To view service pension status data, see the Employee Pension Status Page.

Consolidations

A pension calculation can use vast amounts of historical data. Earnings histories, for example, can cover twenty years and more. If every calculation involved looking up each paycheck an employee received over that period of time, processing wouldn't be very efficient. You would also have to keep all that data available indefinitely rather than eventually archiving it.

The more efficient way to deal with this data is to use the periodic consolidation process. This gathers the paycheck data and stores monthly or yearly totals. By separating the consolidation process from the rest of the calculation, you can schedule this time-consuming operation for a more convenient time.

Your calculation accuracy depends on the availability of up-to-date consolidation information from periodic processing.

Keeping Consolidations Current

When you produce year-end benefit statements, always run your calculations *after* running consolidations.

When you run individual calculations, particularly final calculations, be sure to run ad hoc consolidations beforehand so that the very latest payroll information is included. Of course, if you are running calculation estimates based on projected hours and earnings, it isn't as important to consolidate first; the system will simply start the projection with the last available data. However, you will probably still want to use as much actual data as is available.

Managing the Final Consolidation Period

Calculations will use the consolidation history up to and including the consolidation period that contains the event date (the date of termination or retirement).

Suppose you consolidate yearly. If Gilbert terminates on 11/12/96, his calculation will have access to consolidated data up to 12/31/96.

If Gilbert's final paycheck is dated 11/30/96, data from that check is available as long as you process his consolidations again after the payroll information is recorded in the PeopleSoft Payroll for North America tables. However, if the check with his 4th quarter commission is dated January 15, 1997 and if you consolidate based on the check date, that final paycheck data will be stored in the 1997 consolidation period. Because Gilbert terminated during the 1996 period, that data won't be considered in the calculation. In this case, you may want to manually override the consolidation history.



For more information about maintaining consolidated data, see Maintaining Consolidated Payroll Data.

If you allocate earnings based on the earned date, then the bonus check data will go into the 1996 consolidation and you won't have to use a manual override. However, you still have to run consolidations after the payroll run.

Rebuilding Consolidations

Consolidations produce effective-dated results. Each effective-dated set of results contains multiple periods. By effective-dating the results, we have given you the ability to rerun consolidations without overwriting existing results. This is handy if, for example, you have corrected or otherwise altered either an employee's payroll data or your calculation rules, but you want to keep the prior consolidation results because you have distributed benefit statements based on those results.

Alternatively, you can reconsolidate and wipe out the earlier results if you don't think you need to keep the earlier results.

Periodic processing's "normal" mode is to continue to add segments to the existing effective-dated history. You can choose either a ***Delete and Rebuild*** mode or a ***Create New Consolidations*** mode when you set up a periodic job.



For more information about processing modes, see Selecting a Processing Mode.

Housekeeping Processes

The Payroll History and Delete Calc Results (delete calculation results) processes don't impact calculation results. They are simply housekeeping processes that help you manage your data.

Payroll History

The Payroll History process copies payroll data for each eligible employee from payroll tables (which are subject to periodic purging) to pension tables, where you can keep the data available for future consolidations or re-consolidations. Only data more than one-year-old gets copied.

The process copies data from payroll tables to pension tables as follows:

Payroll Source Table	*Pension Archive Table*
PAY_EARNINGS	PA_HST_PAY_EARN
PAY_OTH_EARNS	PA_HST_OTH_EARN
PAY_SPCL_EARNS	PA_HST_SPL_EARN
PAY_CHECK	PA_HST_PAY_CHK
W2_AMOUNTS	PA_HST_W2_AMTS
EARNINGS_BAL	PA_HST_EARN_BAL
PAY_DEDUCTIONS	PA_HST_PAY_DED

Delete Calc Results

The Delete Results process permanently deletes results for any calculations that aren't specifically protected from deletion and that have a deletion date earlier than the periodic processing date. The deletion date is part of the calculation inputs. Use the Setup Pension Calculation - Main Panel Page to delete results.

Understanding the Processing Order

When you run multiple processes in one job, the processes run in the following order:

1. Calculation functions and consolidations - the order is taken from the Plan Implementation

2. Pension status codes
3. Plan dates
4. Payroll history
5. Calculation deletion

You can't run a periodic process where you just deleted calculation results; you can only run the delete process if you are also running other processes in the same run.

Looking Up the Processing Rules

Periodic processes rely on plan rules you have created. Rules for calculation functions, consolidations, and pension status codes are set up in definition pages and applied in the Function Results page.

Following are navigational paths to those definition pages:

Consolidated Earnings	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings
Consolidated Hours	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours
Consolidated Contributions	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Contributions
Plan Eligibility	Define Business Rules, Maintain Pension Plans, Define, Plan Eligibility
Participation	Define Business Rules, Maintain Pension Plans, Define, Participation
Vesting	Define Business Rules, Maintain Pension Plans, Define, Vesting
Service	Define Business Rules, Maintain Pension Plans, Define, Service
Cash Balance Accounts	Define Business Rules, Maintain Pension Plans, Define, Cash Balance Accounts
Employee Accounts	Define Business Rules, Maintain Pension Plans, Define, Employee Accounts

All of the above processes use rules defined in the Function Result - Function Result Page.

Pension Statuses	Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition

	Define Business Rules, Maintain Pension Parameters, Rules, Status Code Assignment

Knowing Who to Process

You use periodic processes to maintain data about your active employees: pension statuses, consolidated payroll information, service accruals, and balances for cash balance accounts and employee contributory accounts.

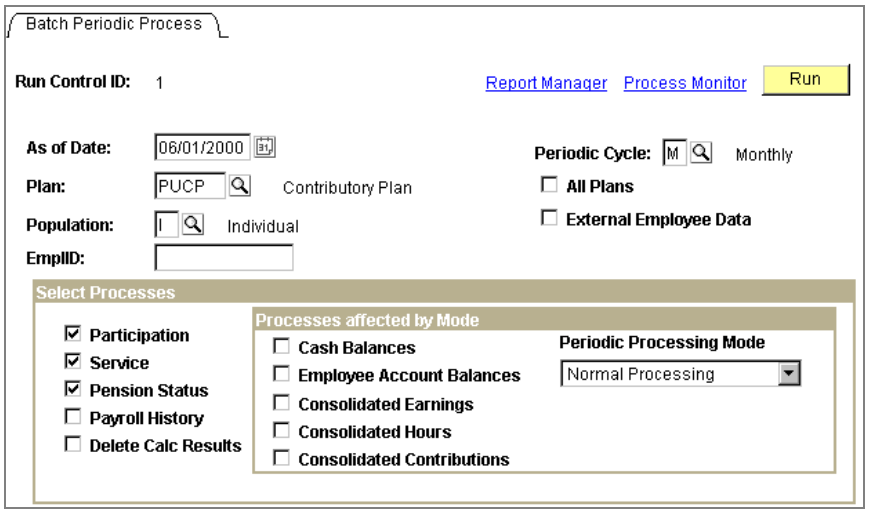
Your processing population should, thus, always include all the active employees currently participating in a plan.

You may also need to process active employees who are no longer plan participants. For example, if a plan calculates vesting service based on *all* hours worked at your organization, not just hours worked while eligible for the plan, you will need to continue processing consolidated hours for employees who transferred out of the plan due do a job change. (Conversely, if an employee transfers into the plan, you will need to retroactively process consolidated hours for the time spent at your organization prior to the transfer).

Sometimes you will also need to run processes for inactive employees. In particular, if employees receive additional pay after their retirement or termination date (vacation pay, bonuses, commission, or any type of deferred compensation), you want to be sure any additional earnings, hours, and contributions make it into the consolidation history. Then, in turn, you will want to be sure the consolidated information rolls into service, cash balance, and employee contributory accounts as appropriate. Therefore, you may choose to continue processing employees who are no longer active, at least for a short time after they separate from service. If you have started paying pension benefits based on an earlier calculation that didn't incorporate this information, you will need to recalculate the benefit, adjust the pension payments accordingly, and make retroactive payments for any previous underpayment.

Processes Page

Usage	Use the Periodic Processes page to run a periodic job.
Object Name	RUNCTL_PAPP01
Navigation	**Compensate Employees, Administer Pension Plan, Process, Periodic Processes, Batch Periodic Process**
Access Requirements	Use an action of Update/Display to use an existing Run Control ID or Add to create a new Run Control ID.



Periodic Processes page

Specifying Employees, Plans, and Dates

As of Date

Because plan rules are effective-dated, the **As of Date** identifies the appropriate plan rules to use. Typically this will be the system date, but if you were to rebuild history using past plan rules, you could change this. If you use a date other than the system date, PeopleSoft Pension Administration still uses the system date as the "process-through" date.

Periodic Cycle

The **Periodic Cycle** informs the system how you run this process. Select ***Annual Cycle, Monthly Cycle,*** or ***Quarterly Cycle.*** The system compares this date to the system date to determine the last complete period it can process. Some processes will only produce results for complete periods; other processes will produce results for partial periods.

Plan

Plan identifies the specific plans you will run.

All Plans

All Plans indicates that the system should complete processing for all plans. When you enter an individual plan, you are no longer able to select the **All Plans** check box.

Population

Population identifies the specific employees to include in the process. Valid values include ***All Employees, Individual, Pre-defined Employee List,*** and ***Pre-defined Group.***

If you choose ***Individual***, an **Empl ID** field appears; identify the appropriate individual in this field.

If you choose ***Pre-defined Employee List,*** a **List Name** field appears; enter the name of the list you would like to process. A list is a set of employees identified by their employee IDs. You can create employee lists online by selecting Calculation Group List. However, if you are dealing with large populations of employees, you should populate this page using an SQR or other batch process rather than manually entering individual employee names and IDs.

For more information about using Calculation Group Lists to create periodic processing lists, see PeopleSoft Pension Administration, "Grouping Employees".

External Employee Data

External Employee Data enables you to load data from an external Human Resources system using your own user-coded data transfer. This option is for users of a standalone system. If you check this option, the system will execute your data-loading module before running any individual processes.

Group Name

If you choose ***Pre-defined Group,*** a **Group Name** field appears; enter the name of the group you want to process. A *group* is a set of employees identified by particular criteria that they must meet. Create groups for periodic processing by selecting Group Definition Page. You will construct Group definitions through Custom Statements. These can get quite complex, so be sure to read about Custom Statements before attempting to create a Group.

For more information about using Custom Statements to create periodic processing groups, see PeopleSoft Pension Administration, "Using Custom Statements" and PeopleSoft Pension Administration, "Grouping Employees"

When you use a group, the system evaluates each and every employee in the system against the criteria to determine whom to process. This is a very slow process, and we don't recommend that you use it on a regular basis. Instead, use pre-defined employee lists, which process those employees on the list without needing to evaluate any other employees.

Note. List processing is much more efficient than group processing. A group that you have defined as all employees belonging to Plan A will take exponentially longer to process than a list consisting of the exact same employees. It is well worth your while to use SQRs to create and maintain lists for periodic processing. For example, to process all employees who are paid monthly, don't create a group with this criterion. Instead, create an SQR that selects employees who are paid monthly and creates a calculation group list consisting of those employees. Run that SQR again before each periodic processing to keep your lists up to date.

Choosing Processes

Select Processes lists all the processes you can run. Choose one or more processes by selecting the individual check boxes.

Processes available through periodic processing are as follows:

- Eligibility (always runs)
- Plan dates (always runs)
- Participation

- Service
- Vesting (runs if you select Service)
- Pension Status
- Payroll History
- Delete Calc Results (delete calculation results)
- Cash Balances
- Employee Account Balances
- Consolidated Earnings
- Consolidated Hours
- Consolidated Contributions



For more information about each of the processes that you can run, see Using the Periodic Processes in this section.

Selecting a Processing Mode

Periodic Processing Mode Select a **Periodic Processing Mode.**

Processes affected by Mode

The **Periodic Processing Mode** you choose only affects those processes shown in the **Processes affected by Mode** group box: **Cash Balance Accounts, Employee Accounts,** and **Consolidations.**

With ***Normal Processing,*** new rows are added to the current history.

If you choose ***Delete and Rebuild,*** any existing history is deleted and new rows are built beginning with the employee's original hire date. Consolidations, which effectively date the rows in the history, use the hire date as the effective date for the newly built rows. Use this option when you have made corrections to the employee's personal or payroll data and the old history is therefore invalid.

Warning! Don't use ***Delete and Rebuild*** mode if the history contains information that was loaded at implementation time; and thus, can't be recalculated based on other data stored in the system.

Create New Consolidations only applies to the three consolidation processes. You typically wouldn't run any other processes when you choose this option, but if you do, they will run in ***Normal Processing*** mode. This option leaves the existing consolidation history intact while creating a completely new set of history data. The effective date of the new data is the date you specify as the **As of Date** (which isn't necessarily the current date). This option enables you to keep a record of the previous data while generating new values based on corrections to either plan rules or employee payroll data.

Note. If there are permanent overrides present in the current consolidations, you can't run in either ***Delete and Rebuild*** or ***Create New Consolidations*** mode. You must first remove the overrides.

Service and Consolidations

Process full and partial periods. These functions can process multiple periods during a single periodic processing job. They will process as many periods as necessary to update the data to the current system date. For example, if you are on a monthly cycle and you run your first processing of the year in April, the system will automatically run consolidations for January and February and March in the same job.

Cash Balances/Employee Account Balances	Process full periods only. These functions only process one period at a time. For example if you are on a monthly cycle and you run your first processing of the year after April, only January will be processed. You will need to run the process three more times to bring the history up to date.

Click **Run** to run this request. Process Scheduler runs the Periodic Processing process at user-defined intervals.



For more information about Process Scheduler, see Process Scheduler.

Periodic processing typically runs on the server. Select the ***Batch Periodic Process Program*** and click **OK** to put the job into the Process Scheduler queue.

It is advisable to use the **Run Recurrence** parameters to schedule regular recurrences of your periodic processing.

Viewing Process Results

To find consolidation results, see Employee Consolidated History. These results are under the Use menu rather than the Inquire menu because you can update the data - specifically, you can enter overrides. For example, if there were errors in the original payroll data, you can override the consolidation rather than correcting the data in the payroll tables (which you may not have access to) and rerunning the process.



For more information about consolidation results, see Maintaining Consolidated Payroll Data.

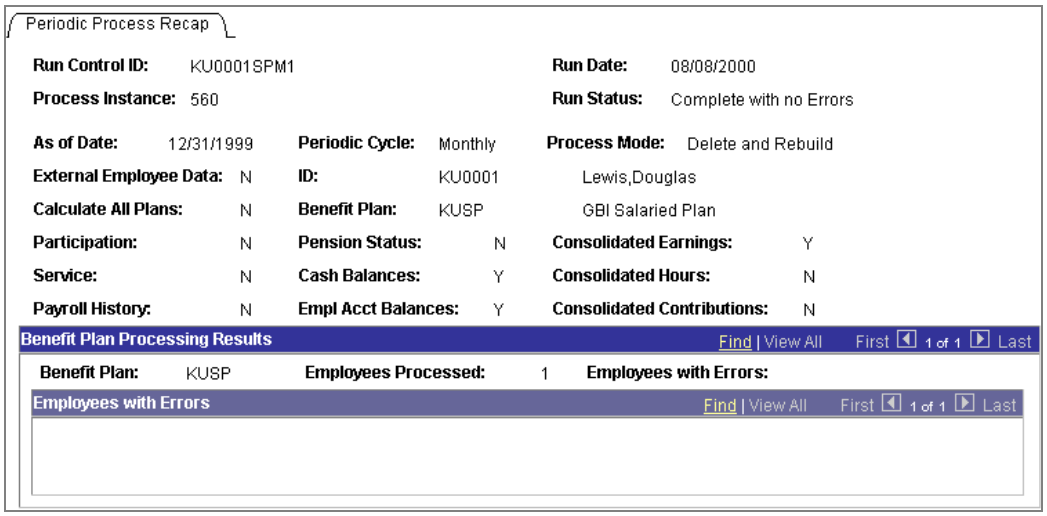
To view all other results, see Plan History. These results aren't editable. However, you can enter manual adjustments for Employee Accounts, Cash Balance Accounts, and Service by selecting Employee Plan Data. Adjustments are incorporated into the history during the next periodic processing run.



For more information about periodic processing results other than consolidation results, see Viewing Plan-Related Information. For more information about manual adjustments, see Maintaining Employee Plan Data.

Periodic Process Recap Page

Usage	After running periodic processes, use the Periodic Process Recap page to review some processing statistics.
Object Name	PA_PRDIC_RSLTS
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Periodic Process Recap, Periodic Process Recap**
Prerequisites	You must first run periodic processes.
Access Requirements	Run Control ID or Process Instance



Periodic Process Recap page

The process instance appears at the bottom of the Periodic Process page while the process is running.

The **Run Date** and **Run Status** inform you when the job ran and whether it was completed successfully.

The next group box shows all of your inputs to the Periodic Processing page, including the **As of Date,** the **Periodic Cycle,** the **Process Mode,** and whether you used **External Employee Data.**

You will have an Employee **ID** and name, a Group name, a List name, or an indicator that you processed all employees.

Next to each of the individual processes that are available during periodic processing, you will see either a ***Y*** or ***N*** (yes or no) to show whether you ran that particular process.

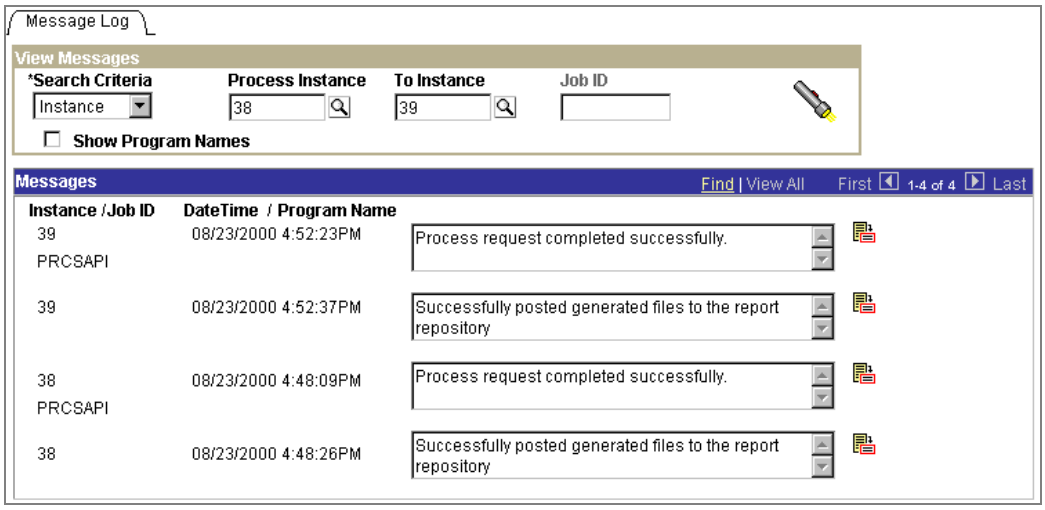
Finally, you can see each **Benefit Plan** processed, and for the plan, a count of the **Employees Processed** and the **Employees with Errors.** If there is no number next to the **Employees with Errors,** then there were no errors.

There is a detail section for information on **Employees with Errors**.

If there are employees with errors, you will research those errors in the Message Log page.

Message Log Page

Usage	Use the Message Log page to view errors from your periodic processing.
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Message Log, Message Log**



Message Log page

View Messages — In the **View Messages** group box, you can view messages from a specific periodic processing run.

Search Criteria — In the **Search Criteria** field, choose ***Instance.***

From/To Instance — Look for the Process Instance displayed at the top of the Periodic Process Recap Page, and enter this in the **From Instance** and **To Instance** fields.



When you click the **Search** button, all processing errors for that particular job appear in the bottom part of the page.

Instance/JobID (job identification) /**DateTime/ Program** — The **Instance, JobID, DateTime** stamp**,** and the name of the COBOL **Program** (displayed only if you turn on Show Program Names) identify where the error occurred.

Each row also includes a text box with the error message. The Employee ID and any other identifying information appear at the end of the message. If there is additional explanatory text, click the **Show Detail Entry** button next to the message to view it.

CHAPTER 49

Calculating Pension Benefits

PeopleSoft Pension Administration uses the plan rules you set up to calculate pension benefits.

When you run a calculation, you specify employees and plans to include in the calculation. Additional fields enable you to enter assumptions about information that isn't restricted by the plan rules. For example, you can enter a benefit commencement date or a salary escalation rate.

You can also enter overrides to set up what-if scenarios for information that plan rules would normally control. For example, you can override the calculated vesting percentage with a 100% vesting assumption.

The system assumes that an employee who isn't eligible, or who is eligible but not participating, has no benefit accrued. Therefore, a calculation doesn't finish when the calculation determines that an employee is either ineligible or not participating.

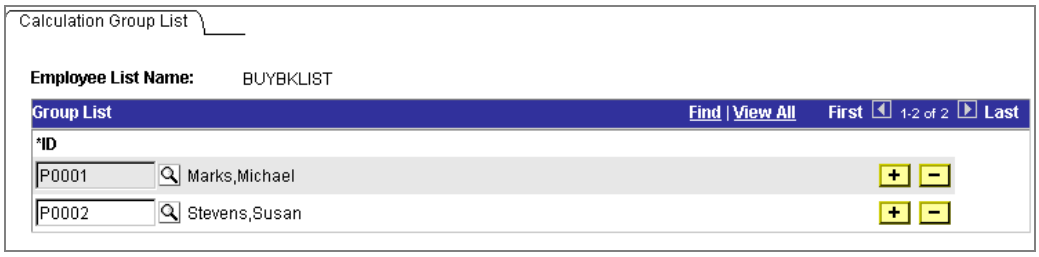
In this section, you look at all these calculation parameters, as well as the calculation scheduling and reporting options.

Running Calculations for Multiple Employees

You can run calculations for multiple employees at the same time in two ways: by using a pre-defined list of individually selected employees or by using a group defined by a custom statement.

Calculation Group List Page

Usage	In order to run a calculation on a pre-defined list of employees, you must first create a list using the Calculation Group List page.
Object Name	PA_CLC_GROUP
Navigation	**Compensate Employees, Administer Pension Plan, Setup, Calculation Group List, Calculation Group List**
Access Requirements	Enter the name you want to give this list of employees.



Calculation Group List page

Add employees to the list using by inserting rows. All you need to enter is each employee's ID.

If you process large groups of employees, consider using a database tool, such as SQLTalk, to enter the data. For example, to run benefit calculations for all employees in a particular division, you probably don't want to type every employee's ID into this page. It's much faster to use SQLTalk to select all employees in that division and copy their Employee IDs to the calculation group list.

Keep in mind that this is a static group, based only on employee ID, not on any dynamic criteria, such as salaried status or full-time status. Therefore, if you set up a list based on employees who meet certain criteria, you have to maintain the list as employee data changes. In this situation, you should consider creating a custom SQR that you can run as often as needed to repopulate the list, based on current data.

Creating Calculation Groups With a Custom Statement

You can create a pre-defined calculation group that is based on custom statements, rather than specific, hand-picked employees. Although calculations for pre-defined groups take longer than those for pre-defined lists, they are much quicker to set up, because you don't have to manually select individual employees who meet your calculation criteria, and they require no maintenance. They automatically select only those employees who meet your criteria at any given point.

For more information about creating pre-defined calculation groups, see the Group Definition Page.

Setting Up a Benefit Calculation Using the Setup Pension Calculation Component

There are five pages in the Setup Pension Calculation component. The Main Panel page holds your critical calculation inputs and projection assumptions. The Plan Inputs page contains plan-specific age/date and override information, as well as the fields that enable the Function Overrides, Process Selection, and Adjustments pages. The Function Overrides page accepts overrides for individual components. The Process Selection page enables you to calculate only selected components. The Adjustments page enables you to adjust amounts for individual components, such as participation service and vested benefit.

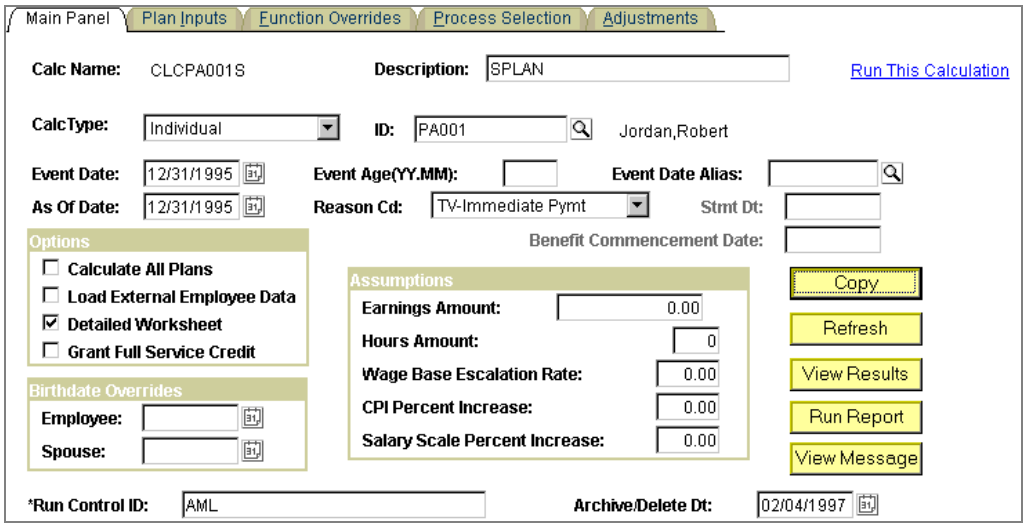
Entering the Setup Pension Calculation Component

To add a new calculation, you enter the business component through the Main Panel page.

You use the Calculation Name to access calculation-related information throughout the system to view and report on the calculation results, to offer optional forms to employees, and to pay employees based on the optional form chosen. For this reason, you want to assign meaningful calculation names. The Calculation Name field is twenty characters long, so you have room to incorporate an employee's Social Security Number if you choose. Your naming standards could also incorporate employee names or IDs, the date or reason for the calculation, or sequential numbering when you have multiple calculations for a single employee. Develop a naming standard that gives you information to distinguish one calculation from another at a glance.

Setup Pension Calculation - Main Panel Page

Usage	Use the Setup Pension Calculation - Main Panel page to set up employee information and processing parameters. Use this page to enter assumptions for employee hours, earnings, and beneficiaries. You can also use options on the Main Panel page to request that detailed values be stored with the results, to run custom code to get employee data from another system, to assume full service credit, and to establish when to delete results from the system.
Object Name	PA_CALCULATION_2
Navigation	**Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Main Panel**
Access Requirements	Enter the name you want to give the new calculation.



Setup Pension Calculation - Main Panel page

Selecting Employees for a Calculation

Calc Type

You can run a calculation for a single employee or for a group of employees. Specify the **Calc Type** by choosing either ***Individual, Pre-defined List,*** or ***Pre-defined Group.***

ID/Empl List/Group Name

If you select ***Individual,*** an **ID** field appears. Enter the **ID** of the employee for whom you are running the calculation.

If you choose ***Pre-defined List,*** an **Empl List** field appears. Enter the name of the calculation group. Note that the group list is a static group consisting of the same employees each time, not a set of criteria used to identify group members dynamically.

If you choose ***Pre-defined Group,*** a **Group Name** field appears. Enter the name of a pre-defined calculation group. A group needn't be static. It can consist of a set of criteria that is defined by a custom statement and is used to identify group members dynamically.



For more information about pre-defined calculation lists and groups, see Calculation Group List Page in this section.

Setting the Event Date and Rules Date

An employee's pension benefit depends on when the employee ends employment. Service stops accruing as of the event date; benefit eligibility might depend on the event date, and other calculation components might use this date, depending on how you've configured your calculation rules. There are three ways to set the event date. You might enter a hard-coded **Event Date,** an **Event Age,** or an **Event Date Alias.**

Event Date

The event date defaults to the current (system) date, but you can enter other dates in order to perform historical calculation or estimates for the future.

Event Age (YY.MM)

If you choose to define the event date by a specific age, use the **Event Age** field to enter an age in YY.MM format.

Event Date Alias

If you choose to define the event date by an **Event Date Alias,** select a date alias from the available options.

The **Event Date Alias** field enables you to calculate a precise event date definition. It provides flexibility by enabling you to define the event date using a hard-coded event date, an event age, or by taking other factors into consideration, such as the number of years an employee has been with the company.

As Of Date

Because your plan rules are effective-dated, you need to enter an **As Of Date** for the plan rules. If you are reproducing a past estimate, this date ensures that you use the rules that were in effect at the time. Typically, the **As Of Date** is the same as the event date.

The system brings the plan rules into the calculation pages based on a combination of the plan and the **As Of Date.** If you're testing changes to your plan rules, you have to reenter one of these values, usually the **As Of Date**, in order to pick up the changes. Note that this reloads all the data in the Function Overrides and Process Selection pages, so you have to reenter any data in those pages as well.

Choosing a Calculation Reason

Reason Cd (code)

Enter the reason for the event: ***Benefit Statement, Death, Disability, QDRO Alternate Payee, Retirement, TV (term vested) - Deferred Payment, TV (term vested) – Immediate Payment,*** or ***Web Estimate***.

Your plan rules might reference this field when death and disability have different calculation rules from a regular termination or retirement. This field's significance depends entirely on how your company has set up calculation rules. If you don't use this field, you can leave it blank.

Calculating Benefits for Multiple Plans

You may run a calculation for more than one plan at a time by adding a row to the Plan Inputs page or by selecting the **Calculate All Plans** field on this page.

Calculate All Plans

If you select this option, the system runs its calculation on all plans associated with your employee or group.

If the **Calculate All Plans** box is checked, the system uses the **Plan NRD** as the benefit commencement date and as the lump sum date. You can override this default for individual plans by manually adding those plans to the scrolling area. Setting a different benefit commencement date without associating that date to a plan doesn't override the default.

If you turn off the **Calculate All Plans** option, you see a warning message reminding you that 415 limits apply to all qualified plans and that you should be sure to include all plans for which the employee is eligible.

Note. Remember that as long as each plan has a Plan Eligibility process that filters out noneligible employees, "All Plans" really means "All plans for which the employee is eligible."

Loading External Data

Load External Employee Data

PeopleSoft Pension Administration normally gets employee data from PeopleSoft HRMS tables. Users of a standalone system might not have this data available. If you choose this option, the system runs your own custom process to bring relevant employee data into the calculation linkage where it is then available to all the pension functions.

This option doesn't populate the relevant PeopleSoft HRMS tables.

Preserving Detailed Results

Your benefit calculation is based on several components, including service, vesting percentage, earnings, and contributory balances. When you run a calculation, the system captures the values of all the different components. This enables you to see basic information used to determine the benefit.

In calculating each component, the system produces intermediate results as well. For example, in order to calculate total service, the system calculates service for each annual period during the participant's employment.

Detailed Worksheet

If you select this option, the system preserves these intermediate results for reporting purposes. The system already has fields to hold the results; you just have to select this option in order to capture the data.

Granting Full Service Credit

Contributory plans frequently tie contributions to service. Terminating employees who withdraw their contributions forfeit the corresponding service, and rehired employees who repay their contributions (with interest) can get that service credit restored.

You might want to run calculations for a rehired employee who is considering buying back service or who is in the process of buying back the service.

Grant Full Service Credit If you select this option, the calculation gives the employee full credit for all the service that was forfeited because of a withdrawal of contributions.

This option doesn't affect the employee account balance, which still only includes money that's actually been paid into the account.

Overriding Birthdates

Employee/Spouse For individual calculations, enter an **Employee** and **Spouse** override.

The **Spouse** birth date override doesn't apply to non-spouse beneficiaries. Because employees can have different non-spouse beneficiaries for each plan, the beneficiary birth date override is a plan-level override. You find the beneficiary birth date override field with the rest of the plan-level overrides, on the next page in this group: Plan Inputs.

Number of Years added to Age For list or group calculations, the field will change so you can indicate a fixed **Number of Years added to Age.**

Note. This override applies only to the employee, not to the spouse or other beneficiary. The beneficiary birth date override field on the next page doesn't change for group calculations; it is therefore inappropriate to enter beneficiary birth date overrides when running group calculations.

Entering Projection Assumptions for Individual Plans

In order to estimate a benefit for a future event date, you usually have to estimate future earnings, hours, and contributions. To calculate Social Security for a future retirement, you have to make assumptions about annually published government tables, such as the Taxable Wage Base.

You can enter different assumptions for each plan. If you've chosen the **Calculate All Plans** option, you can only enter assumptions for any that you specifically add to the list of included plans.

Enter these assumptions in the following fields. Any functions or utilities that use this information: Social Security, Projections, or others, automatically have access to your parameters.

Earning Amount / Hours Amount — When the calculation projects earnings or hours, these amounts determine the current period amounts, if the rules so specify. The plan rules can specify either that this amount replace the entire period or that it be prorated and used only for the incomplete portion of the current period.

Wage Base Escalation Rate — Assumed rate of increase in the Taxable Wage Base. Used for Social Security calculations. Can also affect other calculation components, depending on plan rules.

CPI (Consumer Price Index) Percent Increase — Assumed rate of increase in the CPI-W table. Used for Social Security benefit increases.

Salary Scale Percent Increase — Assumed rate of increase in periodic earnings. Used when projecting earnings. Be sure to enter a rate consistent with the type of earnings period: annual, monthly, or any other.

Entering a Run Control ID

Enter a **Run Control ID** to use when submitting the process request.



For more information about Run Control IDs, see Process Scheduler.

Deleting Results

During periodic processing, the system can automatically delete results for calculations that you've decided you no longer need to keep.

Archive/Delete Dt (date) — If you want periodic processing to delete the calculation and its results at a certain point, enter an expiration date here.

If you try to leave this field blank, the system uses the current date as the expiration date. If you don't want periodic processes to delete the calculation, be sure not to run the delete calculations periodic process.

Periodic processing deletes calculation results in the following circumstances:

- The **Archive/Delete Dt** (date) entered in the calculation page is in the past.
- The calculation hasn't been explicitly protected on the Protect Calculation Page.

For more information about protecting calculations from deletion, see Maintaining Employee Pension Data. For more information about deleting calculations using periodic processing, see Delete Calc Results.

Copying Calculations

Copy

If you want to run calculations for several retirement scenarios, say, different event dates or retirement dates for an employee's retirement counseling, you need to run multiple calculations. Most of the data in these calculations are the same. It would be tedious to reenter the same data several times, so to make it easier for you, we've provided a **Copy** button that clones the current calculation parameters into a new calculation. Once you clone an existing calculation, you can make minor modifications to set up the alternative retirement scenario.

When you click the **Copy** button, the system automatically saves any changes to the current calculation.

Note. The **Copy** button is only available in Correction mode.

When you click Copy, the system doesn't ask if you want to save changes; it just saves them. When using the Copy button, be careful not to save unwanted changes.

After the system saves the current calculation, it prompts you for a new **Calculation Name** and **Description.**

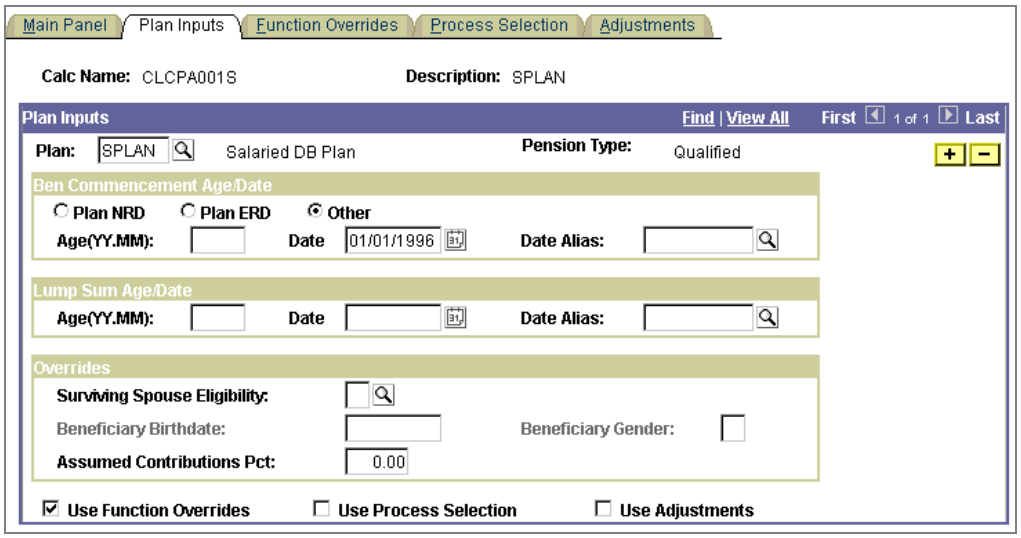
Enter the information and click **OK.** The system displays the new calculation. The status bar shows that you're in Correction mode, but, in fact, the calculation hasn't yet been saved. Be sure to explicitly save the new calculation before leaving the page.

Once you've created the new calculation, you can make any changes needed to create the alternative retirement scenario.

Setup Pension Calculation - Plan Inputs Page

Usage	Use the Setup Pension Calculation – Plan Inputs page to enter the plan you want to calculate, with plan-specific information on ages, dates, and overrides.
Object Name	PA_CALCULATION_3

Navigation	**Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Plan Inputs**
Access Requirements	Enter this page by entering a calculation name or by selecting the Plan Inputs page from within the component.



Setup Pension Calculation - Plan Inputs page

Plan Inputs

Plan

When you enter a **Plan** name, its **Pension Type** - qualified or nonqualified - displays.

By inserting a new row in this section, you can calculate multiple plans at once.

Ben Commencement Age/Date

Ben Commencement Age/Date (benefit commencement age/date)

Because many aspects of the calculation depend on when benefits are assumed to begin, also specify the **Benefit Commencement Age/Date** for calculating benefits from that particular plan.

Plan NRD

You can use the **Plan NRD** (Normal Retirement Date), as defined in the plan rules.

Plan ERD

Or you can use the **Plan ERD** (Early Retirement Date), as defined in the plan rules.

Other

Alternatively, you can enter an **Other** age or date

Age(YY.MM)/Date/Date Alias

Use the corresponding edit box if you want to enter an **Age(YY.MM)**, a **Date**, or a **Date Alias**.

Lump Sum Age/Date

Lump Sum Age/Date — If your plan rules reference a lump sum date that is distinct from the benefit commencement date, enter **Lump Sum Age/Date** information.

Age(YY.MM)/Date/Date Alias — Use the corresponding edit box if you want to enter an **Age(YY.MM)**, a **Date**, or a **Date Alias**.

For group calculations, you usually want to use **Plan NRD** or **Plan ERD**, because these are individually determined for each employee. If you enter an actual date, you have different employees in the group commencing benefits at different ages, ages at which they might not be eligible to receive benefits. For the lump sum, enter an age instead of a date for the same reason.

Overrides

Certain plans offer an automatic joint and survivor benefit to qualified spouses, that is, a joint and survivor benefit that doesn't require an actuarial adjustment to the employee's benefit. If you provide this benefit, you've established the eligibility criteria in your plan rules. Perhaps the employee and spouse must be married for a full year before being eligible for this benefit.

Surviving Spouse Eligibility — In the **Surviving Spouse Eligibility** field, you can override the eligibility criteria by entering either ***N - Override to Ineligible*** or ***Y - Override to Eligible.***

Beneficiary Birthdate/ Gender — If the employee has a non-spouse beneficiary on record, you can override information about beneficiary in the **Beneficiary Birthdate** and **Beneficiary Gender** fields. Because this information is highly individual, you shouldn't use these fields for group calculations.

Assumed Contributions Pct (percent) — If you want to calculate possible future contributions, enter a percentage in the **Assumed Contributions Pct** field. When the calculation projects contributions, the system applies this percentage to projected earnings to arrive at future contribution amounts.

Enabling Function Overrides, Custom Processing, and Adjustments

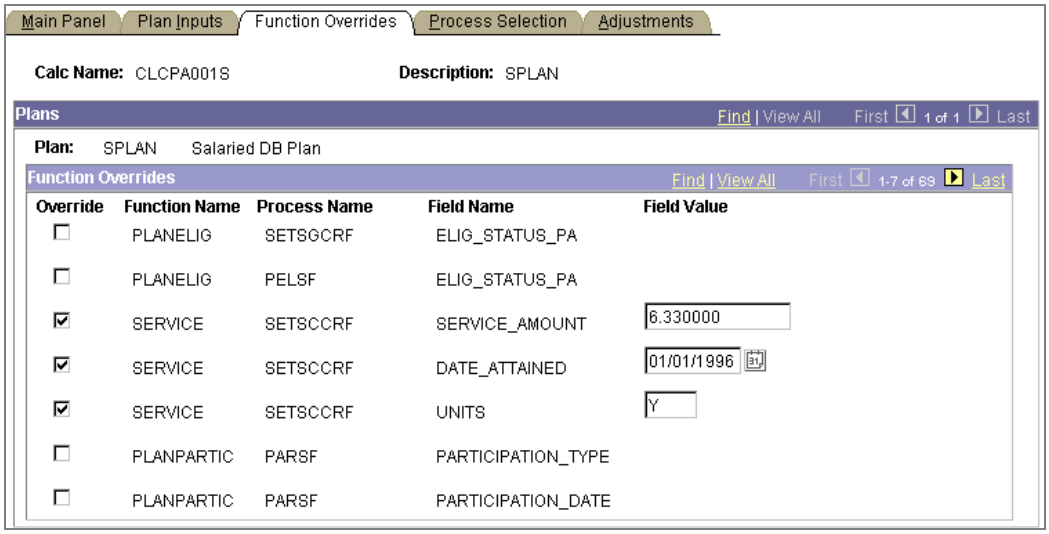
Use Function Overrides — If you want to enter overrides for a plan, select the **Use Function Overrides** check box. You enter the actual overrides on the Function Overrides page.

Use Process Selection — If you select the **Use Process Selection** check box, you can single out specific processes to run on the Process Selection page.

Use Adjustments

Setup Pension Calculation - Function Overrides Page

Usage	Use this page to enter override values for specific calculation components. **Note.** The processes listed on this page are brought in when you identify a plan and an as of date on the Main Panel page. Because this data is effective-dated, you can't set up overrides in Update/Display mode, only in Add or Correction mode.
Object Name	PA_CALCULATION_5
Navigation	**Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Function Overrides**
Prerequisites	You must identify a plan and an as of date on the Main Panel page of the Setup Pension Calculation component.
Access Requirements	Enter a calculation name in Correction mode or select the Function Overrides page while in the Setup Pension Calculation component.



Setup Pension Calculation - Function Overrides page

PeopleSoft Pension Administration produces a benefit amount through a series of processes that build upon each other. Normally, each process produces a result according to the rules you set up. You can, however, bypass the calculation process and enter override values for specific calculation components, instead. Use the Function Overrides page to enter these override values.

As an example of when you would use overrides, suppose a terminated vested employee remarries before beginning to receive payments. Because the new spouse has a different birth date from the previous spouse, the Joint & Survivor factors have to be recalculated. Instead of running a new calculation from scratch, you can use the original benefit amount as an override. This way you can recalculate optional forms factors, while ensuring that the normal benefit amount is the same as the amount you calculated at the time of termination.

Overrides also enable you to set up what-if scenarios by manipulating any given portion of the calculation.

Override	If you selected the **Use Function Overrides** check box on the Plan Inputs page, you can check the Override box for each value you want to override.
Function Name	The **Function Name** field helps you identify the results by showing which pension function controls the processing.
Process Name	The **Process Name** is the name your organization has assigned to the specific process - the Function Result name.
Field Name	The **Field Name** column identifies the values you want to override. **Field Value** is the override value.
Field Value	Enter the override in the **Field Value** edit box.

Any subsequent processes in the job stream use this override value instead of the calculated value. For example, if you override a Final Average Earnings value, the benefit formula uses the earnings amount you entered, rather than any actual earnings data.

Many functions have only a single value, for example, Final Average Earnings and Vesting both produce a single result. On the other hand, some functions produce multiple (or compound) values. For example, Service produces service amount, service units (years or months), and date attained.

Although you don't have to enter override for all the values, be sure you enter overrides for those values that are necessary for the calculation. For example, there's no need to enter ten fields of intermediate information for Social Security results, but be sure to enter the PIA_AMT_ADJ, which is the final adjusted Social Security benefit.



If you enter overrides for the benefit amount (shown on the page as "BENCALC"), be sure to enter overrides for all four of the benefit amount fields: the amount, the form code, the payment frequency, and any automatic spousal benefit. The first three fields are all required for Optional Forms conversions. The automatic spousal benefit override defaults to zero.



If you enter an override for one of a Function Result's values, that Function Result doesn't produce any results, other than what you enter. This means there are no detailed results.

Override Considerations

Don't enter overrides for Plan Eligibility, because this prevents the system from producing the timeline of eligible and ineligible periods that might be needed for other processes. If you know that your plan rules don't reference this timeline, you can skip eligibility processing.

Valid Participation overrides are Y (yes) and N (no).

When you enter a Vesting override, use a percentage rather than a factor. For example, if an employee is 60% vested, enter 60, not .6.

Social Security has ten different results fields, all of which appear in the overrides section. To enter just a final Social Security amount, enter it in the PIA_AMT_ADJ field.

Enter early and late retirement adjustments as the adjustment factor, not the adjustment amount. For example, if an employee's benefit is to be reduced by 20%, the factor is .8. If the employee's benefit is to be increased by 5%, the factor is 1.05.

Enter death coverage factors as the adjustment factor, not the adjustment amount. For example, if an employee's benefit is to be reduced by 2%, the factor is .98.

Examples

Use the following table to understand appropriate values for the various override fields.

Function	*Field*	*Description*	*Example*
Plan Eligibility (PLANELIG)	ELIG_STATUS_PA	Eligibility Status.	Don't enter overrides.
Participation (PLANPARTIC)	PARTICIPATION_TYPE	Participation status.	Y (yes, participating) N (no, not participating)
	PARTICIPATION_DATE	Participation date.	01/31/1999
Service (SERVICE)	SERVICE_AMOUNT	Service amount.	10.50
	DATE_ATTAINED	Date the service amount was attained.	12/31/1999
	UNITS	Service units.	Y (years) M (months)
Vesting (VESTING)	VESTING_PERCENT	Vesting Percent.	80
Benefit Eligibility (BENELIG)	BEN_ELIG_STATUS	Benefit eligibility status.	Y
Final Average Earnings (FAE)	FAE_AMOUNT	Final average earnings amount.	54321.89

Cash Balance Accounts (CASHBAL)	ACCUM_AMT	Cash balance value as of event date. If you use an override, the system doesn't produce the secondary aliases that provide the value at other dates.	158674.47
Employee Accounts (EMPLACCTS)	ACCUM_AMT	Employee account value as of beneficiary date.	10543.89
Social Security (SOCSEC)	PIA_AMT	Unadjusted PIA.	861.40
	PIA_AMT_ADJ	Adjusted PIA - adjusted for early or late commencement. This is the final result for Social Security.	861.40
	SOC_SEC_AGE	Social Security normal retirement age. Enter partial ages as decimals.	65.333333
	SOC_SEC_BCD	Social Security benefit commencement date.	65
	INDEX_YR	The Social Security indexing year - two years before the eligibility year.	1999
	ELIG_YR	The Social Security eligibility year - the year the employee attains age 62 or the year of death or disability.	2001
	AIME	Average Indexed Monthly Earnings	1920.00

	AVGWAGES_INDEX_YR	The national average wage for the index year.	23132.67
	BIRTHDATE	The employee's birth date.	12/01/1939
	COMPUTATION_YRS	The number of years of earnings history used in the Social Security computation.	35
Covered Compensation (COVRDCOMP)	COMP_AMT	Covered compensation amounts.	3500
Early/Late Adjustments (AGEADJUST)	ADJ_FACTOR	Adjustment factor.	.8
	PRD_OF_ADJ	Number of periods (months or years) used to arrive at the factor.	4
Death Coverage Reductions (DEATHCVRG)	ADJ_FACTOR	The final death coverage adjustment factor	.98
	NUM_PRD	Number of periods (months or years) used to arrive at the factor.	10
Benefit Formulas (BENCALC)	BEN_AMT	Dollar amount of the employee's benefit in the plans normal form of payment.	3404.32

	PYMT_FREQ	Payment frequency of the normal form of the benefit. (Refer to the Benefit Formula - Normal Form of Payment Page for a complete list of valid values.)	M (Monthly)
	FORM_CODE	Optional form code. (Refer to the Benefit Formula - Normal Form of Payment Page for a complete list of form codes.)	LIFE
	AUTO_AMT	Dollar amount of the benefit automatically available to an eligible spouse, regardless of the employee's optional form selection.	25
Employee-Paid Benefit (CONTSBEN)	ACCT_BAL_EVENT	Account balance as of the event date.	10543.89
	ACCT_BAL_DOD	Account balance at date of determination.	13276.18
	ACCT_BAL_NRD	Account balance as of normal retirement date.	13276.18
	EE_BEN_AMT	Annuity value of the employee account at normal retirement date. This is the final result for the employee-paid benefit function.	55.317417

	INT_RT_1	Interest rate used to project from event date to date of determination.	5
	INT_RT_2	Interest rated used to project from date of determination to normal retirement date.	5
	FACTOR	Factor used to convert balance as of normal retirement date to annuity.	.004167
	DT_OF_DET	Date of determination.	12/31/1998
Optional Forms (OPTFORMS)	No overrides available	N/A	N/A
415 Limits (LIMIT415)	No overrides available	N/A	N/A

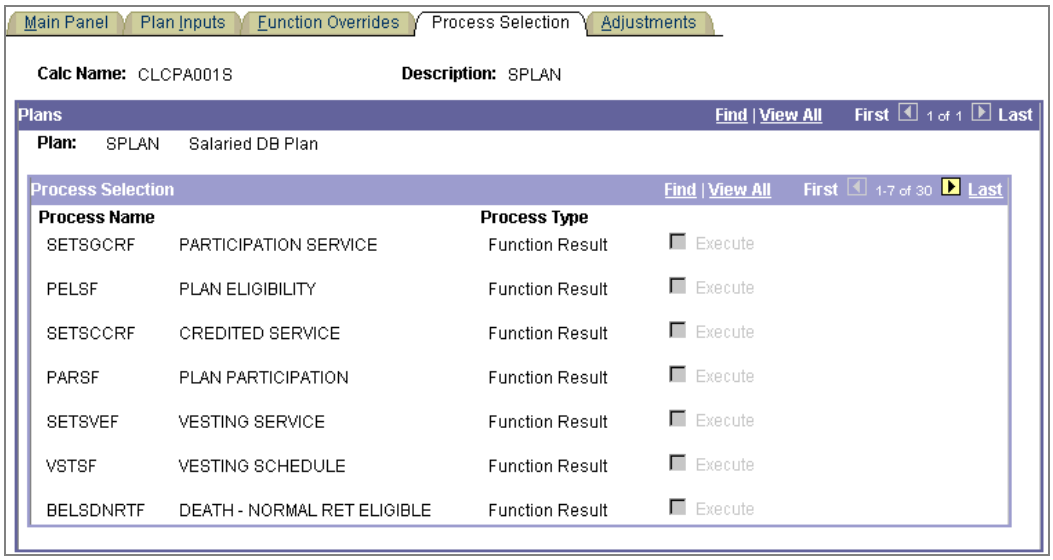
When you apply 401(a)(17) limits (or any other limits) to either Final Average Earnings or Cash Balance Accounts, a regular calculation also produces secondary values with the unlimited FAE and Cash Balance amounts. You normally access these values through Function Result aliases. When you use overrides, the system doesn't calculate these secondary values.

For more information about the different Social Security overrides, see the Calculation Results - Social Security Page.

Setup Pension Calculation - Process Selection Page

Usage	The Setup Pension Calculation - Process Selection page enables you to isolate individual calculation components, so that you can calculate those specific results without running through an entire calculation. For example, if you enter an override for the benefit formula result, you can choose to process only the optional forms function, bypassing service, final average earnings, and all the other functions you already ignore by

	entering the benefit amount override.
Object Name	PA_CALCULATION_4
Navigation	**Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Process Selection**
Prerequisites	You must enter a plan and an as of date on the Main Panel page.
Access Requirements	Enter a calculation name in Correction mode or select the Process Selection page from within the Setup Pension Calculation component.



Setup Pension Calculation - Process Selection page

The processes listed on this page are brought in when you identify a plan and an as of date on the Main Panel page. Because this data is effective-dated, you can't change your process selection in Update/Display mode, only in Add or Correction mode.

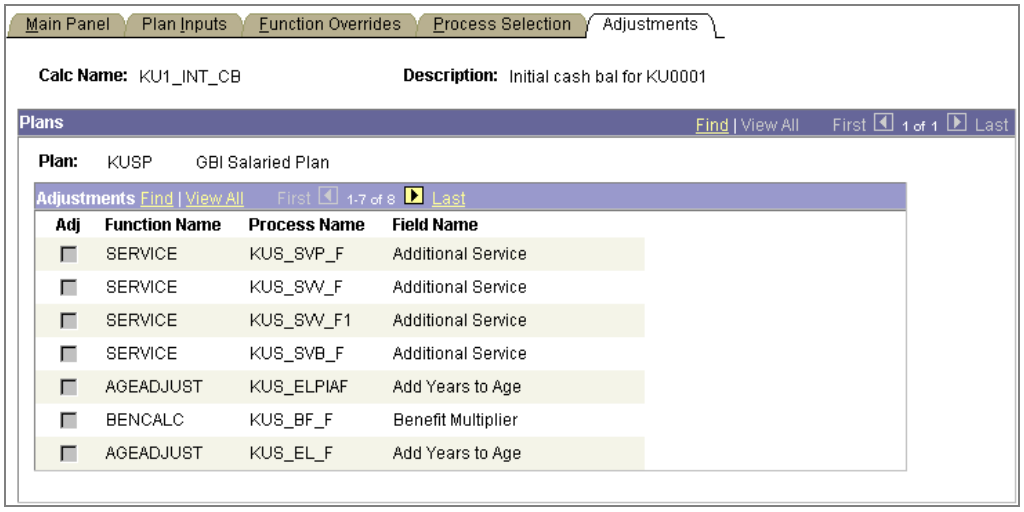
Process Name The **Process Name** is the name your organization has assigned to the specific process - the Function Result name. The Function Result description follows.

Process Type The **Process Type** tells you how your organization defines the processing rules; you can disregard this field.

Execute If you select the **Use Process Selection** box on the Plan Inputs page, then you can check the **Execute** box for each process you want to execute. If you select a process that depends on values obtained from previous processes, be sure that you either execute those previous processes or enter overrides for them.

Setup Pension Calculation - Adjustments Page

Usage	Use this Setup Pension Calculation - Adjustments page to add or subtract numerical values from function results
Object Name	PA_CALCULATION_6
Navigation	**Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Adjustments**
Prerequisites	You must identify a plan and an As of Date on the Main page of the Calculate Pension component.
Access Requirements	Enter a calculation name in Correction mode or select the Process Selection page from within the Calculate Pension component.



Setup Pension Calculation - Adjustments page

Adj (adjustment)

Function Name

Process Name

Field Name

Field Value

Running Calculations

Process Scheduler manages all PeopleSoft processes. To access Process Scheduler, you need a Run Control ID. A Run Control ID is the job ID used by Process Scheduler. This ID provides Process Scheduler with information it needs about the process. In the case of pension calculations, it provides the Calculation Name, which is the key to the rest of the parameters. The

Run Control ID also provides generic processing parameters, such as when to run the process and whether to run the process on the client or the server.

For most processes, you actually enter the parameters page with a specific Run Control ID. Pension calculations are somewhat different. Because you save the calculation parameters into the system, you identify calculations by a Calc Name (calculation name) rather than by the Run Control ID used to process the calculation. Therefore, you enter Run Control IDs into the first parameter page, not into the search page.

Calculate Pension Page

Usage	Use the Calculate Pension page to enter the Calculation Name to run the Report Manager, Process Monitor, or Run Processes pages.
Object Name	PA_CALCULATION_RUN
Navigation	**Compensate Employees, Administer Pension Plan, Process, Run Pension Calculation, Calculate Pension**
Access Requirements	Run Control ID.



Calculate Pension page

The following element is common to multiple pages in this application and is defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Run Control ID.**

Calculation Name Enter the **Calculation Name.** If you are accessing this page from the Calculate Pension component, this field defaults to the calculation name that is entered in the Calculate Pension component.

Report Manager The **Report Manager** link takes you to the Report Manager component.

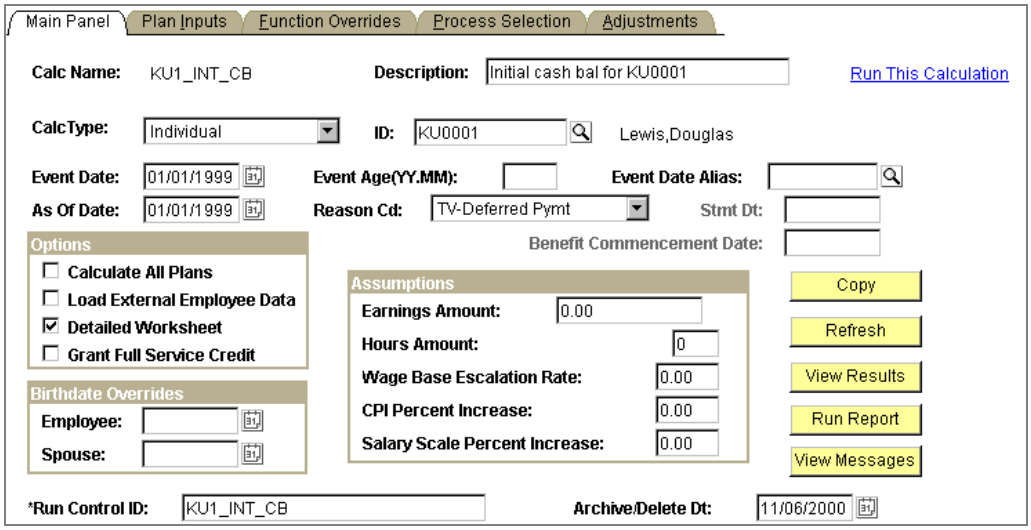
Process Monitor The **Process Monitor** link takes you to the Process Monitor component.

Click **Run** to run this request. Process Scheduler runs the Calculate Pension process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Accessing Calculation Results

Usage	When a calculation is finished, and you Refresh the calculation Main Panel page, you see a *Results Exist* notification. You have two options for viewing your calculation results: online pages or a calculation report.
Navigation	**Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation**
Access Requirements	Calculation Name



Calculation Results Exist on the Setup Pension Calculation – Main Panel page

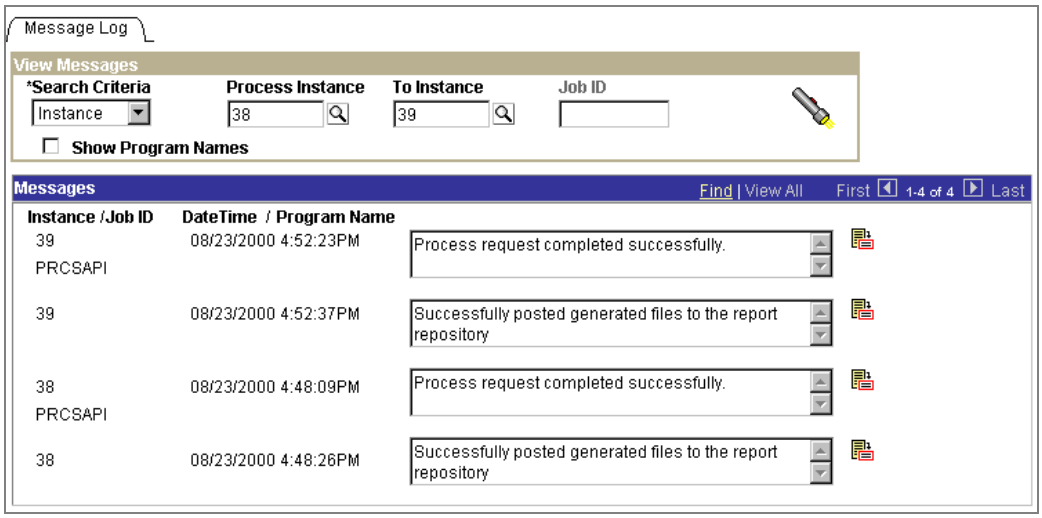
To view the results online, select **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results Main.** To generate a calculation worksheet report, select **Report, Calculation Worksheet.**

The calculation Main Panel page has buttons to take you directly to these pages. Click the **Go To Rslt** button to transfer to the Calculation Result pages or click the **Go To Rpt** button to transfer to the Calculation Worksheet page.

For more information about the Calculation Results pages, see Viewing Calculation Results. For more information about the calculation reports, see Generating PeopleSoft Pension Administration Reports.

Message Log Page

Usage	Use this page to view any warnings or errors generated during the calculation (or during periodic processing).
Object Name	PA_MESSAGE_LOG
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Message Log, Message Log**
Prerequisites	Run a calculation.
Access Requirements	None.



Message Log page

Search Criteria To view messages from a specific calculation, go to the **Search Criteria** field and choose ***Instance.*** You can look up the Instance associated with a particular calculation on the Calculation Summary page or on the Calculation Recap page.

From Instance/To Instance Once you know the Instance, enter it into the **From Instance/To Instance** fields.



When you click the search button, any processing errors appear in the bottom part of the page.

Show Program Names If you select the Show Program Names page, the **Instance, Job ID, DateTime** and **Program Name** fields display.

Instance, Job ID, DateTime, Program Name

These fields identify where the error occurred.

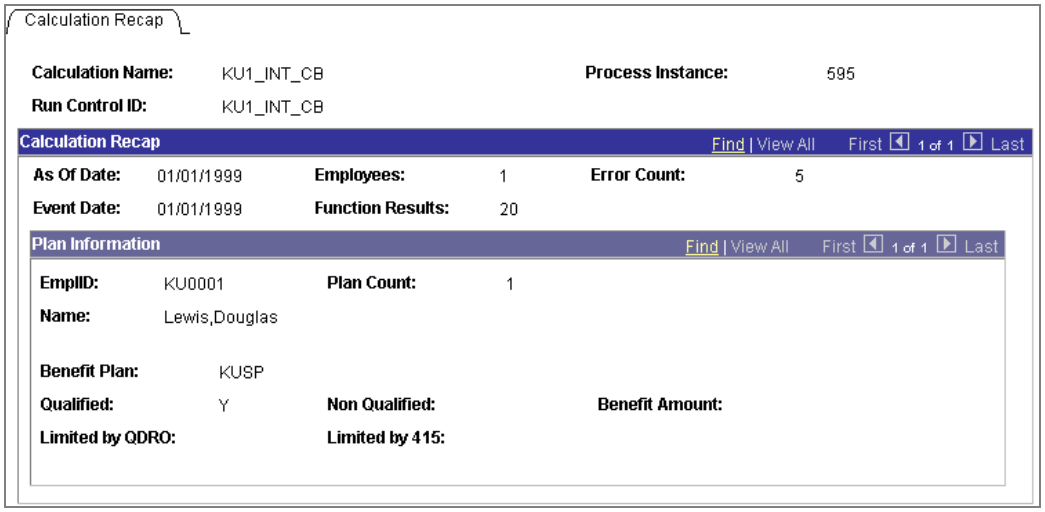
Each row also includes a text box with the error message. The calculation name, employee ID ,and plan are given at the end of the message.



If there is additional explanatory text, click the **Show Detail Entry** button next to the message to view it.

Calculation Recap Page

Usage	Use this page to review the processing results after you run a calculation.
Object Name	PA_SUMMARY_STAT
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Calculation Recap, Calculation Recap**
Access Requirements	Enter a calculation name or a run control ID.



Calculation Recap page

The calculation is identified by **Calculation Name, Run Control ID,** and **Process Instance.** You need to know the **Process Instance** in order to review any messages - errors or warnings - generated during processing.

This page shows the critical inputs from your calculation - the **Event Date** and the **As of Date.** You see how many **Employees** are included in the calculation and how many **Function Results** are processed. The **Error Count** tells you how many errors there are, if any, during processing

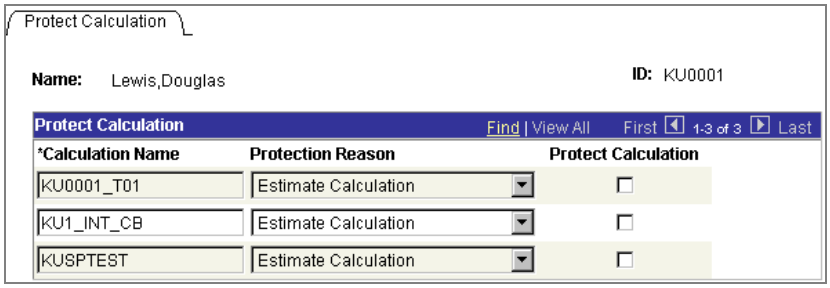
For each employee, identified by **Emplid** and **Name,** you can review the **Plan Count**, or how many plans you ran for that employee.

For each plan, you can see the **Benefit Plan** name**,** whether it's **Qualified** or **Non Qualified,** and whether the employee is **Limited by QDRO** or **Limited by 415.**

Disregard the **Benefit Amount** field.

Protect Calculation Page

Usage	Use this page to protect a calculation from deletion or modification.
Object Name	PA_CLC_PROTECT
Navigation	**Compensate Employees, Administer Pension Plan, Use, Protect Calculation, Protect Calculation**
Access Requirements	Enter an employee ID.



Protect Calculation page

Because you can quickly accumulate huge amounts of calculation information, it's important to regularly delete calculations that you don't need to keep. Periodic processing includes a delete process you use for this purpose.

Because of this regular deletion process, you need to take measures to protect calculations that you do need to keep. This includes certain estimates that you provide to employees, as well as final calculations or calculations used in a divorce settlement to establish the amount granted to the former spouse.

Protecting a calculation not only prevents anyone from deleting the results, it also prevents anyone from modifying the calculation parameters or rerunning the calculation.

Calculation Name When you enter the page, you see all the existing calculations for the employee you've selected. The **Calculation Name** identifies the calculation. Initially, all the calculations are labeled ***Estimate Calculation*** and not protected.

Protect Calculation To protect a calculation, select the **Protect Calculation** check box.

Protection Reason You can also indicate a **Protection Reason:** ***Final Calculation, Final Calculation Candidate, QDRO Recipient Candidate, Related Primary Calculation*** (for example, a calculation that establishes a minimum benefit), or ***Other.***

Running QDRO Calculations

When a former spouse gains a share in an employee's pension benefit through a Qualified Domestic Relations Order (QDRO) from the courts, the person - the QDRO alternate payee - becomes a plan participant in his or her own right and receives a personal Employee ID with regard to the plan.

Select QDRO Process and enter the dollar amount due to the alternate payee. However, if the alternate payee decides to begin collecting the pension payment at a time other than when the original employee reaches the plan's normal retirement age, you might need to apply early or late retirement factors to the benefit.

Furthermore, the QDRO alternate payee is often entitled to many of the same optional forms that employees may choose (with the notable exception of joint and survivor options that provide a benefit to a new spouse). When you use PeopleSoft Pension Administration to schedule payments to the QDRO alternate payee, you reference the optional forms produced in the QDRO calculation.

To calculate early and late retirement factors and optional forms, you run a calculation under the QDRO alternate payee's Employee ID.

When you do this, you use the Process Selection page to limit the calculation, so that you only run the following factors:

- The early/late retirement factors.
- The alternate payee's benefit formula (which typically just picks up the QDRO amount you enter in the QDRO Process page).
- The optional forms based on that benefit.

This is important, because you don't want the system to try to calculate eligibility, service, final average earnings, or any other plan components that aren't applicable to an alternate payee.



For QDRO calculations, use the Setup Pension Calculation - Process Selection Page to restrict the calculation to only relevant processes, typically an early or late retirement factor, a benefit formula, and a set of optional forms. Alternatively, if your plan rules have been set up so that QDRO alternate employees are eligible for the plan, and if the rules prevent all other calculation components from processing QDRO alternate payees, you don't have to make a manual process selection for each calculation.

Calculating Social Security

Even if your plans don't incorporate Social Security integration, you might want to provide your employees with Social Security estimates to use during retirement counseling.

If your organization has set up Social Security calculation rules, either embedded in an actual plan or in a dummy plan for this explicit purpose, you can produce these estimates. Just be sure you include the Social Security plan when you set up your calculation parameters. Social Security results are available through the same pages and reports that provide all your calculation results.

CHAPTER 50

Viewing Calculation Results

A benefit calculation consists of a series of pennant processes that together produce a benefit in all its optional forms. In addition to this end result, each component process generates its own results, which are frequently of interest to both the participant and the plan administrator.

Accessing Calculation Results Pages

Use the Calculation Results Main component to see summary information about the employee and the calculation. The Calculation Summary page in this component includes handy buttons that transfer you directly to any of the other Calculation Results pages.

In the Calculation Results Main search dialog box, you'll notice that the calculation results are keyed by both the **Calculation Name** and **EmplID** (employee identification). Neither piece of information by itself is sufficient, because you can run a calculation for multiple employees, or for a single employee.

To see specific results for a single pension plan, you can look in one of two places:

- All seventeen detailed results pages are in the Calculation Results Main component.
- The same seventeen pages are individually accessible using the Inquire2 menu.



It takes much longer to load the information in the Calculation Results Main component. This is because all the pages are in a single component and the system gets the data for *all* the pages when you first enter the component. However, once the component opens, you can navigate between individual pages instantaneously. When you access the pages under the Inquire2 menu, each page loads separately at the time you access it. This means that instead of one long wait for the pages, you have several short waits. Your personal preference will determine which component you use.

One of the pages in the Calculation Results Main component has buttons that transfer you to the plan-specific pages. These buttons always take you to the single-page instance of the page, that is, the instance in the Inquire2 menu.

The seventeen plan-specific pages provide detailed information about the calculation parameters and results for the specified plan. One page shows the calculation inputs, another shows beneficiary information, and the other fifteen correspond to fifteen of the system's core calculation functions. The other calculation function, 415 limits, isn't specific to any single plan

and therefore appears in the Calculation Results Main component along with the employee's Action/Reason history and the calculation inputs.

When you access the plan-specific results (under either the Inquire or Inquire2 Menu), you'll further narrow your search by entering a plan name.

When you look at the plan-specific pages, the amount of detail displayed depends on whether you selected the detailed results option in the calculation page.

Viewing Calculation Results Main Pages

You'll find three pages in the Calculation Results Main component. They all display calculation information that isn't specific to any one plan. The first page displays information about the calculation, the second displays information about 415 limits, and the third displays information about the employee.

Calculation Results Main - Calculation Summary Page

Usage	The Calculation Results Main - Calculation Summary page shows information about the calculation along with some personal data about the employee. This page also provides buttons to jump to each of the detailed calculation results pages.
Object Name	PA_CALCULATION_SUM
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Calculation Results Main, Calculation Summary**
Access Requirements	Calculation Name/EmplID



Calculation Results Main - Calculation Summary page

Calc Name/Executed/ Instance

Observe the calculation information at the top: the **Calculation Name,** the date and time the calculation was **Executed,** and the **Instance** assigned by the Process Scheduler when the calculation ran.

Note. You'll need to know the **Instance** in order to access calculation error messages in the Message Log.

ID (identification)

The **ID** identifies the employee whose results you're looking at. Although a calculation can process more than one employee, you can only view results for one employee at a time.

Benefit Plan

Use the **Benefit Plan** field to choose which plan to view when you click the **View** buttons at the bottom of the page.

Event Date/Reason

The **Event Date** and **Reason** are the termination information entered for the calculation.

Gender, Date of Birth, Marital Status, Spouse Name, Spouse Birthdate

There is also some personal data you'll recognize: the **Gender** and **Date of Birth,** and marital information: **Marital Status, Spouse Name, Spouse Birth Date.** If you entered overrides for the employee or spouse birth date, those overrides appear on this page along with an "override value" notation.

View

The buttons in the **View** portion of the page each take you to one of the detailed results pages. This gives you a handy way to access detailed results for individual plans in the calculation.

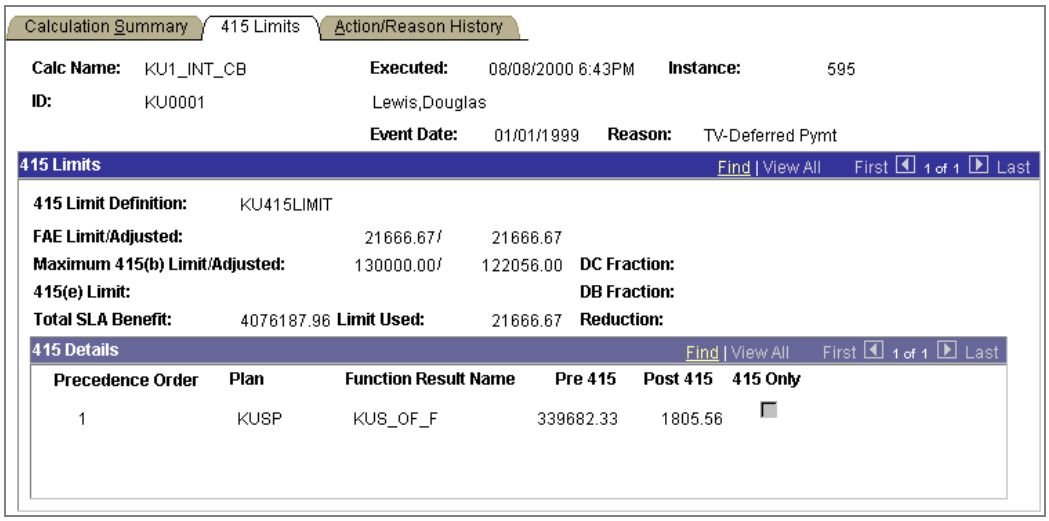
Note. Remember that the detailed results pages occur in two locations: all together in the **Calculation Results** page group and individually under the **Inquire2** menu. The **View** buttons always take you to the page under the **Inquire2** menu.

There are also **View** buttons to take you to the other pages in this group: **415 Limits** and **Action/Reason History.**

Warning! Except when going to the two other pages in the same component, the View buttons open another instance of the Administer Pension Plan menu. Don't open too many menus. Either close new menus when you're done or, once you've opened the new menu, click the tabs for the desired pages to move around within the component.

Calculation Results Main - 415 Limits Page

Usage	Processing for 415 Limits applies Internal Revenue Code section 415 limits to an employee's combined pension benefits from all plans. The Calculation Results Main - 415 Limits page shows results produced by 415 processing.
Object Name	PA_CLC_415_SUM
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Calculation Results Main, 415 Limits**
Prerequisites	Run 415 processing.
Access Requirements	Calculation Name/EmplID



Calculation Results Main - 415 Limits page

For more information about 415 Limit processing and the implications of the values shown on this page, see Applying 415 Limits. You may need to review this in order to understand the significance of some of the values shown.

415 Limit Definition

The **415 Limit Definition** is the name you've given your 415 processing rules.

The actual 415 limit is the smallest of three separately calculated amounts: **FAE Limit/Adjusted, Maximum 415(b) Limit/Adjusted** and **415(e) Limit.**

FAE Limit/Adjusted

The **FAE Limit:** 100% of the employee's high three consecutive years average earnings. This can be adjusted for short service; the page shows both the unadjusted and **Adjusted** amounts.

Maximum 415(b) Limit/Adjusted

The **Maximum 415(b) Limit:** a dollar amount published annually by the Internal Revenue Service. This can be adjusted for commencement date and for short service; the page shows both the unadjusted and **Adjusted** amounts.

415(e) Limit, DC Fraction, DB Fraction

The **415(e) Limit**: an amount based on the relative values of the participant's **DC** (Defined Contribution) **Fraction** and **DB** (Defined Benefit) **Fraction. These are** values calculated according to IRS rules. This information is only present if defined contribution information was available for the employee.

Total SLA Benefit The **Total SLA Benefit** shows the employee's total annual pension benefit from all plans expressed as a single life annuity (SLA). If this is lower than the **Limit Used,** the benefit won't have been reduced.

Limit Used The **Limit Used** shows the lowest of the three possible limits; this is the limit that actually applies.

Reduction If the **Total SLA Benefit** is higher, then the **Reduction** will show the difference between the two.

Plan/Function Result Name At the bottom of the page you'll see a list of all benefits subject to 415 limits. Each benefit is identified by **Plan** and **Function Result Name,** the name your organization has assigned to the specific benefit within the plan.

Reduced by User The first column of this section shows the method used to reduce the benefit if necessary. If the column label is **Reduced by User,** then the plans were reduced in a specific order. That is, the entire reduction was taken from the first benefit, and if that benefit was reduced to zero any remaining reduction was taken from the next benefit, and so on.

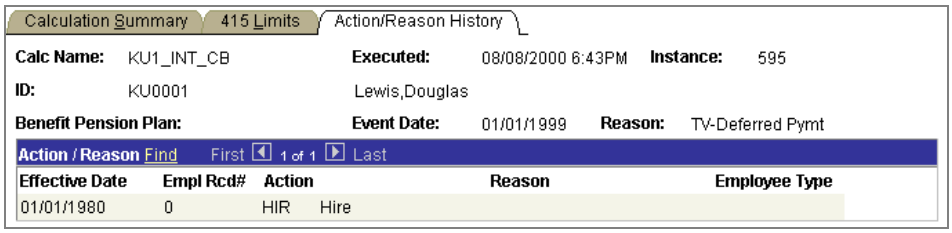
Pre 415 The **Pre 415** amount shows the single life annuity amount of the benefit before limits were applied

Post 415 The **Post 415** amount shows the reduced benefit after limits were applied. These amounts are the same when the combined benefit didn't exceed the limit.

415 Only If **415 Only** is checked, then the plan doesn't actually offer a single life annuity and the single life annuity amount shown shouldn't be quoted to employees except to explain the 415 limits reduction.

Calculation Results Main - Action/Reason History Page

Usage	The Calculation Results Main – Action/Reason History page displays some of the employee information that may have affected the calculation.
Object Name	PA_CLC_EMP_SUM
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Calculation Results Main, Action/Reason History**
Access Requirements	Calculation Name



Calculation Results Main - Action/Reason History page

Action/Reason

The calculation builds a pension-specific history of each **Action** and the associated **Reason** in the employee's job history. Not all events in the employee's career appear here in the Action/Reason History page, only those specified as relevant to your pension rules.

Typically, Service is the only calculation function impacted by Action/Reason codes. Although consolidations also use these codes, consolidations don't run as part of the calculation, only as part of periodic processing.

Employee Type

You can also see a history of the employee's changing **Employee Type:** ***Hourly, Salaried,*** or ***Exception Hourly.***

Viewing Detailed Plan Results

The detailed plan results show both the final benefit (though not adjusted for 415 limits across multiple plans) and the various components that go into determining that final benefit.

To access these detailed plan results, either select Calculation Results or look under the Inquire2 menu for the specific page you want.



It takes much longer to load the information in Administer Pension Plan, Inquire, and Calculation Results. This is because all the pages are in a single component and the system gets the data for all the pages when you first enter the component. However, once the component opens, you can navigate between individual pages instantaneously. When you access the pages under the Inquire2 menu, each page loads separately at the time you access it. This means that instead of one long wait for the pages, you have several short waits. Your personal preference will determine which component you use.

Although these pages display results from all of the calculation functions (except 415 limits), your plan may not use all the functions. Therefore, you may not actually see results on every page.

Calculation Results - Inputs Page

Usage	When you run a calculation, you can enter certain information to be used in processing. The Calculation Results - Inputs page shows that information.
Object Name	PA_CLC_INPT_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Inputs** • **Compensate Employees, Administer Pension Plan, Inquire2, Calculation Inputs, Inputs**
Access Requirements	Calculation Name/EmplID



Calculation Results - Inputs page

Benefit Commencement Date/Age/YY.MM, Lump Sum Date/Age(YY.MM)

Along with the **Benefit Commencement Date** and **Age/YY.MM** and the **Lump Sum Date** and **Age(YY.MM),** you'll see whether these dates are based on the ***Normal Retirement Date, Early Retirement Date,*** or a ***User Specified Date.***

The other fields show inputs used for projecting payroll information and Social Security tables.

Assumed Earnings/Hours Amount

Assumed Earnings Amount and **Assumed Hours Amount** are amounts used to determine the current period earnings and hours amounts for certain types of projection methods. The plan rules can specify either that this amount replace the entire period, or that it be prorated and used only for the incomplete portion of the current period.

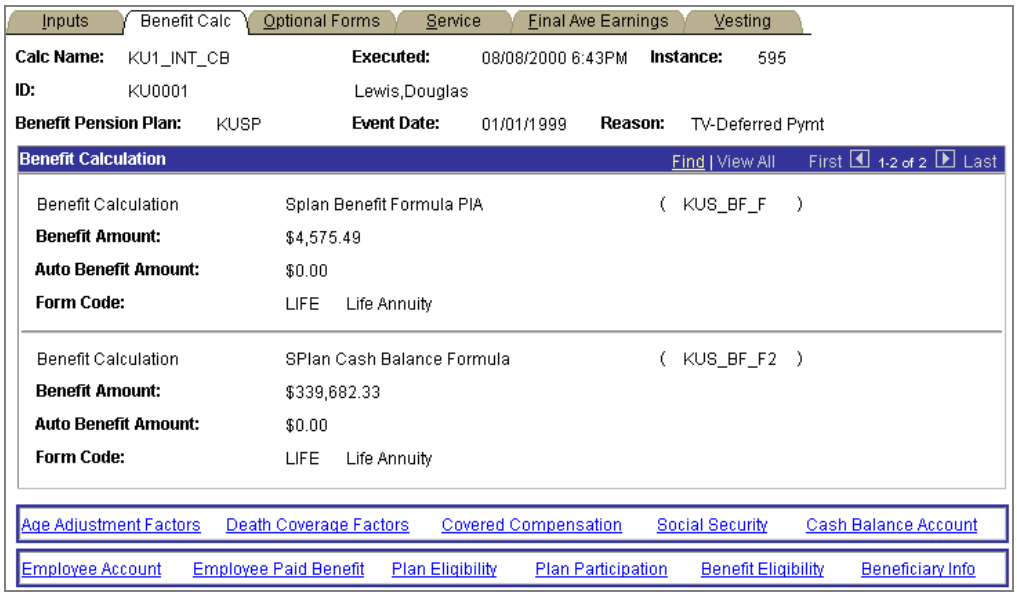
Assumed Contributions Percent

Assumed Contributions Percent is the percentage of projected earnings used to estimate future contributions.

Wage Base Escalation Rate	**Wage Base Escalation Rate** is the assumed rate of increase in the Taxable Wage Base.
Assumed Salary Scale Percent Increase	**Assumed Salary Scale Percent Increase** is the assumed rate of salary increase rate.
Grant Full Service Credit	**Grant Full Service Credit** indicates whether or not you assumed that any service forfeited due to a withdrawal of contributions would be fully restored. This will have a ***Y*** (yes - service is restored) or ***N*** (no - service isn't restored) value.
Assumed CPI Percent Increase	**Assumed CPI Percent Increase** is the assumed rate of increase in the CPI-W, the Consumer Price Index for urban wage earners and clerical workers. This table is used for Social Security general benefit increases.
Surviving Spouse Eligibility	**Surviving Spouse Eligibility** indicates any override you entered for your plan's determination of whether an employee's spouse is eligible for an automatic joint and survivor benefit, paid for by the plan with no actuarial reduction to the employee's benefit. Typical eligibility criteria might be that the employee and spouse be married for a year.
Beneficiary Birthdate/Gender	**Beneficiary Birthdate** and **Beneficiary Gender** display any overrides you've entered for nonspouse beneficiary data.

Calculation Results - Benefit Calculation Page

Usage	The Benefit Formula function produces the normal form benefit. The Calculation Results - Benefit Calculation page shows results produced by this function.
Object Name	PA_CLC_CLC_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Benefit Calc** • **Compensate Employees, Administer Pension Plan, Inquire2, Benefit Calculation, Benefit Calculation**
Access Requirements	Calculation Name/EmplID



Calculation Results - Benefit Calculation page

At the top of each row you'll see the name of the benefit calculation process that calculated the results.

Typically a plan has multiple benefit formulas: a normal retirement benefit, a normal retirement benefit offset by any QDRO amount, an early retirement benefit, and so on.

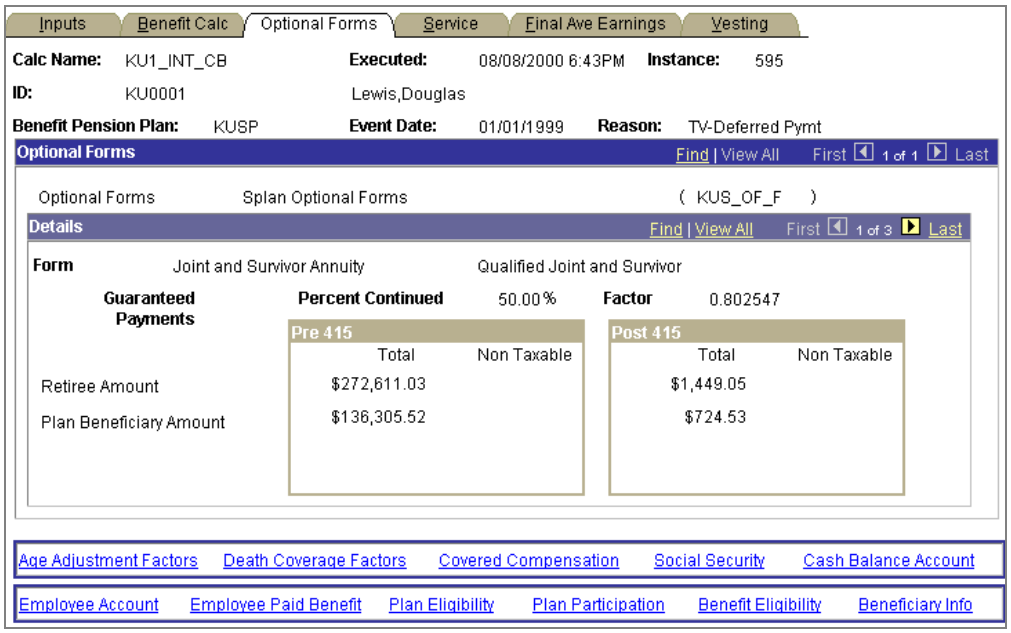
Benefit Amount The **Benefit Amount** tells you the dollar amount of the employee's benefit in the plans normal form of payment.

Auto Benefit Amount The **Auto Benefit Amount** tells you the dollar amount of any benefit automatically available to an eligible spouse, regardless of the employee's optional form selection and available without any actuarial reduction to the employee's benefit.

Form Code The **Form Code** tells you the normal form of the benefit.

Calculation Results - Optional Forms Page

Usage	The Optional Forms function converts the normal form of the benefit into all the optional forms that the plan offers. The Calculation Results - Optional Forms page shows results produced by this function.
Object Name	PA_CLC_OFRM_SUM
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Optional Forms**
Access Requirements	Calculation Name/EmplID



Calculation Results - Optional Forms page

Identifying the Optional Form

At the top of the row you'll see the name of the optional forms process that calculated the results.

The Optional Forms page shows each allowable payment form offered by the plan. Single participants are ineligible for Joint & Survivor, Last to Survive, Pop Up, and Reversionary annuities; employees older than the level income age are ineligible for level income options; employees with benefits above a specified amount are ineligible for lumps sums that you define as small benefit cashouts.

Form, Guaranteed Payments, Percent Continued — Forms are described in terms of the **Form,** the number of years of **Guaranteed Payments** (for example, 5 means five years, not five monthly payments), and the **Percent Continued** to the designated spouse beneficiary when the retiree dies.

Factor — The **Factor** is the factor used to convert the benefit from its normal form to this form.

Identifying the Payment Types

A form can have multiple payment types: certain payment types are payable to a retiree, other are payable to a beneficiary. Depending on the specific form in question and on the number of beneficiaries, there can be multiple retiree payment types and multiple beneficiary payment types in a single form.

There are four retiree payment types:

Retiree Payment Type	*Description*
Retiree Amount	Amount due to the retiree. Except in the case of lump sums, this is normally a monthly amount payable until death.
Retiree Pre-SSRA Amount Retiree Post-SSRA Amount	Under a level income option (LIO), the retiree's benefit is higher before the retiree reaches Social Security Retirement Age (SSRA) and is lower afterwards when the retiree has presumably started receiving Social Security benefit. Therefore, LIO forms produce two separate retiree amounts identified as the pre- and post-SSRA amount.
Pop Up Amount	Under a pop-up form of payment, the retiree amount increases if the beneficiary predeceases the retiree. The pop-up amount is this increased retiree amount.

There are four possible beneficiary payment types:

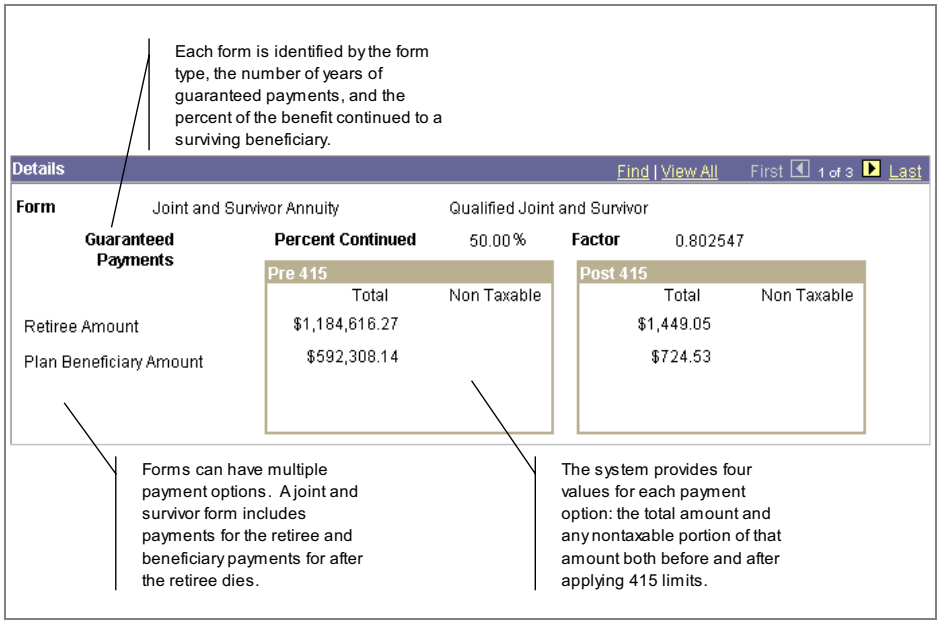
Payment Type	*Description*
Plan Beneficiary Amount	Amount payable to a spouse beneficiary on the retiree's death. This can come from two different sources: a joint and survivor form (or any form which includes a percent continued) elected by the retiree, and an automatic plan benefit for which there is no actuarial reduction.
Nonspouse Beneficiary Amount	Amount payable to a nonspouse beneficiary after the retiree's death under a joint and survivor form of payment.
Spouse Demonstration J&S (joint and survivor)	If a married retiree selects a nonspouse beneficiary, the retiree's spouse is entitled to know the amount that would have been payable to the spouse if the retiree had named the spouse as the beneficiary instead of naming a nonspouse beneficiary. This is different from the nonspouse beneficiary amount because the actuarial adjustment is based on the spouse's age rather than the nonspouse beneficiary's age.
Survivor Amount	In a last to survive form, the amount due to the retiree or spouse after the other one has died.

Identifying the Payment Amounts

Total/ Non Taxable PeopleSoft calculates the **Total** pension benefit for the specified optional form without regard to taxability. If the benefit includes amounts attributable to employee after-tax contributions, that portion of the benefit isn't taxable until the employee has completely recovered his or her contributions. That amount appears in the **Non Taxable** column.

Pre/Post 415 For each payment type, you'll also see the amounts before and after 415 limits are applied. For all but your most highly compensated employees, the **Pre 415** and **Post 415** amounts will be the same.

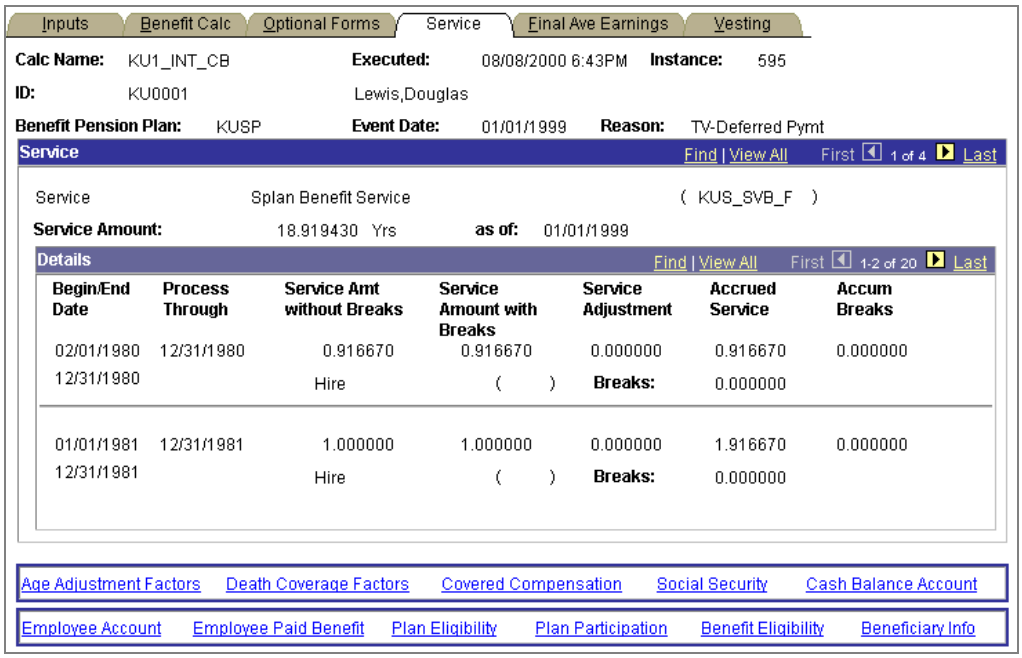
The "real" amounts that get used for payments are the post-415 amounts; the pre-415 amounts are informational only.



Optional Forms Results Detail

Calculation Results - Service Page

Usage	The Service function provides a final service amount. The Calculation Results - Service page shows results produced by this function.
Object Name	PA_CLC_SVC_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Service** • **Compensate Employees, Administer Pension Plan, Inquire2, Service Results, Service**
Access Requirements	Calculation Name/EmplID



Calculation Results - Service page

Service Amount At the top of the row you'll see the name of the service process that calculated the results. You may have several service calculations, including service credit, vesting service and participation service. The **Service Amount** is the final service accrued *as of* the specified date - typically, the event date.

If you chose to produce detailed results for the calculation, this page shows you the periodic service history used to produce the final amount.

Begin/End Date The **Begin** and **End Date** fields define the period.

Process Through The **Process Through** date is the same as the end date for past periods; it's the same as the event date for the final period.

Service Amt without Breaks **Service Amt without Breaks** tells you how much service the employee earned during that period based only on the service definition.

Service Amount with Breaks **Service Amount with Breaks** tells you how much of the original service for the period will be used after break rules and any other reasons for forfeiture are considered.

Service Adjustment	**Service Adjustment** indicates any adjustments entered into the Service Adjustments page for the period. You can manually enter adjustments, or the system can automatically generate adjustments based on a withdrawal of contributions, service buy-back activity (repayment of contributions), or service purchase activity.

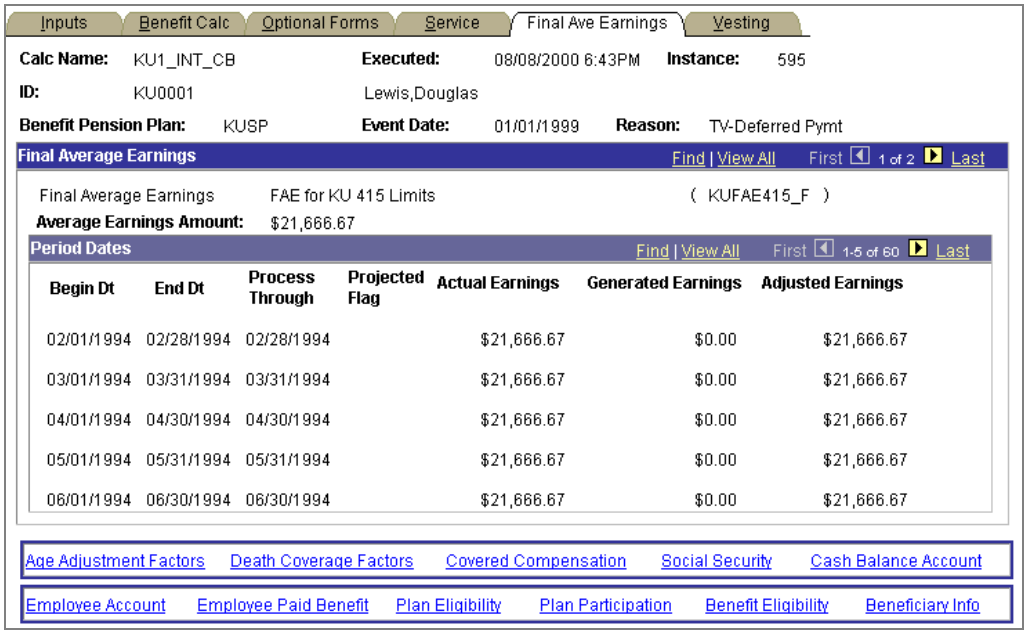


For more information about Service Adjustments**,** see Administering Contributory Plans.

Accrued Service	**Accrued Service** tells you how much service the employee has accumulated as of the end of the period. This is based on the previous accrued service amount and the activity for the current period.
Breaks	**Breaks** tells you if the period counted toward a break-in-service.
Accum Breaks (accumulated breaks)	**Accum Breaks** tells you how many consecutive breaks the employee has up to and including that period.
Action (Reason)	For elapsed time definitions, which based service accrual on the employee's action/reason history from the job record, the **Action (Reason)** field tells you the most recent action and reason, in the job stack.
Hours	**Hours** tells you how many hours the employee accrued during the period.

Calculation Results - Final Average Earnings Page

Usage	The Final Average Earnings function provides the amount calculated according to the plan's averaging rules. The Calculation Results – Final Average Earnings page shows these results.
Object Name	PA_CLC_FAE_SUM
Navigation	• Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Final Ave Earnings • Compensate Employees, Administer Pension Plan, Inquire2, Final Average Earnings, Final Average Earnings
Access Requirements	Calculation Name/EmplID



Calculation Results - Final Average Earnings page

Average Earnings Amount

At the top of the row you'll see the name of the final average earnings process that calculated the results and the actual **Average Earnings Amount.**

If you chose to produce detailed results for the calculation, this page shows you the earnings history used to produce the amount.

Begin/End Dt (begin date/ end date)

The **Begin Dt** and **End Dt** define each consolidation period.

Process Through

The **Process Through** date tells you the latest date that was included in the calculations for that period. This will be the end date for past periods.

Projected Flag

The **Projected Flag** indicates whether the earnings are projected. This only occurs for future-dated calculations.

Actual Earnings

The **Actual Earnings** were paid to the employee.

Generated Earnings

Generated Earnings are the earnings after applying your plan's generation rules.

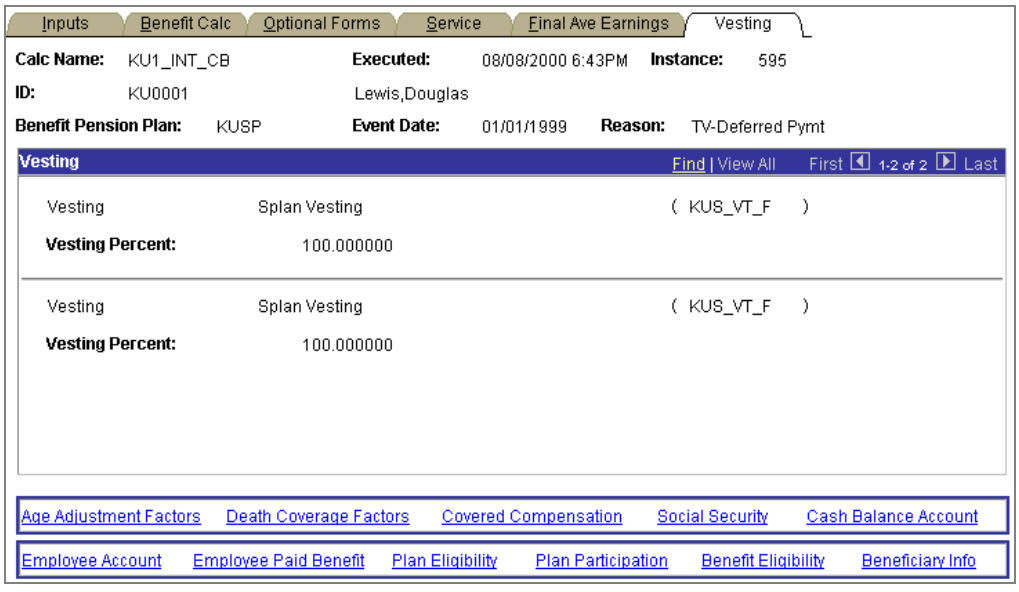
Adjusted Earnings

The **Adjusted Earnings** are the final earnings used in the calculation; they reflect any minimums and maximums specified in the plan rules.

Adjusted earnings that are black on the screen were included in the averaging period; gray amounts were disregarded. For example, in the above page illustration, the earnings definition uses the high sixty consecutive months, which ended for this employee in September 1968.

Calculation Results - Vesting Results Page

Usage	The Vesting function tells you the employee's vesting percentage. The Calculation Results - Vesting page shows results produced by this function.
Object Name	PA_CLC_VST_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Vesting** • **Compensate Employees, Administer Pension Plan, Inquire2, Vesting, Vesting**
Access Requirements	Calculation Name/EmplID



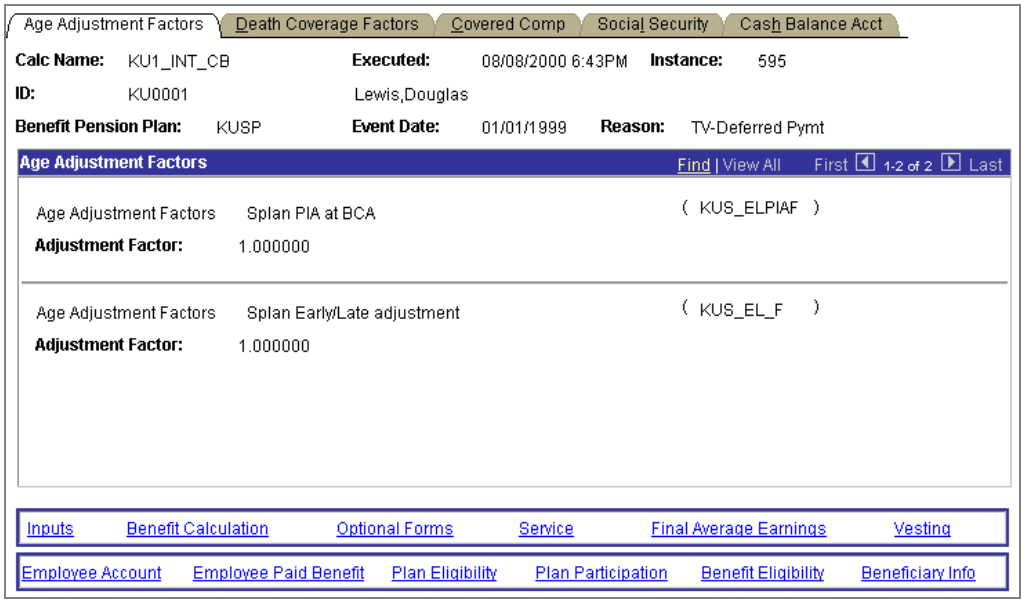
Calculation Results - Vesting page

Vesting Percent

You'll see the name of the vesting process that calculated the results and the final **Vesting Percent.**

Calculation Results - Age Adjustment Factors Page

Usage	The Age Adjustment function (also called the Early/Late Adjustment function) produces a factor used to adjust a benefit when an employee retires before or after normal retirement date. The Calculation Results - Age Adjustment Factors page shows these factors.
Object Name	PA_CLC_AGE_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Age Adjustment Factors** • **Compensate Employees, Administer Pension Plan, Inquire2, Age Adjustment Factors, Age Adjustment Factors**
Access Requirements	Calculation Name/EmplID



Calculation Results - Age Adjustment Factors page

At the top of the each row you'll see the name of the age adjustment process that calculated the results.

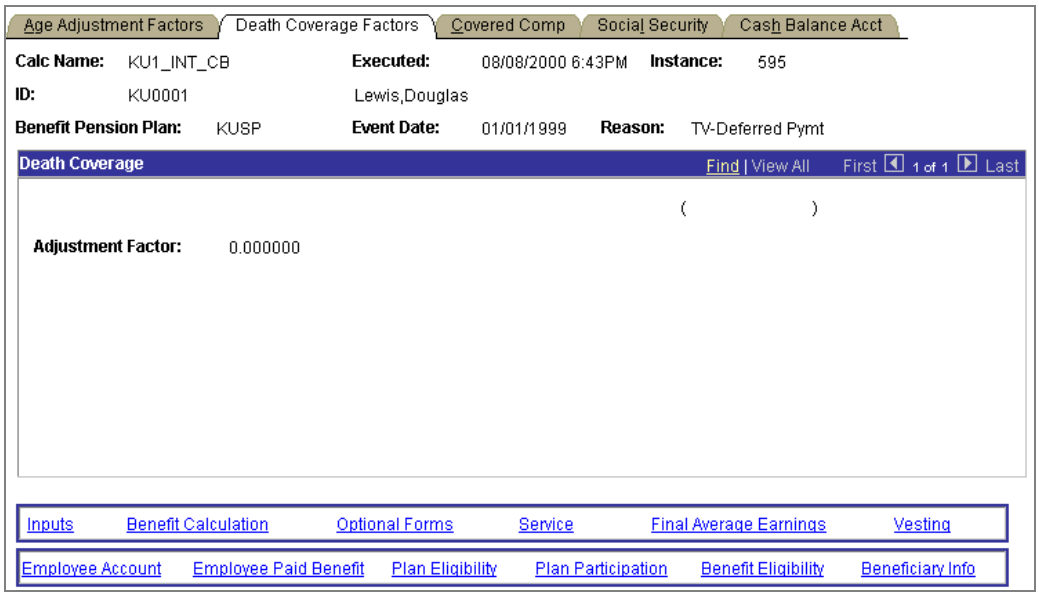
Adjustment Factor

The **Adjustment Factor** is the factor used to reduce or increase the benefit due to early or late benefit commencement. If there was no adjustment, you'll see a factor of one.

As you can see in the page illustration, the age adjustment function gets used to calculate several factors needed for processing 415 limitations. These factors are applied within your 415 limits rules to adjust the limit rather than to adjust the benefit.

Calculation Results - Death Coverage Factors Page

Usage	The Death Coverage function produces a factor used to reduce a benefit when an employee has elected optional death coverage. The Calculation Results - Death Coverage page shows results produced by this function.
Object Name	PA_CLC_INPT_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Inputs** • **Compensate Employees, Administer Pension Plan, Inquire2, Calculation Inputs, Inputs**
Access Requirements	Calculation Name/EmplID



Calculation Results - Death Coverage Factors page

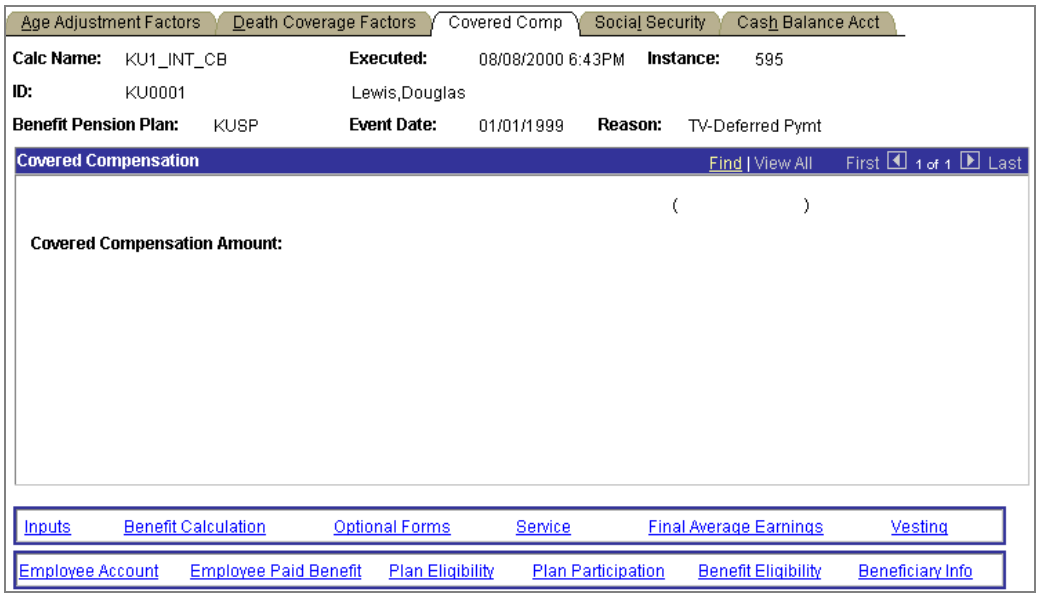
At the top of the row you'll see the name of the death coverage process that calculated the results.

Adjustment Factor The **Adjustment Factor** is the factor used to reduce the benefit due to the employee's Preretirement Survivor Annuity (PRSA) coverage.

Calculation Results - Covered Compensation Page

Usage	The Covered Compensation function calculates the Covered Compensation for the employee by averaging the Taxable Wage Base for the 35 years up to and including the year the employee reaches Social Security Retirement Age. The Calculation Results - Covered Compensation page shows results produced by this function.

Object Name	PA_CLC_CMP_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Covered Comp** • **Compensate Employees, Administer Pension Plan, Inquire2, Covered Compensation, Covered Compensation**
Access Requirements	Calculation Name/EmplID



Calculation Results - Covered Compensation Page

At the top of the row you'll see the name of the covered compensation process that calculated the results.

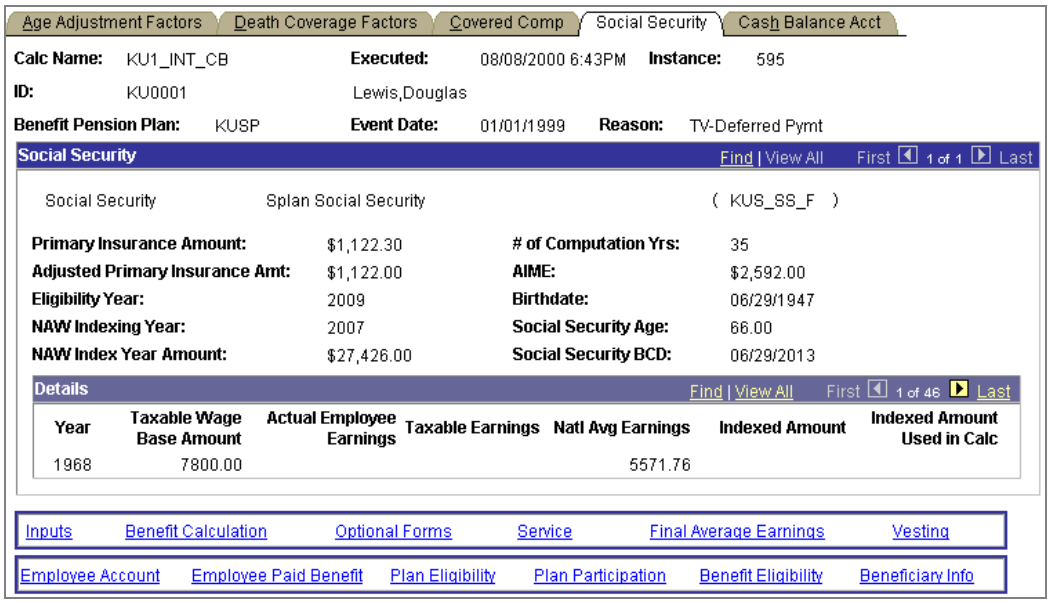
Covered Compensation Amount

Covered Compensation Amount is the result of the Covered Compensation calculation. This may be a monthly or an annual amount, depending on how you've set up your covered compensation calculation.

Calculation Results - Social Security Page

Usage	The Social Security function estimates an employee's Social Security PIA (Primary Insurance Amount). The Calculation Results - Social Security page shows intermediate results as well as the final, adjusted PIA.
Object Name	PA_CLC_SOC_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Social Security**

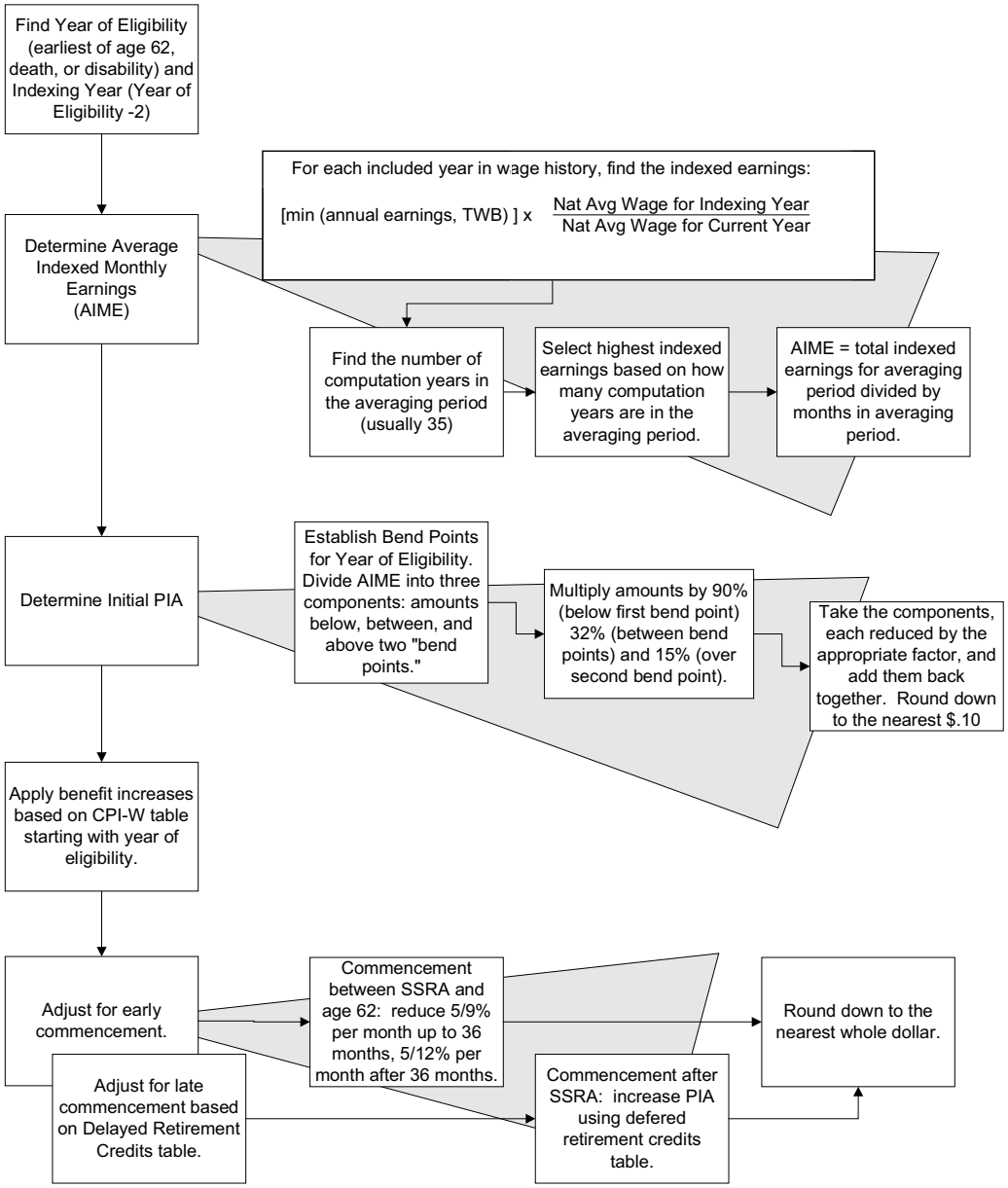
	• **Compensate Employees, Administer Pension Plan, Inquire2, Social Security, Social Security**
Access Requirements	Calculation Name/EmplID



Calculation Results - Social Security page

At the top of the row you'll see the name of the Function Result that calculated the results.

In order to understand the results, you may want to review the following diagram mapping out steps in a Social Security Calculation:



Calculating Social Security

Primary Insurance Amount The **Primary Insurance Amount** is the initial social security PIA.

Adjusted Primary Insurance Amt The **Adjusted Primary Insurance Amt** is the final PIA after both general increases and increases or reductions based on commencement date.

Eligibility Year The **Eligibility Year** is when the employee reaches age 62 or the year of death or disability.

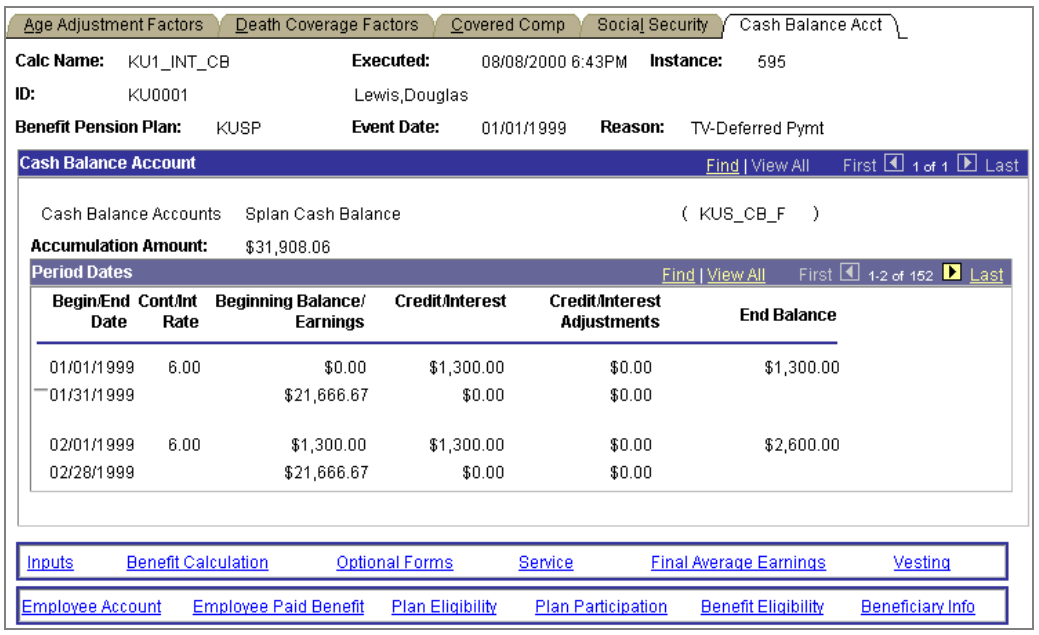
NAW Indexing Year (national average wage indexing year)	The **NAW Indexing Year** is two years before the year of eligibility.
NAW Index Year Amount	The **NAW Index Year Amount** is the National Average Wage for the indexing year.
# of Computation Yrs	The **# of Computation Yrs** tells you how many years of the employee's earnings history is used in Social Security determination. Some of these years may be estimates based on the projection and regression rules you've defined.
AIME	The **AIME** (Average Indexed Monthly Earnings) is produced by taking the lesser of the employee's earnings and the Taxable Wage Base for each computation year, "indexing" it with a factor representing the growth in the national average wage, and dividing the total by the number of months in the computation period. This will then be adjusted further by "bend point" factors to produce the initial PIA.
Birthdate/Social Security Age	The **Birthdate** determines the **Social Security Age.**
Social Security BCD (Social Security benefit commencement date)	The **Social Security BCD** is the assumed benefit commencement date for Social Security Benefits; this is important because benefits are reduced or increased for early or late commencement.
Year, Taxable Wage Base Amount, Actual Empl Earnings	This page also includes year-by-year earnings information used for Social Security calculations. For each **Year,** you'll see the **Taxable Wage Base Amount** and the **Actual Empl Earnings.**
Taxable Earnings	The lesser of the Taxable Wage Base Amount and the Actual Empl Earnings is the **Taxable Earnings.**
Natl Avg Earnings (national average earnings)	Since indexing is based on NAW growth, you'll see the **Natl Avg Earnings** (the NAW) for each year.
Indexed Amount	Then you'll see the **Indexed Amount** found by multiplying the taxable earnings by a factor where the numerator is the NAW for the indexing year and the denominator is the NAW for the year being indexed.
Indexed Amount Used in Calc (calculation)	Finally, the **Indexed Amount Used in Calc** shows the final indexed amount used to determine the AIME.

The earnings can come from two sources: the system's consolidated earnings history, regressed and projected according to your plan assumptions, or from the Employee Soc Sec Earnings page, where you can override the employee's earnings history.

For more information about overriding Social Security earnings, Employee Soc Sec Earnings Page.

Calculation Results - Cash Balance Account Page

Usage	The Cash Balance Account function provides an employee's periodic accumulation and final balance under a cash balance plan. The Calculation Results - Cash Balance Account page shows results produced by this function.
Object Name	PA_CLC_CASH_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Cash Balance Acct** • **Compensate Employees, Administer Pension Plan, Inquire2, Cash Balance Account, Cash Balance Account**
Access Requirements	Calculation Name/EmplID



Calculation Results - Cash Balance Account page

Accumulation Amount At the top of the row you'll see the name of the cash balance accounts process that calculated the results and the final **Accumulation Amount**. If you chose to produce detailed results for the calculation, this page also shows you the periodic accumulations.

Begin/End Date The **Begin/End Date** dates define each period. If the employee had a startup balance from the time you loaded data into the PeopleSoft Pension Administration system, the first period will begin and end on the startup "as of" date. This startup period will have an ending balance, but no other supporting detail.

Cont/Int Rate The **Cont Rate** (contribution rate) shows what percentage of earnings for the period was credited to the account.

The **Int Rate** (interest rate) shows the interest rate used on the beginning balance.

Beginning Balance The **Beginning Balance** shows the accumulation amount at the beginning of the period.

Earnings **Earnings** shows the total earnings for the period.

Credit/Interest **Credit** is the non-interest amount credited to the account during the period. The credit is a percentage of earnings and so is based on the Contribution Rate and Earnings amounts.

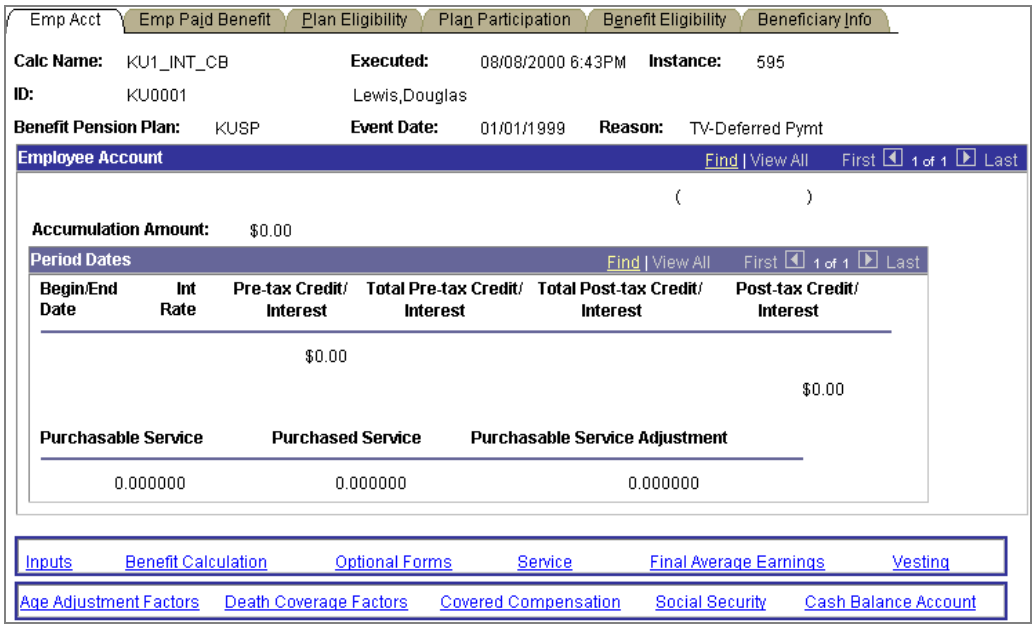
Interest is the amount of interest credited to the account during the period.

Credit/Interest Adjustments If there were any manual adjustments to either the credit or the interest during a period, the amounts shown will reflect those adjustments. You can also see what portion of the credit or interest was due to an adjustment in the **Credit/Interest Adjustments** fields.

End Balance **End Balance** shows the accumulation as of the end of the period.

Calculation Results - Employee Account Results Page

Usage	The Employee Account function tracks the accumulation of contributions and interest for an employee in a contributory plan. The Employee Account page shows results produced by this function.
Object Name	PA_CLC_ACCT_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Emp Acct** • **Compensate Employees, Administer Pension Plan, Inquire2, Employee Account, Employee Account**
Access Requirements	Calculation Name/EmplID



Calculation Results - Employee Account page

Reviewing Final Account Information

The **Employee Accounts** field displays the name of the employee accounts process that calculated the results. Directly underneath, you'll see the final **Accumulation Amount** for that account. This is the value as of the event date.

Reviewing Period-by-Period Activity

If you chose to produce detailed results for the calculation, this page also shows you the periodic accumulations.

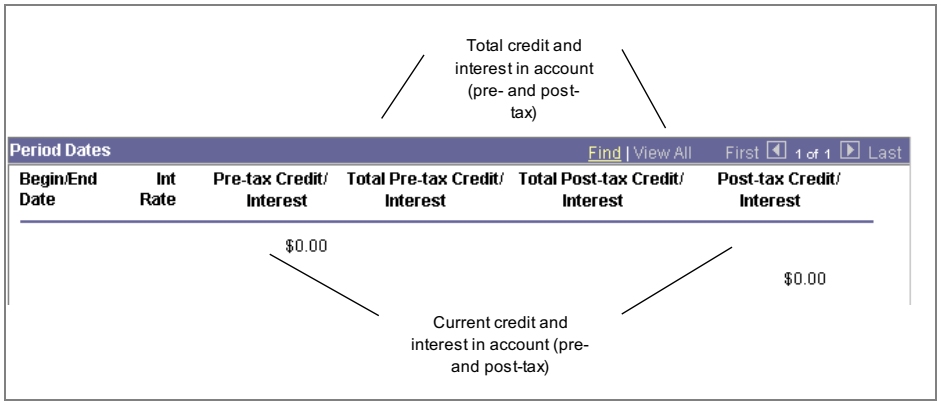
The **Begin/End Date** dates define each period. If the employee had a startup balance from the time you loaded data into the PeopleSoft Pension Administration system, the first period will begin and end on the startup "as of" date. This period will have no current period data, only ending balances in the two "Total" columns.

Int Rate is the interest rate applied to the prior period balance.

The account is divided into two separate accumulations for pre-tax and post-tax contributions. **Pre-Tax Credit/Interest** and **Post-Tax Credit/Interest** show the pre-tax and post-tax credits applied to the account during the current period along with the interest earned by each. The first value in each column is the credit, the second is the interest. Note that "post-tax interest" is really just interest on post-tax contributions; the interest itself hasn't yet been taxed.

If there were any manual adjustments during a period, the current period data shown will reflect those adjustments.

The **Total Pre-Tax Credit/Interest** and **Total Post-Tax Credit/Interest** show the same information, but rather than showing only credits and interest for current period, these fields display the running balances.



Current Period Activity and Up-to-Date Account Balances

Reviewing Service Buy Back and Purchase Activity

Sometimes activity in an employee account will affect service. This happens in one of three ways:

- Employees withdraw contributions and forfeit the corresponding service. This typically occurs at termination.
- Employees repay the withdrawn contributions and "buy back" the service originally forfeited. This typically occurs after a rehire.
- Employees make contributions for times when they weren't accruing service and thus "purchase" service credit for that time. The purchased service period is typically time when a person was employed but not eligible for the plan. Plans may also allow service purchase for time spent on military leave or other qualified leaves.

At the bottom of the Employee Accounts page, you'll see three fields used for tracking the effect of the employee account activity on service.

The service fields on this page only apply to withdrawal and service purchase subaccounts. Although the dollar activity in these account rolls up to the plan's main contributory account, the service information doesn't.

Purchasable Service refers to service that an employee can get if the employee either repays previously withdrawn contributions or sets up a service purchase arrangement. The value will be zero until either a contribution withdrawal or service purchase arrangement establishes an initial amount of purchasable service. As the service is restored - which may be all at once or gradually - the purchasable service amount will be reduced.

For example, if Lucia withdraws $2000 of contributions and thus forfeits three years of service, the withdrawal account will have an ending balance of -$2000 and a purchasable service amount of 3.0. The adjustment to the account balance rolls up to the plan's main contributory account, but the purchasable service doesn't. Therefore, the main contributory account still shows zero purchasable service.

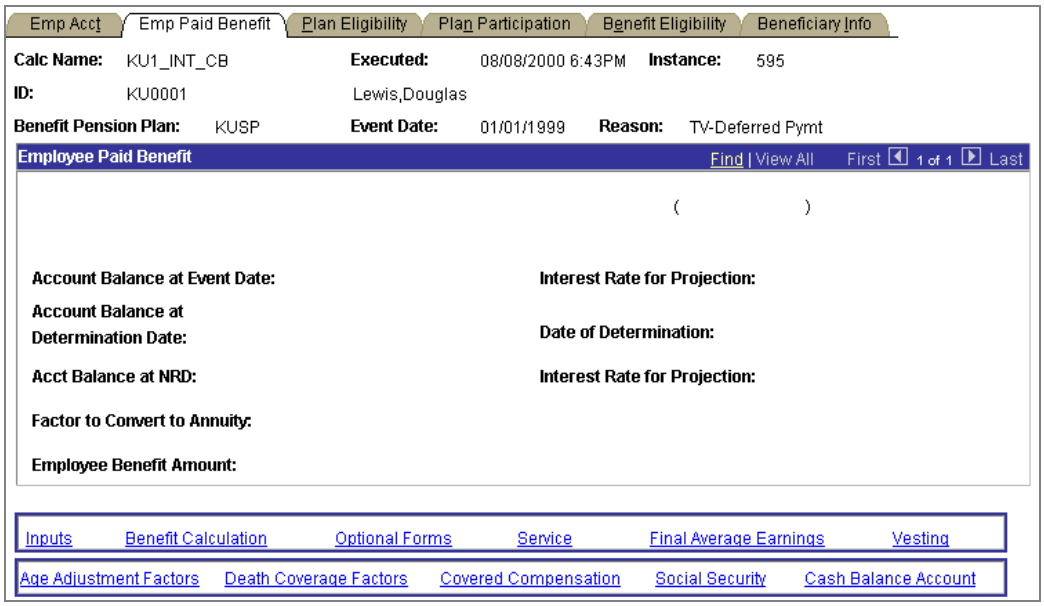
- For a service purchase arrangement, a plan administrator must establishes the initial amount of purchasable service and enter it (along with the dollar amount necessary to purchase the service) in Employee Account Adjustments.

Purchased Service refers to service that was restored during the particular period in question, as defined by the **Begin/End Date** fields.

Purchasable Service Adjustment refers to any manual adjustments made to purchasable service *during the period.* For example, if you set up a service purchase program incorrectly and have to change the amount of purchasable service, you would enter a manual adjustment in the Employee Account Adjustments page. During the next periodic processing, the purchasable service would be adjusted by that amount, and the results for the period would show both the adjustment amount in this field (along with the adjusted amount in the purchasable service field).

Calculation Results – Employee Paid Benefit Page

Usage	The Employee-Paid Benefit function determines what portion of a total benefit - expressed in its normal form - is attributable to employee contributions. The Calculation Results - Employee-Paid Benefit page shows results produced by this function.
Object Name	PA_CLC_CONT_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Emp Paid Benefit** • **Compensate Employees, Administer Pension Plan, Inquire2, Employee Paid Benefit, Employee Paid Benefit**
Access Requirements	Calculation Name/EmplID



Calculation Results - Employee Paid Benefit page

At the top of the row you'll see the name of the employee-paid benefit process that calculated the results.

Account Balance at Event Date — The **Account Balance at Event Date** gives you the value of the contributions, plus interest, as of the event date shown at the top of the page.

Interest Rate for Projection — Next to that is an **Interest Rate for Projection** telling you how the employee contributory balance was projected from the event date to the determination date.

Account Balance at Determination Date — The **Account Balance at Determination Date** is the value as of the date for refund of contributions - typically, the benefit commencement date or the lump sum date from the calculation inputs.

Date of Determination — Next to that is the **Date of Determination** itself.

Acct Balance at NRD (account balance at Normal Retirement Date) — The **Acct Balance at NRD** follows the Date of Determination.

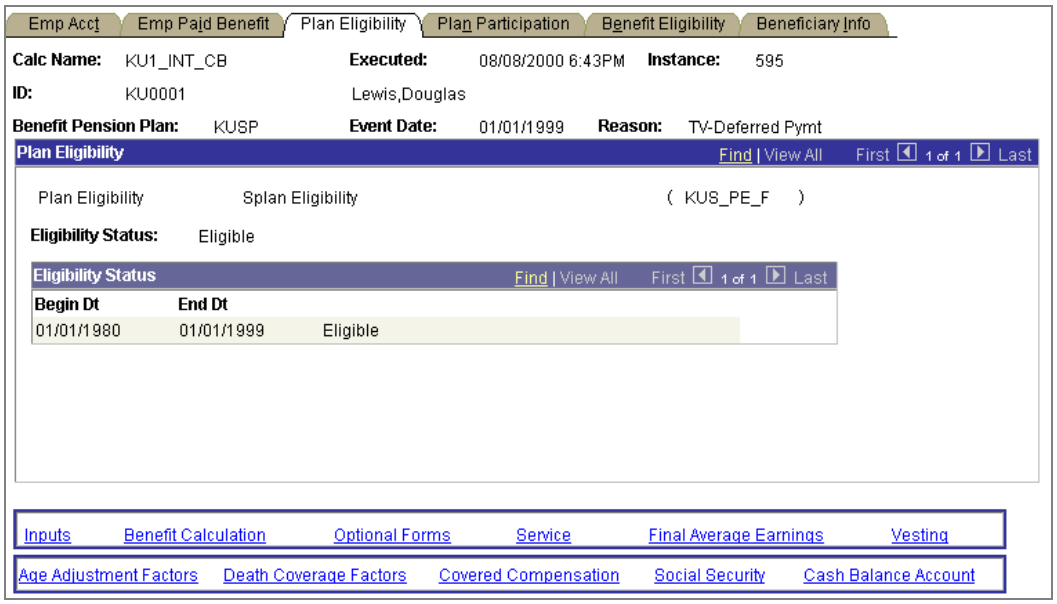
Interest Rate for Projection — Next to it is the **Interest Rate for Projection** used to project the account balance from the date of determination to normal retirement date.

Factor to Convert to Annuity — The **Factor to Convert to Annuity** is the factor used to convert from a lump sum to the plan's normal form. This enables you to eventually compare this amount to the total benefit.

Employee Benefit Amount — The **Employee Benefit Amount** tells you the value of the account in the plan's normal form of payment as of the later of either the normal retirement date or the date of determination.

Calculation Results - Plan Eligibility Page

Usage	The Plan Eligibility function determines whether an employee is eligible to participate in a plan. The Calculation Results - Plan Eligibility page shows results produced by this function
Object Name	PA_CLC_PEL_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Plan Eligibility** • **Compensate Employees, Administer Pension Plan, Inquire2, Plan Eligibility, Plan Eligibility**
Access Requirements	Calculation Name/EmplID

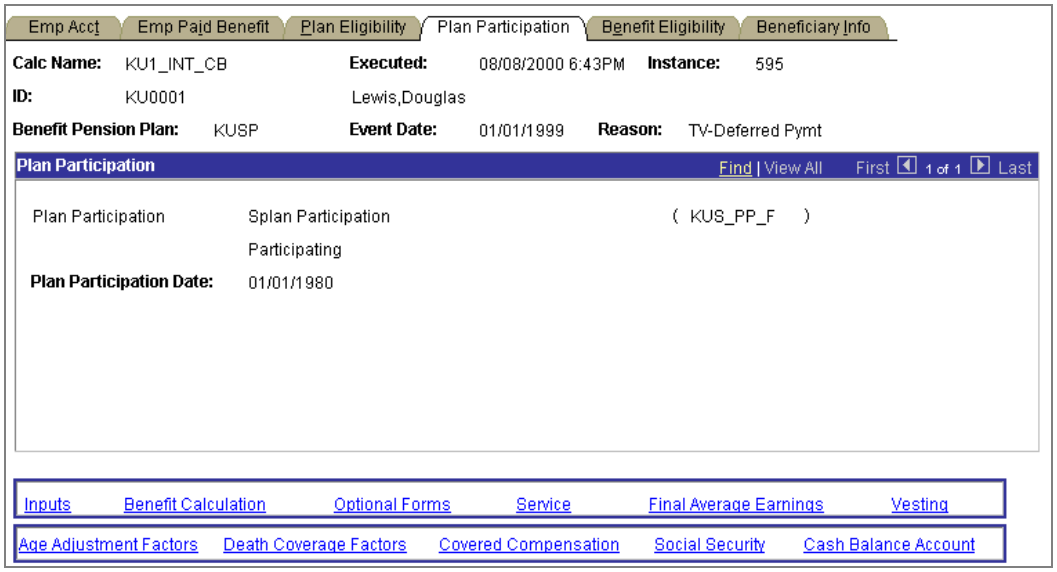


Calculation Results - Plan Eligibility page

Begin/End Dt (begin/end date) At the top of the row you'll see the name of the plan eligibility process that calculated the results. Underneath you'll see a history of eligible periods, each identified by a **Begin Dt** and **End Dt.**

Calculation Results - Plan Participation Results Page

Usage	The Participation function determines whether an employee meets plan participation requirements. The Calculation Results - Participation page shows results produced by this function.
Object Name	PA_CLC_PRT_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Plan Participation** • **Compensate Employees, Administer Pension Plan, Inquire2, Plan Participation, Plan Participation**
Access Requirements	Calculation Name/EmplID



Calculation Results - Plan Participation page

At the top of the row you'll see the name of the plan participation process that calculated the results and the final participation status: ***Participating*** or ***Not Participating.*** Remember, if the employee isn't participating in the plan, then the calculation stops, after running the participation calculation.

Plan Participation Date

Plan Participation Date tells you when the employee became a participant or, for calculations with projections, when the employee is expected to become a participant.

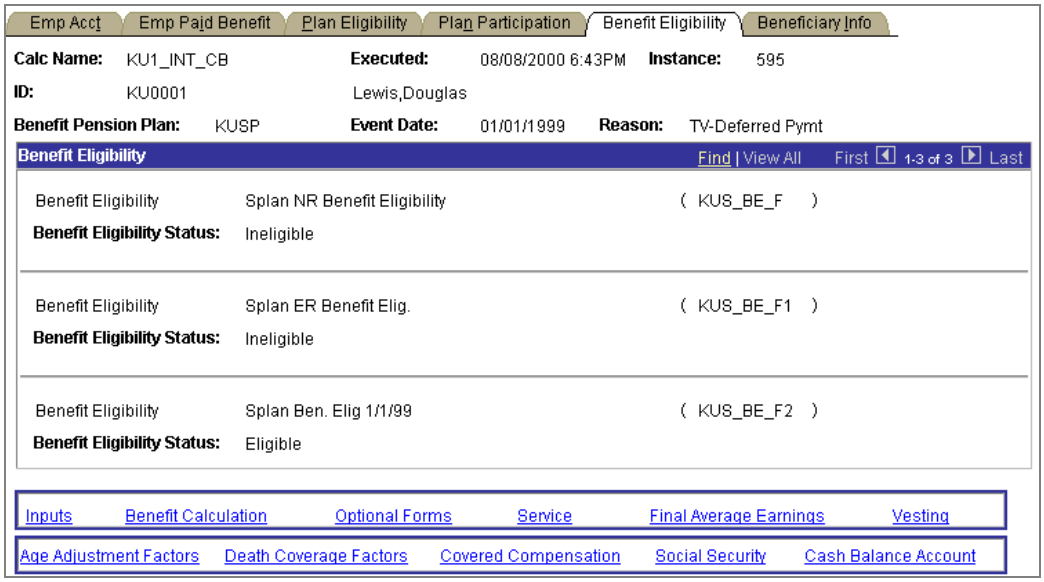
When participation is based on age, the participation date will be the same day the employee attains the specified age, subject to any date adjustments you specify, either date rounding or plan entry dates.

When participation is based on service however, the system doesn't necessarily determine the exact day the employee attains the specified amount of service. Instead, the system looks at the service history, finds the period when the employee attained the specified service amount, then uses ***the first day of the next period.*** How exact this date is depends on how you've set up your service requirement.

Calculation Results - Benefit Eligibility Page

Usage	The Benefit Eligibility function tells you whether an employee is eligible for a particular retirement type. The Benefit Eligibility page shows results produced by this function.
Object Name	PA_CLC_BEL_SUM

Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Benefit Eligibility** • **Compensate Employees, Administer Pension Plan, Inquire2, Benefit Eligibility, Benefit Eligibility**
Access Requirements	Calculation Name/EmplID



Calculation Results - Benefit Eligibility page

Benefit Eligibility Status

At the top of each row you'll see the name of the benefit eligibility process that calculated the results. For each benefit eligibility process, the **Benefit Eligibility Status** tells you whether the employee is ***Eligible*** or ***Ineligible*** for the given retirement type.

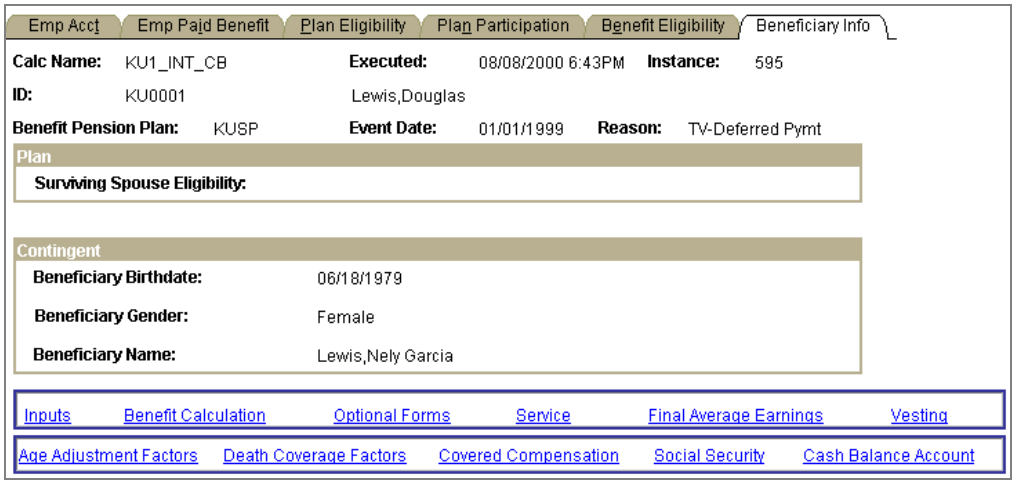
Depending on how you've set up your calculation rules, this can be the eligibility status as of the event date or as of the benefit commencement date.

Typically a plan has one Benefit Eligibility Function Result for each allowable retirement type: early retirement, normal retirement, and so on. You also use this function to determine eligibility for ancillary benefits such as death and disability.

Calculation Results - Beneficiary Info Page

Usage	The Calculation Results - Beneficiary Info page shows beneficiary data used in calculating the employee's benefit.

Object Name	PA_CLC_BENEF_SUM
Navigation	• **Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Beneficiary Info** • **Compensate Employees, Administer Pension Plan, Inquire2, Beneficiary Info, Beneficiary Info**
Access Requirements	Calculation Name/EmplID



Calculation Results - Beneficiary Info page

Surviving Spouse Eligibility If the plan offers an automatic spouse benefit, the **Surviving Spouse Eligibility** field tells whether the employee and spouse met the plan's criteria to be eligible for the automatic benefit.

Contingent If the employee has a nonspouse beneficiary, the **Contingent** fields show information about that beneficiary: the **Beneficiary Birthdate, Beneficiary Gender,** and **Beneficiary Name.**

The calculation parameters include override fields for all of these fields except for the beneficiary's name. The values on this page show the information the calculation used, regardless of the data source.

CHAPTER 51

Viewing Employee Data

Pension calculations are based on employee personal data as well as work-related information. Using inquiry page in the Administer Pension Plan menu, you can view this important data when you need to research or verify facts about an employee.

In this section you'll look at noneditable personal and job-related information about employees and their dependents and beneficiaries.



For more information about editable data, including consolidated payroll data, see Maintaining Employee Pension Data.

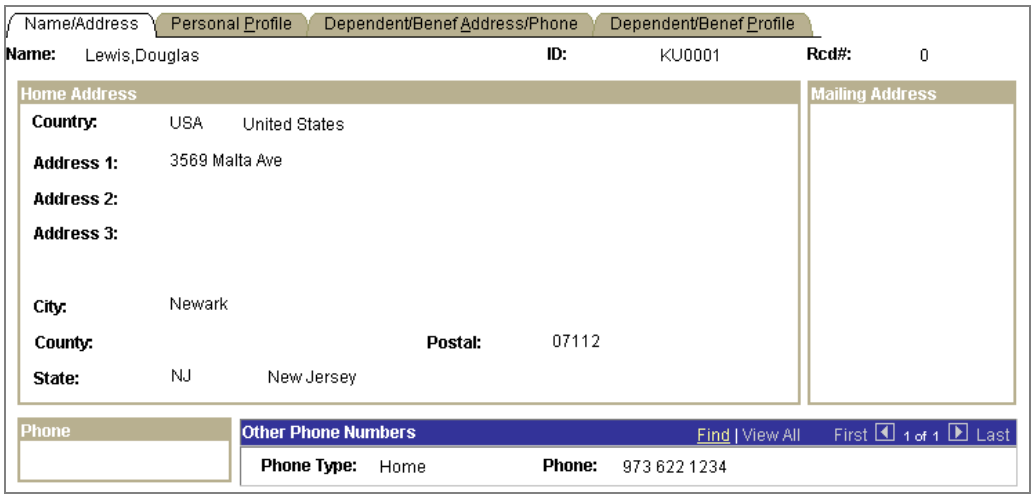
Viewing Personal and Beneficiary Data

We deliver the pages read-only under the assumption that you'll maintain this data through your human resources department rather than through your pension organization. If your company wants to make these pages updatable, you can do so using Security features.

The Name/Address and Personal Profile pages provide information about the employee about whom you're inquiring. The dependent/beneficiary pages show information about that employee's dependents and beneficiaries. Beneficiaries and QDRO alternate payees first appear in your PeopleSoft system through this table; their personal data records are initially derived from their Dependent/Beneficiary records.

Employee Information - Name/Address Page

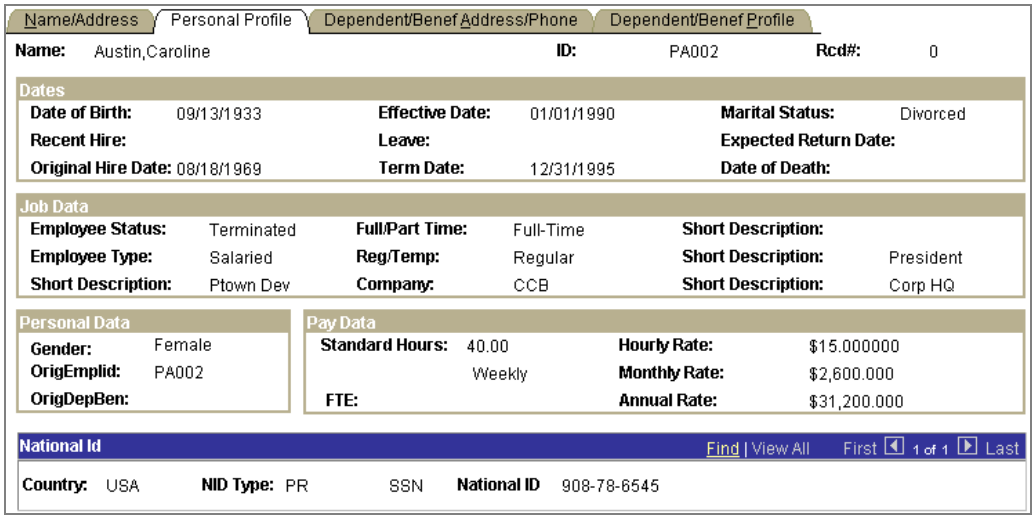
Usage	Use the Employee Information – Name/Address page to view employees' PeopleSoft Human Resources data. The Name/Address page shows the employee's addresses and phone numbers.
Object Name	PA_PERS_DATA1
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Employee Information, Name/Address**
Access Requirements	EmplID



Employee Information - Name/Address page

Employee Information - Personal Profile Page

Usage	Use the Employee Information – Personal Profile page to show important dates in an employee's work history along with current job data, personal data, and pay data.
Object Name	PA_PERS_DATA2
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Employee Information, Personal Profile**
Access Requirements	EmplID



Employee Information - Personal Profile page

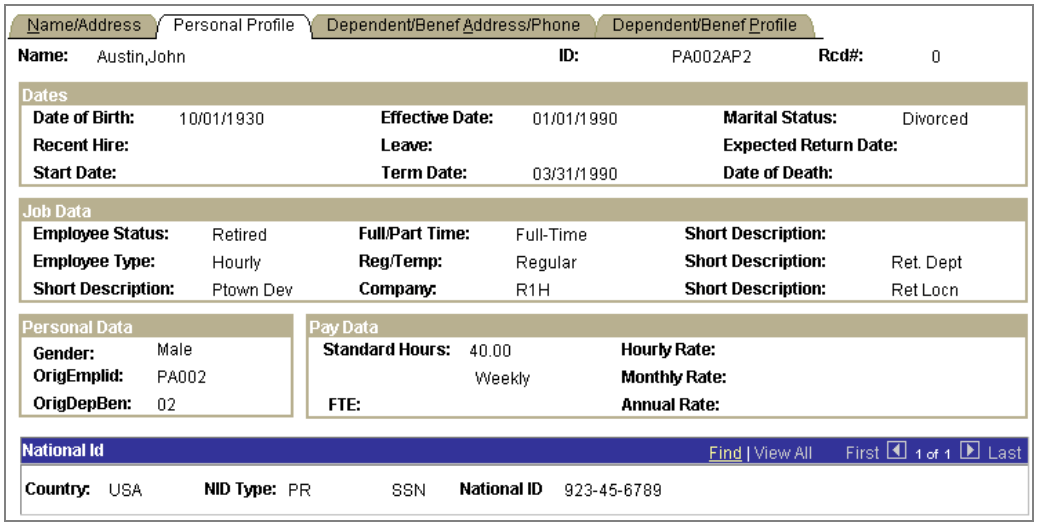
OrigEmplid (original employee identification)

The **OrigEmplid** field is used for beneficiaries and alternate payees only. These people aren't employees, but have gained an interest in a pension benefit through a spouse or former spouse who is a plan participant. For example, Caroline worked for your company, and because of a divorce settlement, her former husband John is now entitled to a portion of her benefit.

OrigDepBen (original dependent/beneficiary identification)

The **OrigDepBen** field is used for beneficiaries and alternate payees only. These people aren't employees but have gained an interest in a pension benefit through a spouse or former spouse who is a plan participant. For example, Caroline worked for your company, and because of a divorce settlement her former husband John is now entitled to a portion of her benefit.

John's Personal Profile page shows the following information:



Employee Information – Personal Profile (nonemployee) page

OrigEmplid (original employee identification)

John's **OrigEmplid** field shows Caroline's Employee ID. John first appeared in your PeopleSoft system in Caroline's Dependent/Beneficiary table (this is necessary in order for you to have created his personal data record).

OrigDepBen (original dependent/beneficiary identification)

The **OrigDepBen** shows that he was Dependent/Beneficiary 02 for Caroline.

Employee Information - Dependent/Benef Address/Phone Page

Usage	The Dependent/Benef Address/Phone page shows the address and phone number for each of the employee's dependents and beneficiaries. This page also shows each beneficiary's Type: ***Dependent, Beneficiary,*** or ***Both.*** This page also displays the dependent's Relation to the employee. This is a key field for pension calculations when determining if an employee is married.
Object Name	PA_DEPEND_BENEF1
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Employee Information, Dependent/Benef Address/Phone**
Access Requirements	EmplID

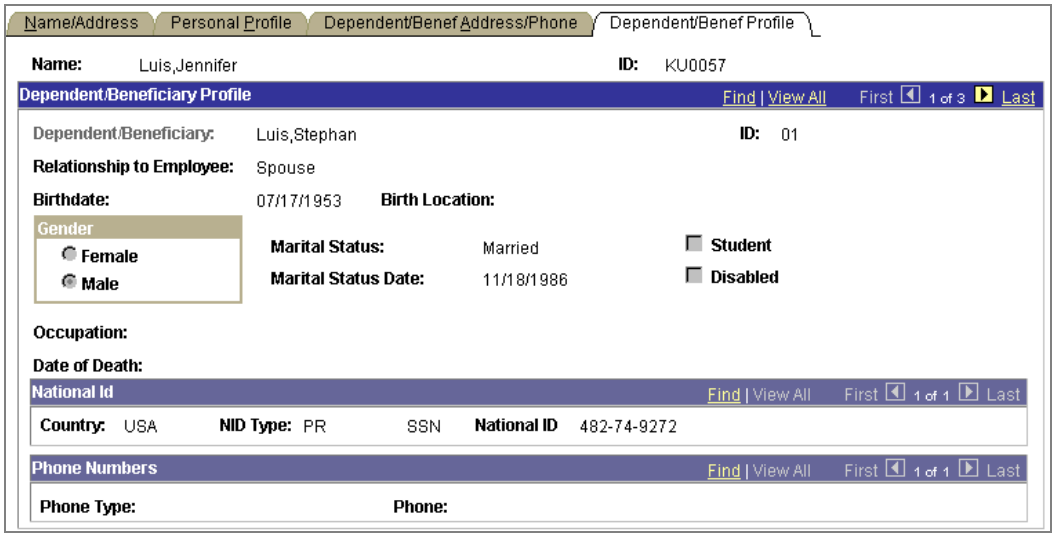


Employee Information - Dependent/Benef Address/Phone page

When running a calculation, the system determines if an employee is married by looking at the dependent/beneficiary table to see if there is a dependent identified as the spouse. It is possible for the dependent/beneficiary pages to show more than one spouse, to show a former spouse as a current spouse, to show no spouse even if the employee's marital status is married, or to show a spouse even though the employee's marital status is single. These and other inconsistencies in the dependent/beneficiary data can cause problems with your pension calculations. It's best to verify dependent/beneficiary information when calculating pension benefits. If you need to update the information, use Setting Up Dependent and Beneficiary Information.

Employee Information - Dependent/Benef Profile Page

Usage	The Employee Information – Dependent/Benef Profile page shows personal information about each dependent.
Object Name	PA_DEPEND_BENEF2
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Employee Information, Dependent/Benef Profile**
Access Requirements	EmplID



Employee Information - Dependent/Benef Profile page

Relationship to Employee

For pension calculations, **Relationship to Employee** is critical data on this page.

The relationship shown here isn't tied to other data such as marital status - either the employee's or the beneficiary's marital status - nor does the system prevent you from recording more than one spouse.

Birthdate

For the spouse or any other pension beneficiary, the critical data on this page is the **Birthdate.**

The relationship shown here isn't tied to other data such as marital status - either the employee's or the beneficiary's marital status - nor does the system prevent you from recording more than one spouse.

Gender

The **Gender** may also be important if you need to reproduce historical calculations that used sex-differentiated actuarial assumptions.

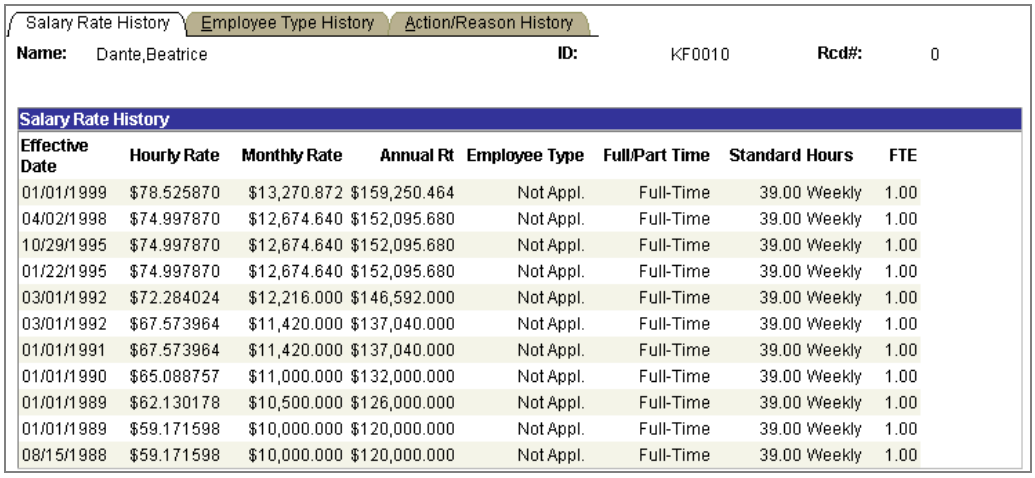
Viewing Job History

Pension calculations are based on job data that is subject to change: salary, employee type, and employee status. Use the Job History component o access a record of the changing values.

If an employee has multiple jobs, you'll be able to see data for any of those jobs. Remember, however, that the pension calculation only looks at data from job Rcd# 0.

Job History - Salary Rate History Page

Usage	The Salary Rate History page shows a complete history of the employee's compensation rate: hourly, monthly, and annual amounts - along with the employee type, full- or part-time status, and standard hours effective at the time.
Object Name	PA_SAL_RATE_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Job History, Salary Rate History**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status


Salary Rate History | Employee Type History | Action/Reason History

Name: Dante,Beatrice ID: KF0010 Rcd#: 0

Salary Rate History

Effective Date	Hourly Rate	Monthly Rate	Annual Rt	Employee Type	Full/Part Time	Standard Hours	FTE
01/01/1999	$78.525870	$13,270.872	$159,250.464	Not Appl.	Full-Time	39.00 Weekly	1.00
04/02/1998	$74.997870	$12,674.640	$152,095.680	Not Appl.	Full-Time	39.00 Weekly	1.00
10/29/1995	$74.997870	$12,674.640	$152,095.680	Not Appl.	Full-Time	39.00 Weekly	1.00
01/22/1995	$74.997870	$12,674.640	$152,095.680	Not Appl.	Full-Time	39.00 Weekly	1.00
03/01/1992	$72.284024	$12,216.000	$146,592.000	Not Appl.	Full-Time	39.00 Weekly	1.00
03/01/1992	$67.573964	$11,420.000	$137,040.000	Not Appl.	Full-Time	39.00 Weekly	1.00
01/01/1991	$67.573964	$11,420.000	$137,040.000	Not Appl.	Full-Time	39.00 Weekly	1.00
01/01/1990	$65.088757	$11,000.000	$132,000.000	Not Appl.	Full-Time	39.00 Weekly	1.00
01/01/1989	$62.130178	$10,500.000	$126,000.000	Not Appl.	Full-Time	39.00 Weekly	1.00
01/01/1989	$59.171598	$10,000.000	$120,000.000	Not Appl.	Full-Time	39.00 Weekly	1.00
08/15/1988	$59.171598	$10,000.000	$120,000.000	Not Appl.	Full-Time	39.00 Weekly	1.00

Job History - Salary Rate History page

There is one row for each salary change recorded in the job record.

Effective Date

Hourly Rate

Monthly Rate

Annual Salary

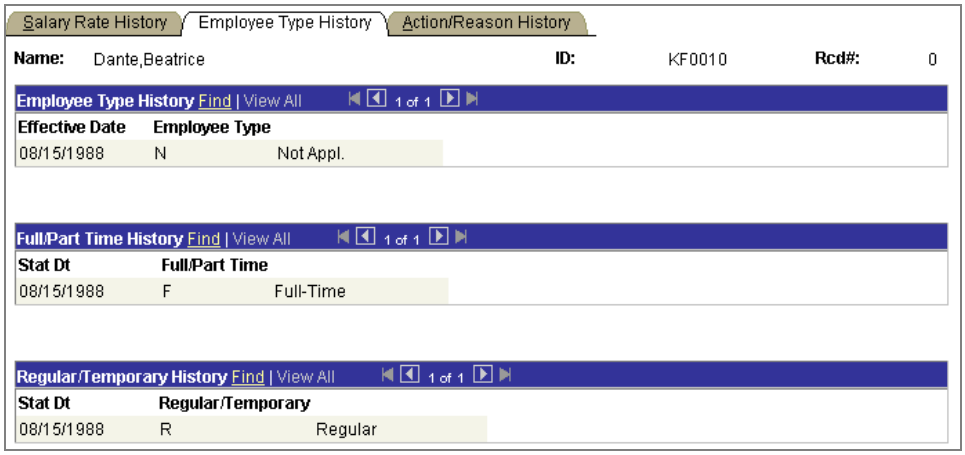
Employee Type

Full/Part Time Status

Std Hours (standard hours per week)

Job History - Employee Type History Page

Usage	The Employee Type History page shows a chronological history of the employee's salaried/hourly status, full time/part-time status, and regular/temporary status. This page only shows multiple rows if there have been changes to the status.
Object Name	PA_EMPL_TYPE_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Job History, Employee Type History**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status

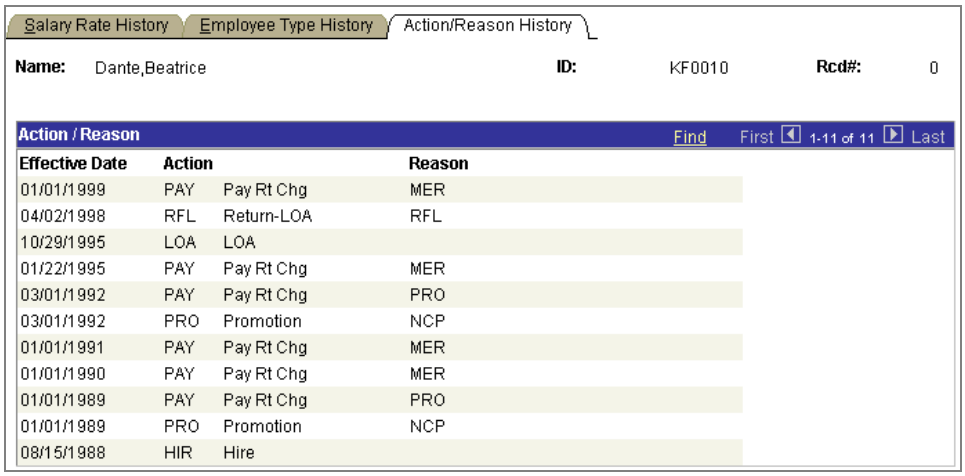


Job History - Employee Type History page

Job History - Action/Reason History Page

Usage	The Job History – Action/Reason History page shows you the events recorded in the Action/Reason fields on the employee's job record. There is one row for each effective date in the job record. Not all events will be relevant to pension.
Object Name	PA_ACT_REASON_HIST

Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Job History, Action/Reason History**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status



Job History - Action/Reason History page

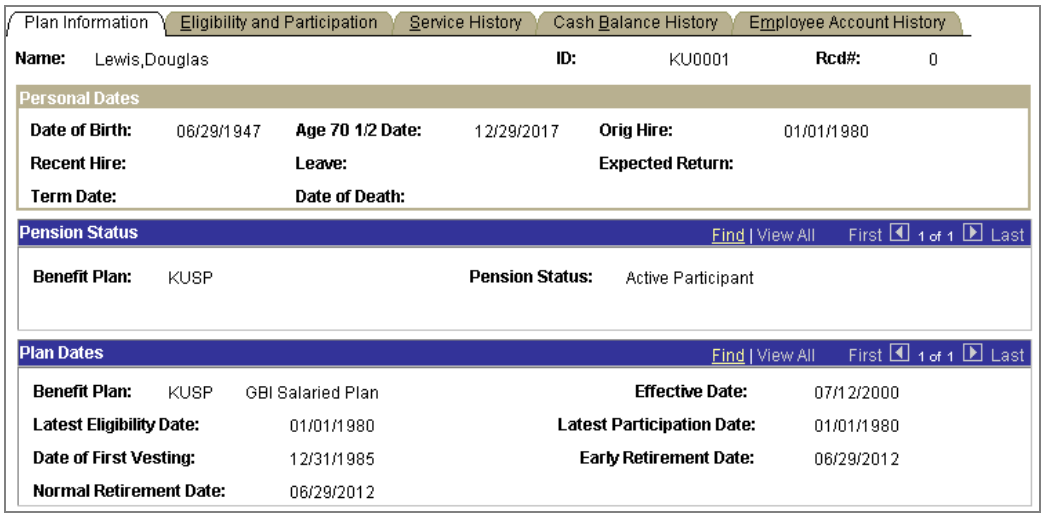
Viewing Plan-Related Information

Use the Plan History component to display data calculated by the PeopleSoft Pension Administration system during periodic processing or loaded into the system at implementation time.

These pages aren't editable. If you need to adjust cash balance or employee accounts, use the adjustment pages under Employee Plan Data.

Plan History - Plan Information Page

Usage	The Plan History - Plan Information page displays significant dates in a participant's employment history as well as projected dates for retirement eligibility.
Object Name	PA_PLAN_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Plan History, Plan Information**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status



Plan History - Plan Information page

The **Personal Dates** section of the page shows:

- The employee's **Date of Birth.**
- The **Age 70-1/2 Date** when pension payments must begin unless the employee hasn't yet retired.
- The dates of **Orig Hire** (original hire) and most **Recent Hire.**
- For employees on leave, when **Leave** began and the **Expected Return** date.
- The most recent **Term Date** if the employee is no longer at the company.
- The **Date of Death** if applicable.

The **Pension Status** section of the page shows the status for each **Benefit Plan.**

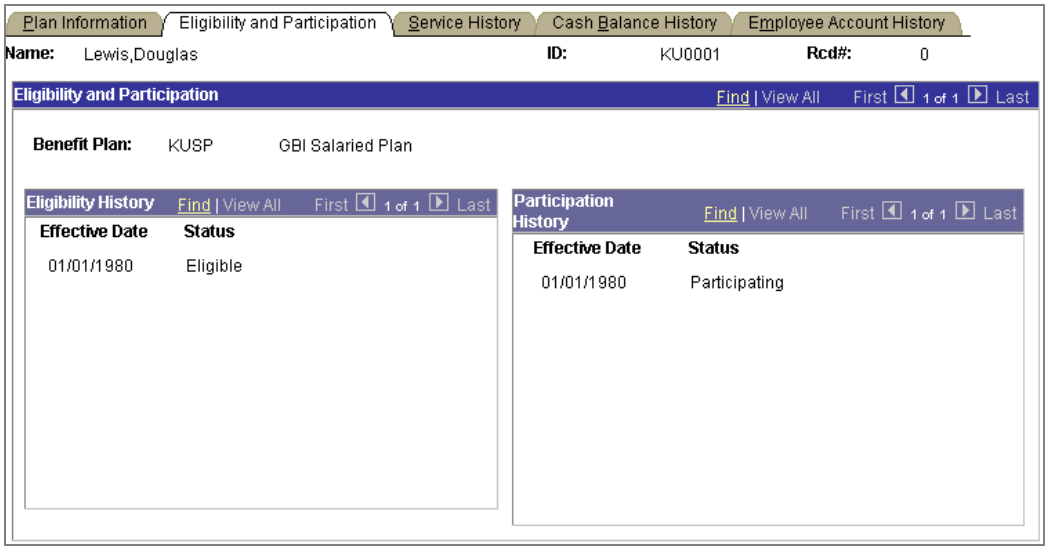
The **Plan Dates** section of the page enables you to scroll through each **Benefit Plan** for which the system has data. The dates are set during periodic processing. For each plan you'll see:

- The date of the **Last Update,** when you ran the periodic process that calculated the other dates.
- The Latest Eligibility Date and Latest Participation Date.
- The Date of First Vesting.
- The employee's Early Retirement Date, and the employee's Normal Retirement Date.

The vesting date and the early and normal retirement dates are calculated as defined in Plan Date Aliases.

Plan History - Eligibility and Participation Page

Usage	The Plan History – Eligibility and Participation page displays a history of the employee's changing eligibility and participation statuses.
Object Name	PA_ELIG_PART_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Plan History, Eligibility and Participation**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status



Plan History - Eligibility and Participation page

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Name, ID, Rcd#, Effective Date.**

Benefit Plan System displays the **Benefit Plan.**

Eligibility History Employees frequently move in and out of eligibility; the **Eligibility History** shows the history of this movement.

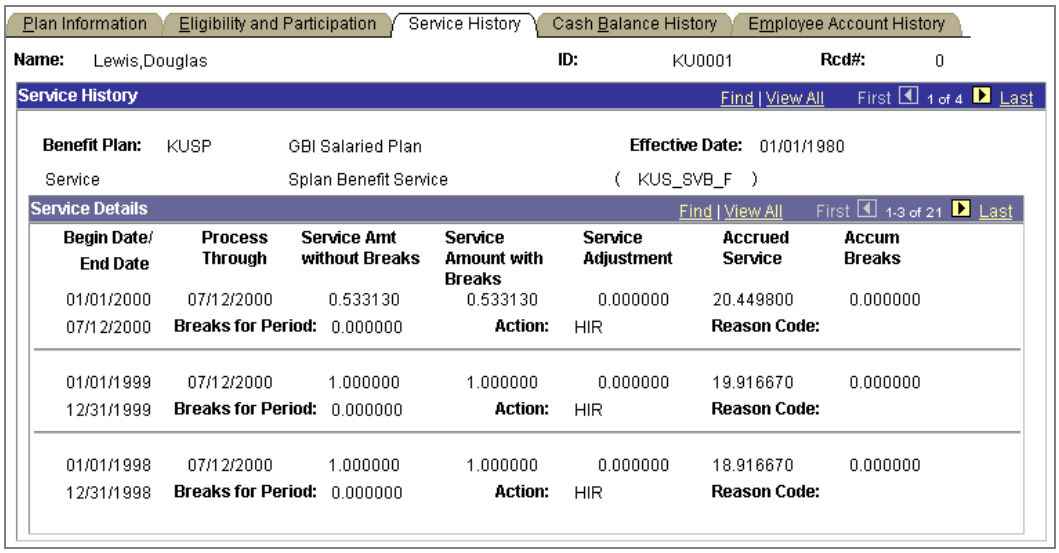
Eligibility Status The system displays the **Eligibility Status.**

Participation History **Participation History,** on the other hand, consists of a single row. If a participant with an accrued benefit either leaves the company or becomes ineligible to accrue additional benefits, that person is still owed a benefit and thus is still considered a plan participant, just an inactive one. Because participation requirements are typically age and service, employees can't lose their participation status except by losing any prerequisite service credit.

Participation Status The system displays the **Participation Status**.

Plan History - Service History Page

Usage	The Plan History – Service History page shows you the employee's service history, period-by-period.
Object Name	PA_SVC_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Plan History, Service History**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status



Plan History - Service History page

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Name, ID, Rcd#, Effective Date.**

Effective Date The specific rules used to generate the history are identified by **Effective Date.** The effective date is the date of hire or, if you've entered startup service data, the startup "as of" date. If the plan uses several sets of service rules, you can scroll to see each one.

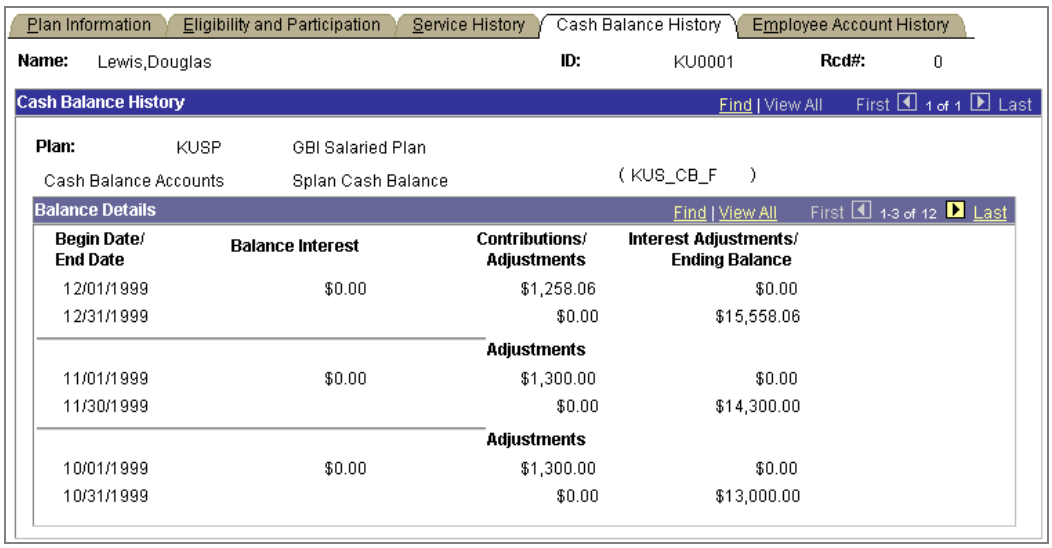
Benefit Plan The specific rules used to generate the history are identified by **Benefit Plan.**

Service The specific rules used to generate the history are identified by the name and description of each plan **Service** component.

Begin Date End Date	The **Begin Date** and **End Date** fields define each period.
Process Through	The **Process Through** date tells you when you ran the periodic processing job that calculated the service history.
Service without Breaks	**Service without Breaks** tells you how much service the employee earned during that period based only on the service definition.
Breaks for Period	**Breaks for Period** tells you if the period counted toward a break-in-service.
Service with Breaks	**Service with Breaks** tells you how much of the original service for the period will be used, after break rules and any other reasons for forfeiture are considered.
Service Adjustment	**Service Adjustment** indicates any adjustments entered into the Service Adjustments page for the period. You can manually enter adjustments, or the system can automatically generate adjustments based on a withdrawal of contributions, service buy-back activity (repayment of contributions), or service purchase activity. For more information about Service Adjustment, see PeopleSoft Pension Administration, "Administering Contributory Plans"
Service Accrued	**Service Accrued** tells you how much service the employee has accumulated as of the end of the period. This is based on the previous accrued service amount and the activity (including adjustments) for the current period.
Accum Breaks (accumulated breaks)	**Accum Breaks** tells you how many consecutive break periods the employee has accumulated.

Plan History - Cash Balance History Page

Usage	The Plan History - Cash Balance History page shows the period-by-period credits given to the employee under a cash balance plan.
Object Name	PA_CASH_BAL_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Plan History, Cash Balance History**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status



Plan History - Cash Balance History page

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Name, ID, Rcd#.**

Plan The specific rules used to generate the history are identified by **Plan** and by the name and description of the **Cash Balance Account.** If the plan maintains multiple accounts within a plan, you can scroll to see each one.

Cash Balance Accounts The specific rules used to generate the history are identified by **Plan** and by the name and description of the **Cash Balance Account.** If the plan maintains multiple accounts within a plan, you can scroll to see each one.

Begin Date/End Date The **Begin Date** and **End Date** fields define each period. The history only includes complete periods; partial period credits applied during a calculation don't become part of the permanent history.

Balance Interest **Balance Interest** is the total earned during the period (the sum of interest on the prior balance and any interest on contributions made during the period).

Contributions/Adjustments **Contributions** shows the noninterest credits applied to the account during the period.

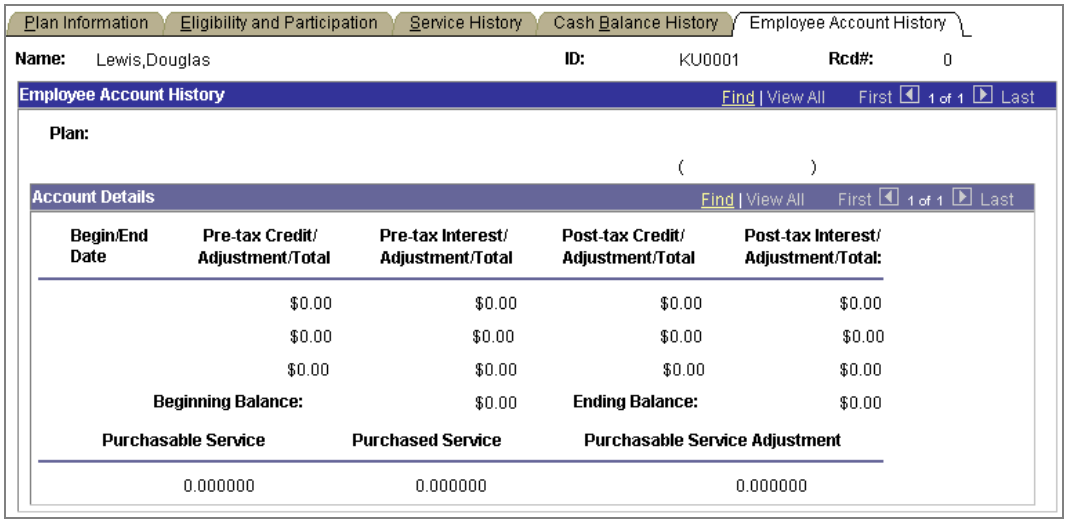
Interest Adjustments/Ending Balance

The **Adjustments** and **Interest Adjustments** fields show any additional credits and interest that should be applied during the period based on manual adjustments entered through the Employee Plan Data - Cash Bal Adjustments Page.

The **Ending Balance** shows the total accumulation as of the end of the period. This is the total of the ending balance from the prior period and all the additional amounts credited during the current period.

Plan History - Employee Account History Page

Usage	The Plan History - Employee Account History page shows the period-by-period contributions and interest credited to an employee's account under a contributory plan.
Object Name	PA_CONTR_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Plan History, Employee Account History**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status



Plan History - Employee Account History page

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Name, ID, Rcd#.**

Plan

The specific rules used to generate the history are identified by **Plan** and by the name and description of the **Employee Account**. If you maintain multiple balances within a plan, you can scroll to see each one. For example, if you offer service buy back or service purchase programs, you'll track activity through withdrawal/repayment subaccounts and purchase subaccounts that roll up to the plan's main employee contributory account. In this case, you'll scroll to see the activity in each of the different accounts and subaccounts.

Employee Accounts

The specific rules used to generate the history are identified by **Plan** and by the name and description of the **Employee Account.** If you maintain multiple balances within a plan, you can scroll to see each one. For example, if you offer service buy back or service purchase programs, you'll track activity through withdrawal/repayment subaccounts and purchase subaccounts that roll up to the plan's main employee contributory account. In this case, you'll scroll to see the activity in each of the different accounts and subaccounts.

Begin/End Date

The **Begin/End Date** fields define each period. When you run periodic processes, the Employee Accounts function only applies contributions and interest for complete accumulation periods, thus there is no "process through" date. When you're running a calculation, partial period credits are applied, but those results don't become part of the permanent history.

Note. Don't process employee accounts beyond the event date; if you do so, the post-event date accruals will be included in the calculations final account balance, which is meant to be the balance at event date.

The account keeps separate accumulations for pre-tax and post-tax contributions. Each accumulation tracks contributions (also called credits), interest, and any adjustments to either the contributions or the interest.

Warning! Under this scheme, "post tax interest" is really just interest on post-tax contributions; the interest itself hasn't yet been taxed.

Pre-Tax Credit/Adjustment/Total

The **Pre-Tax Credit/Adjustment/Total** shows the pre-tax credits and interest applied to the account during the period.

Pre-Tax Interest/Adjustment/Total	The **Pre-Tax Interest/Adjustment/Total** shows the pre-tax credits and interest applied to the account during the period.
Post-tax Credit/Adjustment/Total	**Post-Tax Interest/Adjustment/Total** show the same information for post-tax credits and interest.
Post-Tax Interest/Adjustment/Total	**Post-Tax Interest/Adjustment/Total** show the same information for post-tax credits and interest.

The first value in each column is the credit or interest for the period. The second value in the column shows the portion of the credit determined by adjustments. Adjustment can come from two different places. You can manually enter adjustments using Maintaining Employee Plan Data. Also, if you maintain withdrawal subaccounts (for tracking repayment of withdrawn contributions) or service purchase subaccounts (for tracking extra payments made in order to purchase additional service), activity in these accounts automatically generates adjustments to the "parent" account, that is, the plan's main contributory account.

The third value in each column shows the running balance after adding credits for the period to the prior balance.



In a Withdrawal subaccount, amounts withdrawn are shown as negative values. As the employee repays the contributions, the negative balance approaches zero. Service Purchase subaccounts similarly display a negative balance to show the amount that the employee needs to pay into the plan, but in this case, the initial debt is based on the plan administrator's determination of the price of the service being purchased.

The **Beginning Balance** and **Ending Balance** keep track of the total value of the account, the sum of all pre-tax and post-tax contributions and interest.

Viewing Service Buy Back and Purchase Information

Sometimes activity in an employee account will affect service. This happens in one of three ways:

- Employees withdraw contributions and forfeit the corresponding service. This typically occurs at termination.
- Employees repay the withdrawn contributions and "buy back" the service originally forfeited. This typically occurs after a rehire.
- Employees make contributions for times when they weren't accruing service and thus "purchase" service credit for that time. The purchased service period is typically time when a person was employed but not eligible for the plan. Plans may also enable service purchase for time spent on military leave or other qualified leaves.

At the bottom of the page, you'll see three fields used for tracking the effect of the employee account activity on service.



The service fields on this page only apply to withdrawal and service purchase subaccounts. Although the dollar activity in these accounts rolls up to the plan's main contributory account, the service information doesn't.

Purchasable Service refers to service that an employee can get if the employee repays previously withdrawn contributions or the employee sets up a service purchase arrangement. The value shown is any remaining amount of purchasable service at the end of the period. The value will be zero until either a contribution, withdrawal, or service purchase arrangement establishes an initial amount of purchasable service. As the service is restored, which may be all at once or gradually, the purchasable service amount will be reduced.

For example, if Lucia withdraws $2000 of contributions and thus forfeits three years of service, the withdrawal account will have an ending balance of -$2000 and a purchasable service amount of 3.000000. The adjustment to the account balance rolls up to the plan's main contributory account, but the purchasable service doesn't. Therefore, the main contributory account still shows zero purchasable service.

For a service purchase arrangement, a plan administrator must establish the initial amount of purchasable service and enter it (along with the dollar amount necessary to purchase the service) by selecting Employee Account Adjustments.

Purchased Service refers to service that was restored during the particular period in question, as defined by the **Begin/End Date** fields.

Purchasable Service Adjustment refers to any manual adjustments made to purchasable service during the period. For example, if you set up a service purchase program incorrectly and have to change the amount of purchasable service, you would enter a manual adjustment in the Employee Account Adjustments page. During the next periodic processing, the purchasable service would be adjusted by that amount, and the results for the period would show both the adjustment amount in this field, along with the adjusted amount in the purchasable service field.

CHAPTER 52

Loading Employee Data

Calculating pension benefits requires using data from an employee's entire career. The PeopleSoft Pension Administration system retrieves all this data from specific PeopleSoft tables. To use the system, you'll need to load historical data into these tables, even if you're already using PeopleSoft HRMS (human resources management system). In this chapter, we'll discuss the different types of data you may need to load into the system.

Planning Your Data Conversion

There are two types of historical employee data you will move into the PeopleSoft Pension Administration system: general information and plan-specific information. General information isn't specific to a particular pension plan. It includes descriptive data about employees, their job histories, and their beneficiaries.

Plan-specific information consists of values for specific plan components, calculated according to specific plan rules. This category includes service accruals, cash balance accounts, and employee contributory accounts. The tables that hold this data are always keyed to a specific Plan and Function Result.

One type of data, payroll data, can go into either category. If you load raw payroll information such as earnings, hours, and contributions, the PeopleSoft Pension Administration system can consolidate that data using the consolidation rules you define. Alternatively, you can load data that you've already consolidated.

Understanding History

History is the term we use for the period-by-period data produced during periodic processing. Periodic processing produces history for the following functions:

Accruals	***Consolidations***
Service	Consolidated Earnings
Cash Balance Accounts	Consolidated Hours
Employee Accounts	Consolidated Contributions

You can view and modify consolidation histories on the Consolidations page.

For more information about the specific fields in consolidation history tables, see Maintaining Employee Pension Data.

You can view history for accrual functions (service, cash balance accounts, and employee accounts) on the Plan History pages.

For more information about the specific fields in these history tables, see Viewing Employee Data.

The history for the accrual functions includes balances for the end of each period. The balances are the accumulation of credits across periods. The consolidation functions don't need balances.

When working with accruals, you can avoid loading the entire period-by-period history and instead load *startup* balances. The startup balance is the accrual as of a particular date that you've specified. History data is always loaded into tables specific to a particular function. Startup balances are always loaded into the PA _STRTUP_HISTO table.

Protecting Your History Data

Periodic processing has two modes: normal mode and delete-and-rebuild mode. In normal mode, new history is added to the existing rows. In delete-and-rebuild mode, however, the system deletes all existing history and recalculates data throughout the employee's entire career. This can be useful in certain situations. For example, if you've discovered a problem with your calculation rules, you can correct your calculation rules and recalculate everything at once.

However, delete-and-rebuild mode is also extremely dangerous. If you've loaded history data as part of your data conversion, the system won't have the source data to replace those rows. For example, if you've loaded consolidated earnings but not the raw payroll data that was the source for the consolidated data, then in delete-and-rebuild mode the system would wipe out the consolidated data and would be unable to recreate it because of the missing source data.

If you load history for any function, take security measures to ensure that users don't have access to the delete-and-rebuild mode during periodic processing.

The Service function always runs in delete-and-rebuild mode. This is necessary because past service accruals are affected by ongoing events. For example, previously accrued service can be forfeited after a break in service. You should never load history for service. Always use startup values or load the job history that is the source data for the service calculation. If you load service history instead of the actual job history (hires and terminations, leaves and returns, and other relevant events), the entire history will disappear the first time you run the Service function during periodic processing. The lack of a complete job history will compromise the system's ability to produce accurate service information.

Identifying the Data That You Need

Raw payroll data feeds into consolidated data. Consolidated data, in turn, feeds into various functions, including Service, Cash Balance Accounts, and Employee Accounts. The consolidated earnings history also supports Final Average Earnings and Social Security calculations.

Loading both raw payroll data and consolidated payroll history would be redundant. Similarly, loading both consolidated contributions history and a startup balance for Employee Accounts would be redundant: the system would never use the consolidated contributions information prior to the as of date for the Employee Accounts starting balance.

In planning your data conversion, you have choices about which data to load. Payroll data offers the greatest level of detail and thus increases flexibility for recalculation. Starting balances provide the least amount of detail and flexibility. Consolidated data is in between.

When you use consolidated earnings for Final Average Earnings or Social Security, you can't use startup balances. In these cases, your only choices are to use raw payroll data or consolidated data.

Loading Personal and Job Data

Be sure that you load the data into the appropriate tables and fields. Personal and job data not related to a particular plan belongs in PeopleSoft Human Resources and PeopleSoft Base Benefits records.

You'll need to conduct your own analysis to determine which data your plans require. You are likely to use the following tables:

Table	*Notable Fields*	*Comments*
PERSONAL_DATA	**Employee ID, Name, Birth Date, Sex, Marital Status.**	In this table you assign an employee ID and provide indicative and biographical data. This is the first table you load because all employee IDs are edited against this table.
JOB	**Company, Department, Location, Job, Action/Reason, Employee Type, Employee Status, Employee Class, Regular/Temporary, Compensation Rate.**	Many of these fields will be important for plan eligibility. This data is effective-dated; you'll load historical data for the employee's entire career. The action/reason history is particularly important for calculating service and for generating earnings and hours.

DEPENDENT_BENEF	**Name, Sex, Relationship to Employee, Spouse's Birth Date.**	In this table you identify employees' dependents and beneficiaries.

Loading Payroll Data

You can load payroll data in one of two forms: raw data about earnings, hours, and contributions that PeopleSoft Pension Administration can consolidate, or already-consolidated data.

The advantage of loading raw data is that you can use the system to perform your consolidations. For example, if an employee in Plan A transfers to Plan B, and Plan B needs earnings data that predates the transfer, Plan B can't use the consolidated data from Plan A. If the raw data is in the system, you can easily use the Plan B consolidation rules. Loading raw data is also advantageous if you ever make a correction to your method for consolidating the data.

The system doesn't use raw data during calculations. Data must be consolidated in order for the information to be recognized.

If you currently store your payroll data as consolidated amounts, it may be more efficient to load consolidated data.

Determining How Much Historical Payroll Data Is Needed

Load *earnings* data for use with the Final Average Earnings (FAE), Cash Balance Accounts, and Social Security functions.

- For FAE, you only need to load earnings history as far back as the FAE function looks. For example, if your FAE definition uses only the final five consecutive earnings periods, only load those periods, or a few more if there's a possibility that some periods will be ignored.
- For Cash Balance Accounts, if you've loaded a startup balance, don't load earnings history for periods prior to the startup balance as of date.
- For Social Security, if you estimate career earnings based on the current and prior periods only, don't load more than those two rows of earnings data.

Load *hours* data for use with the Service function, but only for hours counting methods. If you've loaded a startup service balance, don't load hours data for the periods prior to the startup as of date.

Load *contributions* data for use with the Employee Accounts function. If you've loaded a startup balance for your employee account, don't load contribution data for the periods prior to the startup balance as of date.

Loading Raw Data

There are two places where raw payroll data resides: payroll tables, which are populated by the PeopleSoft Payroll for North America system, and a set of pension clones, where you can archive the data to protect it from the periodic purging to which the payroll tables are subject. If you load raw payroll data, don't put the data in the PeopleSoft Payroll for North America tables. These tables are managed by the PeopleSoft Payroll for North America system, not by the Pension system, and are subject to periodic purging. Instead, load the data into the PeopleSoft Pension Administration clones.

During consolidations, the Pension Administration system first looks at the PeopleSoft Payroll for North America tables. If those tables don't contain data for the particular period being consolidated, the system will look at the pension clone tables. If the system finds any data in the clone tables, it ignores any data in the source tables. The system doesn't compare the data in the two tables; once it determines which tables to use, it ignores the other. If there's no data in either set of tables, the consolidation will show zero earnings, hours, or contributions for the period.

Periodic processing enables you to copy data from payroll tables to the pension clones for archiving. Users of the PeopleSoft Payroll for North America system use this process to archive raw data on an ongoing basis.

The data you need depends on your consolidation definition. For example, if you consolidate hours based on W2 earnings (which requires you to provide an earnings-to-hours divisor), you need data from the W2_AMOUNTS table. Note that consolidated earnings and hours both require PAY_CHECK data as the source of the consolidation *accumulate based on* date (the Earned Date, Payroll End Date, or Pay Check Date, depending on your consolidation definition).

Original Payroll Table	*Pension Clone*	*Used For*
PAY_EARNINGS	PA_HST_PAY_EARN	Earnings, Hours
PAY_OTH_EARNS	PA_HST_OTH_EARN	Earnings, Hours
PAY_SPCL_EARNS	PA_HST_SPL_EARN	Earnings, Hours
PAY_CHECK	PA_HST_PAY_CHK	Earnings, Hours
W2_AMOUNTS	PA_HST_W2_AMTS	Earnings, Hours
EARNINGS_BAL	PA_HST_EARN_BAL	Earnings, Hours
PAY_DEDUCTIONS	PA_HST_PAY_DED	Contributions

Loading Consolidated Data

Rather than loading raw payroll data into the system, you may choose to load consolidated amounts. In this case, you'll need to study the tables where the consolidation processes store

their results so that the data you load is consistent with the data that the system's consolidation processes would have created. The following tables contain consolidated data:

Consolidation	*Table*
Earnings	PA_CONS_ARRAY
Hours	PA_CONS_HRS_AY
Contributions	PA_CONS_DED_AY



As you load consolidated data, make sure that the period start and end dates reflect full periods. For example, if you consolidate by calendar year, the first row for an employee hired in 1991 would be 1/1/1991, regardless of the actual hire date. (This differs from how the Service and Account history functions treat the first period.) Use the partial period fraction to indicate the portion of the period considered active.

Loading Service Data

Periodic processing normally adds to any existing history data. The Service function is unique, however, in that it rebuilds the employee's entire history every time it is processed.

Because of this, you should *never* load service history as part of your data conversion. Your options are to:

- load the job history and, if necessary, the hours data used to calculate service. If you load hours data, you can load either raw hours data or consolidated hours data.
- load startup balances for all your employees.

Startup data consists of two parts: the startup amount and the as of date. The as of date is critical because the Service function only calculates service from that date forward. The startup amount is added to the calculated amount to determine the total service. During periodic processing, the delete-and-rebuild component of the Service function applies only to the calculated amount; the startup amount remains untouched.

An employee's startup date mustn't be earlier than the employee's hire date. Otherwise, the system looks for data for the time period between the startup date and the hire date and, when no data is available, generates an error.



Don't load any service history during your data conversion; it will be deleted by periodic processing.

Loading Account Data

Cash balance accounts are based on consolidated earnings. Employee accounts are based on consolidated contributions. To load account accruals, your options are to:

- Load the raw payroll earnings or contribution data. The system can consolidate the data and then use the consolidations to build the account.
- Load consolidated earnings or contribution data.
- Load startup balances for the accounts.

The payroll data offers the greatest level of detail and thus increases flexibility for recalculation. Starting balances provide the least amount of detail and flexibility.

If you load history, you'll load data into the following tables:

Function	*Table*
Cash Balance Accounts	PA_ACCUMS
Employee Accounts	PA_EACCT_ACCUM

The first period in the account history mustn't have a start date prior to the initial hire date. For example, if an employee is hired on 7/15/1991, that date should be the start date of the first period, even if the period is regularly a calendar year. This differs from consolidations, which always start with the normal beginning day of the period.

If you load startup balances, you'll enter a total accumulation and a startup date. If you want, you can also provide a credits and interest breakdown of the amount to use as the basis for the running subtotals the function keeps. For employee accounts, you'll also enter the pretax and posttax breakdown.

As you load account histories, keep the following in mind:

- If an employee enters the plan in the middle of the period, the period begin date should be the plan entry date. For example, if the period is a calendar year and Rose enters the plan on 7/1/1991, the period begin date will be 7/1/1991.
- The history must be uninterrupted. Even after an employee leaves the plan, there will be rows with interest credits only.

Moving Data to a Stand-alone System

When you are using the integrated PeopleSoft HRMS system, your data is automatically accessible to PeopleSoft Pension Administration. Personal and dependent data, payroll data (hours, earnings, and contributions), and action and reason histories are all present. If you've modified the database and need to retrieve data from a field you've created, a database alias can retrieve the information for you.

When you use a stand-alone PeopleSoft Pension Administration system, you are actually installing portions of other PeopleSoft applications as well. Tables and pages for PeopleSoft Human Resources, Benefits, and PeopleSoft Payroll for North America systems are included in your stand-alone pension system. However, you won't have any of the processing modules for these applications. This means that although you can store and retrieve data, you don't have any other functionality offered in these applications.

If you're using PeopleSoft Pension Administration as a stand-alone pension system, you probably have another HR system that acts as your system of record. You will need to transfer data from that system to the PeopleSoft HR tables. Although all users should transfer certain information, such as date of birth and date of hire, most of the data you transfer will depend on the data needed for your plan.

You can load external data at the time you run a calculation to ensure that the most current data is available. If you want to load external data for every employee and every calculation, you should put a user code module directly into your calculation job stream. If you only need to load external data occasionally, there is a check box on the calculation page where you can indicate whether or not to run the load process.

Alternatively, you can periodically transfer data to the PeopleSoft Pension Administration system. This way, you don't have to load data at calculation time.

CHAPTER 53

Implementing a Sample Plan

A large portion of the documentation for designing your pension administration system focuses on the parameter pages for specific aspects of the calculation. This field-level information is essential to constructing your plan building blocks.

But what about putting all the building blocks together?

Because every pension plan uses different calculation rules, there is no one way to construct a plan. However, examining a successful sample implementation will help you understand how everything fits together.

This section provides a sample implementation for an extremely simplified plan. There are no employee contributions, no cash balances, and no social security integration, no 415 limits, and no grandfathering or complex grouping. The purpose isn't to look at each and every feature of the system but to see what it takes to analyze and implement calculation rules.

Because we are focusing exclusively on the analysis and setup involved in calculation rules, we won't discuss any of the other tasks involved in plan implementation. However, if you decide to actually create the sample plan, remember that you must first add the plan to the Benefit Plan Table and the Pension Plan Table (U.S.) as described in the section.

Recognizing Dependencies

The purpose of this topic is to illustrate the importance of setting up objects in the correct order and to provide you with some insights into how to determine the correct order. There are two parts to this process.

The first part is a high-level analysis that will enable us to construct the calculation job stream on paper. You can't set it up in the system at this point because none of the calculation processes, the Function Results, exist. However, it is absolutely imperative to know the eventual sequence of the various calculation processes because when it is time to enter the Function Results into the system, you must set them up in order.

The second part is a more detailed analysis of each Function Result. The end product of this analysis is a series of diagrams that detail the proper order for setting up the various required elements for a single Function Result.

In this sample implementation, the pictures show the plan already in place. What we want to emphasize, however, is that you can't set up Definition B until you have created Alias A. Knowing your dependencies ahead of time can save you a lot of frustration down the road when you attempt to set up a parameter and discover that all the necessary components don't yet exist.

Sample Plan Summary

This sample plan is similar to the plan you will implement during the final activity of the Building PeopleSoft Pension training course. You may want to refer to this section while you are working on that activity.

Our simple sample plan, PLAN1, is a traditional final average earnings calculation that is offered to all of the salaried employees at company CCB who are members of Union 7. Employees can't participate until they reach age 21.

The benefit is an annual amount of 2% * Final Average Earnings * Service, payable monthly beginning at age 65.

Final average earnings uses annual earnings amounts provided by an earnings table and is limited by section 401(a)(17) of the Internal Revenue Code. While an employee is on disability, the plan generates earnings based on the compensation rate.

The plan measures service by counting hours employees actually worked. Employees are credited with a year of service for any year in which they work at least 1000 hours. A break in service occurs when an employee doesn't work for a period of one year. The plan uses the rule of parity for restoring service to unvested employees after a break in service.

Benefits begin to vest after two years of service, at which point employees become 20% vested. For each year of service thereafter, employees gain an additional 20% vesting. For vesting purposes, the plan measures service from the date of hire.

Employees can take a reduced early retirement at or after age 55 after completing ten years of service; the reduction is 6.7% per year from age 65 to age 60 and 3.3% per year from age 59 to age 55.

At the time of retirement, employees can collect either a single life annuity or a 50% joint and survivor. If the total value of the benefit is less than $3500, the plan will automatically pay the employee a lump sum distribution.

At this point, PLAN1 doesn't incorporate section 415 limits, ancillary benefits (death and disability retirement benefits), or QDRO offset provisions.

Constructing the Job Stream

The calculation job stream is your implementation road map. The individual Function Results and the diagrams that show how to create them are simply details from this map.

In order to construct the job stream, you need to map your plan to the core functions. This will enable you to come up with a list of the Function Results you will need. Be sure to include consolidations because even though they aren't processed during calculations, periodic processing uses the job stream, too. Any provisions that can't be handled through the core functions will be implemented either through a stand-alone Custom Statement or through your own Custom User Code.

Next, you will put the Function Results in order based on their interdependencies. For example, if vesting is defined as requiring service, then service must precede vesting in the job stream.

In rare instances, your job stream will have changed over time. The plan implementation is effective-dated and can therefore handle this. However, more often it is individual calculation elements that have changed, and you will address the changes through effective-dating within specific Function Results.

In the example you will walk through, all Function Results will have only one effective date and most will have only one group. You will, however, look at groupings based on eligibility for early retirement. You will also consider one very specialized grouping application: the requirement that you create separate definitions for separate treatment of eligible and ineligible periods of an employee's career. This is only required for those functions that produce period-by-period results. In the sample plan, this is consolidated earnings and service.

Mapping the Plan to the Core Functions

Examination of the sample plan produces the following mapping of plan provisions to the nineteen PeopleSoft Pension Administration core functions. Functions are listed below in their default order:

Function	***Requirements***
Plan Eligibility	All employees working for the company CCB who are members of Union 07.
Consolidated Earnings	Based on earnings balance tables. Generate earnings while employees are on disability. Earnings during periods of plan ineligibility aren't counted.
Consolidated Hours	All payroll hours. Generate hours while employees are on disability. Hours during periods of plan ineligibility aren't counted.
Consolidated Contributions	None
Participation	Age 21

Service / Break	1. Plan service - 1000 hours per year of service, starting at the participation date. No service during periods of ineligibility 2. Vesting service - 1000 hours per year of service starting at the hire date 3. Break - charged if less than 500 hours worked in a year. To determine if employee forfeits previous service, apply the rule of parity
Vesting	20% vesting after two years, then 20% additional annually thereafter
Benefit Eligibility	1. Early Retirement: 55 years old + 10 years of service 2. Normal Retirement: 65 years old
Final Average Earnings	Career average earnings
Cash Balance Accounts	None
Employee Accounts	None
Covered Compensation	None
Social Security	None
Early/Late Adjustments	6.7% penalty per year from ages 65 to 60 and 3.3% per year from 59 to 55.
Death Coverage	None
Benefit Formula	1. Unreduced: 2% x Final Average Earnings x Service x Vesting 2. Reduced: unreduced benefit x early retirement factor
Employer/Employee Split	None
Optional Forms	Single Life Annuity, 50% Joint & Survivor, and small benefit cashout
415 Limits	None

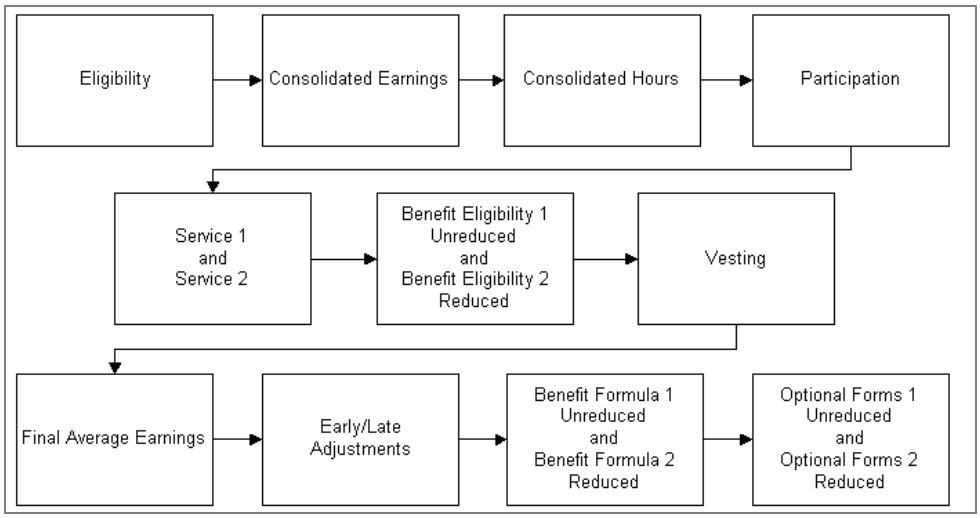
There is one more implicit dependency: because the system requires that certain functions use separate definitions for eligible and ineligible periods, both Consolidated Earnings and Service depend on Plan Eligibility results.

Putting the Functions in Order

The plan implementation is the final list of all processes that, when processed in order, produce a benefit amount in all its optional forms. Now that you have a list of plan components, it is time to link the processes together. The functions you are using have the following interdependencies:

Function	***Based On***
Plan Eligibility	None
Consolidated Earnings	Plan Eligibility
Consolidated Hours	Plan Eligibility
Participation	Plan Eligibility
Service 1 (service credit)	Participation, Plan Eligibility
Service 2 (vesting service)	Plan Eligibility
Vesting	Service 1 , Benefit Eligibility
Benefit Eligibility 1 - Normal Retirement	None
Benefit Eligibility 2 - Early Retirement	Service 2
Final Average Earnings	Consolidated Earnings
Early/Late Adjustments	None
Benefit Formula 1 - Unreduced	Final Average Earnings Service 2 Vesting
Benefit Formula 2 - Reduced	Benefit Formula 1 or its pieces Early/Late Adjustment Benefit Eligibility
Optional Forms 1 - for Benefit 1	Benefit Formula 1
Optional Forms 1 - for Benefit 2	Benefit Formula 2

Based on these dependencies, you will have to change the default order to move Benefit Eligibility before Vesting. The following diagram represents our job stream:



Calculation Job Stream diagram

The two Service Function Results and the two Benefit Eligibility Function Results stand on their own. For example, as you ordered the processes you could have put Benefit Eligibility for normal retirement before the Vesting result and the Benefit Eligibility Function Result for early retirement after the Vesting result.

Analyzing Individual Calculation Components

Normally, you would first analyze each Function Result to determine whether the rules have changed over time and whether you should use different calculation rules for different groups. Conveniently, however, our sample plan doesn't have any of these complexities. You may also find it easier to work at first with the bare bones of your plan - the current rules that would apply to an employee hired today - and then return for a second round where you incorporate historical rules, grandfathering, and other variations.

As you analyze the parameter pages, those most familiar with the plan will have to interpret plan provisions and administrative policies and map them to the choices in the pages. This may also be an opportune time to review your administrative practices to assure compliance with plan documents and to identify opportunities for process reengineering.

As part of this analysis, you will keep an inventory of the required elements. For each element that you need to set up, you will inventory its subcomponents. User Code options are available if the pages don't accommodate a particular aspect of your plan provisions. Only after you have completely defined all the elements that go into a Function Result will you begin to input the rules.

At least one definition, group, or Function Result will appear on the inventory list for every Function Result (except Plan Eligibility which doesn't use a group). Our analysis will focus on the definitions and groups; the Function Result typically requires no other subcomponents besides EVENT_DT, a system-delivered alias used to establish the stopping point for the rules.

Because definitions aren't keyed to specific plans, you may want to use a naming standard for your definitions. Giving all definitions a plan-specific same prefix (you will use "P1" for PLAN1) makes it easier to identify your definitions. If several plans are using the same definitions, this may not be as helpful.

Although you are just analyzing the plan at this point, the page illustrations show how the page will look when you have actually finished setting up the plan data. For detailed information about any of the pages shown in this section or information on setting up any of the subcomponents you identify, please refer to the section that deals specifically with that function.

Plan Eligibility

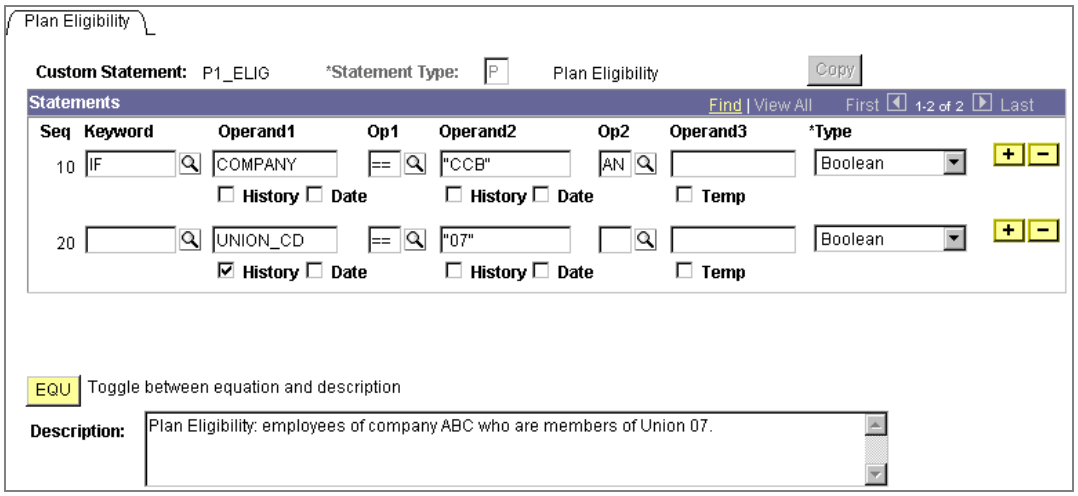
Usually the Function Result needs both a definition and a group. Plan Eligibility doesn't use a group, however.

Component Type	*Name*	*Description*
Plan Eligibility Definition	P1_ELIG	Define rules for eligibility
Plan Eligibility Function Result	P1_ELIG_FR	Apply rules for eligibility

Plan Eligibility Definition

For more information about the Plan Eligibility function, see Defining Plan Eligibility.

Let us analyze Plan Eligibility requirements:

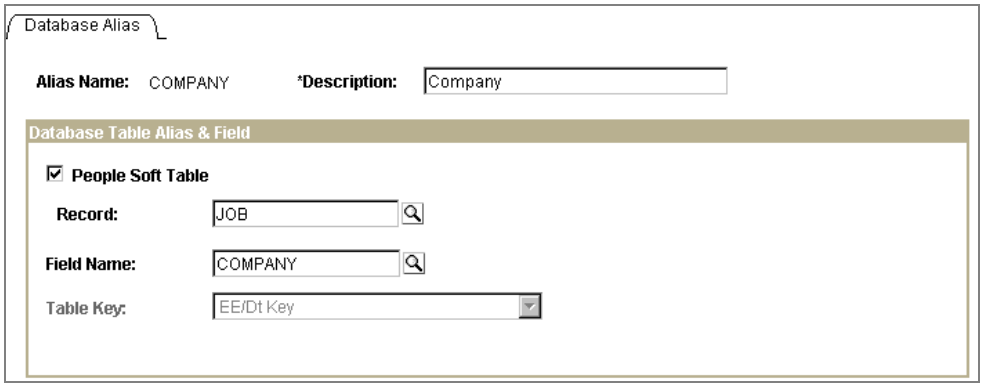


Plan Eligibility page

The definition consists of a **Custom Statement** that indicates the employee works for ***CCB*** and belongs to Union ***07.*** Therefore, you create aliases referencing the Company and Union Code fields. Database aliases don't have subcomponents.

Component Type	*Name*	*Description*
Database Alias	COMPANY	Reference COMPANY on the JOB record.
Delivered Database Alias	UNION_CD	Reference UNION_CD on JOB_LABOR

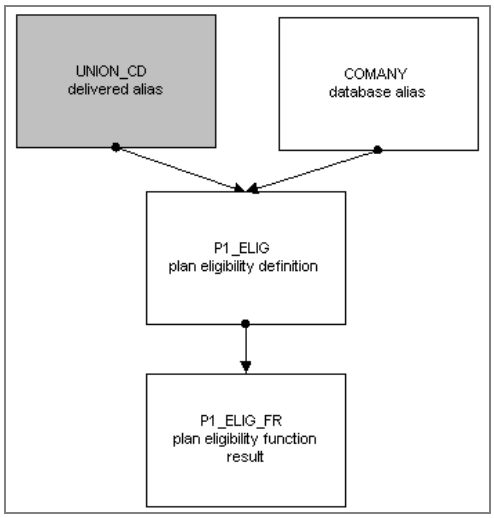
Database aliases merely reference existing information; creating the COMPANY database alias won't require setting up any subcomponents.



Database Alias page

Diagramming Dependencies

The following diagram represents the steps needed to set up Plan Eligibility. Shaded items already exist.



Plan Eligibility diagram

Consolidated Earnings

For more information about Consolidated Earnings, see Consolidating Payroll Data.

First you will need a definition, a group, and a Function Result.

Component Type	*Name*	*Description*
Group	ALL	All eligible employees
Consolidated Earnings Definition	P1_EARN	Define rules for Consolidated Earnings
Consolidated Earnings Function Result	P1_EARN_FR	Apply rules for Consolidated Earnings

Now you come to an important point. Suppose Jane is a member of Union 07, but spends three years in a non-union position when she goes back to school. She comes back to her union job after she graduates. During the time Jane wasn't in the union, she didn't meet the plan eligibility rules; therefore, you need to make sure that the Consolidated Earnings process knows to exclude the non-eligible earning.

In the Function Result page, you can specify whether a particular definition is used for Eligible, Ineligible, or Both segments of an employee's history. So far you have only planned for the eligible definition. To ensure that the system knows what to do during the ineligible period, you will set up another definition:

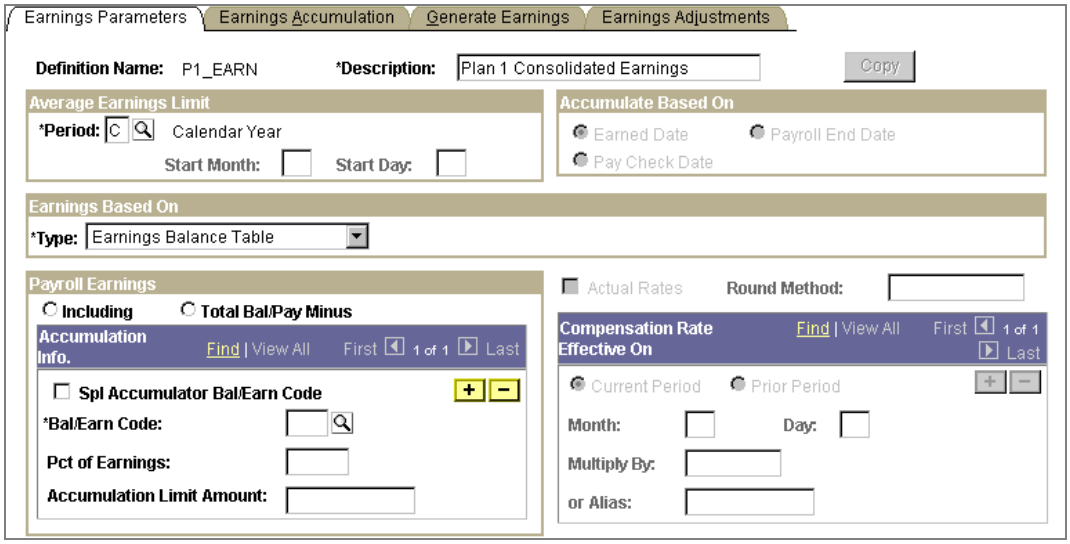
Component Type	Name	Description
Consolidated Earnings Definition	NO_EARNS	Set up zero earnings while employee is ineligible

Consolidated Earnings Definition - Eligible Periods

Let us analyze Consolidated Earnings requirements.

Consolidated Earnings - Earnings Parameters Page

The first page is Earnings Parameters.

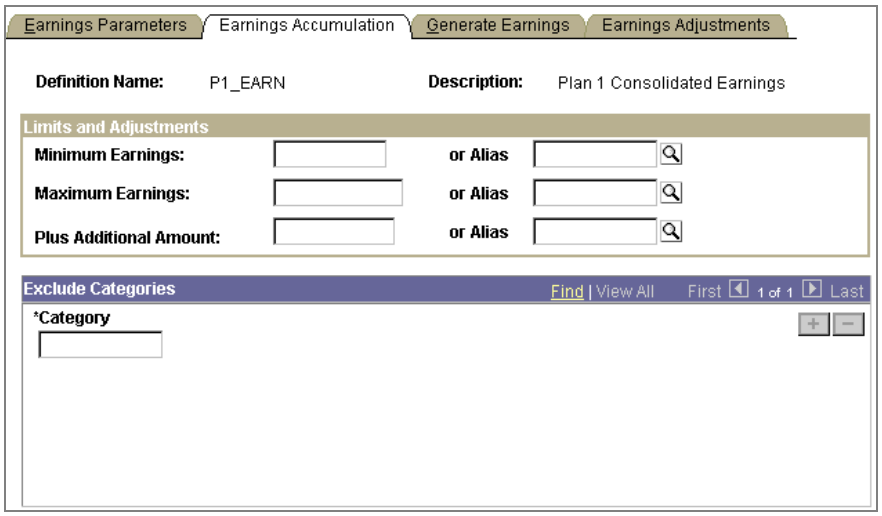


Consolidated Earnings - Earnings Parameters page

Because you are getting the earnings from the existing earnings balance tables, there is no need for any subcomponents.

Consolidated Earnings - Earnings Accumulation Page

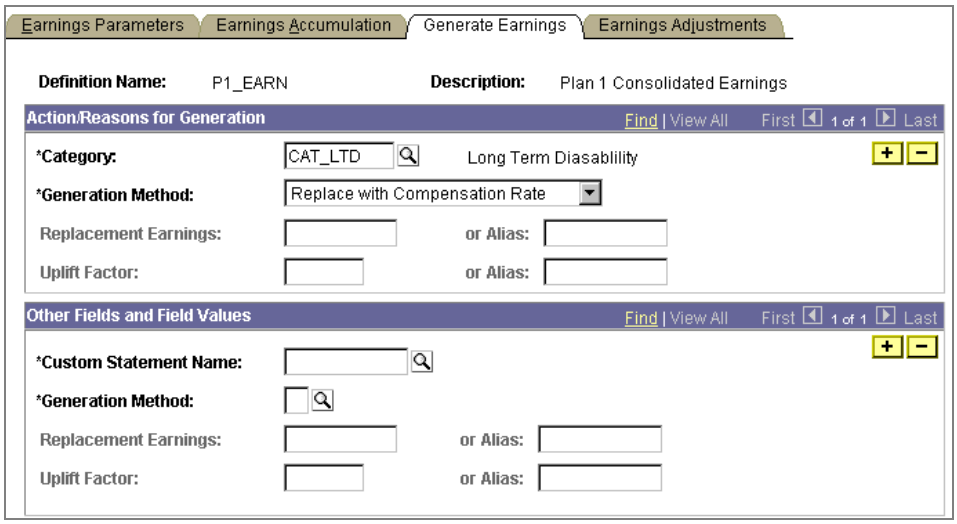
You won't need any parameters on the Earnings Accumulation page.



Consolidated Earnings - Earnings Accumulation page

Consolidated Earnings - Generate Earnings Page

The next page is Generate Earnings.



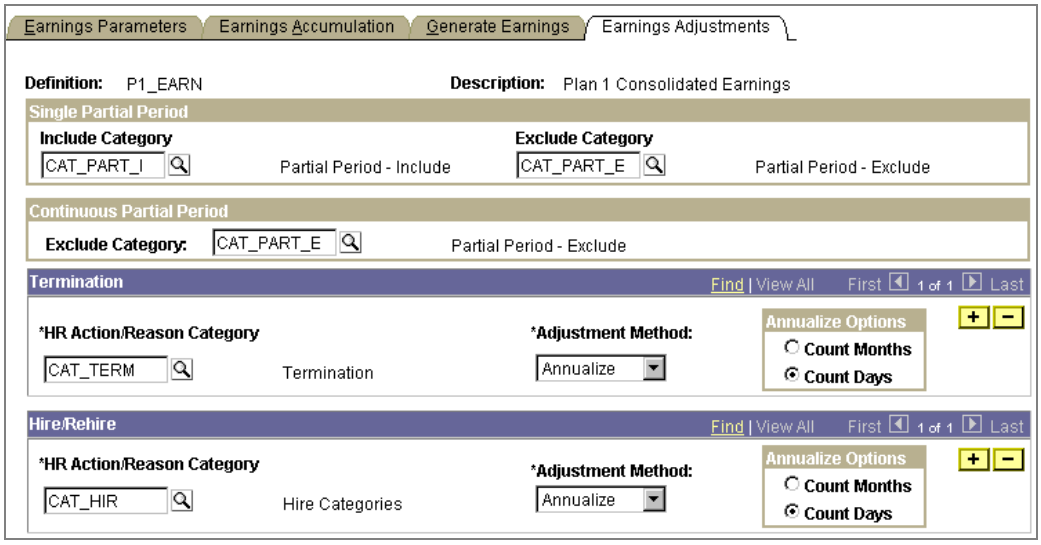
Consolidated Earnings - Generate Earnings page

To generate earnings for periods with a disability, you will have to create a **Category** of Action/Reason codes that indicate an employee is on disability. You will then indicate a generation method that uses the compensation rate.

Component Type	*Name*	*Description*
HR Action/Reason Category	LTD	Includes actions that indicate an employee is on long term disability leave

Consolidated Earnings - Earnings Adjustments Page

The final page you will look at is Earnings Adjustments.



Consolidated Earnings - Earnings Adjustments page

Although your high-level summary of the plan didn't include information for handling hire and termination periods, you now have to examine our plan to determine how these should be handled. As you can see from the page, you will annualize both periods. To do this, you need to identify hire and term periods. You do this with categories of Action/Reason codes. This adds the following to your inventory:

Component Type	*Name*	*Description*
HR Action/Reason Category	HIR	HR Action/Reason codes indicating hire or rehire for any reason
HR Action/Reason Category	TERM	HR Action/Reason codes indicating termination for any reason

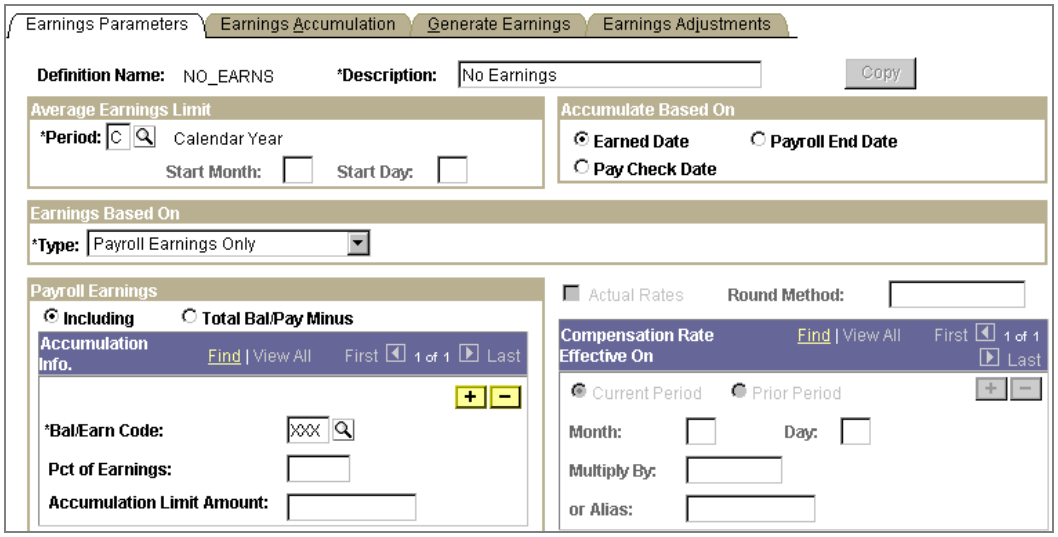
Finally, there are three more HR Action/Reason categories needed. These indicate partial periods and are used in two ways. First, they let the system know when to stop generating earnings, and second, they allow the system to calculate the partial period fraction, the portion of the period worked.

Component Type	*Name*	*Description*
HR Action/Reason Category	INC1	Actions after which the remainder of the period is considered time worked, for example, Return from Leave.
HR Action/Reason Category	EXC1	Actions after which the remainder of the period is considered time not worked.

HR Action/Reason Category	EXC2	Actions after which the remainder of the period and all subsequent periods are considered time not worked (until an included action occurs).

Consolidated Earnings Definition - Ineligible Periods

The Consolidated Earnings definition for ineligible periods is identical to the definition for eligible periods except that instead of using the earnings balance tables, you will take earnings from a dummy earnings code that will always equal zero earnings.

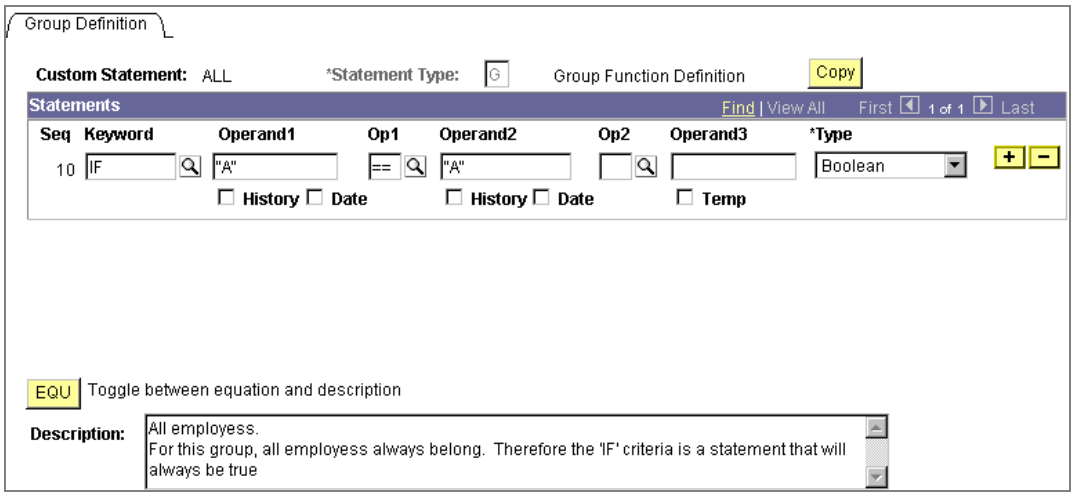


Consolidated Earnings - Earnings Parameters (no earnings) page

Component Type	*Name*	*Description*
Earnings Code	XXX	Dummy earnings code

Group for All Employees

You are done with the definitions, so let's look at the group.

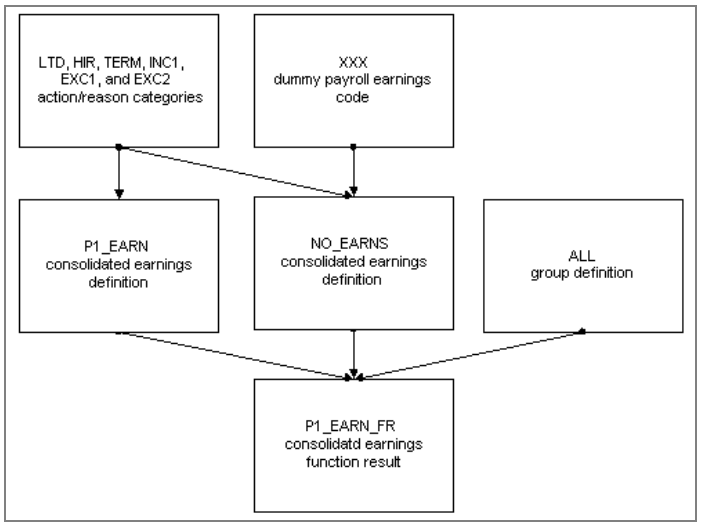


Group Definition page

There is a setting on the Function Result page that specifies whether a definition applies to eligible periods of time or ineligible periods of time. The sample plan doesn't break employees into other groups. The group definition, therefore, has no subcomponents.

Diagramming Dependencies

The following diagram represents the steps needed to set up Consolidated Earnings. None of the following components exist as of yet:



Consolidated Earnings diagram

Consolidated Hours

For more information about Consolidated Hours, see Consolidating Payroll Data.

First you will need a definition, a group, and a Function Result.

Component Type	Name	Description
Group	ALL	All eligible employees
Consolidated Hours Definition	P1_HRS	Define rules for Consolidated Hours
Consolidated Hours Function Result	P1_HRS_FR	Apply rules for Consolidated Hours

As with Consolidated Earnings, you will set up a separate definition for periods of ineligibility:

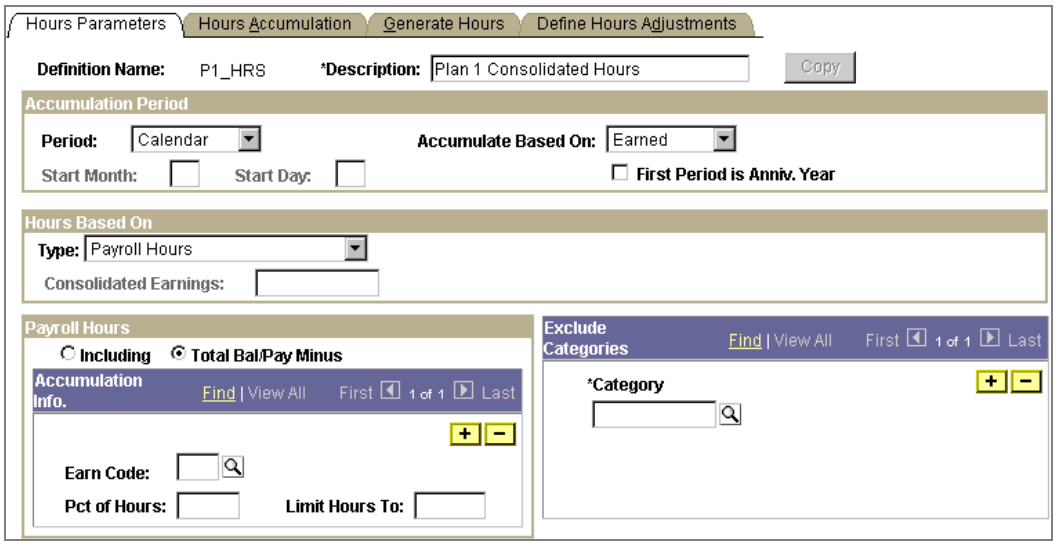
Component Type	Name	Description
Consolidated Hours Definition	NO_HRS	Set up zero hours while employee is ineligible

Consolidated Hours Definition - Eligible Periods

Let us analyze Consolidated Hours requirements.

Consolidated Hours - Hours Parameters Page

The first page is Hours Parameters.

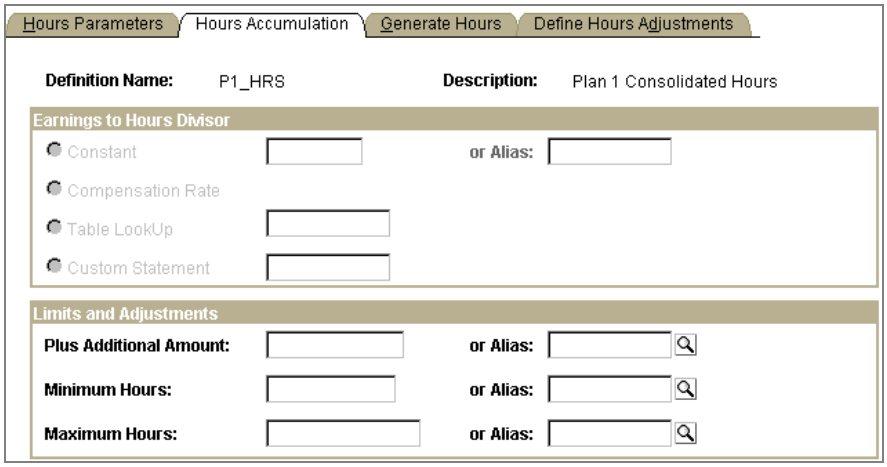


Consolidated Hours - Hours Parameters page

Because you are including all hours, there are no subcomponents.

Consolidated Hours - Hours Accumulation Page

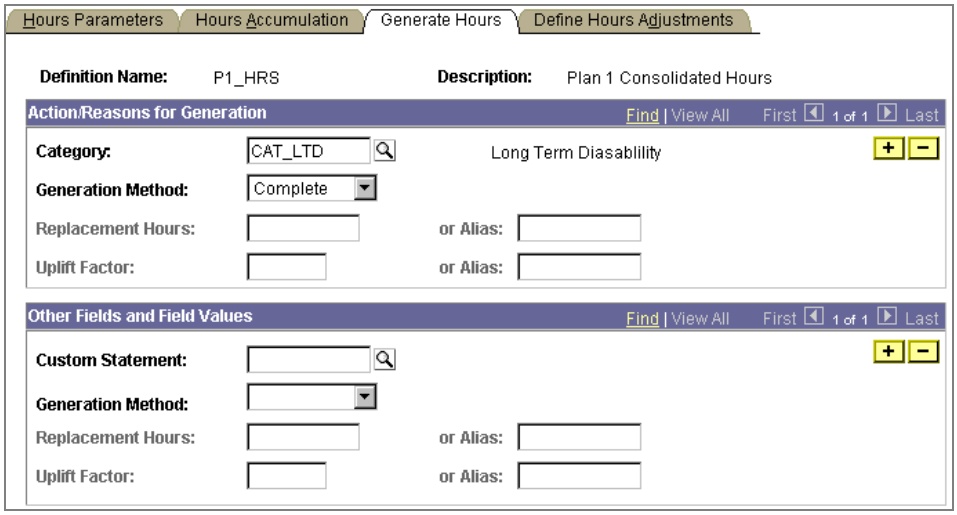
You won't need any parameters on the Hours Accumulation page.



Consolidated Hours - Hours Accumulation page

Generate Hours Page

The next page is Generate Hours.



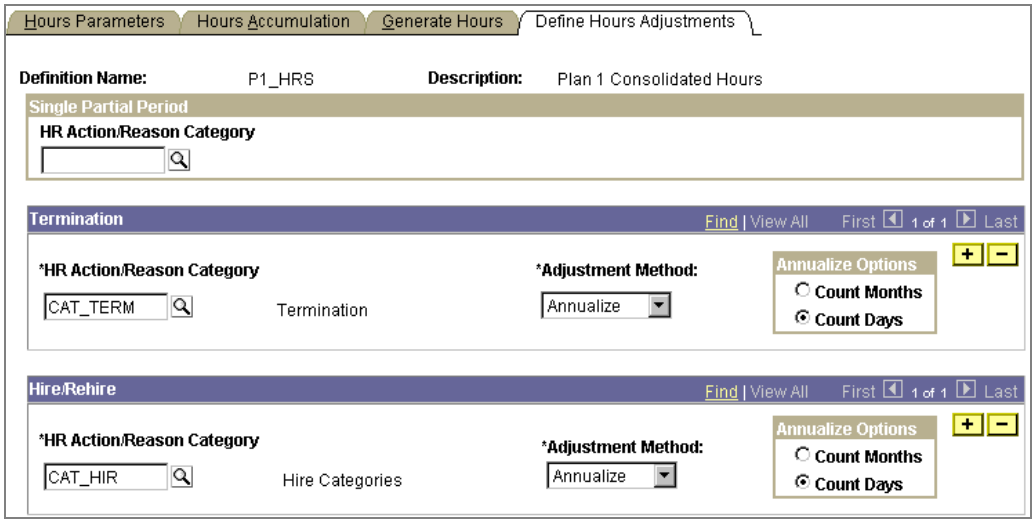
Consolidated Hours - Generate Hours page

To generate hours for periods with a disability, you will use the Action/Reason category that you originally set up for your Consolidated Earnings definition. You will then indicate a generation method that replaces the current hours with the hours from the previous complete period.

Component Type	Name	Description
HR Action/Reason Category	LTD	Includes actions that indicate an employee is on long term disability leave

Consolidated Hours – Hours Adjustments Page

The final page you will look at is Hours Adjustments.



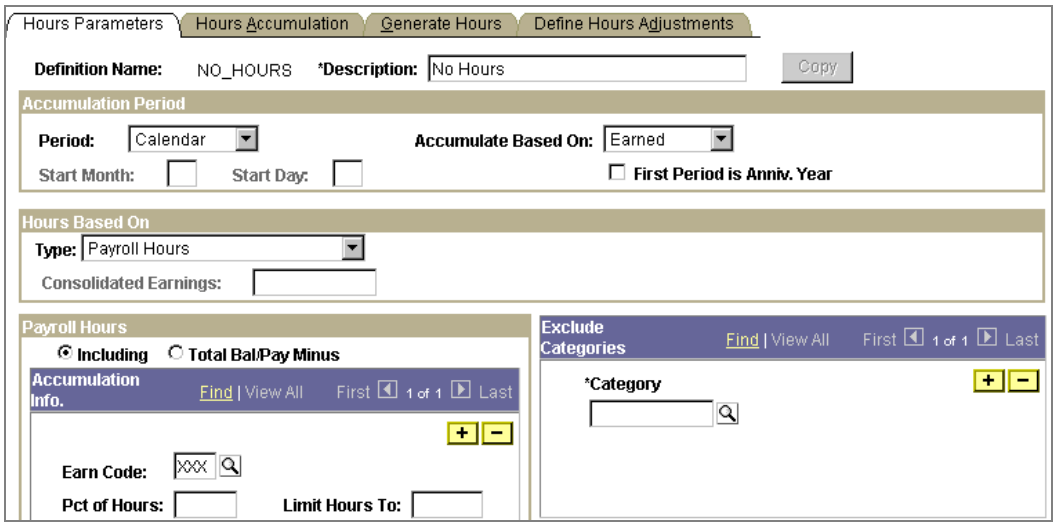
Consolidated Hours - Earnings Adjustments page

Again, you will reuse Action/Reason categories that you originally set up for your Consolidated Earnings definition.

Component Type	Name	Description
HR Action/Reason Category	HIR	HR Action/Reason codes indicating hire or rehire for any reason
HR Action/Reason Category	TERM	HR Action/Reason codes indicating termination for any reason

Consolidated Hours Definition - Ineligible Periods

The Consolidated Hours definition for ineligible periods is identical to the definition for eligible periods except that instead of using all hours, you will take hours from a dummy earnings code that will always equal zero hours.



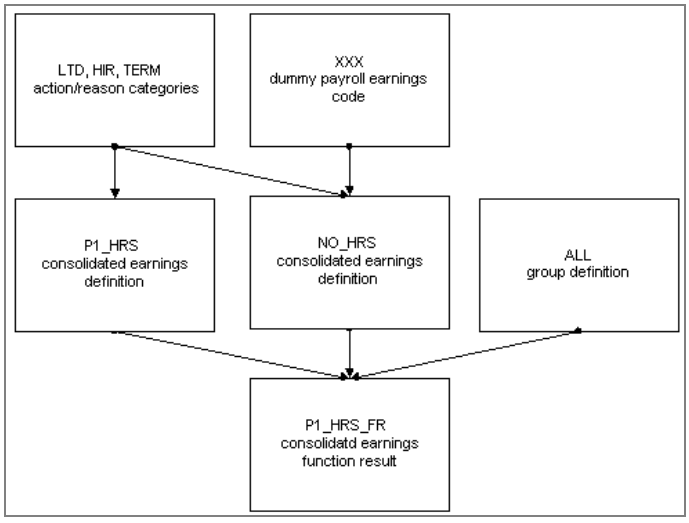
Consolidated Hours - Hours Parameters (no hours) page

This is the same dummy earnings code you used when setting up Consolidated Earnings.

Component Type	*Name*	*Description*
Earnings Code	XXX	Dummy earnings code

Diagramming Dependencies

The following diagram represents the steps needed to set up Consolidated Hours. None of the following components exist as of yet:



Consolidated Hours diagram

Participation

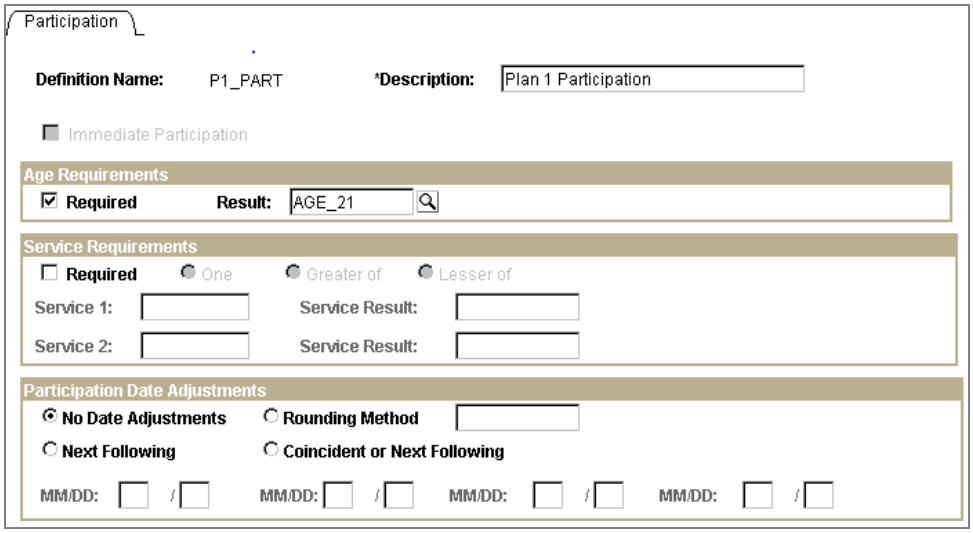
For more information about Participation, see Defining Plan Eligibility.

First you will need a definition, a group, and a Function Result.

Component Type	*Name*	*Description*
Group	ALL	All eligible employees
Participation Definition	P1_PART	Define rules for participation
Participation Function Result	P1_PART_FR	Apply rules for participation

Participation

Let us analyze Participation requirements:

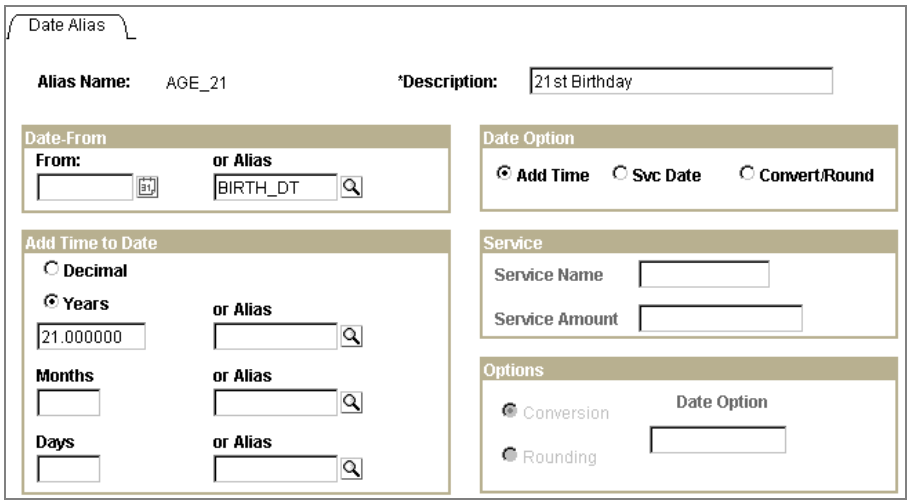


Participation page

Our only Participation requirement is attainment of age 21. You will, therefore, only use the **Age Requirements** section of the page. You will select the **Required** box and enter a date alias **Result** to provide the employee's twenty-first birthday.

Component Type	*Name*	*Description*
Date Result	AGE_21	Employee's twenty-first birthday

Next, let us analyze the date alias.



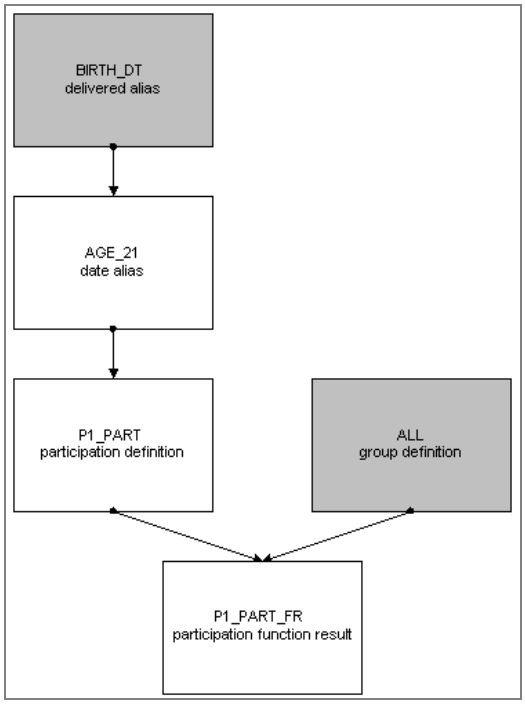
Date Alias page

To calculate the employee's twenty-first birthday, the **Source Date** will be an alias to the employee's birth date and the **Add Time to Date** value will equal 21.

Component Type	*Name*	*Description*
Delivered Database Alias	BIRTH_DT	Birthdate

Diagramming Dependencies

The following diagram represents the steps needed to set up Participation. The shaded items already exist.



Participation diagram

Service Credit

For more information about Hours Counting Service, see Setting Up Hours Counting Service.

You have two different service requirements, and you will need a definition, a group, and a Function Result for each. You will look at service credit first, vesting service next.

Component Type	*Name*	*Description*
Group	ALL	All employees
Service Definition	P1_SRV_DF	Service for benefit credit
Service Function Result	P1_SRV_FR	Apply rules for Service

Service, like Consolidated Earnings, evaluates an employee over time. Therefore, you need to be sure you can handle employees who move in and out of eligibility by creating another definition for use during periods of ineligibility.

Component Type	*Name*	*Description*
Service Definition	NO_SERVICE	No service

Service also requires break rules; as a result, you will also need to set up a break definition. The Break component, however, gets incorporated into the Service Function Result; therefore, you won't add another Function Result.

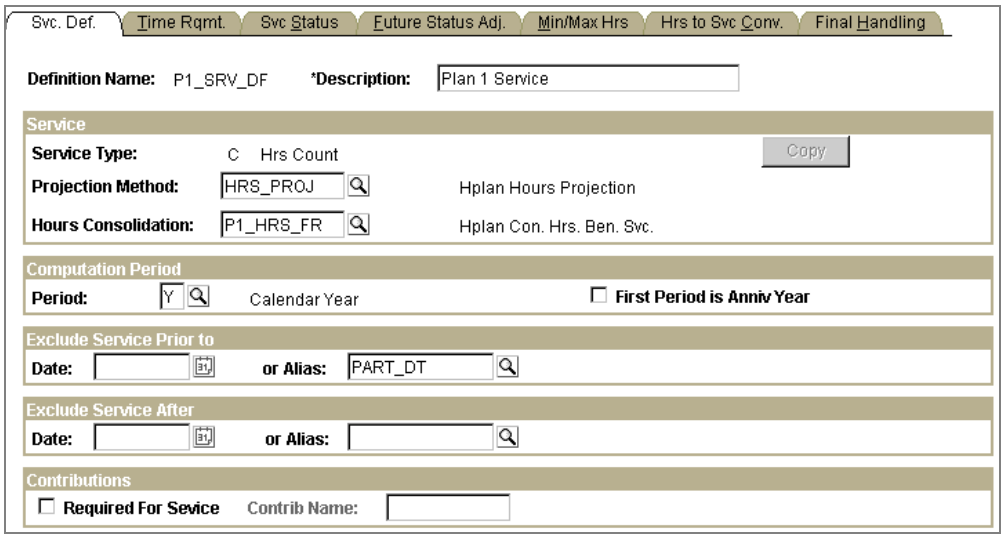
Component Type	*Name*	*Description*
Break Definition	P1_BREAK	Break rules

Plan Service Definition - Eligible Periods

Let us look at all the Service pages, even though you won't actually use many of them in this definition.

Service - Hours Counting - Service Definition page

The first page you will analyze is the Service Definition page for elapsed time service.

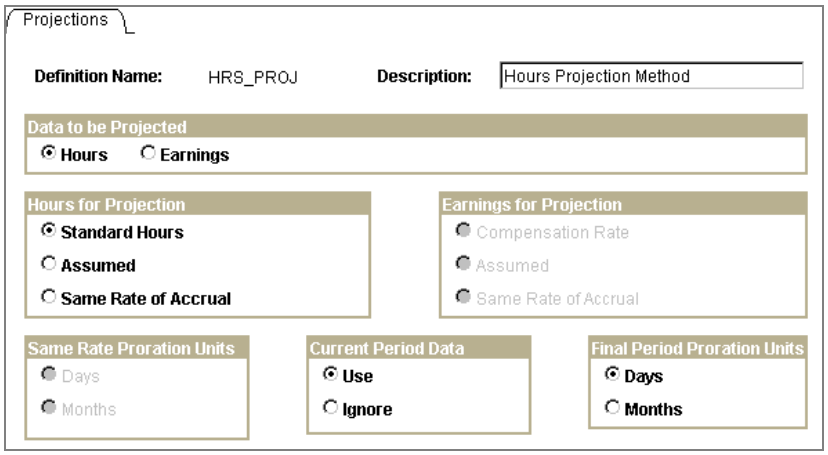


Service - Hours Counting - Service Definition page

On the Service Definition page, you will reference a projection method (for projecting hours data), the consolidated hours Function Result, and the participation date (which enables us to exclude service prior to the participation date).

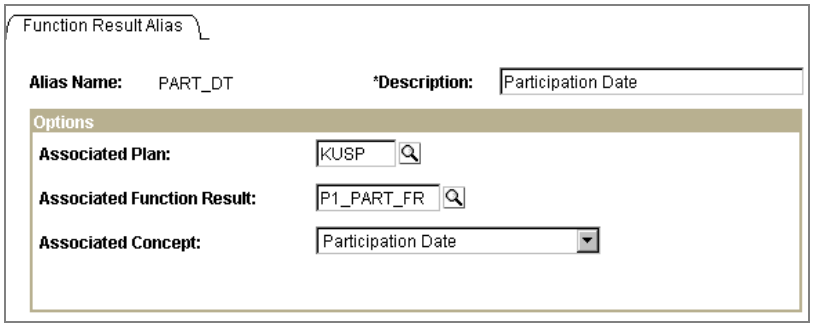
Although the consolidated hours Function Result already exists, you will have to create the projection method and the participation date alias. The Participation Function calculated the participation date, but because the date is only a secondary product of the Participation Function (the primary result is the status: participating or not participating), you will use a Function Result alias in order to reference the date.

Component Type	*Name*	*Description*
Consolidated Hours	P1_HRS_FR	Apply rules for consolidating hours
Projection Method	HRS_PRJ	Define rules for hours projection.
Function Result Alias	PART_DT	Reference the participation date produced by the Participation Function Result.



Hours Projection Method page

The projection method has no subcomponents.

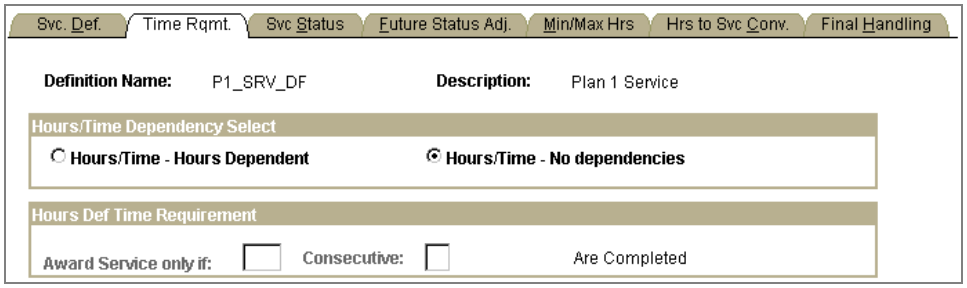


Participation Date page

The Participation Function Result is the only subcomponent; this already exists.

Service - Hours Counting - Time Requirement page

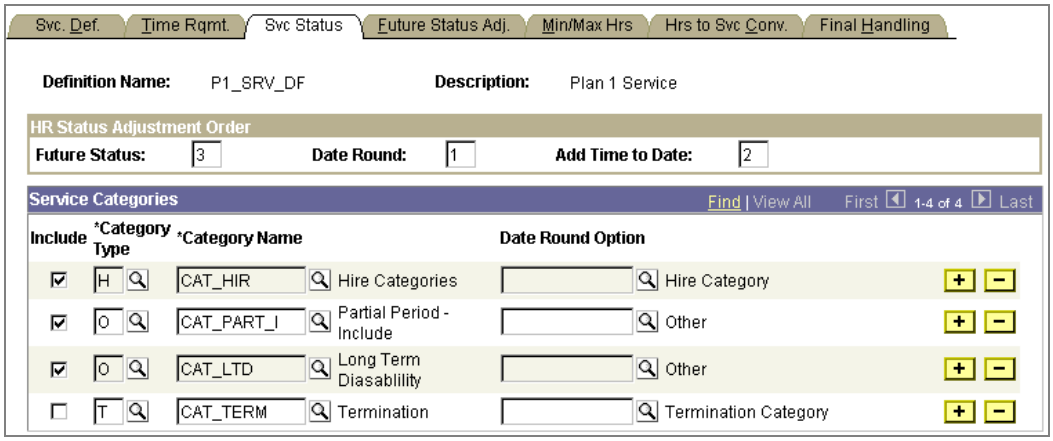
This definition doesn't use the Time Requirement page.



Service - Hours Counting - Time Requirement page

Service - Hours Counting - Service Statuses page

The next page with subcomponents is the Service Statuses page.



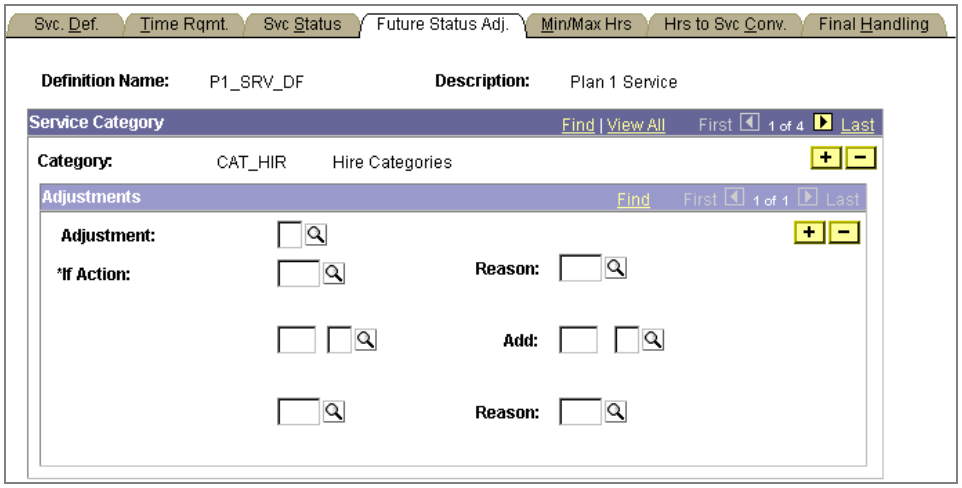
Service - Hours Counting - Service Statuses page

On the Service Statuses page, you will indicate which categories of HR Action/Reason codes start and stop service accrual. You will reuse the categories you created for consolidations:

Component Type	*Name*	*Description*
HR Action/Reason Category	LTD	Includes actions that indicate an employee is on long-term disability leave.
HR Action/Reason Category	HIR	HR Action/Reason codes indicating hire or rehire for any reason.
HR Action/Reason Category	TERM	HR Action/Reason codes indicating termination for any reason.
HR Action/Reason Category	INC1	Actions after which the remainder of the period is considered time worked, for example, Return from Leave.
HR Action/Reason Category	EXC1	Actions after which the remainder of the period is considered time not worked.
HR Action/Reason Category	EXC2	Actions after which the remainder of the period and all subsequent periods are considered time not worked (until an included action occurs).

Service - Hours Counting - Future Status Code Adjust page

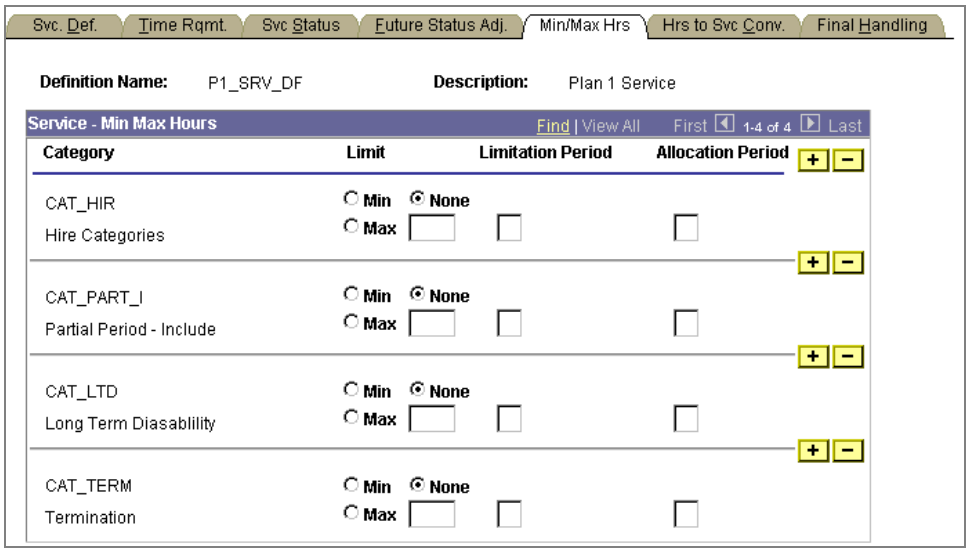
This definition doesn't use the Future Status Code Adjust page.



Service - Hours Counting - Future Status Code Adjust page

Service - Hours Counting - Min/Max Service Rules page

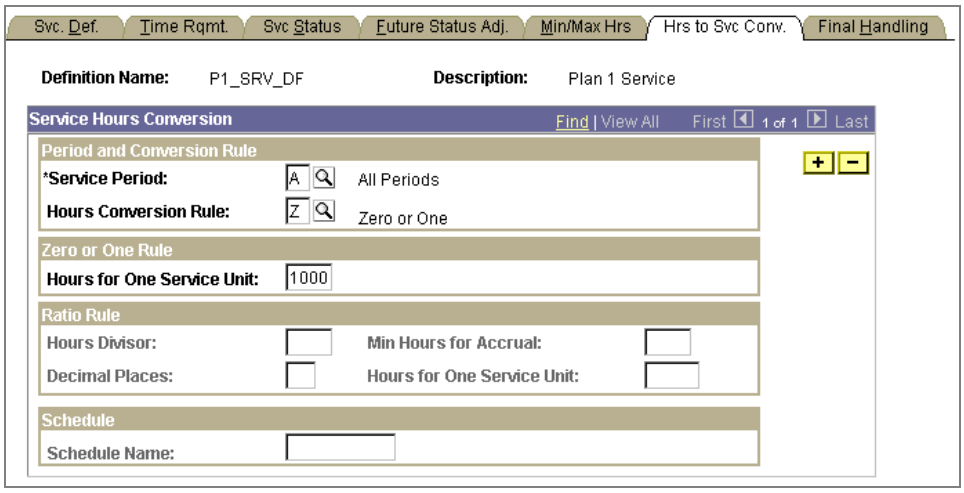
This definition doesn't use the Min/Max Service Rules page.



Service - Hours Counting - Min/Max Service Rules page

Service - Hours Counting - Hours to Service Conversion page

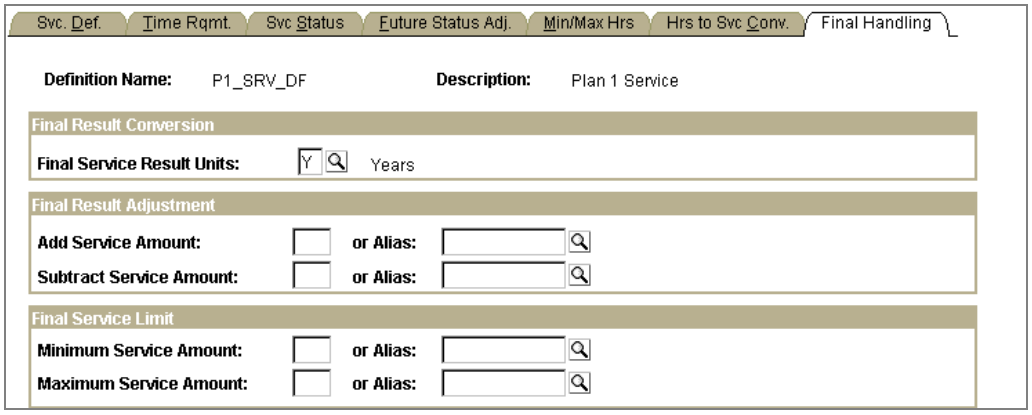
There are no subcomponents in the hours to service conversion page. You will, however, use the page to set up a "zero or one" rule that grants employees service if they have worked 1000 hours in the year.



Service - Hours Counting - Hours to Service Conversion page

Service - Hours Counting - Service Final Handling page

There are no subcomponents in the Service Final Handling page. You will, however, use this page to specify that that the final units are calculated in years.



Service - Hours Counting - Service Final Handling page

Plan Service Definition - Ineligible Periods

To ensure employees don't accrue service during a period of ineligibility, you will set up a "no service" definition identical to the service definition; however, you will exclude service prior to the event date.

Component Type	Name	Description
Delivered Database Alias	EVENT_DT	Event date

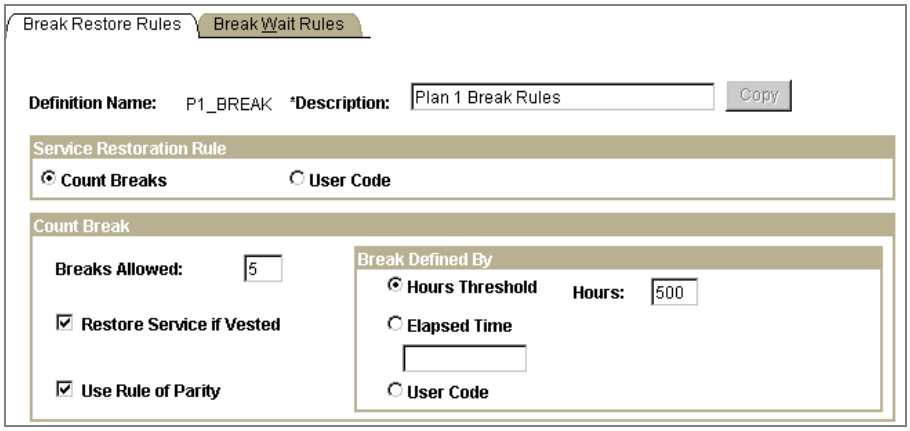
Break Definition

For more information about Break Rules, see Defining Service and Break Rules.

Let us analyze our Break definition.

Break Restore Rules page

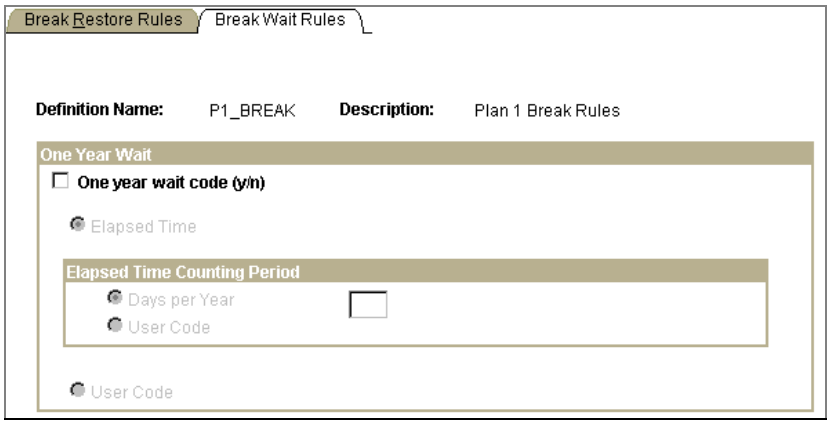
Specify how you will measure breaks and how many breaks are allowed before losing service.



Break Restore Rules page

Break Wait Rules page

The plan doesn't require any waiting period before service restoration.



Break Wait Rules page

Vesting Service Components

The other Service Function Result - Vesting Service - also requires a definition, group, and Function Result.

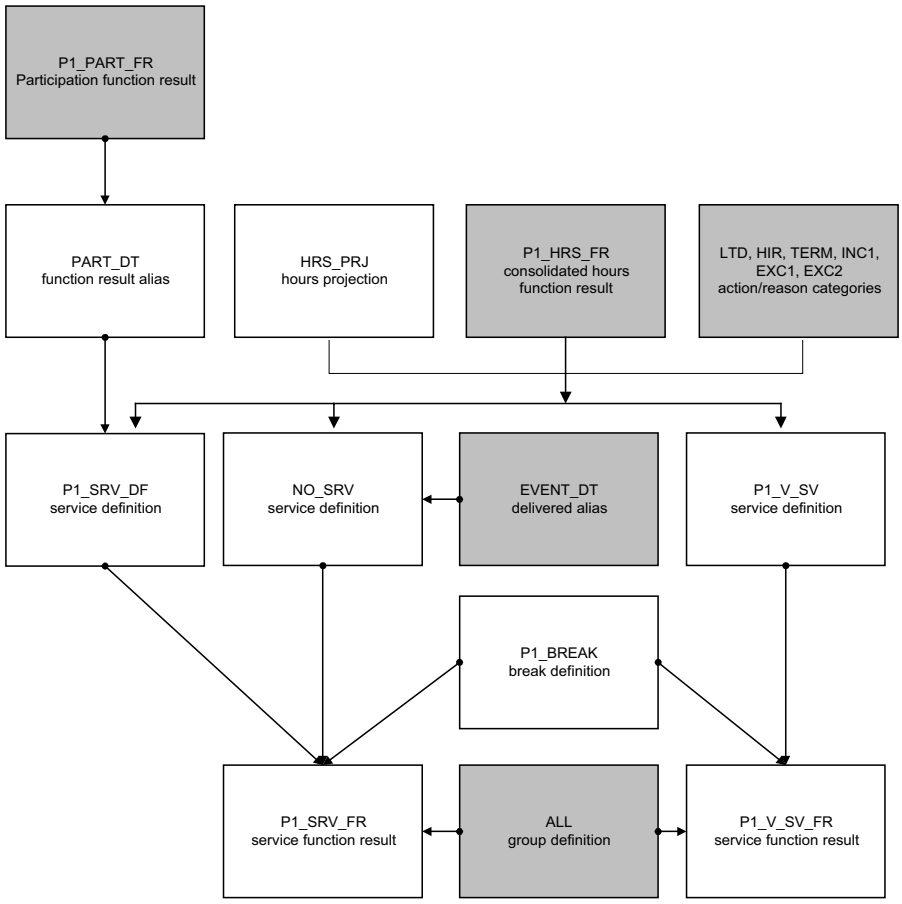
Component Type	*Name*	*Description*
Group	ALL	All employees
Service Definition	P1_V_SV	Service for Vesting
Service Function Result	P1_VEST_FR	Apply rules for vesting service

The Vesting Service definition looks just like the Benefit Service definition except that you don't exclude service prior to the participation date. This is a subset of your regular Service definition; therefore, no other subcomponents are required.

The Vesting Service Function Result doesn't require a non-eligible definition, since employees can accrue vesting service for any service at the company, not just service earned under Plan 1.

Diagramming Dependencies

The following diagram represents the steps needed to set up Service. The shaded items already exist.



Service diagram

Benefit Eligibility

For more information about Benefit Eligibility, see Defining Benefit Eligibility.

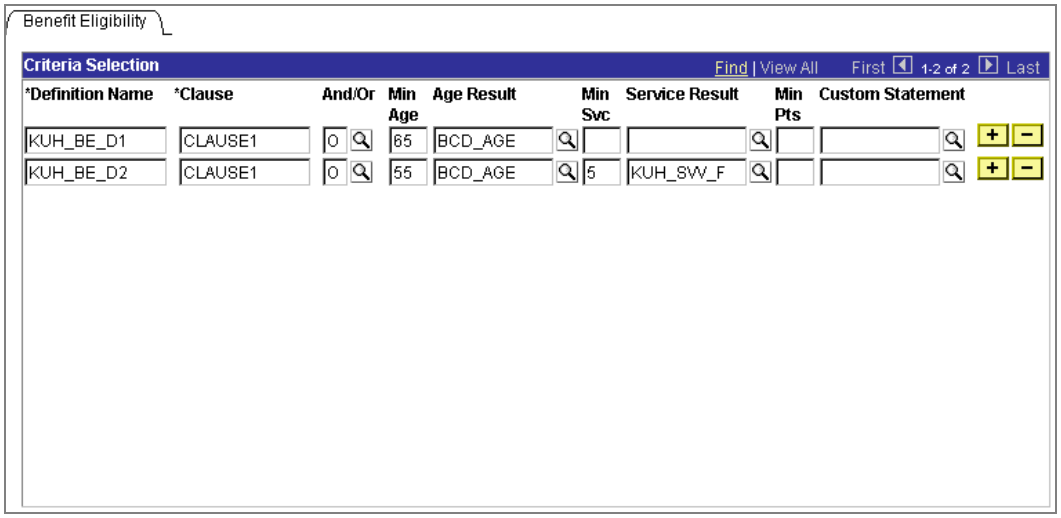
Because your plan has two different retirement types, normal and early reduced, you will need two definitions and two Function Results.

Component Type	*Name*	*Description*
Group	ALL	All employees
Benefit Eligibility Definition	P1_NORM	Define rules for normal retirement
Benefit Eligibility Function Result	P1_NORM_FR	Apply rules for normal retirement

Benefit Eligibility Definition	P1_ERLY	Define rules for reduced early retirement
Benefit Eligibility Function Result	P1_ERLY_FR	Apply rules for reduced early retirement

Benefit Eligibility page

Let us analyze Benefit Eligibility requirements.

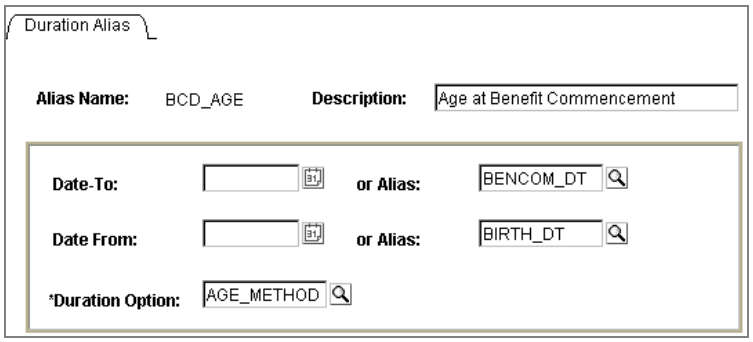


Benefit Eligibility page

Both definitions require an age and an **Age Result** that gives the employee's age at the benefit commencement date (BCD). This is a duration. The early retirement definition also requires a Service Function Result that tells how much service the employee has accrued.

Component Type	*Name*	*Description*
Duration	BCD_AGE	Provide employee age
Service Function Result	P1_SRV_FR	Provide employee service accrual

Let us analyze the BCD_AGE Duration.



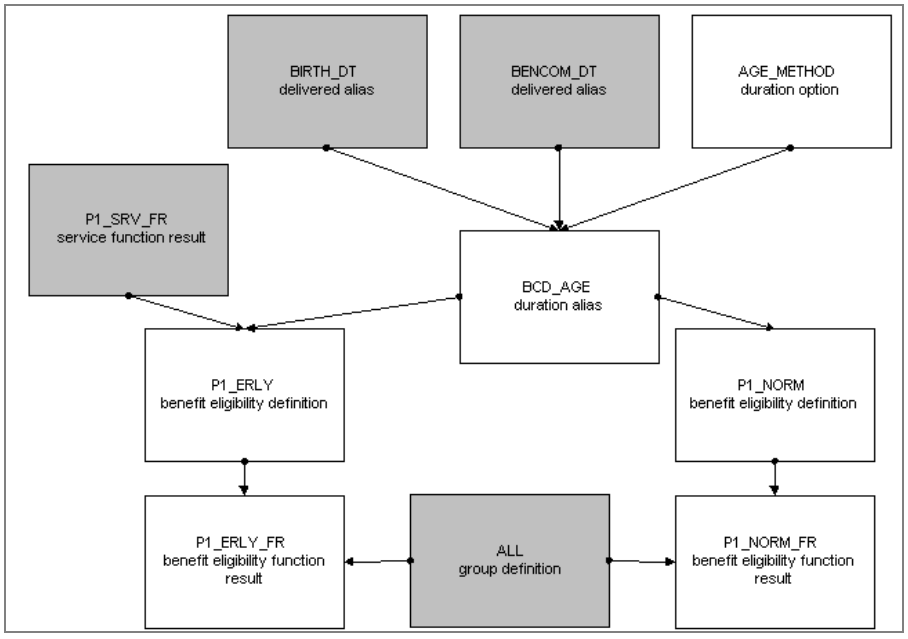
Duration Alias page

To calculate the employee's age, the **Date-From** will be an alias to the employee's birth date and the **Date-To** will be an alias to the ***BCD***. The third component is a **Duration Option** date math method. Neither database aliases nor duration options have subcomponents.

Component Type	*Name*	*Description*
Delivered Database Alias	BIRTH_DT	Birthdate
Delivered Database Alias	EVENT_DT	Event date
Duration Option	AGE_METHOD	Date math method

Diagramming Dependencies

The following diagram represents the steps needed to set up Benefit Eligibility. The shaded items already exist.



Benefit Eligibility diagram

Vesting

For more information about Vesting, see Defining Vesting Rules.

First you will need a definition, a group, and a Function Result.

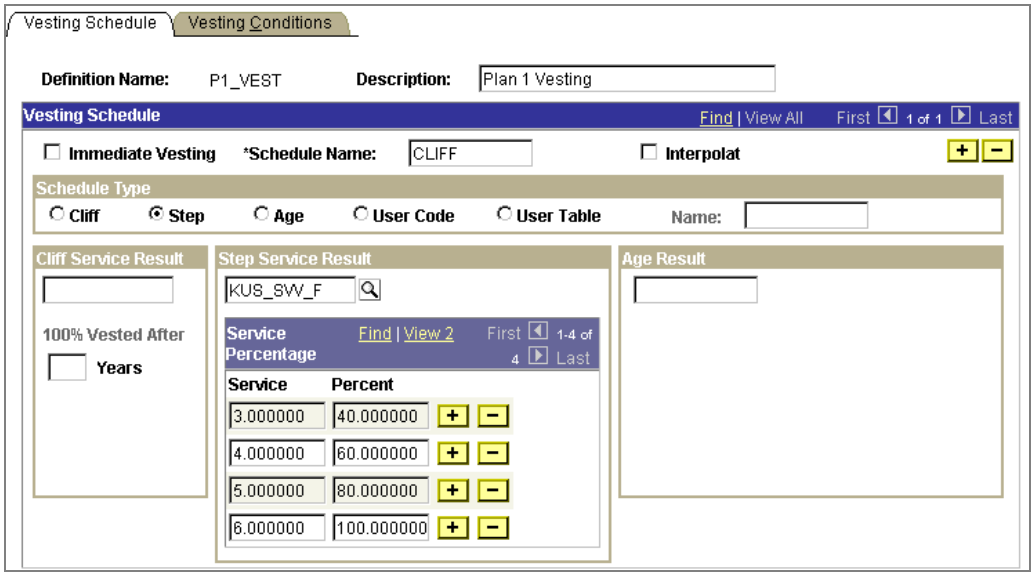
Component Type	*Name*	*Description*
Group	ALL	All employees
Vesting Definition	P1_VEST	Define rules for Vesting
Vesting Function Result	P1_VEST_FR	Apply rules for Vesting

Vesting Definition

Let us analyze our Vesting rules.

Vesting Schedule page

Vesting Schedule is the first page.



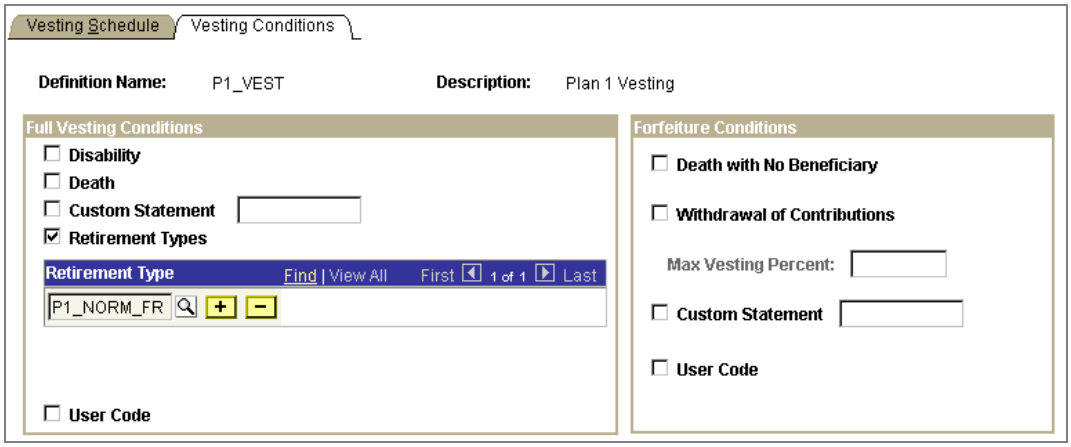
Vesting Schedule page

You are using step vesting that grants employee 20% vesting after two years and an additional 20% per year thereafter. You will fill out the **Step** section. This requires a **Step Service Result** to tell the system how much vesting service the employee has accrued. This is the service Function Result you have already created: ***P1_V_SV_FR.*** No other components are necessary for this page.

Component Type	Name	Description
Service Function Result	P1_V_SV_FR	Apply rules for vesting service

Vesting Conditions page

The second vesting page is for full vesting and forfeiture conditions.



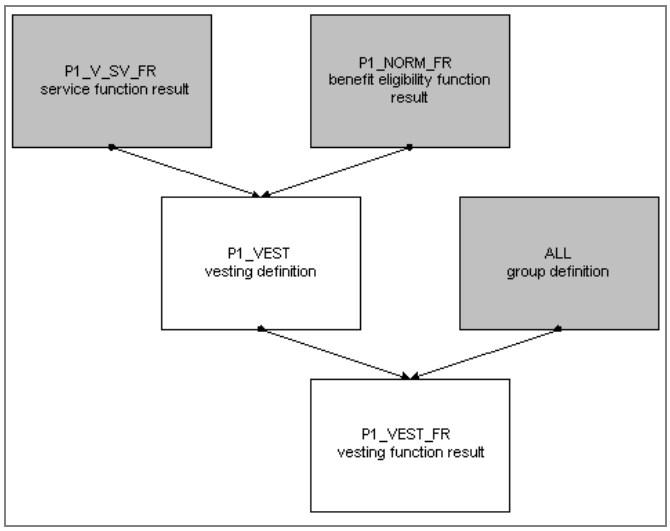
Vesting Conditions page

You will select the **Retirement Types** box and enter the retirement type which grants full vesting: ***P1_NORM_FR.***

Component Type	Name	Description
Benefit Eligibility Function Result	P1_NORM_FR	Apply rules for normal retirement

Diagramming Dependencies

The following diagram represents the steps needed to set up Vesting. The shaded items already exist.



Vesting diagram

Final Average Earnings

For more information about final average earnings, see Defining Final Average Earnings.

First you will need a definition, a group, and a Function Result.

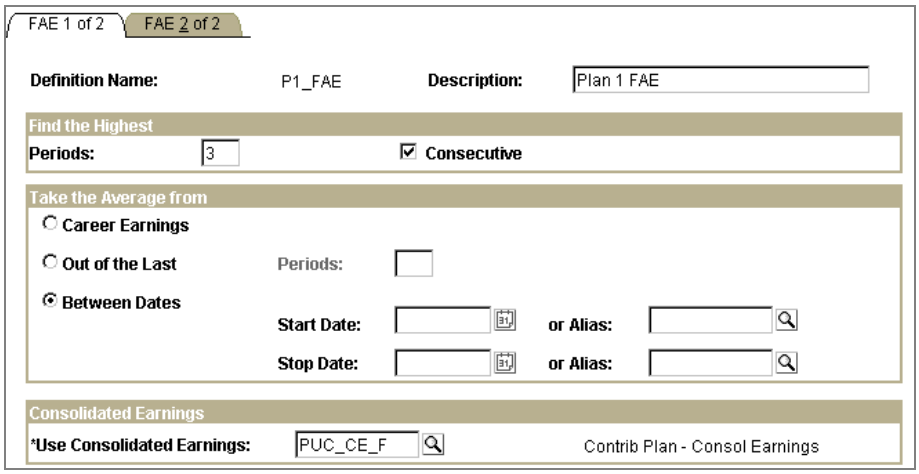
Component Type	*Name*	*Description*
Group	ALL	All employees
Final Average Earnings Definition	P1_FAE	Define rules for Final Average Earnings
Final Average Earnings Function Result	P1_FAE_FR	Apply rules for Final Average Earnings

Final Average Earnings Definition

Let us analyze our Final Average Earnings definition.

Final Average Earnings - FAE 1 of 2 page

The first FAE (final average earnings) page establishes the averaging period.



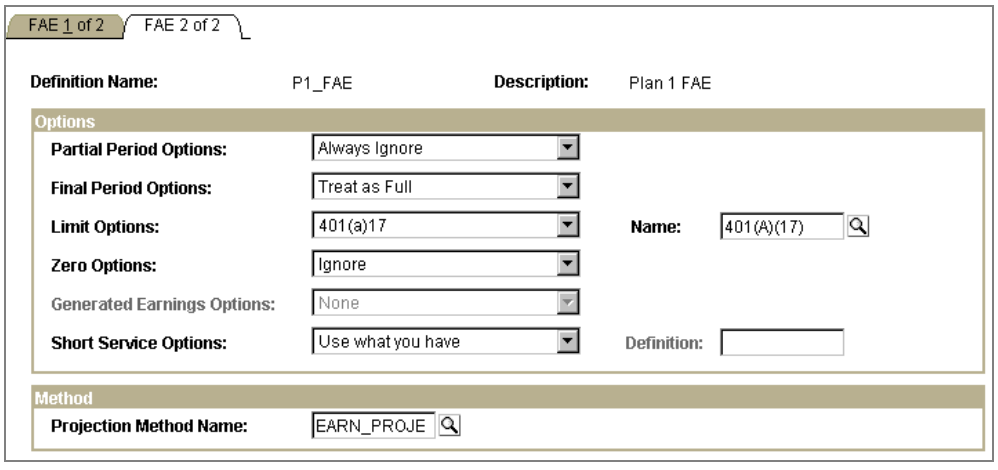
Final Average Earnings - FAE 1 of 2 page

You will only look at earnings since the participation date, so you will use the **Between Dates** option and enter the participation date alias as the **Start Date** and the event date as the **Stop Date.** You will also identify the plan's Consolidated Earnings Function Result.

Component Type	*Name*	*Description*
Function Result Alias	PART_DT	Participation date
Delivered Database Alias	EVENT_DT	Event date
Consolidated Earnings Function Result	P1_EARN_FR	Apply rules for Consolidated Earnings

Final Average Earnings - FAE 2 of 2 page

The second FAE page establishes special averaging options.



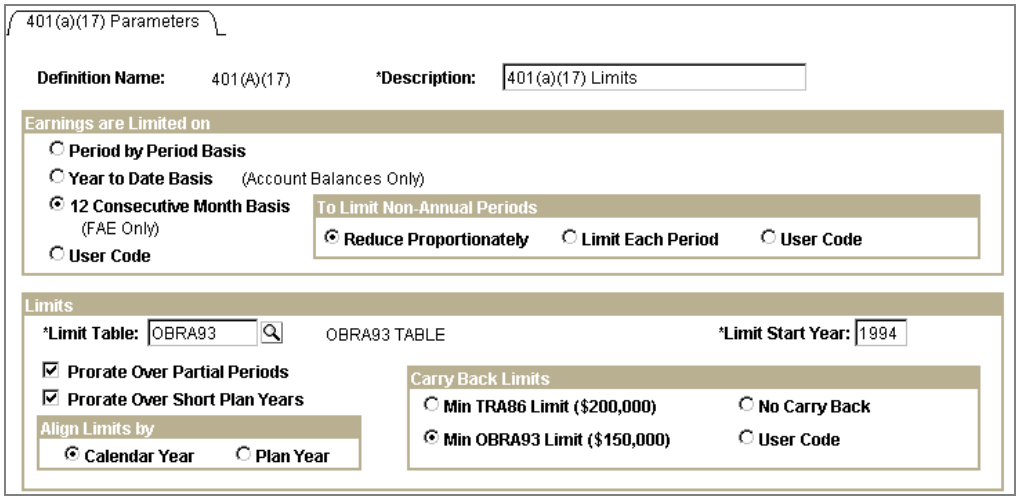
Final Average Earnings - FAE 2 of 2 page

You can only make the appropriate choices here if you keep in mind how your consolidated earnings process is working. Because you annualized termination periods in your consolidated earnings definition, you are always going to use the final period here in final average earnings.

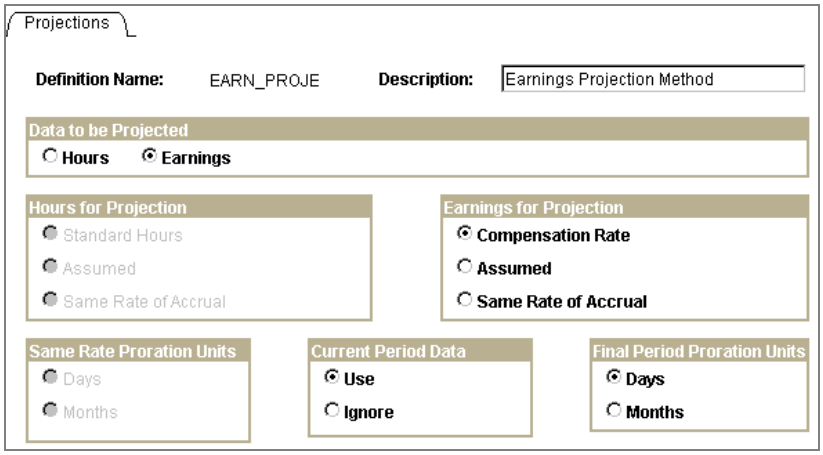
Since the plan incorporates 401(a)(17) limits, you will have to enter our 401(a)(17) calculation rules. This page also requires a projection method.

Component Type	Name	Description
401(a)(17) rule	401_LIMITS	Define rules for 401(a)(17) limits
Projection rule	EARN_PROJ	Define rules for projection earnings

Neither 401(a)(17) rules nor projections have any subcomponents.



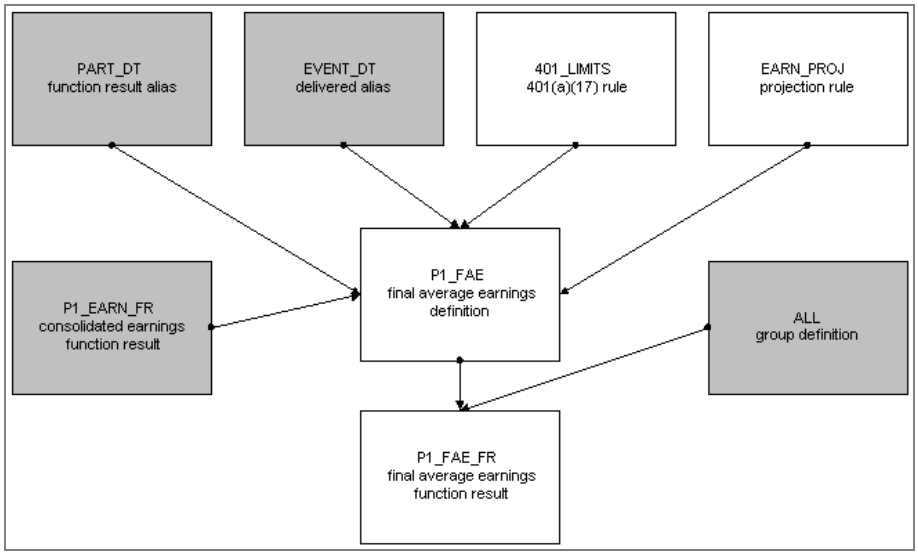
401(a)(17) Parameters page



Projections page

Diagramming Dependencies

The following diagram represents the steps needed to set up Final Average Earnings. The shaded items already exist.



Final Average Earnings diagram

Early/Late Adjustments

For more information about Early/Late adjustments, see Defining Early and Late Retirement Factors.

First you will need a definition, a group, and a Function Result. You create a new group to filter the employees based on eligibility for early retirement.

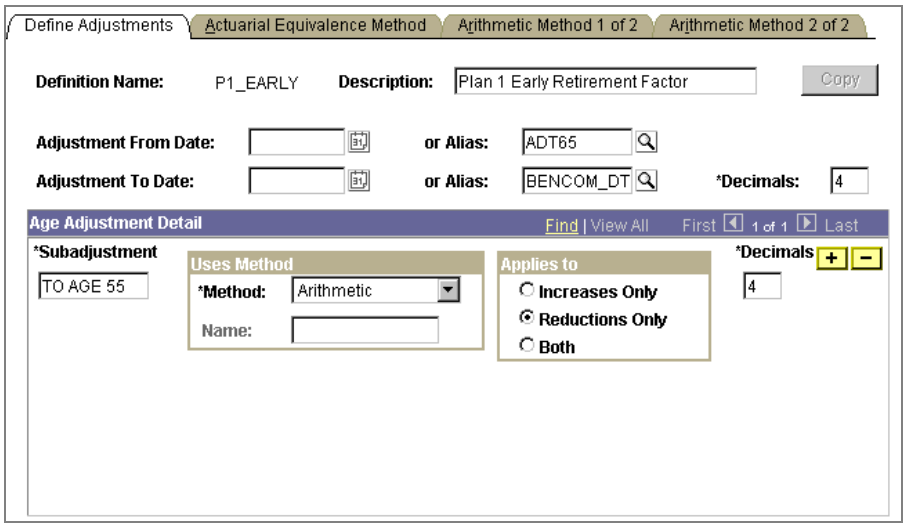
Component Type	*Name*	*Description*
Group Definition	P1_ERLY_GP	Employees eligible for early retirement
Early/Late Adjustments Definition	P1_ERLY	Define rules for Early/Late Adjustments
Early/Late Adjustments Function Result	P1_REDUCE	Apply rules for Early/Late Adjustments

Early/Late Adjustments Definition

Let us analyze our Early/Late Adjustments definition.

Define Adjustments page

In the Define Adjustments page, you will specify the range during which the early retirement factor gets calculated.



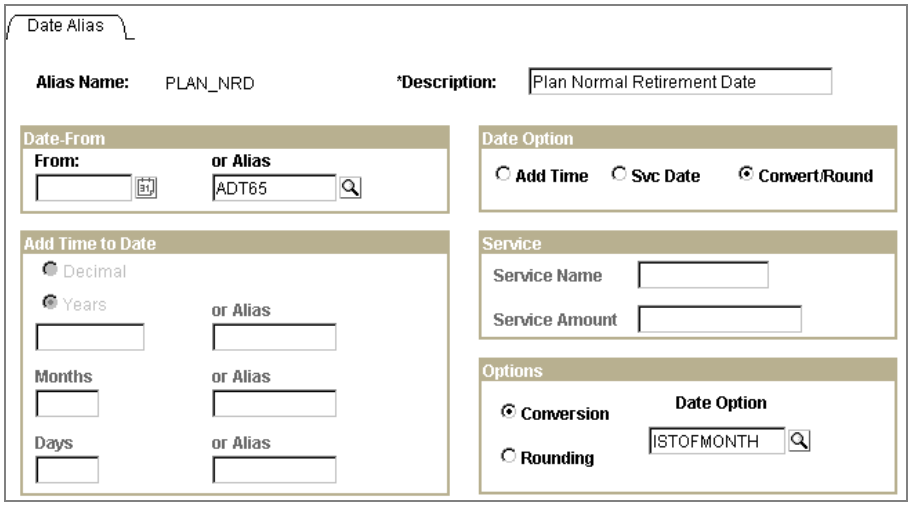
Define Adjustments page

You are taking the reduction for the time between the normal retirement date and the benefit commencement date. To reference these dates, you need the following components:

Component Type	*Name*	*Description*
Date	P1_NRD	Normal Retirement Date
Delivered Database Alias	BENCOM_DT	Benefit Commencement Date

Date Alias page

To set up normal retirement date, you will use a date definition that rounds the employee's 65th birthday to the first of the month.



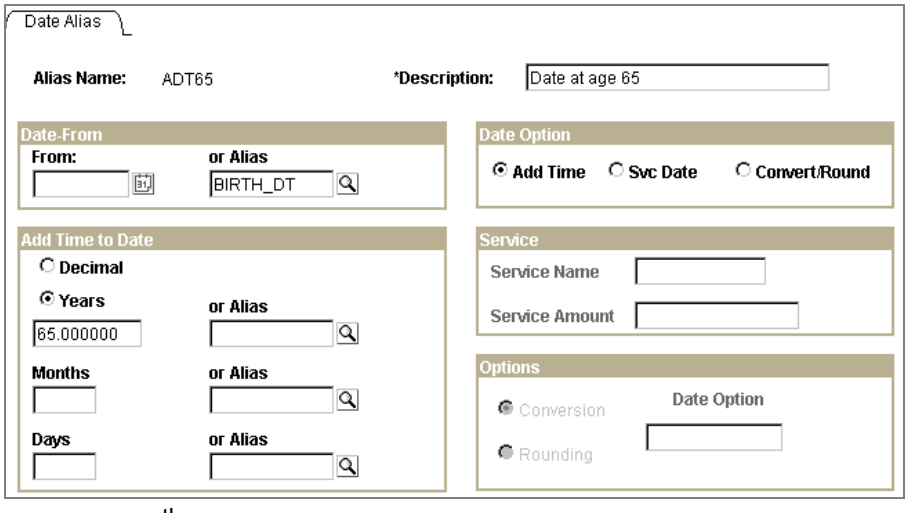
Date Alias (Normal Retirement Date) page

This requires an AGE_65 subcomponent and a rounding method in order to round age 65 to the first day of the following month.

Component Type	*Name*	*Description*
Date Alias	AGE_65	65th Birthday
Date rounding methods	1STOFMONTH	Rounds to the first of the month.

The AGE_65 date alias is based on the birth date plus 65 years and requires the same subcomponent you used to create the 21st birthday alias.

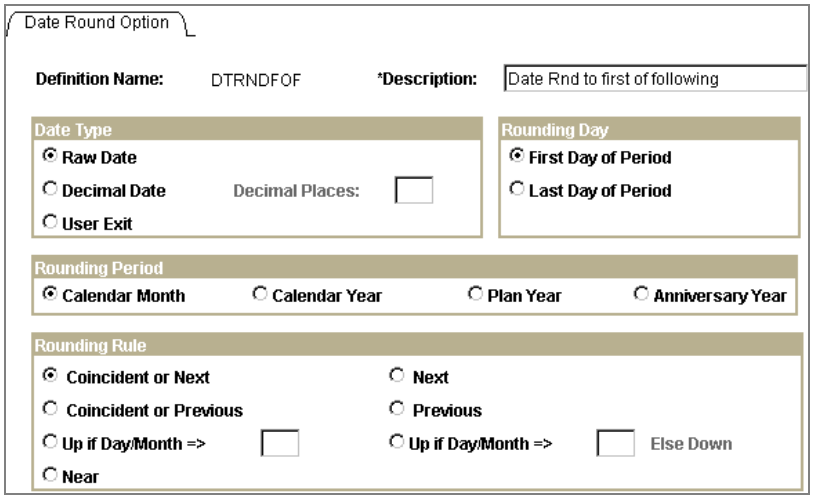
Component Type	*Name*	*Description*
Delivered Database Alias	BIRTH_DT	Birthdate



Date Alias - 65th Birthdate page

Date Round Option page

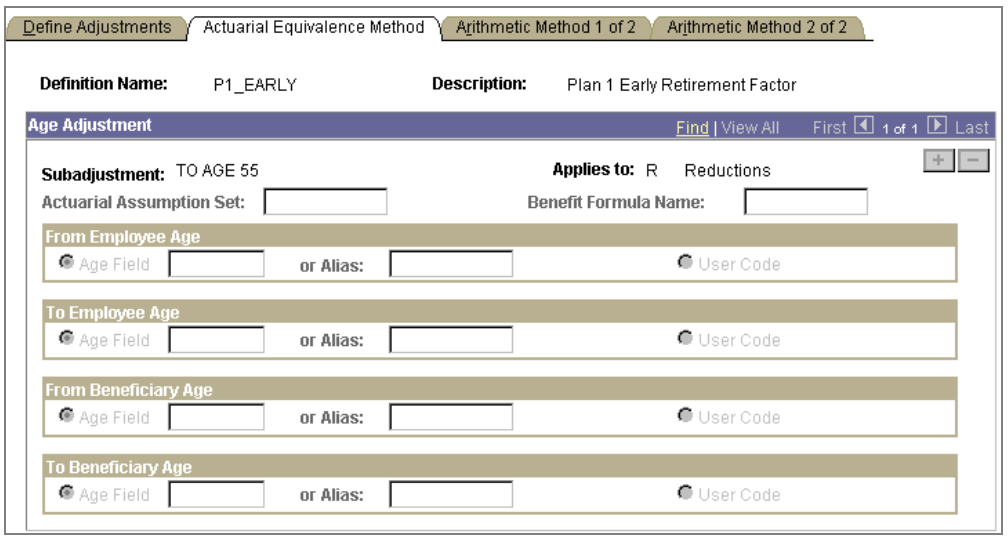
The rounding method has no subcomponents.



Date Round Option page

Actuarial Equivalence Method page

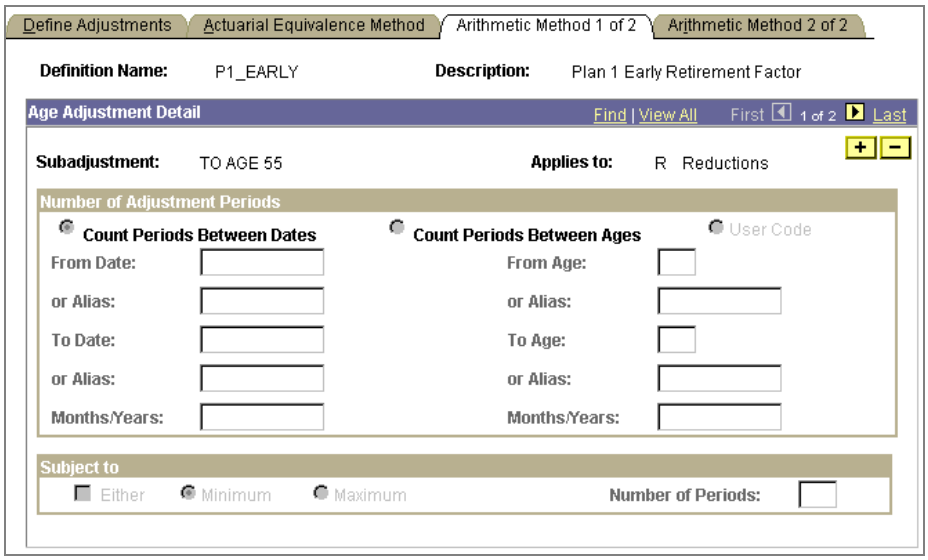
This definition doesn't use the Actuarial Equivalence Method page.



Actuarial Equivalence Method page

Arithmetic Method 1 of 2 page

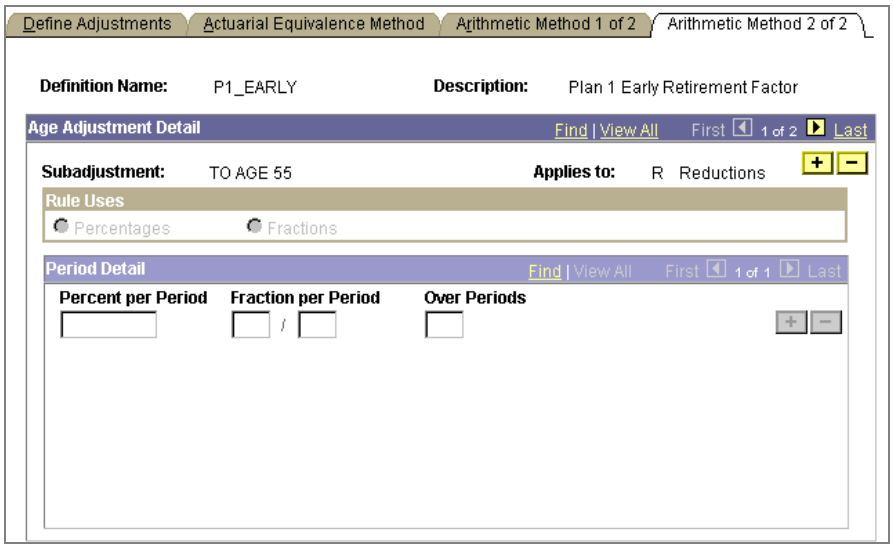
Use the Arithmetic Method 1 of 2 page to specify subsets of the total adjustment range. In this case, the only subadjustment is equal to the complete adjustment range. Thus, you will use the same subcomponents as you used on the Define Adjustments page.



Arithmetic Method 1 of 2 page

Arithmetic Method 2 of 2 page

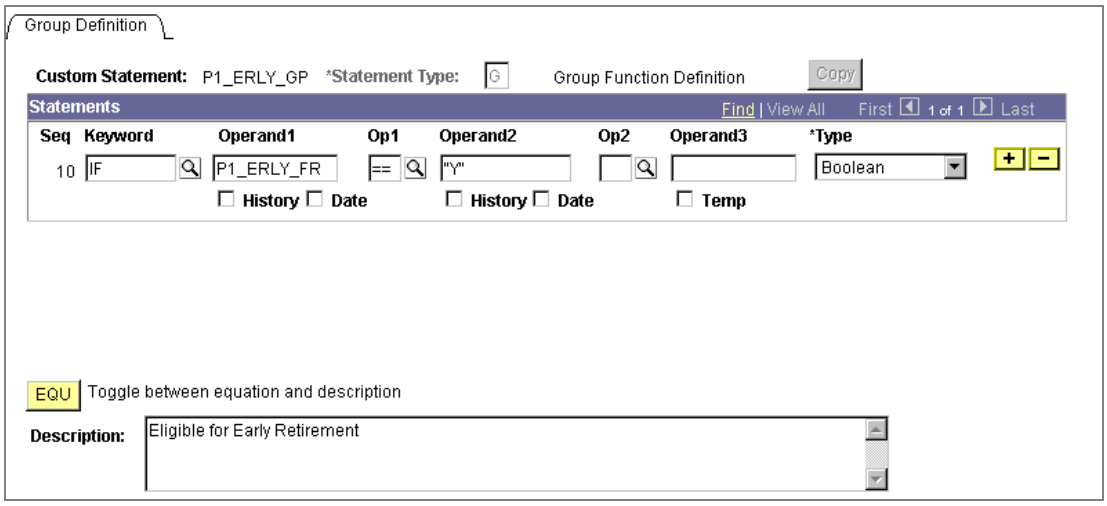
There are no subcomponents in the Arithmetic Method 2 of 2 page. You will simply specify the percentage reduction per period.



Arithmetic Method 2 of 2 page

Early Retirement Group page

The only people who will need early retirement factors calculated are those who are eligible for early retirement.



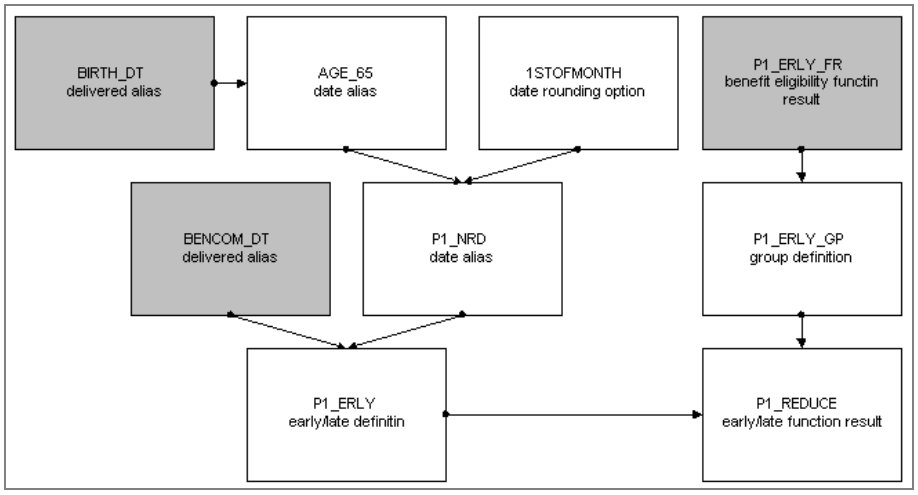
Early Retirement Group page

This uses the Benefit Eligibility Function Result you set up earlier:

Component Type	*Name*	*Description*
Benefit Eligibility Function Result	P1_ERLY_FR	Apply rules for reduced early retirement

Diagramming Dependencies

Setting up your Early/Late Adjustments Function requires the following objects. The shaded objects will already have been created at this point.



Early/Late Adjustments diagram

Benefit Formula

For more information about benefit formulas, see Defining Benefit Formulas.

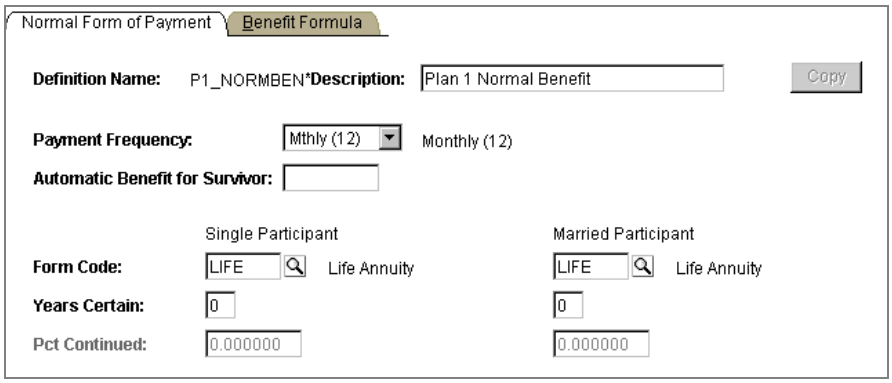
First you will need a definition, a group, and a Function Result. For the normal benefit formula, you will use your existing group, "ALL." For the reduced benefit, you will use the existing group "P1_ERLY_GP."

Component Type	*Name*	*Description*
Group Definition	P1_ERLY_GP	Employees eligible for early retirement
Group Definition	ALL	All eligible employees
Benefit Formula Definition	P1_NORMBEN	Normal Benefit
Benefit Formula Definition	P1_ERLYBEN	Early Benefit
Benefit Formula Function Result	P1_BEN_FR	Normal Retirement Benefit Function Result
Benefit Formula Function Result	P1_EBEN_FR	Early Retirement Benefit Function Result

Unreduced Benefit Formula Definition

Normal Form of Payment page

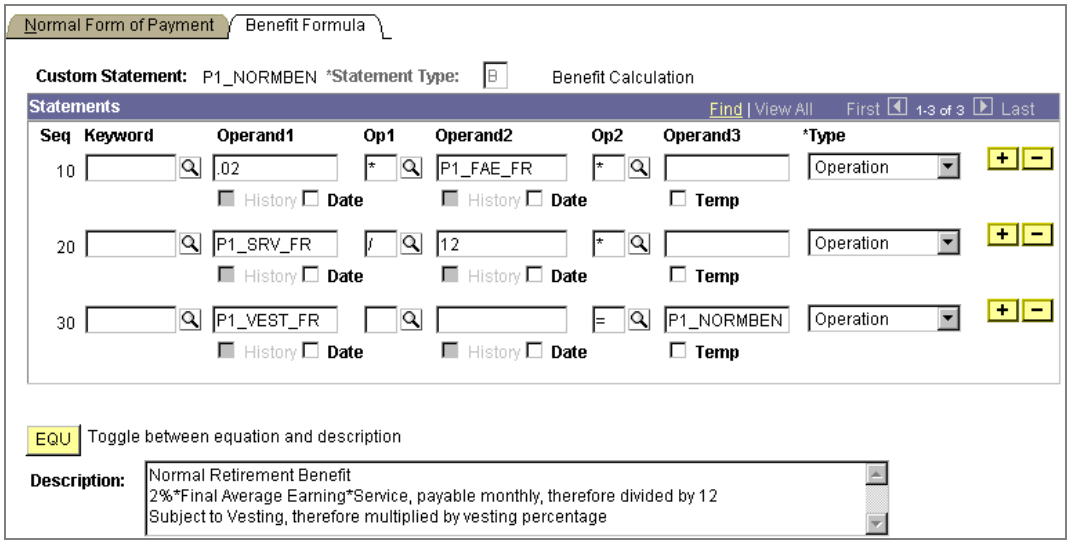
The Normal Form of Payment page has no subcomponents.



Normal Form of Payment page

Benefit Formula page

The Benefit Formula page references many of the Function Results you have already created.



Benefit Formula page

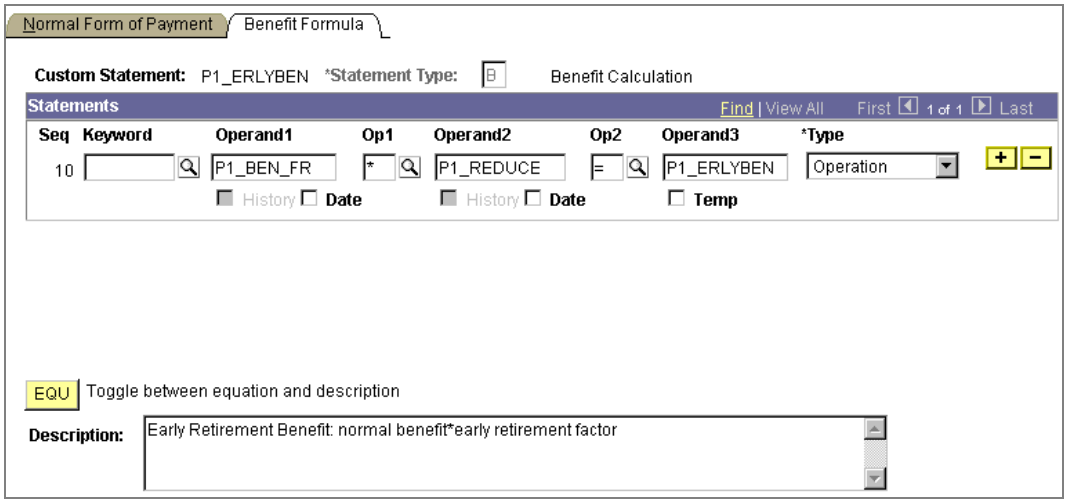
The benefit is an annual amount of 2% * Final Average Earnings * Service, payable monthly beginning at age 65. You will reference some of the Function Results you have been setting up: Final Average Earnings, Service, and Vesting.

Component Type	*Name*	*Description*
FAE Function Result	P1_FAE_FR	Employee average earnings
Service Function Result	P1_SRV_FR	Employee service credit
Vesting Function Result	P1_VEST_FR	Employee vesting percentage

Reduced Benefit Formula Definition and Function Result

Next, set up the definition for the reduced benefit. The Normal Form of Benefit page is identical to the normal benefit; only the Benefit Formula is different.

Benefit Formula – Early Retirement Benefit page



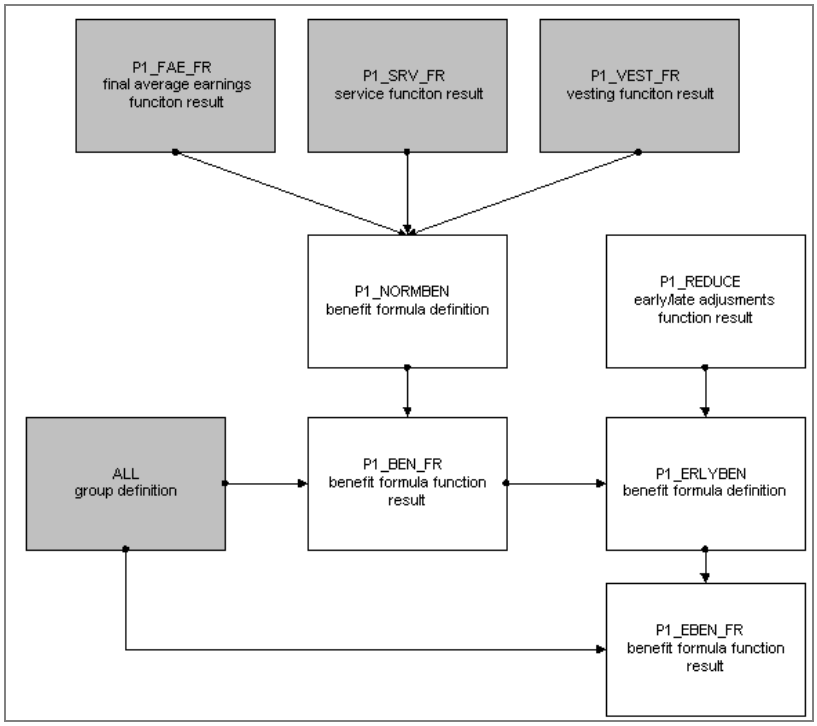
Benefit Formula - Early Retirement Benefit page

The early retirement benefit is simply the product of the normal retirement benefit and the early retirement factor.

Component Type	*Name*	*Description*
Benefit Formula Function Result	P1_BEN_FR	Employee normal benefit
Early/Late Adjustments Function Result	P1_REDUCE	Employee early retirement factor

Diagramming Dependencies

The following diagram represents the steps needed to set up Benefit Formulas. The shaded items already exist.



Benefit Formula diagram

Optional Forms

For more information about optional forms, see Defining Optional Forms.

You will have two sets of Optional Forms, one for each benefit formula. Each one needs a definition, a group, and a Function Result. Optional Forms for the normal benefit formula use the same group as the normal benefit formula, “ALL.” Optional Forms for the reduced benefit formula use the same group as that formula, “P1_ERLY_GP.”

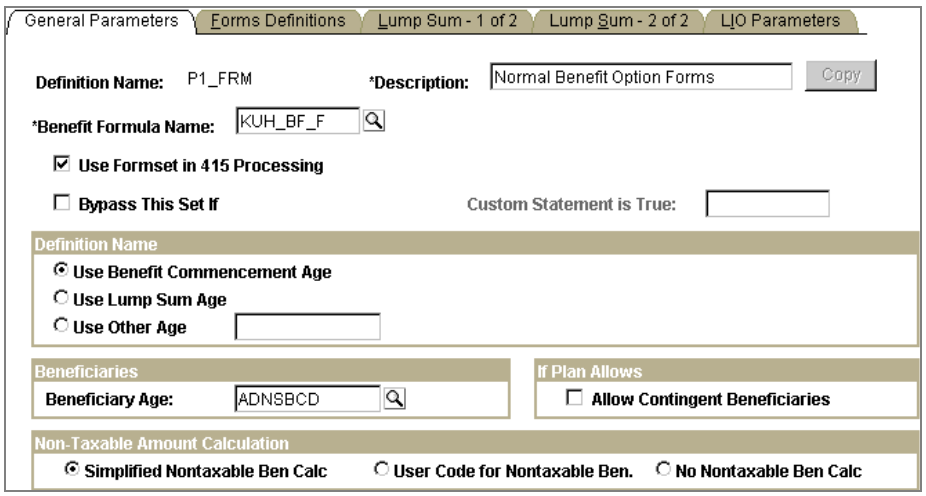
Component Type	*Name*	*Description*
Group Definition	P1_ERLY_GP	Employees eligible for early retirement
Group Definition	ALL	All eligible employees
Optional Forms Definition	P1_FRM	Normal Benefit Optional Forms rules
Optional Forms Definition	P1_EFRM	Early Benefit Optional Forms rules
Optional Forms Function Result	P1_FRM_FR	Function Result for Normal Benefit forms

Optional Forms Function Result	P1_EFRM_FR	Function Result for Early Benefit forms

Unreduced Optional Forms Definition

Optional Forms - General Parameters page

Optional Forms are based on the benefit amount and the employee and spouse ages at the benefit commencement date.



Optional Forms - General Parameters page

You will reference the normal benefit formula Function Result, P1_BEN_FR. You will also need a Duration definition for the spouse's age at the benefit commencement date.

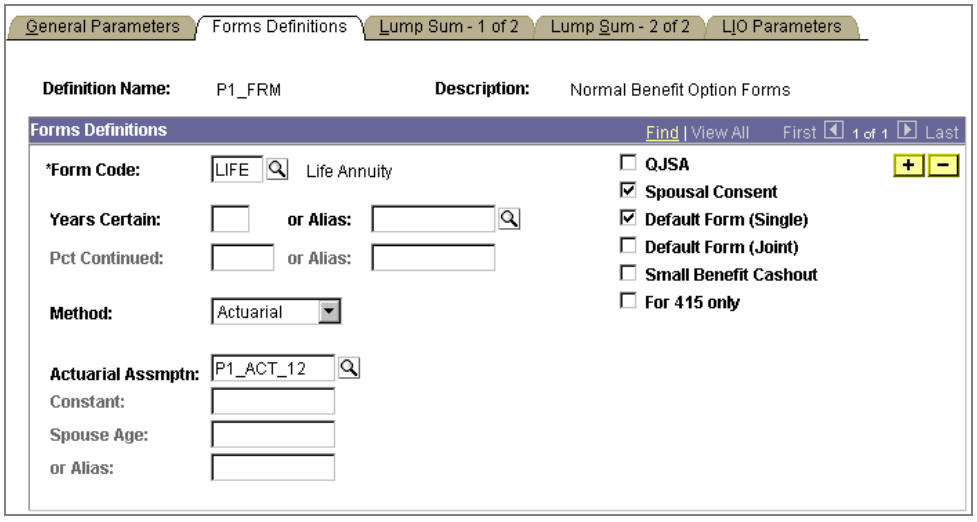
Component Type	*Name*	*Description*
Benefit Formula Function Result	P1_BEN_FR	Normal benefit
Duration Definition	BCDAGESP	Spouse's age at BCD

The duration is based on the spouse's birthdate, the benefit commencement date, and a date math method for finding the difference.

Component Type	*Name*	*Description*
Delivered Database Alias	BENCOM_DT	Benefit commencement date
Delivered Database Alias	SBIRTH_DT	Normal Benefit Optional Forms rules
Duration Option	AGE_METHOD	Date math method

Optional Forms - Forms Definition page

The form set includes three forms configured for actuarial conversions:



Optional Forms - Forms Definitions (for Single Life Annuity) page

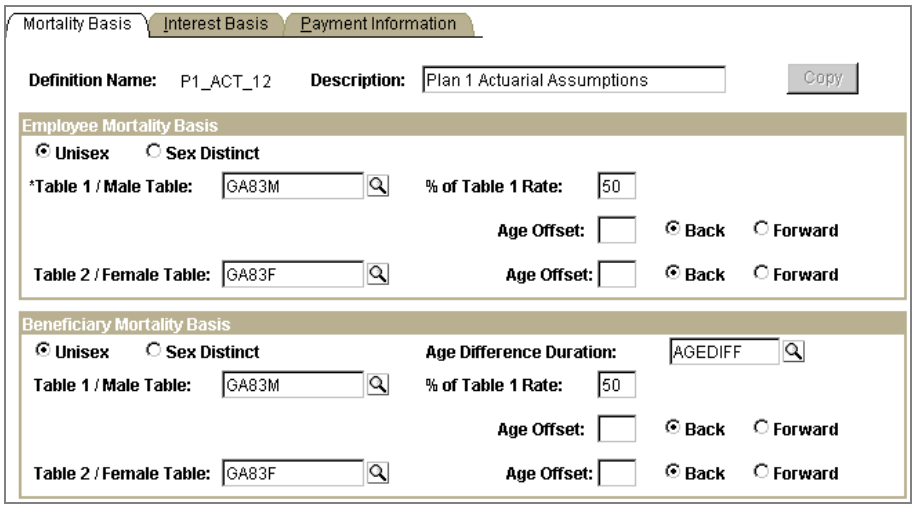
The Single Life Annuity is the only form pictured; the other forms have some different parameters, but no additional subcomponents.

In order to perform the actuarial conversion, you will have to provide an actuarial assumption set.

Component Type	Name	Description
Actuarial Assumption Set	P1_ACT_12	Actuarial assumptions for monthly payments

Actuarial Assumptions – Mortality Basis page

The first Actuarial Assumptions page is for setting the mortality basis.



Actuarial Assumptions - Mortality Basis page

The mortality basis is a 50/50 blending of male and female mortality tables - ***GA83M*** and ***GA83F*** - which are delivered with the system.

Component Type	***Name***	***Description***
Delivered Mortality Table	GA83M	Male mortality basis
Delivered Mortality Table	GA83F	Female mortality basis

The mortality basis also requires a Joint Age Difference Alias, a duration that measures the amount of time between the employee and spouse ages.

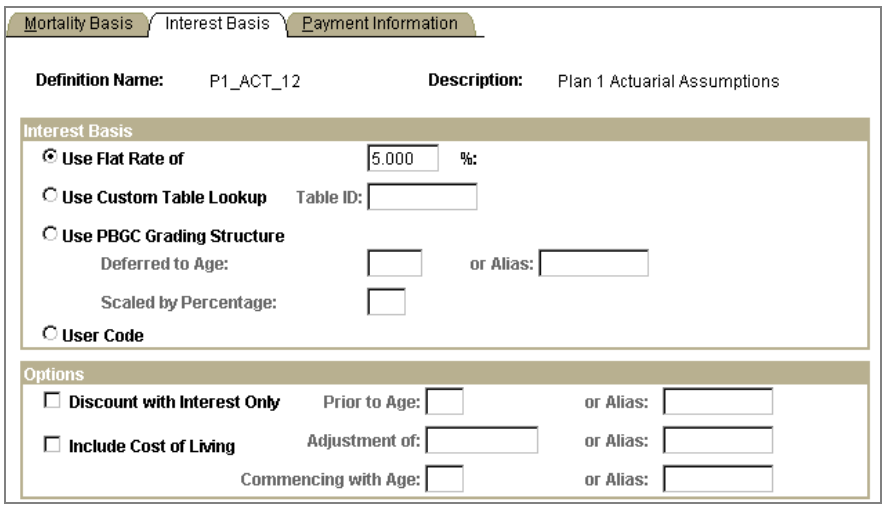
Component Type	***Name***	***Description***
Duration	AGEDIFF	Difference in employee and spouse ages.

This duration will use components already in our inventory: BIRTH_DT, a delivered alias for the employee's date of birth, SBIRTH_DT, a delivered alias for the spouse's birth date, and AGE_METHOD, a duration option with rules for finding the age difference.

Component Type	***Name***	***Description***
Delivered Database Alias	BIRTH_DT	Birthdate
Delivered Database Alias	SBIRTH_DT	Spouse's birthdate
Duration Option	AGE_METHOD	Date math method

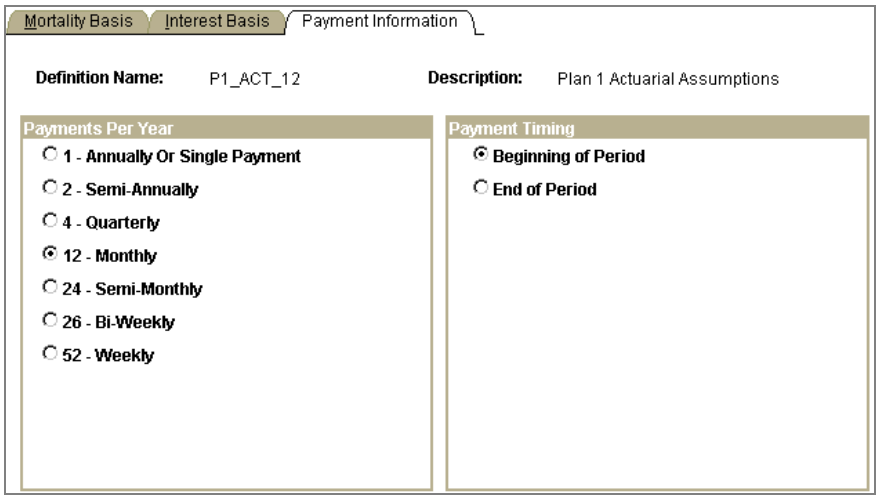
Actuarial Assumptions – Interest Basis page

The other Actuarial Assumption pages are for setting the interest rate and payment frequency; they require no additional parameters.



Actuarial Assumptions - Interest Basis page

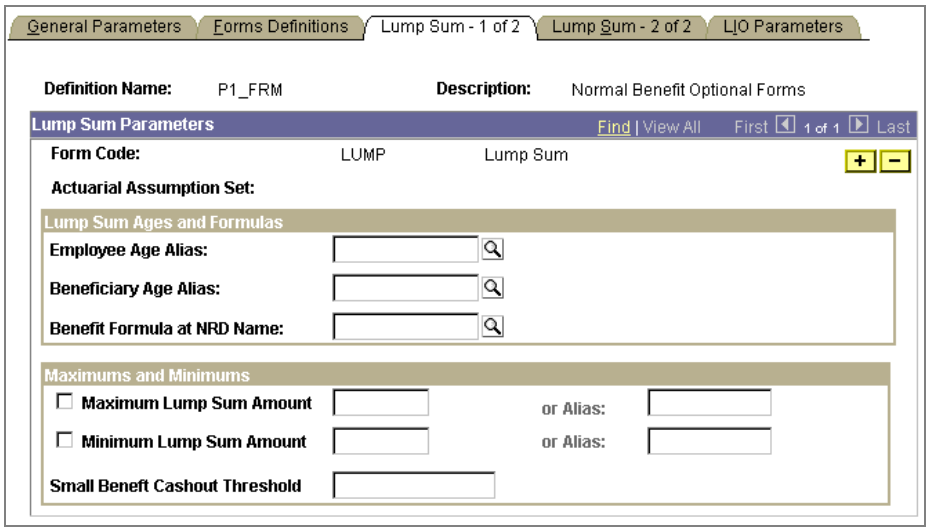
Actuarial Assumptions – Payment Information page



Actuarial Assumptions - Payment Information page

Lump Sum Parameters 1 of 2 page

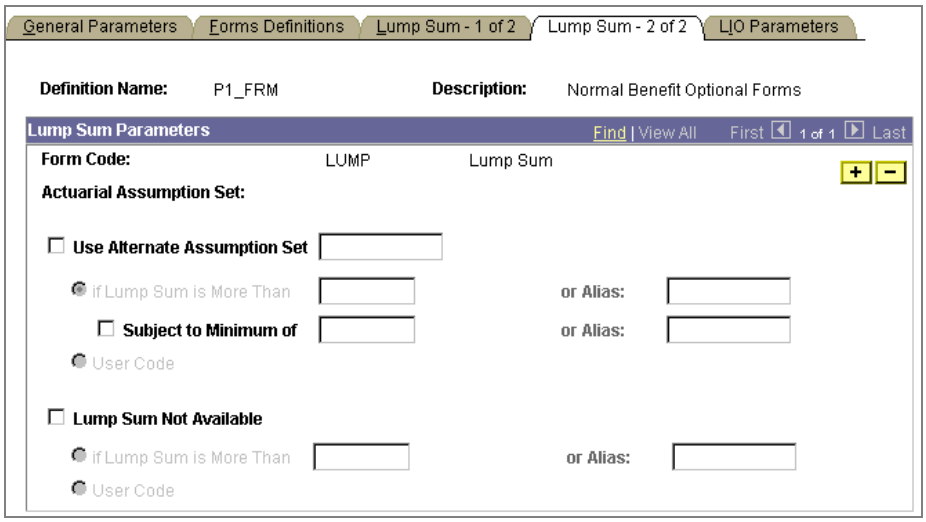
The Lump Sum Parameters 1 of 2 page has no subcomponents, though this is where you will enter the threshold for a small benefit cashout.



Lump Sum Parameters 1 of 2 page

Lump Sum Parameters 2 of 2 page

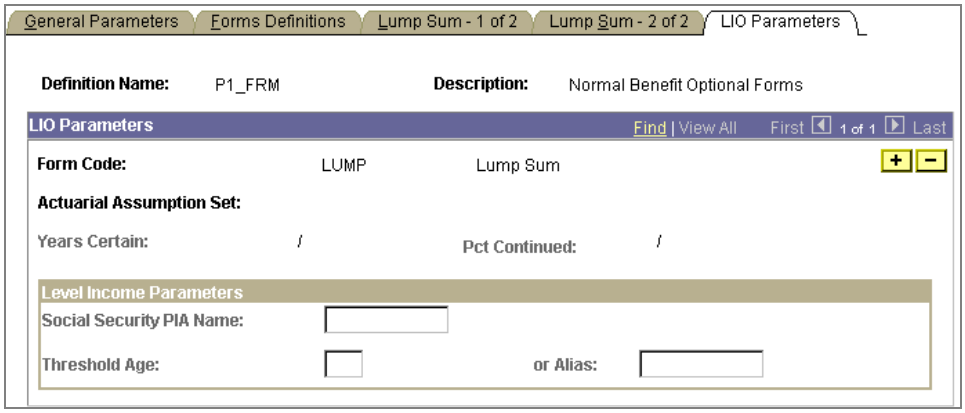
The Lump Sum Parameters 2 of 2 page has no subcomponents.



Lump Sum Parameters 2 of 2 page

LIO Parameters page

The plan doesn't offer a LIO form of payment.



LIO Parameters page

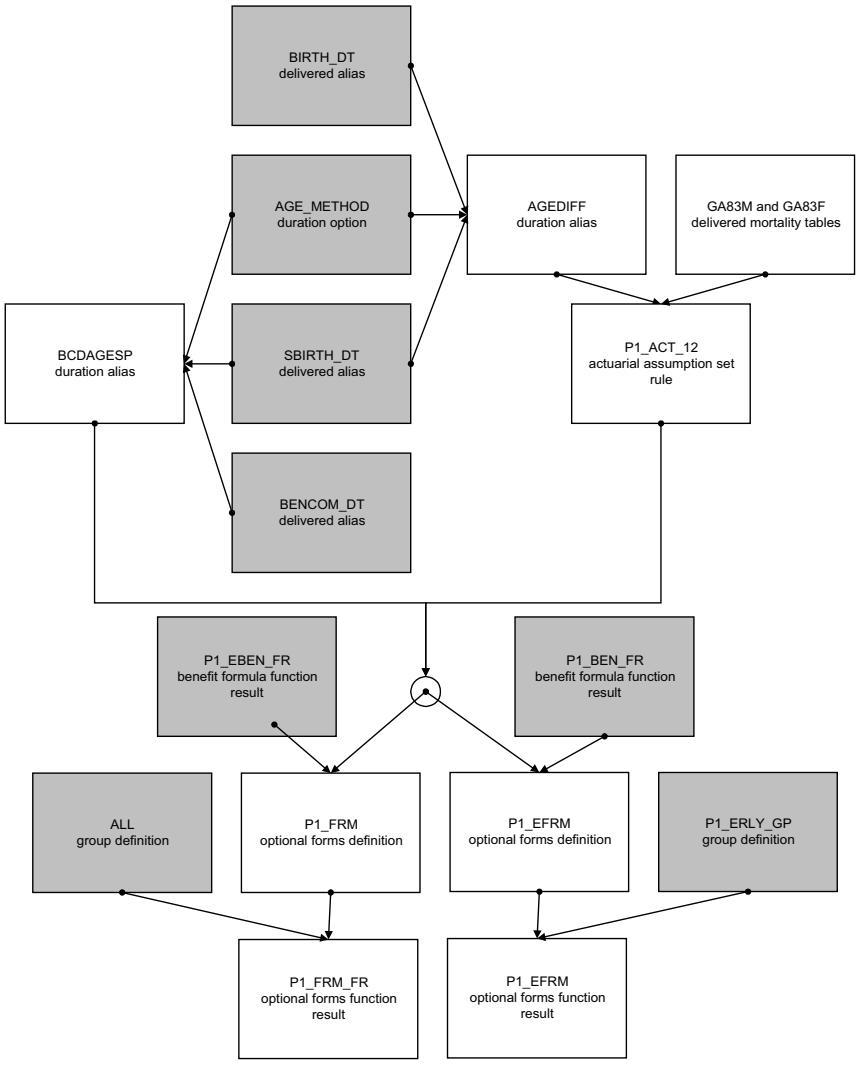
Reduced Optional Forms Definition

The Reduced Benefit Optional Forms are identical to the normal Optional Forms except for the Benefit Formula referenced: this time you are referencing P1_EBEN_FR, another Function Result you have already created.

Component Type	*Name*	*Description*
Benefit Formula Function Result	P1_EBEN_FR	Employee early benefit amount

Diagramming Dependencies

The following diagram represents the steps needed to set up Optional Forms. The shaded items already exist.

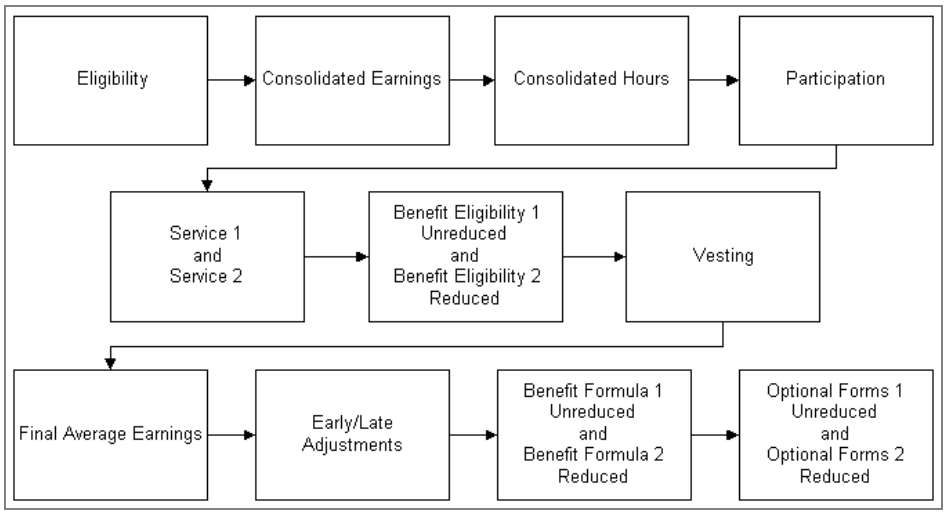


Optional Forms diagram

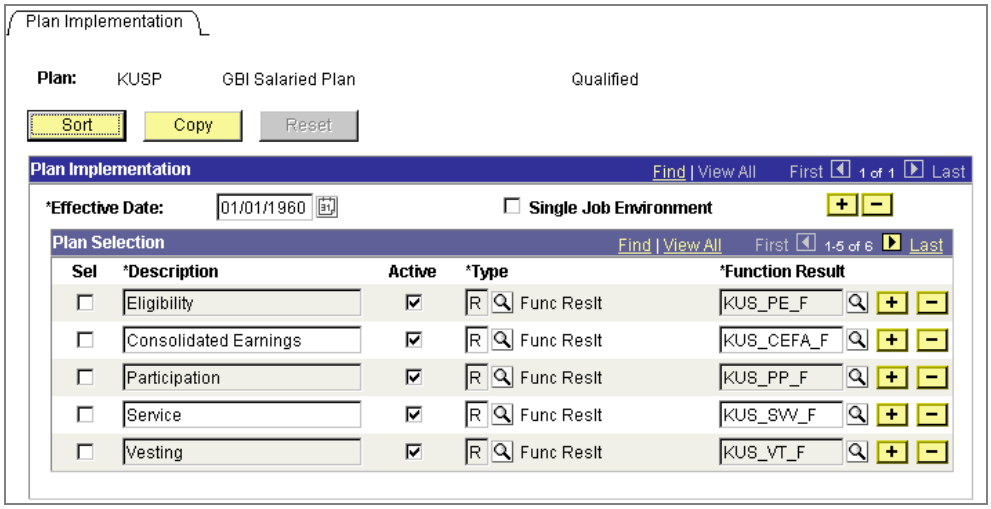
Additional Implementation Tasks

In this section, you have focused on the need to analyze your plan and build a series of diagrams that, taken in order, will ensure that you set up objects in the correct sequence. This is by no means the end of your implementation!

To put all the individual calculation modules together in the calculation "job stream," you will use the Plan Implementation page. In this page you will recreate the high level diagram you created at the very beginning of your analysis.



Plan Implementation diagram



Plan Implementation page

After creating the plan implementation, additional tasks include:

- Establishing plan information in the Plan Aliases page.
- Adding plans to the Order Plans page.
- Setting up pension status codes and actuarial valuation criteria.
- Converting your data.
- Testing the plan.
- Setting up retiree administration tables and retiree deductions.

CHAPTER 54

Implementation Tips and Tricks

Because of the unlimited variation in pension plans, PeopleSoft Pension Administration is based on the principle of flexibility. Although this flexibility makes it possible for you to set up a wide variety of rules using only our delivered functions and utilities, it can also become somewhat confusing to determine how all the pieces will fit together in the end.

In this section, we will give you a big picture view of certain aspects of pension plans that you will implement across several different pages and components.

Setting up Automatic Joint & Survivor Benefits for Spouses

Certain plans offer an "automatic" joint and survivor benefit for the spouses of plan participants. That means that a specified percentage of the employee's monthly pension is automatically paid to the surviving spouse after the death of the employee. This benefit is independent of the employee's optional form selection. The employee's optional form selection and any resulting reduction to the benefit thus only applies to the portion of the benefit above the automatic spouse benefit.

For example, Plan A specifies an automatic 25% benefit. Fred's benefit is $1000 per month as a single life annuity. However, even if he selects a single life annuity, his wife Norma is entitled to $250 per month after Fred dies.

Fred can still elect any optional form, but if he chooses a joint and survivor form, the continuation percentage only applies to the $750 portion of the benefit that isn't already dedicated to Norma. So if he elects a 50% joint & survivor form, the $750 will be actuarially reduced, say to $700, and Fred's benefit will be $950. After Fred dies, his joint & survivor beneficiary will receive $350 per month. This beneficiary could be Norma, but could also be a child, a trust, or another person. If he did name Norma as his beneficiary, she will get the $350 in addition to the automatic $250, for a total benefit of $600 per month.



You can create an automatic benefit regardless of whether your plan allows nonspouse beneficiaries.

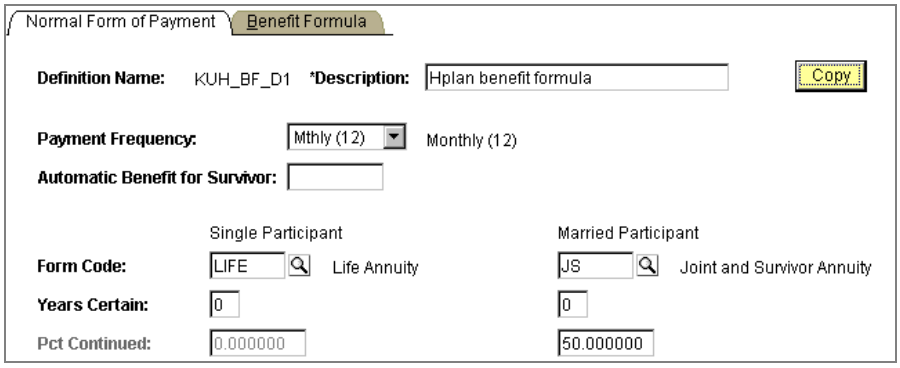
To set up an automatic benefit, you will have to set up the following parameters:

Setup Task	*Page*
Specify the percent of the benefit automatically continued	**Normal Form of Payment**

Set up eligibility criteria that must be met in order for the spouse to qualify for the automatic benefit.	**Spouse Eligibility** **Plan Aliases**
Indicate whether the plan allows nonspouse ("contingent") beneficiaries. If the plan allows nonspouse beneficiaries, set up "spouse demonstration" optional forms to calculate the benefit the spouse loses when a nonspouse beneficiary is selected.	**Pension Plan Table (US)** **Optional Forms**

Specifying the Percent Automatically Continued

Usage	Automatic benefits are always for a fixed percentage of the employee's benefit. You will add this information to the benefit formula definition for the benefit that offers the automatic continuation.
Navigation	**Define Business Rules, Maintain Pension Plans, Define, Benefit Formula, Normal Form of Payment.**
Access Requirements	Definition Name



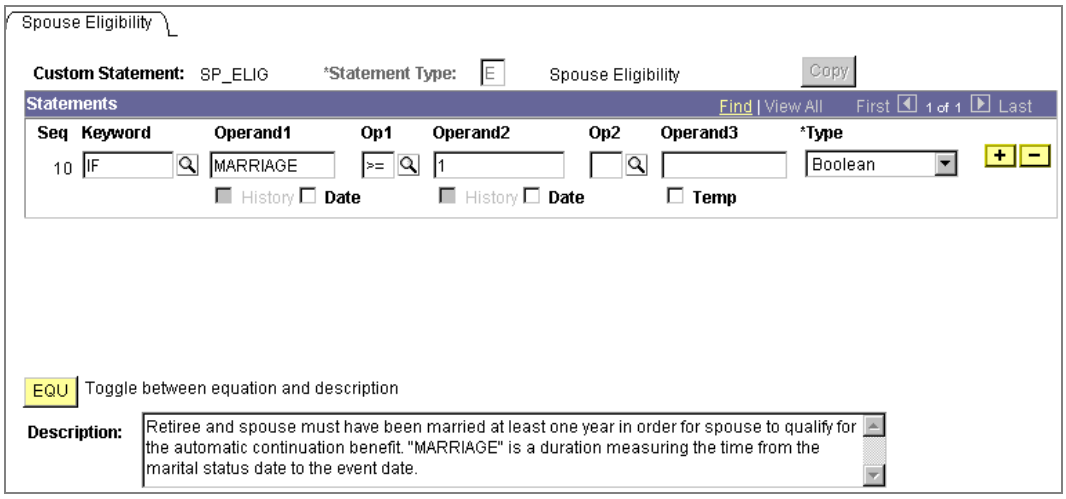
Benefit Formula - Normal Form of Payment page

The **Automatic Benefit for Survivor** is the percent automatically continued.

Setting Up Automatic Benefit Eligibility Criteria

Usage	Some plans have eligibility criteria for automatic benefits. For example, the plan might require that the employee and spouse be married at least a year in order to receive the automatic benefit.
Navigation	**Define Business Rules, Maintain Pension Parameters, Variables, Spouse Eligibility.**

Access Requirements	Custom Statement Name

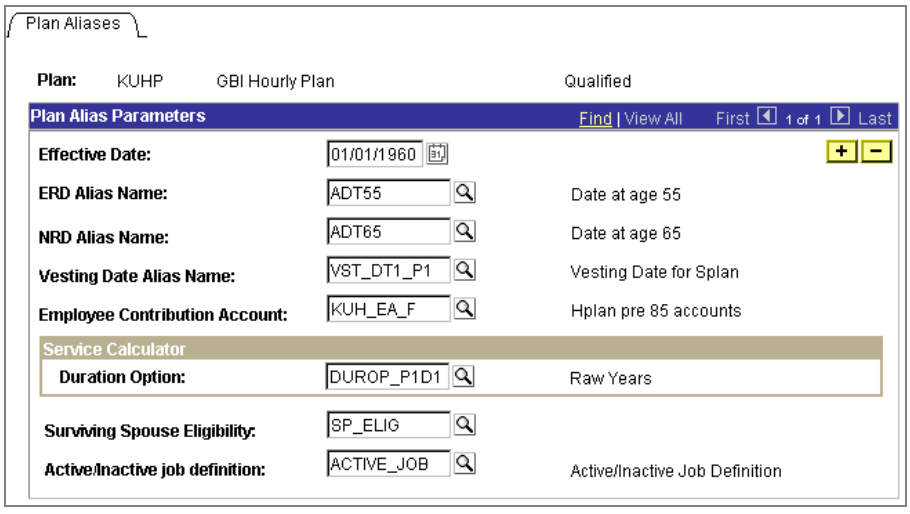


Spouse Eligibility page

In the example where the employee and spouse must be married at least a year, you would create a duration to measure the time from the marital status date to the event date. The Spouse Eligibility statement would be an "if marriage duration is greater than one year" statement.

Even if your plan doesn't have eligibility criteria, you must create a spouse eligibility statement. In this case, create a statement that will always be true. For example, "if 1 = 1"

You will implement the spouse eligibility requirements by entering your Spouse Eligibility alias into the Plan Aliases Page.

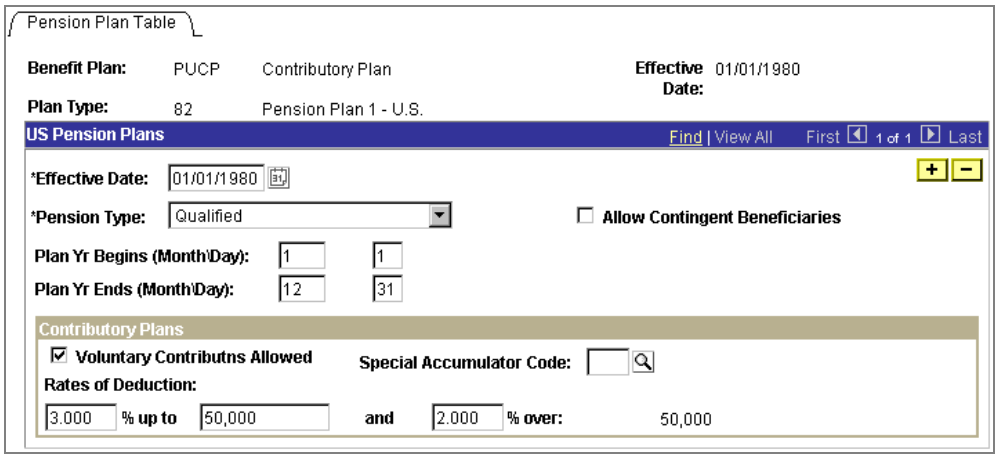


Plan Aliases page

Enter the Spouse Eligibility alias in the **Surviving Spouse Eligibility** field.

Allowing Nonspouse Beneficiaries

Usage	Although plans that offer automatic benefits don't have to allow nonspouse beneficiaries also, they typically do. Use the Pension Plan Table page to indicate whether the plan allows nonspouse beneficiaries.
Navigation	**Define Business Rules, Define Base Benefits, Setup, Pension Plan Table (U.S.)**
Access Requirements	Plan Type, Benefit Plan



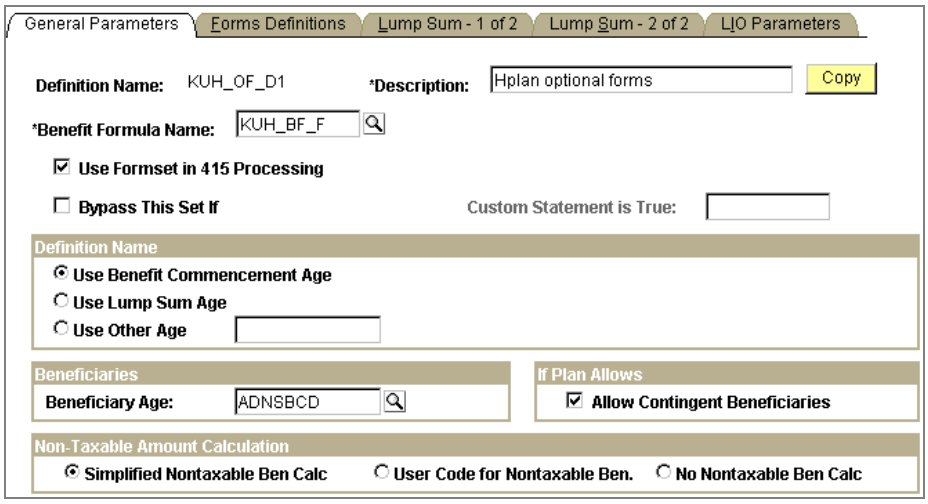
Pension Plan Table (U.S.) page

Select the **Allow Contingent Beneficiaries** check box if the plan allows nonspouse beneficiaries.

If a married retiree selects a nonspouse beneficiary, the retiree's spouse is entitled to know the amount that would have been payable to the spouse if the retiree had named the spouse as the beneficiary instead of naming a nonspouse beneficiary. This is different from the nonspouse beneficiary amount because the actuarial adjustment is based on the spouses age rather than the nonspouse beneficiary's age. Therefore, if you permit nonspouse beneficiaries, you will also need to set up your optional forms definitions to provide this additional information.

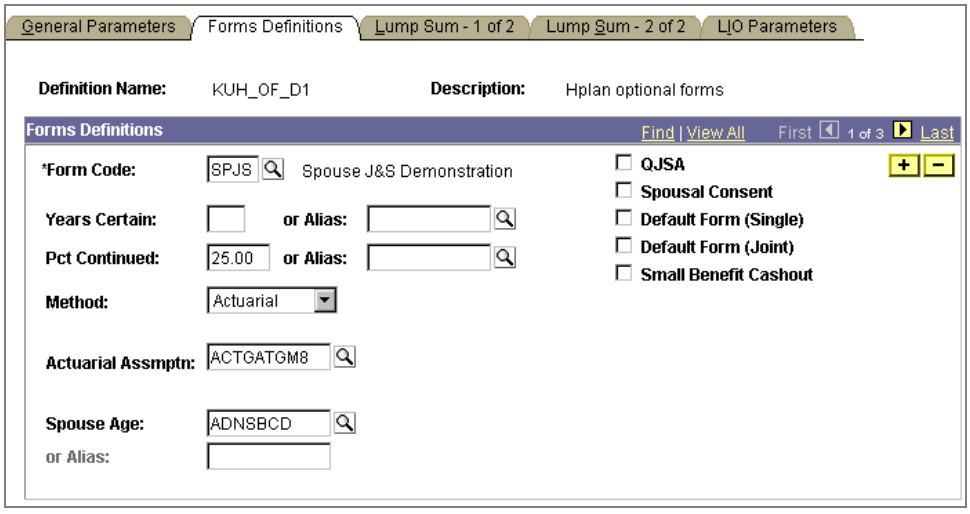
To access optional forms definitions go to the Optional Forms component.

On the Optional Forms - General Parameters Page, select the **Allow Contingent Beneficiaries** check box.



Optional Forms - General Parameters page

Then on the Optional Forms - Forms Definitions Page, include a "spouse demonstration" form corresponding to each joint & survivor form offered by the plan.



Optional Forms - Forms Definitions page

Setting Up Cash Balance Plans

A cash balance plan is a defined benefit plan structured so that an employee's benefit looks like a growing balance, more like a 401(k) plan. A hypothetical account grows through an accumulation of credits, typically based on earnings, and the interest they accrue. The interest is determined by plan rules, not by actual investment performance, so the benefit is still definitely determinable.

In a cash balance plan, the Cash Balance Accounts function tracks the total value of the employee's benefit. The final benefit formula will incorporate the final cash balance value.

Your plan might consider the account balance (a lump sum) the normal form of the benefit. When you set up the Optional Forms, you don't have to offer a lump sum just because your normal form is a lump sum.

Alternatively, you might apply a factor to convert the cash balance amount to an annuity form and use this as the normal form of the benefit. However, this would defeat the purpose of reporting benefit accruals as one lump amount rather than as an annuity.

Setting Up Nonqualified Limit Plans

A nonqualified "limit" plan makes up the difference when 401(a)(17) limits or 415 limits reduce the benefit from a qualified plan.

Your nonqualified plan doesn't need to recalculate service, vesting, or any of the other calculation components unaffected by limits. In fact, the nonqualified plan may well consist of just a benefit formula and optional forms.

The Benefit Formula will look like your qualified plan benefit formula, but with two small twists.

The first trick to your nonqualified plan Benefit Formula is that the earnings component, whether Final Average Earnings or Cash Balance Accounts, won't have been limited by 401(a)(17).

The second trick to the Benefit Formula is that after you've found what would have been the unlimited benefit from the qualified plan, you have to subtract the limited benefit to find the difference. This makes up for both 401(a)(17) and 415 limits.

For example, if your qualified benefit plan formula is

```
2% * FAE * SERVICE * VESTING = QUAL_BEN
```

The unlimited equivalent would be the same, simply substitute the unlimited FAE (available through a Function Result alias) for the limited FAE:

```
2% * FAE_UNLIM * SERVICE * VESTING
```

Assign a temporary variable to this amount:

```
2% * FAE_UNLIM * SERVICE * VESTING = TEMP01
```

Then subtract the limited benefit:

```
TEMP01 - QUAL_BEN
```

Your nonqualified plan probably still needs an Early/Late Adjustments Function Result and definitely requires an Optional Forms Function Result.



For more information on setting up Function Result aliases, see Using Function Result Aliases.

Incorporating QDRO Considerations

When a Qualified Domestic Relations Order (QDRO) from the court instructs you to pay a specified portion of an employee's benefit to an alternate payee, your calculation rules must be able to accommodate two additional requirements: calculating the amount payable to the alternate payee, and offsetting the employee benefit by the appropriate amount.

Let's look at how a QDRO calculation works and examine those implementation areas where you will have to make special QDRO considerations. Much of the material in this section is repeated in the other topics that deal with the specific functions in question, but here we've gathered the information into one place for easy reference.



For more information about QDRO administration, see Administering QDROs.

Using Grouping to Create QDRO-Specific Rules

Certain calculation components will require different rules for QDRO alternate payees than for employees. For example, alternate payees may not have certain optional forms of payment available.

You might also use different rules for employees with QDROs and employees without QDROs. For example, the benefit formula for an employee with a QDRO would include an offset component that another employee doesn't have. Although you could use the offset formula for both employees, after all, the employee without a QDRO will end up with a zero offset, you may want to set up different formulas to keep the QDRO offset distinct.

The magic that enables you to use different definitions for different employees is grouping logic. For example, you can set up a benefit formula Function Result with the following components:

Group Criteria	*Definition*
Employees without QDROs	2% x Average Earnings X Service X Vesting
Employees with QDROs	(2% x Average Earnings X Service X Vesting) - QDRO offset

To create these groups, you will use the QDRO_FLAG alias delivered with the system. This references the QDRO_IND_YN field on the employee's personal data record. This field has the following values:

QDRO_FLAG	*Meaning*
	Blank - there is no QDRO for this employee
Q	QDRO - there is a QDRO for this employee
A	Alternate Payee - this isn't an employee but a QDRO alternate payee.

The system sets the field to ***Q*** or ***A*** at the time you enter an actual QDRO amount, that is, ***after*** you've determined that the QDRO is, in fact, qualified.

Using Aliases in QDRO Definitions

In order to perform calculations for QDRO alternate payees, the administrator will first create an Employee ID, actually, a "non-employee" ID, for the alternate payee. This enables users to run the QDRO calculation based on the alternate payee ID.



Because the calculation is based on the QDRO alternate payee's ID, ***all aliases referencing employee data are resolved based on the QDRO alternate payee data, not the original employee.*** It is extremely important to keep this in mind as you set up your plan rules.

For example, the alias BIRTH_DT would produce the alternate payee's date of birth, not the original employee's date of birth. The alias SBIRTH_DT, which normally references an employee's spouse's birth date, is usually not valid for QDRO calculations, which typically don't incorporate any reference to a new spouse. (You might, however, use BENEF_DOB to reference the alternate payee's beneficiary's date of birth).

There are two special QDRO aliases delivered with the PeopleSoft Pension Administration system: QDRO_AMT and QDRO_EE_BD.

When you run a calculation for a QDRO alternate payee, the QDRO_AMT alias is the amount recorded for that person under the specified plan. When you run a calculation for an employee, the QDRO_AMT is the ***sum*** of all amounts recorded against that person under the specified plan.

For example, John has two ex-spouses. Sophia is entitled to $2000 of his benefit from Plan A; Vanessa is entitled to $1000 from plan A and $500 from plan B. The QDRO_AMT has the following values, depending on whose calculation is running and which plan is being processed:

Person	***Plan A***	***Plan B***
John	$3000	$500
Sophia	$2000	-
Vanessa	$1000	$500

The QDRO_EE_BD alias is only valid when you're running a calculation for a QDRO alternate payee. It provides the birthdate of the original employee. For example, during calculations for Sophia and Vanessa, this alias would provide John's birthdate. During calculations for John, this alias wouldn't have any value.

Offsetting the Employee's Benefit

If you want an employee's calculation to include a QDRO offset component, you must explicitly include that in the plan benefit formula. You can either include it in your basic formula, or you

can create a separate formula and use grouping logic to ensure that employees with QDROs use the formula with the offset and employees without QDROs use the basic formula.

Typically you will incorporate the offset through simple subtraction: the total benefit minus the QDRO_AMT is the remaining benefit. The caveat is that the subtraction is only valid when the amounts reflect the same form of payment, payment frequency, and commencement date - typically, normal retirement date.

For example, if John's normal benefit is $2000 per month as a single life annuity beginning at age 65, and Vanessa's QDRO entitles her to $1000 per month single life annuity also beginning at John's age 65, you can subtract the numbers directly. If Vanessa's benefit were $1000 per month beginning at John's age 55, you would need to perform some actuarial conversions before subtracting the amounts.



It is the administrator's responsibility to calculate and enter the appropriate QDRO amount. The system won't convert the amount based on either payment form or commencement date.

Calculating the Alternate Payee's Benefit

You will store the alternate payee's unreduced, normal form benefit amount in the database. To enter it, select QDRO Process.

Although you've stored the "normal" QDRO amount, you will still have to calculate any early or late commencement factors and any optional forms. To run this calculation, you will use the Process Selection page in the Calculate Pension component to restrict the calculation to only the retirement factors and optional forms processes. This is important, as you don't want the system to try to calculate eligibility, service, final average earnings, or any other employee-specific information.



Once you determine which calculation processes should run for QDRO alternate payee calculations, consider modifying the calculation page to automatically select those processes when the calculation is for an alternate payee.

In order for the system to calculate the early/late factors and the optional forms, you have to set up definitions specifically for the QDRO alternate payee. You've just seen how you can use groups to apply these QDRO-specific definitions; now lets' look at how you will set up the definitions.

Setting Up Early/Late Adjustment for QDRO Alternate Payees

You will use the QDRO_EE_BD alias to determine the original employee's age at the alternate payee's benefit commencement date (BCD).

For example, John is an employee and Sophia is his former spouse who has a QDRO giving her part of John's benefit under Plan ABC. The plan's usual early adjustment factor is based on a 6% per year reduction for each year between ages 65 and 60.

When Sophia elects to begin benefits, John is 62 and Sophia is 58. Her benefit should be reduced by 18% because the reduction is based on John's age when she starts receiving payments. Therefore, the Early/Late Adjustments definition used in Sophia's calculation needs to reference John's age. In order to get to this information, you will use the duration from QDRO_EE_BD (John's birth date) to BENCOM_DT (Sophia's benefit commencement date).

As you can see, when your plan uses arithmetic reductions for early retirement, you will probably want to use different definitions for John than for Sophia. The difference is based not on different plan rules, but on the fact that the original employee uses his own age, whereas the alternate payee uses someone else's age.

Group Criteria	***Definition***
Employees	6% per year from ***Employee's*** age (BIRTH_DT) 65 to 60
QDRO alternate payees	6% per year from ***Original Employee's*** age (QDRO_EE_BD) 65 to 60

Setting Up Optional Forms for QDRO Alternate Payees

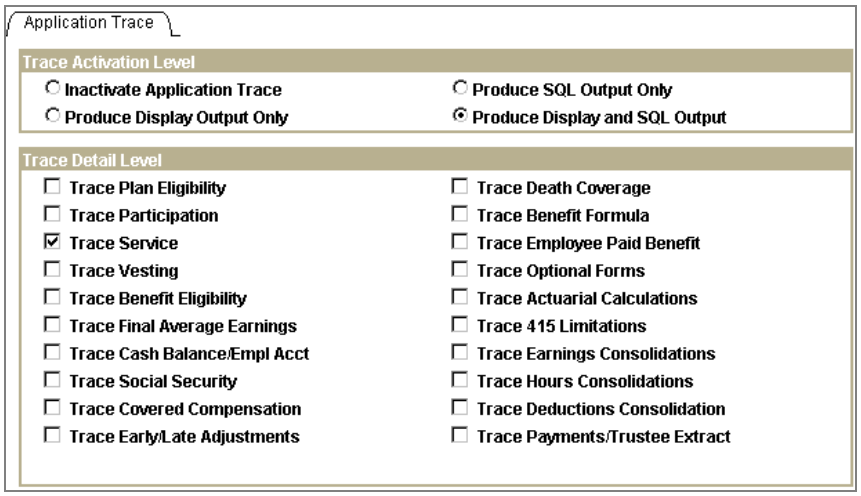
Because QDRO alternate payees aren't permitted to make a new spouse the beneficiary of a QDRO benefit, you typically don't want Optional Forms to offer alternate payees any forms such as Joint & Survivor that have a percent continued component.

Your Function Result might look like this:

Group Criteria	***Definition***
Employees	Full set of optional forms
QDRO alternate payees	Reduced set of optional forms - no forms with survivor benefits.

Application Trace Page

Usage	If the PeopleSoft Global Support Center is helping you troubleshoot a calculation error, the person assisting you may ask you to turn on the application trace. The trace is a debugging tool that records information that PeopleSoft can use in tracking down the problem. The information is only useful to PeopleSoft, so don't use this tool unless so instructed.
Object Name	PA_AUDIT_PNL
Navigation	**Define Business Rules, Maintain Pension Parameters, Rules, Application Trace, Application Trace**



Application Trace page

Trace Activation Level

The **Trace Activation Level** settings enable you to activate the trace and to set the output.

Select ***Inactivate Application Trace*** to turn the trace off. You should leave the trace off except when you're actually using it, as running the trace has a severe performance impact.

Note. Remember to turn of the trace when you're finished with it!

Any of the other three options turn the trace on and set the output destination. You can have the trace ***Produce Display Output Only, Produce SQL Output Only,*** or ***Produce Display and SQL Output.***

SQL Output is stored in the PS_PA_AUDIT_TRACE table in your database. You can review the information using a database tool such as ISQLw or another query tool appropriate to your database platform. Saving the trace in the database keeps the trace information available permanently; you will distinguish the data from different calculations by the process instance number. This behavior enables you to save the traces from several calculations and reference them separately, but it also means you need to periodically delete old trace data to avoid storing large amounts of irrelevant data.

Display output appears in the process menu. If you're running on the client, the process menu shows up on the screen of your client workstation. If you're running on the server, your database platform determines where the display appears. Because you can't scroll backwards in the process menu, you will mainly use the menu so you can keep an eye on the progress of the calculation. To access the output after information has scrolled by, open the log file that PeopleTools writes to your temp directory. This log file shows the contents of the process menu, so by putting the trace information in the display menu, you ensure that the trace information appears in the log file. Note that log files get overwritten each time you run a PeopleSoft process

- any process, not just a calculation. If you want to save the information, you need to save the log file with a different name or in a different location before running your next process.



For more information about the log files that PeopleSoft creates for COBOL processes, see Process Scheduler.

Because the application trace dramatically slows your processing, it is efficient to run the trace only on the process you're troubleshooting. Under **Trace Detail Level,** select which processes to trace:

- Trace Plan Eligibility
- Trace Participation
- Trace Service
- Trace Vesting
- Trace Benefit Eligibility
- Trace Final Average Earnings
- Trace Cash Balance/Empl Acct (employee accounts)
- Trace Social Security
- Trace Covered Compensation
- Trace Early/Late Adjustments
- Trace Death Coverage
- Trace Benefit Formula
- Trace Employee Paid Benefit
- Trace Optional Forms
- Trace Actuarial Calculations
- Trace 415 Limits
- Trace Earnings Consolidations
- Trace Hours Consolidation
- Trace Deductions Consolidation (consolidated contributions)
- Trace Payments/Trustee Extract

Understanding the Minimum Setup for Running Calculations

Instead of waiting until you've finished the entire implementation, you probably will want to start testing individual Function Results as you create them. The minimum setup required in order to run a calculation is:

- Add the plan to the Benefit Plan Table.
- Add the plan to the Pension Plan Table (U.S.) Page.
- Create a plan component - a Function Result or a Custom Statement - that uses Actuarial Assumptions. For example, you can create a dummy optional forms definition and Function Result (which in turn would require a dummy Benefit Formula definition and Function Result), or you could set up an actuarial factor alias and reference the alias in a Custom Statement.
- Create a row for the plan in the Plan Implementation Page and insert the Function Result or Custom Statement that references actuarial assumptions.
- Create a row for the plan in the Order Plans Page.
- Create a row for the plan in the Plan Aliases Page.
- Create definition for one pension status code and map the definition to the status code.

Understanding Function Result Limits

The system imposes certain limits in the interest of improving performance. If your implementation requires raising any of these limits, call the PeopleSoft Global Support Center for information on how to do this.

Plan and Function Result Limits

- A single calculation can process up to ten plans.
- A single plan implementation can have up to fifty Function Results.
- A single Function Result have up to fifty group definitions.

Alias Limits

A calculation can resolve up to 1,000 aliases per employee. This is further limited as follows:

- up to 150 Database aliases.
- up to 50 Table Lookup aliases.
- up to 300 Date aliases.

- up to 300 Duration aliases.
- up to 150 Function Result aliases.
- up to 75 Actuarial Factor aliases.
- up to 300 Custom Statements.
- up to 100 character and 100 numeric temp fields per Custom Statement.

Service Limits

- The system allows a maximum of 150 service definitions, regardless of whether they are attached to Function Results.
- The system allows a maximum of 500 Service periods per Function Result per employee. For monthly service periods, this is a maximum of 41 years and eight months per employee.
- The system allows a maximum of 100 Hours to Service conversion occurrences per service calculation.
- The system allows a maximum of 500 Future Status Code Adjustment occurrences per service calculation.

Action/Reason Limits

Definitions for service, consolidated earnings, and consolidated hours can reference HR action/reason codes. In almost all cases, the definitions reference ***categories*** of codes.

- A single calculation can manage up to 100 rows in the pension job stack. The pension job stack is the employee's action-reason history after filtering out all rows that aren't relevant to the pension calculation.
- The system allows a maximum of 500 usages of HR Action/Reason categories in service definitions. Note that if a single category such as "HIR_CAT" is used in ten separate Service definitions, then it counts as ten usages.
- The system allows a maximum of 5000 HR Action/Reason code combinations (***not*** Action/Reason categories) in service definitions. This includes reuse of codes. For example, if the Action/Reason category "HIR_CAT"' includes twenty Action/Reason combinations, and if you use "HIR_CAT" in ten different Service definitions, this counts as 200 of the 5000 maximum occurrences.
- The system allows a maximum of seven uses of the same Action/Reason within a single Service definition. For example, if the Action "HIR' is used in eight different HR Action/Reason categories, then only seven of those categories could be used in a single Service definition.

Miscellaneous Implementation Tips

Following are some things to keep in mind as you gear up your PeopleSoft Pension Administration system.

Always Put Plan Eligibility at the Beginning of a Plan

Plan Eligibility should always be the first function you run for a plan. Even users of a standalone system, who may only load data for eligible employees, need to run plan eligibility in order to build a timeline of eligible and ineligible periods, a timeline that can affect service and cash balance accruals.

Plan Eligibility should be before consolidations in your Plan Implementation. Even though the calculation skips over consolidations, periodic processing (which runs consolidations) also uses the processing order from the Plan Implementation page.

Give Rehired Employees the Same Employee ID

PeopleSoft Pension Administration doesn't combine employee records for pension purposes. So if you rehire employees, be sure to assign them the same IDs they originally used.

If you were to rehire employee 4001 with a new employee ID, say, 6001, the system wouldn't combine the service accrued under these two IDs, wouldn't combine contributions made under the two IDs, wouldn't look at both sets of earnings to find the Final Average Earnings, and wouldn't combine any other employee data. If you inadvertently rehire someone without realizing they have an existing employee record, you will eventually have to combine the HR and payroll data yourself before running pension calculations.

We recommend always checking if your new hires have previously worked for your company or other companies you've merged with.

Never Modify Definitions You're Using

Although Function Results are effective-dated, definitions and aliases aren't. When your plan rules change, ***always create new definitions.*** Never modify the old definitions, as there will then be no record of your previous rules.



During your implementation, you will need to keep track of a large number of modular objects: Function Results, definitions, and various definition subcomponents. You will find this task much easier if you develop a naming standards for your pension objects. For example, you may want to set aside the first or last characters to identify the object type, ending all Function Results with "_F" and all definitions with "_D." You may want to incorporate a plan code into the name as well so you will know which plan uses that object. Be sure your naming standard fits into the ten-character limitation.



Protect your data! Don't change definitions, rules, aliases, or any other data that isn't effective-dated. Instead, create brand new objects and implement the changes by incorporating the new objects into an effective-dated Function Result.

Use Caution when Sharing Definitions

One advantage of PeopleSoft Pension Administration's modular design is that you can reuse the same modules rather than setting up entirely new definitions for each use. However, be very, very careful about sharing definitions. If you find you need to change definitions, for example, if testing uncovers a flaw in the way you set something up, the change can end up affecting processes that you didn't mean to alter.

If you do reuse definitions, be extremely careful to never modify a definition without performing a thorough search to make sure you know every place it is used. You will very likely discover that the correction or change doesn't apply in all cases and you will need to create an additional definition after all.

Distinguish Between Beneficiary Data and Spouse Data

There are several places where you will enter beneficiary age information. If your plan allows nonspouse beneficiaries, be sure you calculate the beneficiary age using the BENEF_DOB (beneficiary date of birth) alias, which checks for nonspouse beneficiaries and, in the absence of a nonspouse beneficiary, looks up spousal information. If you were to use an alias to the spouse's birthdate, you will get incorrect results when the employee has named a nonspouse beneficiary.

There is one place where you will still use the spouse information even if there is a nonspouse beneficiary. This is in the optional forms pages when you set up a "Spouse J&S Demonstration" form. This is the form that calculates the benefit the spouse loses when a nonspouse beneficiary is selected.

CHAPTER 55

Customizing Calculations

PeopleSoft Pension Administration provides a flexible and comprehensive set of calculation options. However, you may find that you need to customize particular calculation components in order to exactly conform to your plan rules.

Although customization gives you a great deal of control over the system, it has the potential to complicate system maintenance, particularly upgrades. Any time that you receive new code from PeopleSoft, you have to be sure that the new code doesn't overlay the customizations that you've instituted.

Because of the potential maintenance issues, the best way to manage your customization is to isolate your custom code. You'll still have to analyze the effect of PeopleSoft code changes on your custom code, but by keeping the PeopleSoft code and your custom code separate, you make it much easier to reapply your customizations after an upgrade.

To help you isolate your modifications, PeopleSoft provides you with clearly marked "user code" exit points within many of the system's parameter pages. Each of these represents a specifically defined portion of one of the system's delivered functions. When the user code option is selected, the calculation will execute your custom COBOL module that derives the desired value.



This section deals with user code modules that are associated with the system's core functions. You can also create user code modules that aren't tied to any of the core functions. To incorporate these independent user code modules into the calculation, enter them directly into the Plan Implementation page.

Calling User Code

Several functions have parameters that you can easily mark for custom processing by selecting **User Code** from the predefined parameters available for the Zero Options field for a specific portion of the calculation.

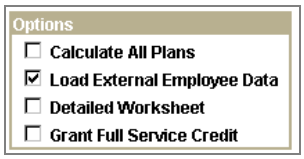
Anywhere you see **User Code** as an option, selecting it indicates that the system should execute your custom code to perform that part of the processing.

There are two user code options that look a little different:

- In the Plan Implementation Page, you can insert user code modules directly into your calculation job stream. This type of user code module isn't associated with the system's core functions. It is essentially a custom core function that you develop yourself. You can set up

this type of user code to access values from earlier in the job stream. In order to make the results of the user code available later in the job stream, the user code must create an entry in the alias table so that other calculation components can reference the results by the alias name.

- In the Setting Up a Benefit Calculation Using the Setup Pension Calculation Component, there's a check box for loading external employee data. This is a user code option, since you'll have to write your own custom data loading procedure.



Load External Employee Data in Calculation

Working with User Code Executables

Each component that offers user code options is associated with a single user code executable. The one exception is that all the service and break components share a single executable. The name of the executable for a particular component is pre-defined by the system. All custom processing for a function belongs in the module associated with that function.

To set up multiple definitions with separate modifications, you'll have to be sure that your code includes logic that checks the definition name to determine the appropriate processing.

If there are multiple user code points within a function, the delivered user code module already has subsections for the different points. When PeopleSoft Pension Administration calls the user code module, the main section performs the appropriate user code subsection based on the point from which the user code was called.

In all cases, your module will have to pass back the appropriate values based on the user code options that are selected.

User Code Module Names

A calculation will call the following modules when it recognizes that a user code option has been selected. Each of these modules is delivered as an empty shell that you can modify. User code modules names begin with "PAPX" followed by characters to identify the individual function.

None of the aliases (the components the Variables menu) employs user code options.

Function	*User Code Module Name*
Consolidated Earnings	PAPXCERN
Consolidated Hours	PAPXCHRS
Service	PAPXSVC

Vesting	PAPXVEST
Final Average Earnings	PAPXAERN
Cash Balance Accounts	PAPXABAL
Early/Late Adjustments	PAPXAGE
Death Coverage	PAPXDTH
Optional Forms	PAPXOPTF
415 Limits	PAPX415

Rules	***User Code Module Name***
Date Conversion Options, Date Round Options, and Duration Options	PAPXDTGN
Actuarial Assumptions	PAPXCMFN
401(a)(17) Parameters	PAPXELMT

The following functions and rules don't include any user code options:

- Plan Eligibility
- Plan Participation
- Benefit Eligibility
- Employee Accounts
- Social Security PIA
- Covered Compensation
- Benefit Formula
- Employee Paid Benefit
- Consolidated Contributions
- Interest Methods
- Projections
- HR Action Reason Categories

What's Expected in Individual User Code Modules

Although each function uses only one user code module, that code can cover a lot of different situations. Sometimes the code will complete all of the processing without reference to any parameters. Sometimes the code will perform one small part of the processing and simply provides a method or an intermediate value for the function.

PeopleSoft Pension Administration expects that the modules will only perform processing for the user code options that are selected in the parameter pages.

In this section, you'll look at the system components that have user code options in the parameter pages. You'll see what the function expects the user code to produce for each selected user code option. This summary is organized by function and page.

Customizing Service



For more information, see Setting Up Elapsed Time Service, Setting Up Hours Counting Service, and Setting Up Hours Equivalence Service.

Add Periods Rules

This page appears only for elapsed time and hours equivalence definitions.

User Code Option	*Description*
Adjustment Rule	Returns an adjusted effective date for the specified action/reason.

Hours Equivalence Rules

This page appears only for hours equivalence definitions.

User Code Option	*Description*
Hours Equivalence Type	Returns the number of hours in the period
Customized Equivalence Rules	Returns the number of hours in the period.

Customizing Break



For more information, see Defining Service and Break Rules.

Break Restore Rules

User Code Option	*Description*
Break Defined By	Sets break for every period in the service history.

Break Wait Rules

User Code Option	*Description*
One Year Wait	Returns a "Y" or "N". "Y" means that service gets restored.
Elapsed Time	Returns a "Y" or "N". "Y" means that service gets restored.

Customizing Vesting



For more information, see Defining Vesting Rules.

Vesting Schedule Page

User Code Option	*Description*
Schedule Type	Returns a vesting percentage for the specific schedule. This percentage is still compared to results from other schedules and is still subject to full vesting and forfeiture conditions on the following page.

Vesting Conditions Page

User Code Option	*Description*
Full Vesting Conditions	Returns a "Y" or "N" value. If value is "Y," the final vesting is 100%.
Forfeiture Conditions	Returns a "Y" or "N" value. If value is "N," the final vesting result is 0%.

Customizing Final Average Earnings



For more information, see Defining Final Average Earnings.

Parameters 2 of 2 Page

User Code Option	*Description*
Partial Period Options	Returns two parameters for each partial period in the history: "Y" or "N" to determine if the period is included in the total, and if "Y," an earnings amount.
Final Period Options	Returns two parameters for each partial period in the history: "Y" or "N" to determine if the period is included in the total, and if "Y," an earnings amount.
Limit Options - Before Averaging	Returns a limited amount for each period in the history.
Limit Options - While Averaging	Returns a final average earnings amount.
Zeros	Returns an earnings amount for each zero period in the history.
Short Service Options	Returns a final average earnings amount.

Customizing Cash Balance Accounts



For more information, see Defining Cash Balance Accounts.

Cash Balance 2 of 3 Page

User Code Option	*Description*
Calculate Credit According To...	Returns a credit amount for each period, still subject to any minimums, maximums, or partial period rules.
Step Rate Threshold	Returns an earnings amount.
Subject to Minimum	Returns a minimum credit amount that will be applied to each period.
Subject to Maximum	Returns a maximum credit amount that will be applied to each period.

Cash Balance 3 of 3 Page

User Code Option	*Description*
Partial/Mini Period Rules	Returns a credit amount for each partial period in the history.

Customizing Early/Late Adjustments



For more information, see Defining Early and Late Retirement Factors.

Parameters Page

User Code Option	*Description*
Subadjustment Method	Returns adjustment factor. Can use or disregard the employee/beneficiary from and to ages on the next page.

Actuarial Equivalence Method Page

User Code Option	*Description*
Employee From Age	Returns an age.
Employee To Age	Returns an age.
Beneficiary From Age	Returns an age.
Beneficiary To Age	Returns an age.

Arithmetic Method 1 of 2

User Code Option	*Description*
Number of Adjustment Periods	Returns a number of periods used as the basis for the arithmetic adjustment.

Customizing Death Coverage



For more information, see Defining Death Coverage Reductions.

General Parameters Page

User Code Option	*Description*
Calculate Reduction Using	Provides a final adjustment factor.
Apply Table-Defined Schedule	Provides a final adjustment factor using values provided by the specified table.

Define Fixed Period Page

User Code Option	*Description*
Determine Fixed Period Length	Returns a number of periods that the arithmetic rule will use to determine the factor.

Customizing Optional Forms



For more information, see Defining Optional Forms.

General Parameters Page

User Code Option	*Description*
Non-Taxable Amount Calculation	Returns the non-taxable portion of the payment for each form in the form set.

Forms Definition Page

User Code Option	*Description*
Conversion Method	Returns the factor for converting to the optional form.

Lump Sum Parameters 2 of 2 Page

User Code Option	*Description*
Use Alternate Assumption Set	Returns the factor for converting to alternate lump sum amount.
Lump Sum Not Available	Returns “Y” or “N.” If value is “N,” the payment option doesn’t appear in the calculation results.

Customizing Consolidated Earnings



For more information, see Consolidating Payroll Data.

Generate Earnings Page

User Code Option	*Description*
Generation Method for Action Reason	Returns an earnings amount for the period. This amount is still subject to any minimum or maximums.
Generation Method for Custom Statement	Returns an earnings amount for the period. This amount is still subject to any minimum or maximums.

Earnings Adjustments Page

User Code Option	*Description*
Adjustment Method - Term	Returns earnings amount to replace earnings from term period.
Adjustment Method - Hire	Returns earnings amount to replace earnings from hire period.

Customizing Consolidated Hours



For more information, see Consolidating Payroll Data.

Generate Hours Page

User Code Option	*Description*
Generation Method for Action Reason	Returns an earnings amount for the period. This amount is still subject to any minimum or maximums.
Generation Method for Custom Statement	Returns an earnings amount for the period. This amount is still subject to any minimum or maximums.

Define Hours Adjustments Page

User Code Option	*Description*
Adjustment Method - Term	Returns hours amount to replace hours from term period.
Adjustment Method - Hire	Returns hours amount to replace hours from hire period.

Customizing Duration Options



For more information, see Using Duration Aliases and Duration Options.

Calculation Options Page

User Code Option	*Description*
Date Math Method	Picks up the two date endpoints and returns a decimal date. If this option is used in the Duration Definition page, the Duration utility will convert this date to the six other formats.

Conversion Options Page

User Code Option	*Definition*
Decimal Conversion Method	Picks up a raw duration and returns a decimal value.

Customizing Date Rounding Options



For more information, see Using Date Aliases and Date Options.

Date Round Option Page

User Code Option	*Description*
Date Type	Picks up the date to which the method is applied - raw or decimal - and returns a rounded value.

Customizing Date Conversion Options

For more information, see Using Date Aliases and Date Options.

Date Conversion Option Page

User Code Option	*Description*
Extract	Returns a custom value based on a raw date.
Conversion Method	Picks up the date to which the method is applied - raw or decimal - and returns a converted value.

Customizing Actuarial Assumptions

For more information, see Using Actuarial Assumptions.

Interest Basis Page

User Code Option	*Description*
Interest Basis	Returns an interest rate.

Customizing Interest Methods

For more information, see Using Interest Methods.

Interest Method 1 of 2 Page

User Code Option	*Description*
Interest Rate Method	Returns an interest rate.

Interest Method 2 of 2 Page

User Code Option	*Description*
Full Period Technique	Returns an interest credit for all full periods to which the rule is applied.
Partial Period Technique	Returns an interest credit for all partial periods to which the rule is applied.

Customizing 401(a)17 Parameters



For more information, see Applying 401(a)(17) Earnings Limits.

401(a)17 Parameters Page

User Code Option	*Description*
Earnings are limited on a:	Returns a limited earnings amount for each period the rule is applied to.

CHAPTER 56

Maintaining Employee Pension Data

There is certain employee information that is relevant to pensions, but which isn't part of your normal PeopleSoft Human Resources data. This information may be crucial to producing accurate pension calculations. PeopleSoft Pension Administration provides you with the ability to record and track this information.

Maintaining Pension Status Codes

Pension status codes categorize participants based on pension-related information. Pension status codes are plan-specific and effective-dated, enabling you to track an employee's changing status in a plan over time. These statuses are the foundation for your actuarial valuation extract and your Form 5500 reporting. Also, depending on how you've set up your calculation rules, the pension status can come into play during a calculation. For example, service may accrue while an employee has an active pension status, but not when the employee has a terminated pension status.

What are Pension Status Codes?

Pension status codes describe plan participants using a three-letter code. The first letter of each of the three-letter codes categorizes individuals as follows:

```
A: Active Employees

T: Terminated Employees

R: Retired Employees

D: Disability Retirees(employees with a disability pension)

B: Beneficiaries

Q: QDRO Alternate Payees

X: Deceased Participants
```

The remaining two letters in each status code provide more detail. All of the statuses except active employees and deceased participants combine with a common set of suffixes related to payment status.

```
DF: Deferred Benefit
```

```
PY: Receiving Payments

ST: Payments Stopped
```

How are Pension Status Codes Maintained?

PeopleSoft Pension Administration maintains pension statuses in three ways:

- Periodic processing maintains statuses for active and terminated employees.
- The payment process automatically maintains pension statuses for participants receiving payments.
- You'll manually set the status when:
  - An employee or payee dies.
  - You're preparing to start payments to a retiree, beneficiary, or QDRO alternate payee.

Description	*How Maintained*	*Included Statuses*
Active and terminated employees.	Periodic processing assigns codes based on criteria that you've defined.	ANP - Active, not yet participating APR - Active participant AVS - Active, accrue vesting only ANS - Active, not accruing service A70 - Active, over age 70-1/2 TNV - Terminated, not vested TDF - Terminated, deferred benefit
Participants who are awaiting their first payment; dead participants.	You manually assign the status based on when specified events occur.	RDF - Retired, deferred benefit DDF - Disability retired, deferred benefit BDF - Beneficiary, deferred benefit QDF - QDRO payee, deferred benefit XBP - Deceased, with beneficiary XNB - Deceased, no benefit/beneficiary

Participants who have started receiving payments.	The system's payment process automatically assigns codes based on the payment instructions.	TST - Terminated, payment complete TPY - Terminated, in pay status TDF - Terminated, deferred benefit RST - Retired, payment complete RPY - Retired, in pay status RDF - Retired, deferred benefit DST - Disability retired, payment complete DPY - Disability retired, in pay status DDF - Disability retired, deferred benefit BST - Beneficiary, payment complete BPY - Beneficiary, in pay status BDF - Beneficiary, deferred benefit QST - QDRO payee, payment complete QPY - QDRO payee, in pay status QDF - QDRO payee, deferred benefit

The five deferred benefit statuses (TDF, RDF, DDF, BDF, and QDF) are sometimes maintained manually, sometimes automatically:

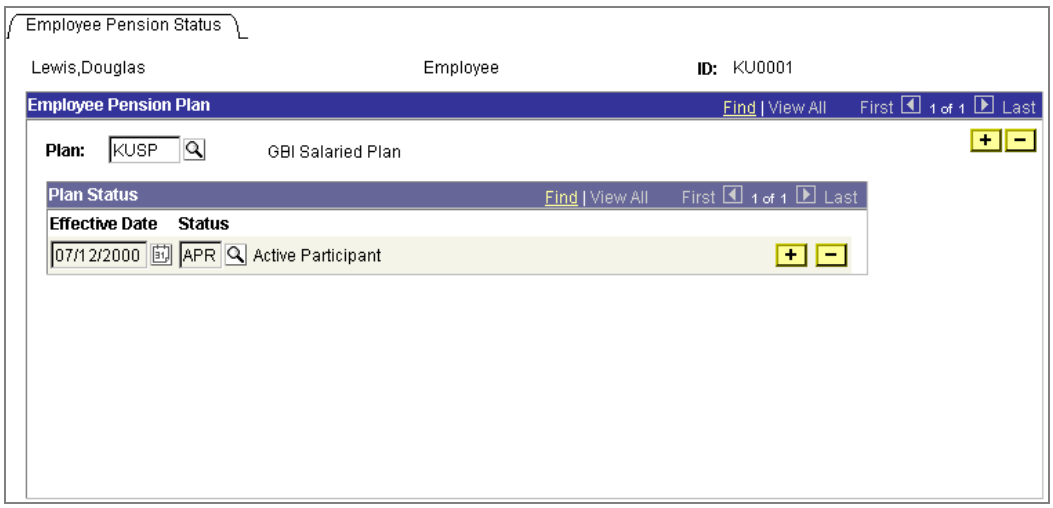
- You set these manually, or, in the case of TDF, using periodic processing, at the time that you create the payee records in preparation for the first pension payments.
- If payments are later suspended, the payment process will automatically reassign the deferred benefit status.



For more information about periodic processing, see Running Periodic Processes. For more information about the payment process, see Making Pension Payments.

Employee Pension Status Page

Usage	Use the Employee Pension Status page to review an employee's pension status history or to make manual changes to the pension status. For example, this may occur when an employee or payee dies or when you're preparing to start payments.
Object Name	PA_RT_EMP_STAT
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Pension Status, Employee Pension Status**
Access Requirements	EmplID



Employee Pension Status page

If an employee or pension payee dies, enter the **Effective Date** and the death **Status,** either ***XBP Deceased-With Beneficiary,*** or ***XNB Deceased-No Benefit/Beneficiary.***

If you're preparing to pay a retiree, beneficiary, or QDRO alternate payee, set the **Status** to ***RDF Retired-Deferred Benefit, DDF Disability Retire, Deferred, BDF Beneficiary, Deferred Benefit,*** or ***QDF Alt Payee, Deferred Benefit.***

For more information about pension statuses for payees, see Updating Pension Status.

Maintaining Employee Plan Data

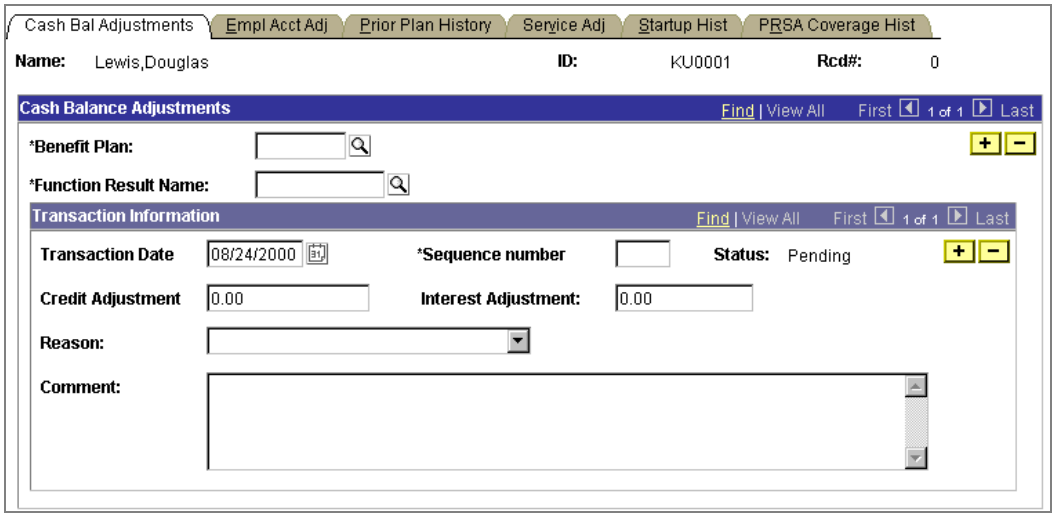
You can maintain a variety of data used in pension calculations:

- Manually adjust the balances for employee accounts, cash balance accounts, or service.
- Enter starting balances for employee accounts, cash balance accounts, or service.
- Enter any entitlements based on participation in a prior plan: a service minimum, a benefit amount minimum, or an automatic right to participate in a plan.
- If you charge employees for PRSA (Preretirement Survivor Annuity) coverage, track the employee's PRSA coverage elections so that you can accurately calculate the coverage penalty.

Employee Plan Data - Cash Bal Adjustments Page

Usage	Use the Employee Plan Data - Cash Bal Adjustments (cash balance adjustments) page to record manual adjustments to an employee's cash balance account.

Object Name	PA_CBAL_TRANS
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Cash Bal Adjustments**
Access Requirements	EmplID



Employee Plan Data - Cash Bal Adjustments page

Benefit Plan Enter the **Benefit Plan** for your cash balance plan.

Function Result Name When your organization set up your plan rules in the PeopleSoft Pension Administration system, the cash balance account received a name. Enter this name in the **Function Result Name** field.

Transaction Date For each adjustment, enter the **Transaction Date.**

Sequence Number If there are multiple transactions on one date, give each one a unique **Sequence Number;** otherwise, use ***1*** as the **Sequence Number.**

Status The adjustment **Status** will be ***Pending*** until period processing applies the adjustment to the employee's permanent cash balance account history. At this point the system will update the status to ***Applied.***

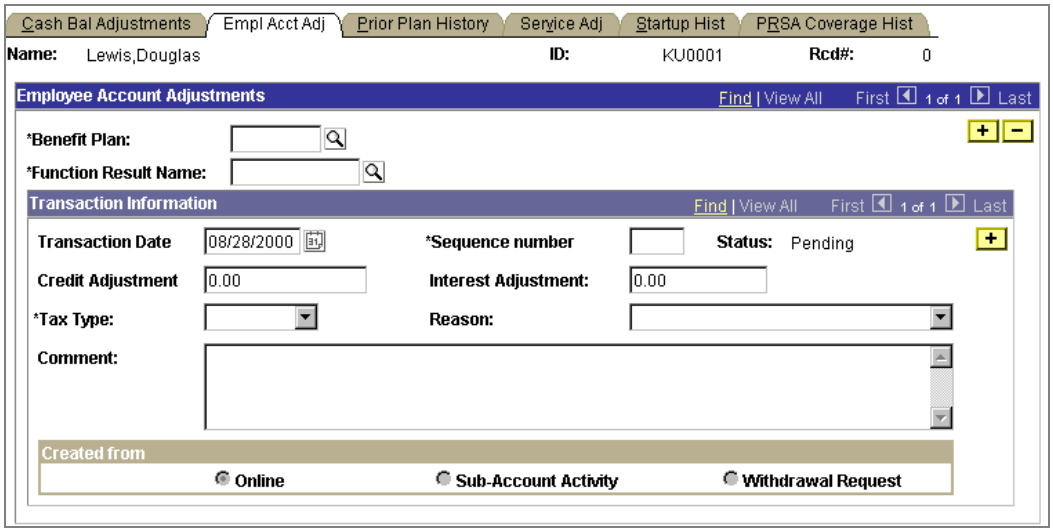
Credit/Interest Adjustment Enter any **Credit Adjustment** and **Interest Adjustment** amounts.

Reason Choose an adjustment **Reason.** The two amounts will both be added to the account balance.

Comments Add any **Comments** to explain the adjustment.

Employee Plan Data - Empl Acct Adj Page

Usage	Use the Empl Acct Adj (employee accounts adjustments) page to record manual adjustments to an employee's contributory account. These adjustments can include: Correcting data problems with employee accounts. Establishing both the cost and the amount of purchasable service for a service purchase arrangement. You'll use separate transactions in this case. Recording service buy back repayments (when an employee repays withdrawn contributions) or service purchase payments (when the employee makes payments by check rather than by payroll deduction).
Object Name	PA_EACCT_TRANS
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Empl Acct Adj**
Access Requirements	EmplID



Employee Plan Data - Empl Acct Adj page

Understanding Employee Account Types

To understand employee account adjustments, you have to also understand the three types of employee accounts:

- A plan's main ***contribution account*** tracks the actual dollar value of the account.
- A ***withdrawal subaccount*** is a subaccount to the main contribution account. When an employee withdraws contributions, the system establishes a negative balance in the withdrawal account. The negative balance corresponds to the amount that the employee withdrew, and rolls up to the main account to reduce the main account value by that amount. If the employee

later repays contributions, the repayments are credited to the withdrawal account. When the entire balance is repaid, the withdrawal account balance is zero. All the repayment activity in the withdrawal account also rolls up to the main contribution account, so at the time that the withdrawal account reaches zero, the main contribution account has also been credited with full repayment.

- A ***purchase subaccount*** is also a subaccount of the main contribution account. When an employee is eligible to purchase service for time not actually worked, you'll establish the purchase prices by establishing a negative balance in the purchase account. Unlike a withdrawal account, this initial balance doesn't affect the main account balances. However, payments to the purchase account work like payments to a withdrawal account. You can credit payments to the purchase account until the balance reaches zero, and all the payments roll up to the main employee account.



Note. You can enter adjustments for all three types of accounts: contribution accounts, withdrawal subaccounts, and purchase subaccounts. Take care to enter the transaction in the appropriate account.

Benefit Plan	Enter the **Benefit Plan** that uses the employee account that you're adjusting.
Function Result Name	When your organization set up your plan rules in the PeopleSoft Pension Administration system, the employee account received a name. Enter this name in the **Function Result Name** field.
Transaction Date	For each adjustment, enter the **Transaction Date.**
Sequence Number	For multiple transactions on one date, give each one a unique **Sequence Number;** otherwise use ***1*** as the **Sequence Number.**

Reason

Choose an adjustment **Reason.**

If the adjustment is establishing an initial value for a purchase subaccount, or if the adjustment corrects an error in the data, the **Reason** would be simply ***Credit Adjustment, Interest Adjustment,*** or ***Credit and Interest Adjustment.***

If the adjustment reflects a withdrawal of contributions processed by the system, the system assumes that you're refunding both the employee's contributions and the interest that those contributions earned. Therefore, the system sets the **Reason** to ***Refund with Interest.*** If you're manually entering an adjustment for a withdrawal of contribution and you're only refunding the contributions and not the interest, you can set the **Reason** to ***Refund, Interest Forfeiture.***

If the adjustment reflects a payment to either a withdrawal subaccount or a purchase subaccount, use the **Reason** ***Repayment with Interest.***

Finally, to establish the amount of service that corresponds to the initial amount in a service purchase account, set the **Reason** to ***Purchasable Service Adjustment.*** This is only valid for purchase subaccounts.

Note. When you use a reason of ***Purchasable Service Adjustment,*** you'll be adjusting the service amount that is associated with contributions. When you use any other reason, you'll be adjusting the actual dollar amount.

Created from

The Employee Account Adjustment page displays three types of adjustments made to account balances. The **Created from** group box at the bottom of the page tells you the source of the adjustment. The system determines how the adjustment was created. You can't edit these values.

Online

Online adjustments are those that you manually enter. For example, you manually establish the initial balance for a service purchase account, and you manually record payments to purchase or withdrawal accounts when the employee made the payments by check. Payments made by payroll deduction don't appear as adjustments. They feed into the account through consolidations. You might also make online adjustments to any of the three account types if there were errors to the account balances and you need to correct the data.

Sub-Account Activity

Sub-Account Activity adjustments only occur in a plan's main contributory account. These are adjustments that are rolled up from subaccounts. So if you manually record a payment in a withdrawal account, the corresponding entry in the main contributory account would show up as sub-account activity.

Withdrawal Request

- **Withdrawal Request** adjustments occur only in withdrawal accounts. The system automatically generates this type of adjustment when it processes a withdrawal of contributions. When you request a payee contribution withdrawal, you'll specify a withdrawal account. Then, when you run the payment process, the system will enter the appropriate adjustment (either a specific dollar amount or the entire balance of the main contributory account) as a negative adjustment to the withdrawal account.

For more information about payee contribution withdrawals, see PeopleSoft Pension Administration, "Administering Contributory Plans"

Adjusting Dollar Values

If you're entering a dollar adjustment, that is, any adjustment that for a reason other than ***Purchasable Service Adjustment,*** you'll need to specify which of the following four employee account buckets should receive the adjustment:

- Pre-tax credits
- Pre-tax interest
- Post-tax credits
- Post-tax interest



Under this scheme, post tax interest is really just interest on post-tax contributions. The interest itself hasn't yet been taxed.



The system uses the post-tax interest bucket to track interest on post-tax contributions. This is interest which hasn't actually been taxed. Don't apply any post-tax payments to the post-tax interest bucket because that amount would become mingled with the system-applied interest and you would have both pre and post-tax money in the same bucket.

You can enter both a **Credit Adjustment** and an **Interest Adjustment** for the **Tax Type** that you specify: ***Pre-Tax*** or ***Post-Tax.*** If there are both pre and post-tax amounts, enter them as separate adjustments.

Adjusting or Establishing Purchasable Service

When an employee decides to purchase service, you'll decide how much the employee owes in contributions and back interest and enter this as a negative adjustment to the purchase account. You'll also establish the amount of service that corresponds to this purchase amount. You'll do this with another transaction in this same page. Because the transaction dates are the same, the system knows to associate the dollar amount that you've entered with the service amount you've entered.



Always enter two transactions to establish a service purchase program for an employee: One transaction to establish the cost of the service, and another to establish the amount of service. By using the same transaction date for both transactions, you ensure that the system will associate the two values.

When you enter the service adjustment, set the adjustment reason to ***Purchasable Service Adjustment.*** This causes the page to change so that instead of entering credit and interest amounts, you enter a purchasable service amount.

Enter the amount of service that the employee is eligible to purchase.

The system includes an online calculator to help you determine how much service the employee can purchase. Click the **Calculate Purchasable Service** button to bring up a dialog box where you can enter the date range for which the employee can purchase service.

In the service calculator, enter the dates for the service period, then click **Calculate** to have the system perform the calculation and display the result. The system calculates the service purchase period using the method that you specify in the Plan Aliases page.



For more information about the Plan Aliases page and the service calculation method, see Setting a Service Calculation Method for Service Purchases.

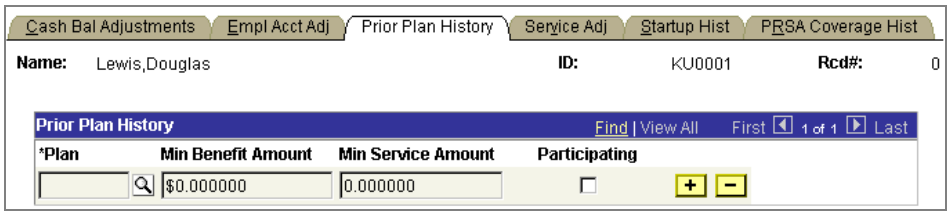
Checking the Adjustment Status

Entering an adjustment in the Employee Account Adjustments page doesn't affect the account balance until you run employee account periodic processing for the period that includes the transaction date. That is, the adjustments entered in this page are only adjustment requests that only get translated into actual adjustments after periodic processing.

The adjustment status will be ***Pending*** until periodic processing has incorporated the adjustment into the actual employee account. At this point, the system updates the status to ***Applied.***

Employee Plan Data - Prior Plan History Page

Usage	When employees participated in a prior plan, for example, a plan of a subsidiary that you've acquired, this prior plan participation may guarantee certain minimum benefits. Typically, the guarantees are for a specified benefit amount, a minimum service credit, or immediate participation. Similar guarantees apply when a plan amendment or regulatory change has the potential to reduce an employee's benefit. The law protects employees from cutbacks by requiring that the benefit accrued as of the date of the change be treated as a minimum benefit. The Prior Plan History page enables you to view and maintain information about employee minimum benefits.
Object Name	PA_PRIOR_PLAN
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Prior Plan History**
Access Requirements	EmplID



Employee Plan Data - Prior Plan History page

For any given plan**,** you can enter a **Min Benefit Amount, Min Service Amount,** and a **Participating** indicator. The **Plan** associated with any of these fields is the current **Plan** you sponsor, not a partially terminated plan under which the benefits were earned.

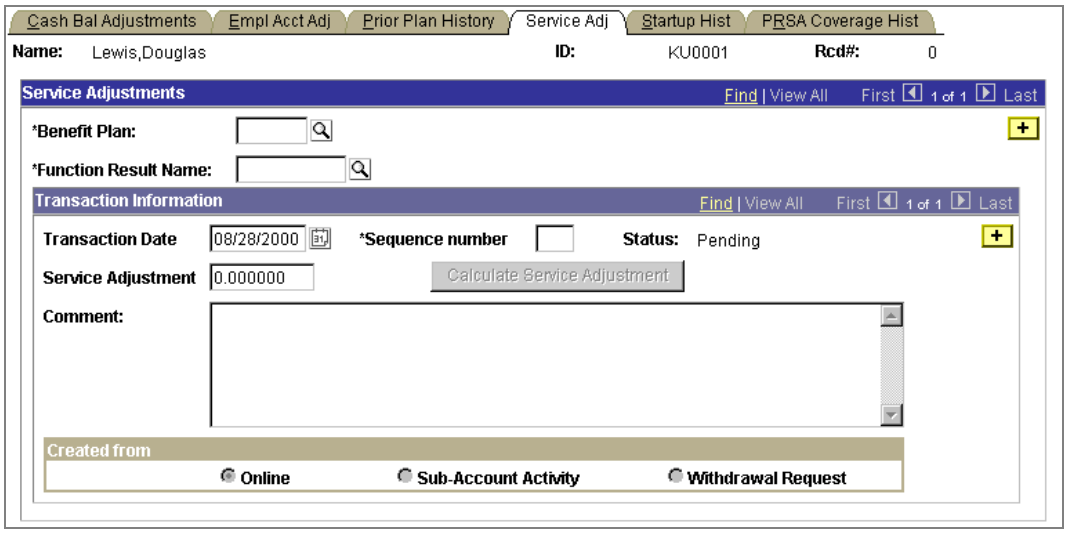
Calculations only use the data that you enter here if you explicitly reference the data within the plan parameters. For example, your plan's eligibility requirements could automatically grant eligibility to employees who have the **Participating** check box selected. If your plan isn't set up to check the status of this field, then selecting the **Participating** check box will have no effect.

However, even if your plan rules don't incorporate the minimums, benefits less than the minimum will produce a message on both calculation results pages and the calculation worksheet: "Benefit Amount Less than Minimum Benefit."

Employee Plan Data - Service Adj Page

Usage	Use the Service Adj (service adjustments) page to record manual adjustments to an employee's calculated service credit.
Object Name	PA_SVC_TRANS

Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Service Adj**
Access Requirements	EmplID



Employee Plan Data - Service Adj page

When you're administering a service buy back or service purchase program, the system will automatically generate service adjustments.

The system generates a negative service adjustment when an employee withdraws contributions. You indicate that the employee, by withdrawing contributions, forfeits the associated service.

The system generates a positive service adjustment when an employee either repays previously withdrawn contributions or makes a payment under a plan's service purchase program. Not all payments generate service adjustments, as the plan rules control when partial payments trigger service adjustments. This can be on the employee's first payment, on the employee's final payment, or on a prorated basis for every payment.

Note. When administering a service buy back or a service purchase, you don't need to create manual service adjustments. The adjustments are all automatically generated based on withdrawal or payment activity. You'll only enter manual service adjustments to correct errors in the employee's service history.

Entering a Manual (Online) Adjustment

Benefit Plan Enter the **Benefit Plan** that uses the employee account that you're adjusting.

Function Result Name	When your organization set up your plan rules in the PeopleSoft Pension Administration system, the employee account received a name. Enter this name in the **Function Result Name** field.
Transaction Date	For each adjustment, enter the **Transaction Date.**
Sequence Number	For multiple transactions on one date, give each one a unique **Sequence Number;** otherwise, use ***1*** as the **Sequence Number.**
Status	The adjustment **Status** will be ***Pending*** until period processing applies the adjustment to the employee's permanent cash balance account history. At this point the system will update the **Status** to ***Applied.***
Service Adjustment	Enter the **Service Adjustment** amount. This is the amount of service to be added or subtracted from the employee's calculated service accrual. Be sure to use a number appropriate to how you measure service. If you measure service in years, enter the number of years. If you measure service in months, enter the number of months.
Calculate Service Adjustment	The system includes an online calculator to help you determine how much service the employee can purchase. Click the **Calculate Service Adjustment** button to bring up a dialog box where you can enter the date range for which the employee can purchase service. In the service calculator, enter the dates for the service period, then click **Calculate** to have the system perform the calculation and display the result. The system calculates the service purchase period using the method that you specify in the Plan Aliases page. Using the calculator instead of making manual calculations therefore ensures that you've correctly established the amount of service associated with a particular period of time.
Comments	Add any **Comments** to explain the adjustment.



For more information about the Plan Aliases page and the service calculation method, see Setting a Service Calculation Method for Service Purchases.

Created From

The Service Adjustments page displays three types of adjustments made to account balances. The **Created from** group box at the bottom of the page tells you the source of the adjustment. The system determines how the adjustment was created. You can't edit these values.

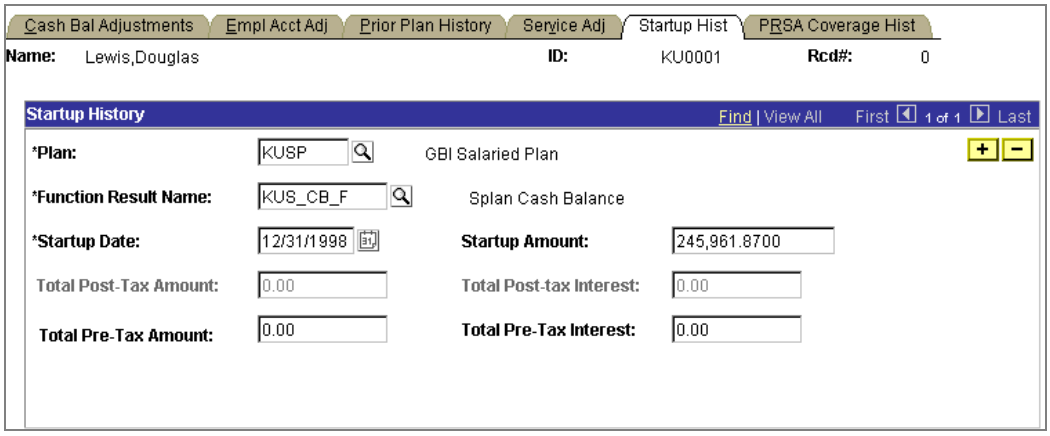
Online	**Online** adjustments are those that you manually enter. You'll make manual adjustments when you need to correct errors in an employee's service record.
Sub-Account Activity	**Sub-Account Activity** adjustments are positive adjustments that the system automatically generates based on activity in one of the employee account subaccounts. These include either a withdrawal account, where an employee makes payments to repay contributions that were previously withdrawn, or a purchase account, where an employee makes payments to purchase service.
Withdrawal Request	**Withdrawal Request** adjustments are negative adjustments that the system automatically generates based on a withdrawal of contributions. When you request a payee contribution withdrawal, you'll specify whether the withdrawal triggers forfeiture of the associated service. Then, when you run the payment process, the system will enter any appropriate service adjustment.



For more information about service buy back and service purchase, and for more information about service adjustments resulting from withdrawal and purchase accounts, see Administering Contributory Plans.

Employee Plan Data - Startup Hist Page

Usage	Because pension calculations are based on information from an employee's entire career, you had to load a great deal of historical information at the time of your PeopleSoft implementation. For accruals, such as service, cash balance accounts, and employee accounts, you had the option of loading the raw data needed to calculate benefits or of loading a starting balance and an "as of" date. The Startup Hist (startup history) page displays the startup accruals that you loaded. You can also use this page to enter or update startup values, but do so cautiously, because the data needed to recalculate startup values isn't necessarily available.
Object Name	PA_START_UP_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Startup Hist**
Access Requirements	EmplID



Employee Plan Data - Startup Hist page

Startup values have to be associated with a particular plan and a particular calculation element within the plan. For example, your plan may have several different service elements: participation service, vesting service, or service credit. When your organization set up all your plan rules, each calculation component received a function result name. If you click the **Function Result Name** list box to view the function result names, you'll see a list of all the service, cash balance account, and employee account function results in the specified plan.

The startup date is the "as of" date for the startup amount. Calculations that use the startup value will only calculate accruals occurring after this date and will then add the calculated amount to the startup amount.

Note. The startup date musn't be earlier than the day before the hire date. Otherwise, the system looks for data for the time period between the startup date and the hire date and, when there are no data available, generates an error.

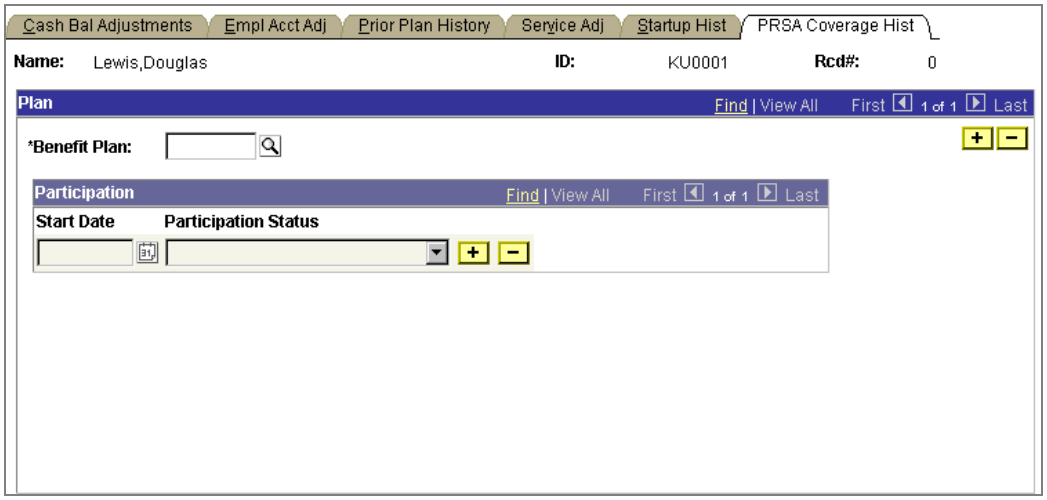
The startup amounts are the actual accruals as of the specified date:

- For service startup, all you need is the startup amount.
- For cash balance accounts, the startup amount is the total account balance and is the only required field. However, you can also provide a credits/interest breakdown of the amount to use as startups for the system's running subtotals. Enter these in the **Total Pre-Tax Amount** and **Total Pre-Tax Interest** fields.
- For employee accounts (contributory accounts), the startup amount is the total account balance and is the only required field. Any amounts that you enter in the **Total Post-Tax Amount, Total Post-Tax Interest**, **Total Pre-Tax Amount,** and **Total Pre-Tax Interest** fields must add up to the startup amount.

Employee Plan Data - PRSA Coverage Hist Page

Usage	Use the PRSA Coverage Hist (preretirement survivor annuity coverage

	history) page to maintain PRSA coverage history.
Object Name	PA_PRSA_COV_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, PRSA Coverage Hist**
Access Requirements	EmplID



Employee Plan Data - PRSA Coverage Hist page

The law requires that all qualified defined benefit plans provide a form of death benefit for the spouses of participants who die before retirement. The plan must offer married participants a qualified preretirement survivor annuity (PRSA) coverage. The amount of the benefit depends on when the participant dies.

If the plan requires participants to pay the cost of the PRSA coverage, the participant's pension benefit is reduced accordingly. The reduction is usually based on the amount of time that the coverage was in effect. In cases where employees must pay for coverage, they have the option to elect not to have PRSA coverage. Because employees can change their election, they end up with a history of covered and not covered periods of time.

When the system calculates the PRSA reduction factor, it looks at the employee's PRSA coverage history to determine the amount of time that the employee had PRSA coverage.

If there is no coverage history, the system assumes that the employee has never had PRSA coverage, that is, the employee elected not to have such coverage at all times. For this reason, you may want to record coverage as a workflow process at the time that you hire an employee.

Start Date For each benefit plan, record an employee's changing history by entering the start date for each change in coverage.

Participation Status Also enter the **Participation Status** indicating the coverage election**.** When the employee elects to take coverage, the status is ***Participating.*** When the employee declines coverage, the status is ***Not Participating.***

For example, Douglas was single when he was hired, so he didn't need PRSA coverage. No coverage election was recorded because the system assumes that employees with no coverage history aren't covered. When Doug married in 1983, coverage was activated. When he divorced in 1992, coverage was once again declined.

Maintaining Consolidated Payroll Data

PeopleSoft Pension Administration consolidates payroll data, such as earnings, hours, and contributions, into periodic amounts. You run the consolidation process as part of your periodic processing. Each pension plan has its own rules for consolidating, and therefore has its own consolidation results.

Understanding Consolidation Effective Dates

Consolidation results are effective-dated. The normal mode for periodic processing is to continue to add segments to the existing effective-dated history, so there is one effective date (the hire date) with rows for each consolidation period.

Under certain circumstances, however, you can create a new effective-dated history. When you do that, you can either delete the old history, or you can leave it but insert a new effective-dated history to supersede the original history. This occurs when you run consolidation processing in **Delete and Rebuild** mode, which erases existing results and create new results from scratch, or in **Create New Consolidations** mode, which creates new results without erasing the old ones.

Normally the earliest effective date for an employee's consolidation is the first date that you ran the consolidation process for that particular employee. Additional consolidation results are added under the same effective date.

However, if you've use **Delete and Rebuild** mode to build a new history from scratch, the new effective date is the employee's hire date.

If you use the **Create New Consolidations** mode to build a new history without deleting the existing history, the new effective date is the date you ran the process. In this case, there are now multiple effective-dated consolidation histories. When you run a calculation, the system will use the consolidation history effective on the rules "as-of" date you specify at calculation time rather than the history effective on the date that you actually run the calculation.



For more information about the various processing modes, see Selecting a Processing Mode.

Using Consolidation Overrides

In unusual circumstances, you may need to overwrite the calculated earnings or hours consolidation amounts. This is a feature that should be used sparingly, since it's best if your consolidation results map cleanly to the source data from payroll.

The grid displaying the consolidated data includes view-only fields with the results of consolidation processing and available fields that you can use to override these calculated values. You can override amounts for existing periods, but you can't insert new rows to create new periods.

Each period in a consolidation history has a check box called either **Override** or **Override Indicator,** which you must select if you want to substitute user-entered values for certain fields.



If you enter overrides without selecting the **Override** or **Override Indicator** check box, the system will ignore any information that you enter.

When you select the **Override** or **Override Indicator** check box, you'll indicate an **Override Type** of ***Permanent*** or ***Temporary.***

- If you mark the override ***Permanent,*** the system will prevent you from rerunning consolidation in either **Delete and Rebuild** or **Create New Consolidations** mode. This is to keep you from losing your manually-entered override. If you actually do want to delete this permanent override, you'll first have to return to this page and get rid of the override or mark it temporary.
- If you mark the override ***Temporary,*** any rebuild of the existing history will delete the override without issuing a warning. For example, if you discover a problem with an employee's data, you can enter an override so that you can complete your current calculations and wait until later to sort out just what the problem with the payroll data is. When you do uncover the data problem, you can make corrections, reconsolidate in delete and rebuild mode, and your temporary override won't stop the rebuild.



For more information about periodic processing modes, see Selecting a Processing Mode.

Next you'll enter the actual override values. Each consolidation, including earnings, hours, and consolidation, has override fields corresponding to the final results for the period. There are no override fields for intermediate results such as the actual hours worked, only for the final results such as the final adjusted hours for the period.

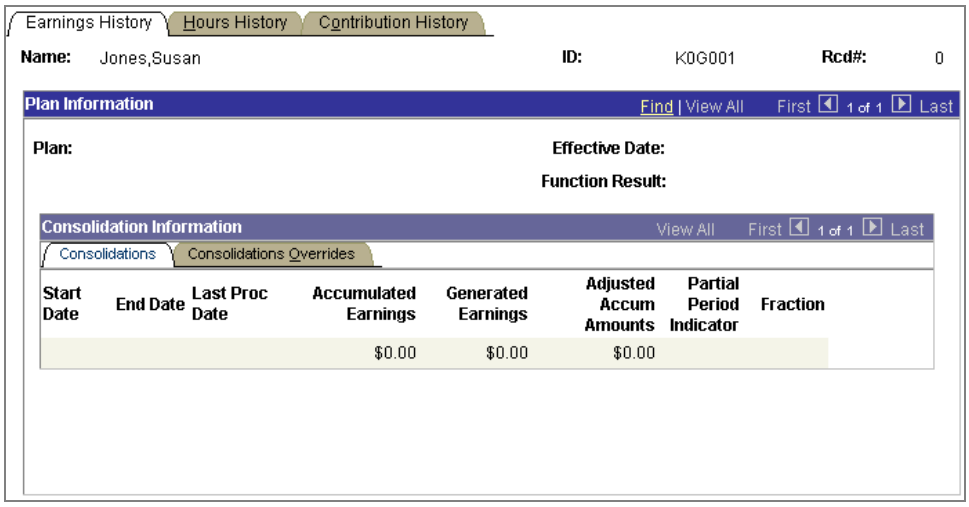
There are several "final results" fields for each consolidation:

- Consolidated earnings has the earnings amount, the partial period indicator, and the partial period fraction.
- Consolidated hours has the hours amount and the partial period indicator.
- Consolidated contributions has pre and post-tax amounts.

Note. If the override indicator is on, you must enter data in all of the override fields. If you fail to enter data, the system will use zeros for numeric fields and "no" for check box fields.

Employee Consolidated History - Earnings History Page

Usage	The Earnings History page displays the employee's consolidated earnings. Depending on your plan rules, the system may use this during calculations for final average earnings, social security, or cash balance accounts.
Object Name	PA_CONS_EARNS_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Consolidated History, Earnings History**
Access Requirements	EmplID



Employee Consolidated History - Earnings History : Consolidations page

If an employee brings to you their social security earnings history, such as either a document from the Social Security Administration or the pay stubs from previous employers, you are obligated to use this earnings history for social security calculations. Rather than entering the new information as an override to the consolidated earnings (which may interfere with other calculations based on these earnings), enter the data in the Employee Soc Sec Earnings Page.

Multiple views of this page are available by clicking on the tabs in the scroll area. We document fields common to all views first.

Common Page Information

The specific rules used to generate the history are identified by **Plan, Effective Date,** and the **Description** of the **Earnings Consolidation. The Function Result** is the system's name for the particular earnings consolidation rule.

The grid displaying the consolidated data includes view-only fields with the results of consolidation processing and enterable fields that you can use to override these calculated values. You can override amounts for existing periods, but you can't insert new rows to create new periods.

Consolidations Tab

See the above exhibit for a view of this tab.

The consolidation rules that you've created define the type of consolidation period. For example, this may be a calendar year, a plan year, or a calendar month. The **Start Date** and **End Date** fields identify the individual consolidation periods.

The **Last Proc Dt** (last processed date) field contains the last time in that period that the consolidation ran. Compare this with the **End Date** field to see if you've completed processing for that period.

The accumulated earnings are earnings that were actually paid to the employee during a consolidation period. This isn't the final earnings for the period, as the rules may require that you generate or otherwise adjust these earnings.

The **Generated Earnings** field reflects the period total after any earnings generation. The generated earnings amount isn't added to paid earnings. Instead, it replaces the paid earnings. If no earnings were generated, this field shows ***0.***

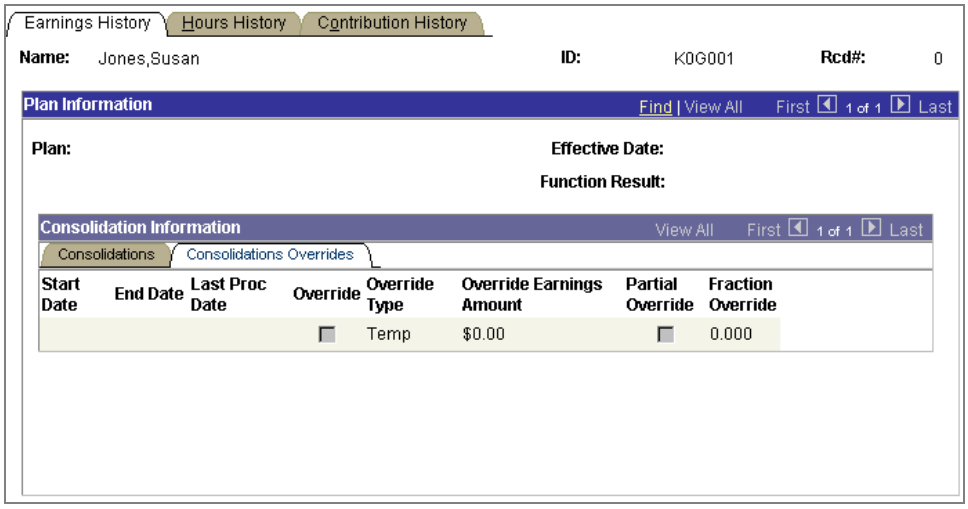
The **Adjusted Accum Earnings** (adjusted accumulated earnings) field contains the final earnings actually used in the calculation. In addition to including the generated earnings, this reflects any minimums, maximums, or other adjustments specified in the plan rules.

A period is partial if the employee didn't work throughout the entire period. Usually a partial period is a hire period, a termination period, or a period during which an employee was on leave. An ***N*** (no) value means that this isn't a partial period. A ***Y*** (yes) value means this is a partial period.

The **Fraction** field indicates what portion of the period was worked. For non-partial periods, this will be ***1.000,*** indicating that the employee worked for 100% of the period. If the employee worked for 75% of the period, the fraction would be ***0.750.***

Depending on your plan rules, the partial period indicator and partial period fraction may be used during final average earnings and cash balance accounts calculations.

Consolidations Overrides Tab



Employee Consolidation Data – Earnings History: Consolidations Overrides page

For more information about entering consolidation overrides, see Using Consolidation Overrides in this section.

Select the **Override** check box if you want the system to use the values that you enter on this page instead of the values calculated by the system. If you select this option, you'll enter three override values:

- Final earnings amount
- Partial period indicator
- Partial period fraction

Note. If the override indicator is on, you must enter data in all of the override fields. If you fail to enter data, the system will use zeros for numeric fields and "no" for check box fields.

Use the **Override Type** field to indicate whether the override is ***Temp*** (temporary) or ***Perm*** (permanent).

Enter the new earnings data in the **Override Earnings Amount** field. This overrides the data in the **Adjusted Accum Amounts** field.

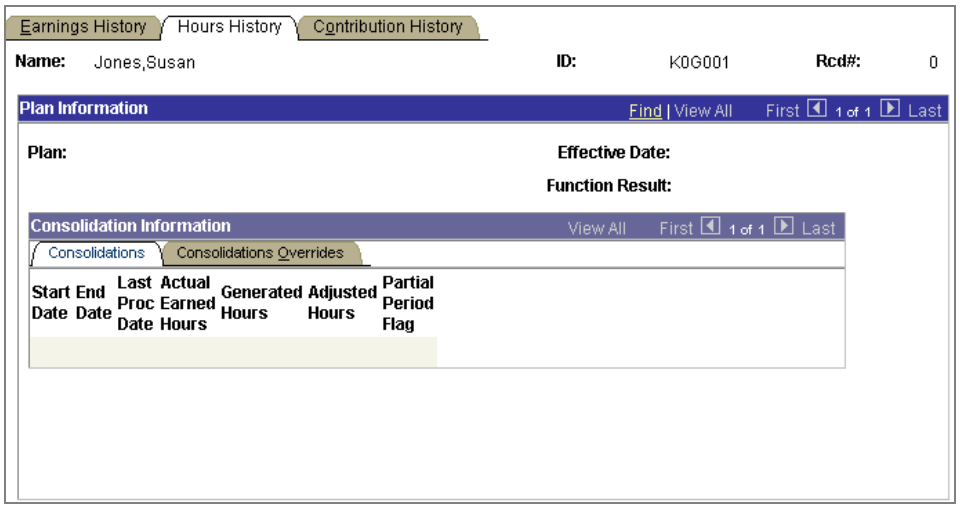
Select whether this is a partial period using the **Partial Override** check box. This overrides data in the **Partial** field. When the check box is clear, the value is ***N*** (no), meaning this isn't a partial period. When the check box is selected, the value is ***Y*** (yes), meaning this is a partial period.

Enter the partial period fraction in the **Fraction Override** field. This overrides data in the **Fraction** field. The value should be ***1.000*** for periods that aren't partial periods. For periods that

are partial periods, enter a decimal corresponding to the percentage of the period worked. For example, if an employee worked for 80% of the period, enter ***.8*** as the fraction override.

Employee Consolidated History - Hours History Page

Usage	The Hours History page displays the employee's consolidated hours.
Object Name	PA_CONS_HOURS_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Consolidated History, Hours History**



Employee Consolidated Earnings – Hours History: Consolidations page

Multiple views of this page are available by clicking the tabs in the scroll area. We document fields common to all views first.

Common Page Information

The specific rules used to generate the history are identified by plan, effective date, and the description of the hours consolidation. The **Function Result** field contains the system's name for the particular hours consolidation rule.

The grid displaying the consolidated data includes view-only fields with the results of consolidation processing and available fields that you can use to override these calculated values. You can override amounts for existing periods, but you can't insert new rows to create new periods.

Consolidations Tab

See the above exhibit for a view of this tab.

The consolidation rules that you've created define the type of consolidation period. For example, this may be a calendar year, a plan year, or a calendar month. The **Start Date** and **End Date** fields identify the individual consolidation periods.

The **Last Proc Dt** (last processed date) is the last time in that period that the consolidation ran. Compare this with the **End Date** field to see if you've completed processing for that period.

The **Actual Earned Hours** field contains the hours that the employee actually worked during a consolidation period. This isn't the final hours for the period, as the rules may require that you generate or otherwise adjust these hours.

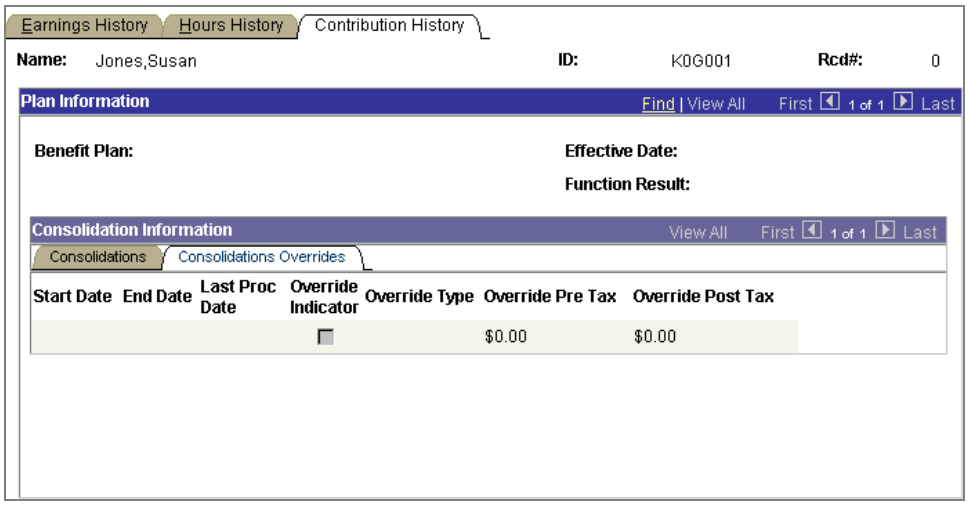
The **Generated Hours** field reflects the period total after any hours generation. The generated hours amount isn't added to the actual hours. Instead, it replaces the actual hours. If no earnings were generated, this field is blank**.**

The **Adjusted Hours** field contains the final hours that are actually used in the calculation. In addition to including the generated hours, this reflects any minimums, maximums, or other adjustments specified in the plan rules.

The **Partial Period Flag** field indicates whether the employee worked for the entire period or for just a portion of the period. Usually a partial period is a hire period, a termination period, or a period during which an employee was on leave. An ***N*** (no) value means that this isn't a partial period. A ***Y*** (yes) value means this is a partial period.

Depending on your plan rules, the partial period indicator may be used during service calculations.

Consolidations Overrides Tab



Employee Consolidated History – Contribution History: Consolidation Overrides page

For more information about entering consolidation overrides, see Using Consolidation Overrides in this section.

Select the **Override Indicator** check box if you want the system to use the values that you enter on this page instead of the values calculated by the system. If you select this option, you'll enter two override values: the final hours amount and the partial period indicator.

If the override indicator is on, you must enter data in all of the override fields. If you fail to enter data, the system will use zeros for numeric fields and "no" for check box fields.

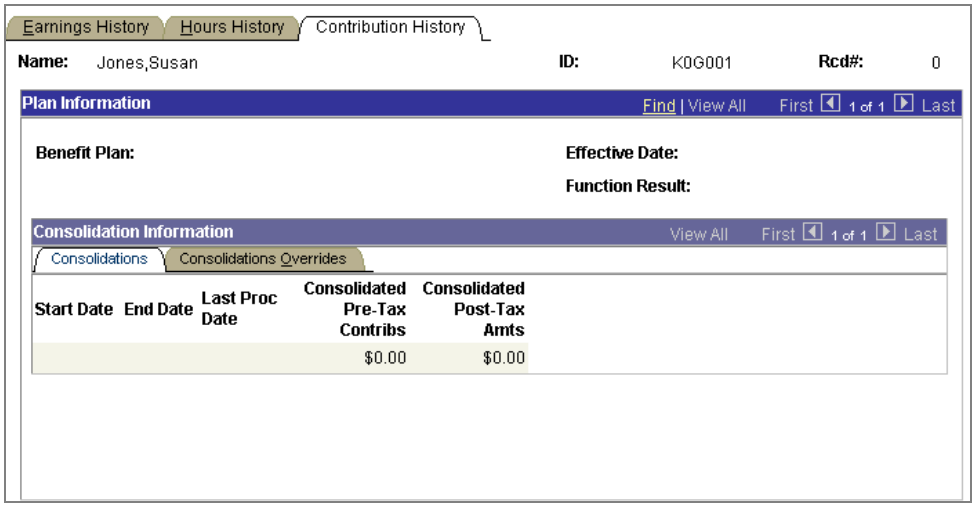
Use the **Override Type** field to indicate whether the override is ***Temp*** (temporary) or ***Perm*** (permanent).

Enter the new hours data in the **Override Final Cons Hours** (override final consolidated hours) field. This overrides the data in the **Adjusted Hours** field.

Select whether this is a partial period using the **Partial Override** check box. This overrides data in the **Partial Period Flag** field. When the **Partial Override** check box isn't selected, the value is ***N*** (no), meaning this isn't a partial period. When the **Partial Override** check box is selected, the value is ***Y*** (yes), meaning this is a partial period.

Employee Consolidated History - Contribution History Page

Usage	The Employee Consolidated History - Contribution History page displays the employee's consolidated earnings.
Object Name	PA_CONS_DED_HIST
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Consolidated History, Contribution History**
Access Requirements	EmplID



Employee Consolidated History – Contribution History: Consolidations page

Multiple views of this page are available by clicking the tabs in the scroll area. We document fields common to all views first.

Common Page Information

The specific rules used to generate the history are identified by benefit plan and function result. The **Function Result** field contains the system's name for the particular contribution consolidation rule.

The grid displaying the consolidated data includes view-only fields with the results of consolidation processing and available fields that you can use to override these calculated values. You can override amounts for existing periods, but you can't insert new rows to create new periods.

Consolidations Tab

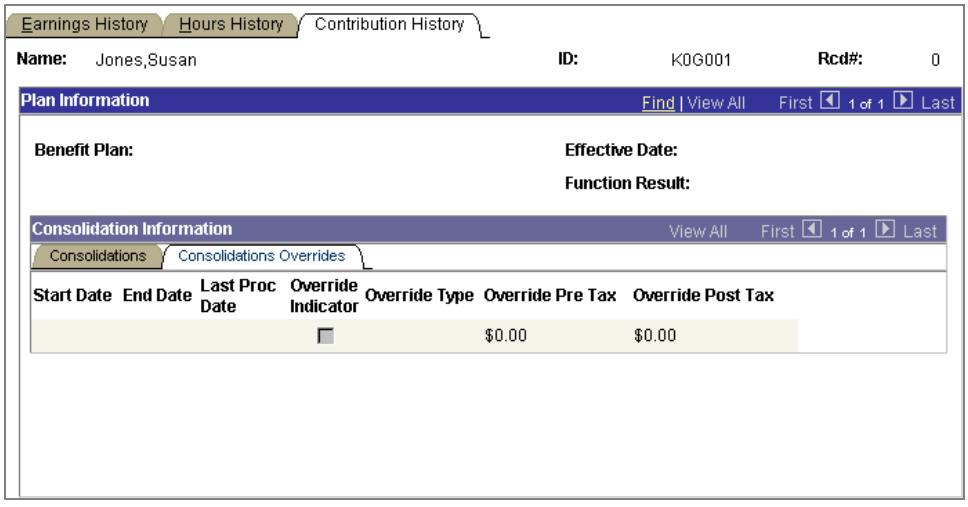
See the above exhibit for a view of this tab.

The consolidation rules that you've created define the type of consolidation period. For example, this may be a calendar year, a plan year, or a calendar month. The **Start Date** and **End Date** fields identify the individual consolidation periods.

The **Last Proc Dt** (last processed date) field contains the last time in that period that the consolidation ran. Compare this with the **End Date** field to see if you've completed processing for that period.

The **Consolidated Pre tax contrib** (consolidated pre tax contribution) field and the **Consolidated Post tax amts** (consolidated post tax amounts) field show the employee's pre-tax and post-tax contributions during the period.

Consolidations Override Tab



Employee Consolidated History – Contribution History: Consolidations Overrides page

For more information about entering consolidation overrides, see Using Consolidation Overrides in this section.

Select the **Override** check box if you want the system to use the values that you enter on this page instead of the values calculated by the system. If you select this option, you'll enter two override values: the pre-tax and post-tax contributions.

Note. Always verify the data in all of the available override fields. If the override indicator is on, and you don't enter data in an override field, the system will use a zero in that field.

Use the **Override Type** field to indicate whether the override is ***Temp*** (temporary) or ***Perm*** (permanent).

Enter the pre-tax and post-tax amounts in the **Override Pre Tax** and **Override Post Tax** fields.

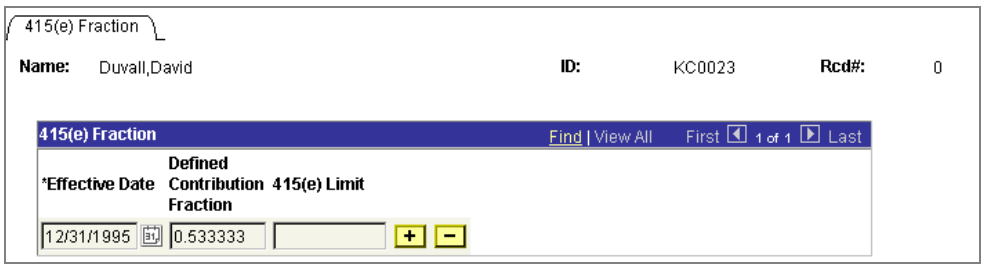
Maintaining Employee Regulatory Data

Pension calculations often require certain data for regulatory purposes. Although much of the necessary data exists in your PeopleSoft Human Resources database, there are certain pension-specific pieces of information that you'll track in the pension system:

- 415 limit calculations require certain information about a participant's contributions to any defined contribution (DC) plan that you sponsor. The system doesn't calculate the DC information. You'll enter the data directly into the 415(e) Fraction page.
- Social security calculations require you to use the employee's actual social security earnings history rather than your plan assumptions if the employee provides this information. In this case, you'll record the social security earnings in the Employee Soc Sec Earnings (employee social security earnings) page.

Employee 415(e) Fraction Page

Usage	Use the Employee 415(e) Fraction page to record 415(e) information for your employees. If there is no information here, the system assumes that the employee isn't subject to 415(e) limits. Typically, you'll only enter data for highly compensated employees who have participated in a DC plan.
Object Name	PA_DC_FRACTION
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee 415(e) Fraction, 415(e) Fraction**
Access Requirements	EmplID



Employee 415(e) Fraction page

If you sponsor both defined benefit (DB) and defined contribution (DC) plans, employees who participated in both are subject to Internal Revenue Code Section 415(e), which limits the combined benefit from the two types of plans.

Under the combined limits, the sponsor must designate which plan (DB or DC) is primary. Any reduction necessitated by 415(e) is made to the non-primary plan. Typically, but not always, the DC plan is primary, so any reduction is to the DB plan. Because PeopleSoft Pension Administration only calculates DB plan benefits, you'll only use the system's 415(e) limit functionality if the DC plan is primary and benefits in excess of the limit result in a reduction to the DB plan.

If you've set up PeopleSoft Pension Administration to calculate 415(e) limits, the system needs access to participants' defined contribution (DC) information. Specifically, the system needs either the "defined contribution fraction" calculated according to section 415(e) or the final 415(e) limits.

Section 415(e) limits the combined benefit from DB and DC plans. The rule is that the sum of the DB fraction and the DC fraction can't exceed one.

The PeopleSoft Pension Administration system calculates the DB fraction for you, but can't calculate the DC fraction. Instead, you must provide the fraction.

To find the DC fraction:

1. For each year that the employee contributed to DC plans, find the lesser of

   a) The DC dollar limit * 1.25

   b) The employee's compensation * 1.4 * .25

2. Sum up all the amounts from step one. This is the DC fraction denominator.

3. Divide total contributions to DC plans by the DC fraction denominator.

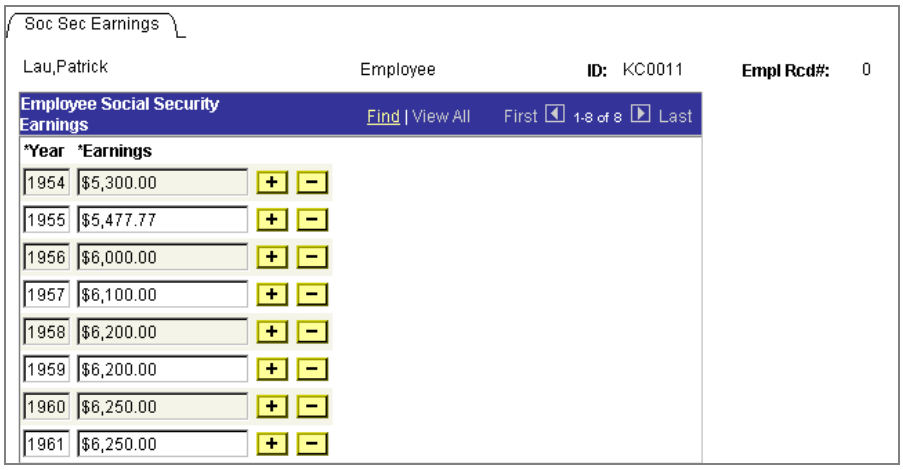
The DC dollar limit referenced in step one is stored in the system for your information, even though the system doesn't calculate the DC fraction. To view the DC limits, see Applying 415 Limits.

Because the fraction's numerator and denominator can change annually, enter an effective date for the information that you're providing. Enter a defined contribution fraction for that date.

Alternatively, you can calculate and provide the final 415(e) limit**,** that is, the maximum dollar benefit for the defined benefit plan allowable under section 415(e).

Employee Soc Sec Earnings Page

Usage	Enter an employee's actual social security earnings on the Employee Soc Sec Earnings (employee social security earnings) page.
Object Name	PA_EMP_SS_EARNS
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Soc Sec Earnings, Employee Soc Sec Earnings**
Access Requirements	EmplID



Employee Soc Sec Earnings page

Pension plans may incorporate social security calculations either in their benefit formulas or when calculating a level income option form of payment. Because you don't normally have access to social security earnings information from other employers, you'll usually use assumed earnings that are determined based on certain assumptions.

Sometimes, however, an employee will bring you their earnings history, either a document from the Social Security Administration or the pay stubs from previous employers. In this case, you are obligated to use this actual earnings history rather than the assumed earnings. By entering the actual earnings data in the Employee Soc Sec Earnings page, you ensure that that all social security calculations will use the actual earnings. At the same time, you avoid overwriting the consolidated earnings data that you may be using elsewhere for final average earnings or cash balance calculations.

Social security earnings are always based on calendar years. For each year of earnings, enter the **Year** and the **Earnings.** Amounts entered above the maximum taxable wage base will be limited to the wage base amount during the social security calculations.

Only social security calculations will use these earnings. Any other calculations involving earnings will use the consolidated earnings that are specified in your plan rules.

Note. The system won't project or regress earnings entered in this page. Be sure to enter information only when you have a complete earnings history.

Maintaining Pension Beneficiary Data

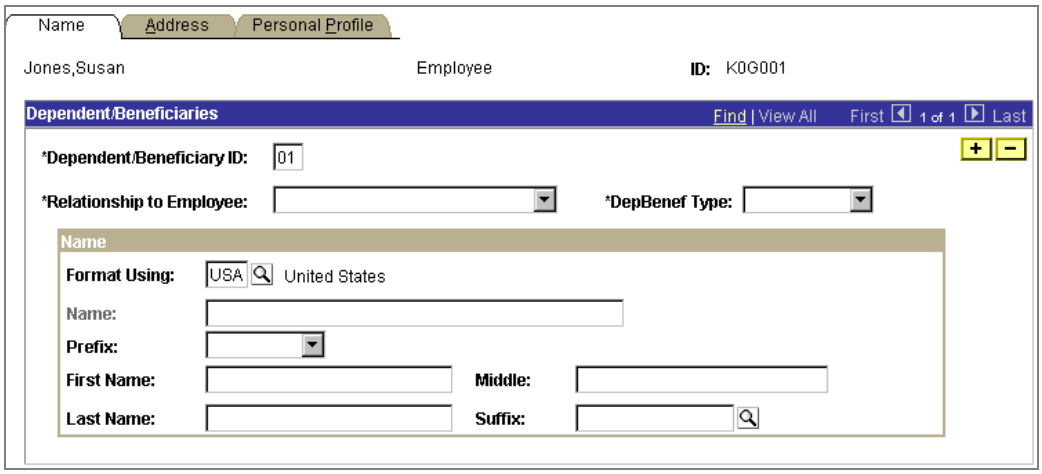
Many optional forms of payment for pension benefits include survivor components, that is, a continuing benefit paid to the retiree's beneficiary after the retiree dies. When the payment amount is actuarially reduced, the system bases the reduction on both the retiree's and beneficiary's ages. Therefore, accurate pension calculations depend on the availability of accurate beneficiary data.

Another important benefit for pension beneficiaries is Preretirement Survivor Annuity (PRSA) coverage, which provides a death benefit when a plan participant dies before becoming eligible for retirement.

For more information about PRSA coverage, see Employee Plan Data - PRSA Coverage Hist Page in this section.

Dependent/Beneficiary – Name Page

Usage	You'll use a different page to actually identify which of the employee's many beneficiaries is the pension beneficiary. Use the Dependent/Beneficiary component to enter beneficiaries into the system and to record personal data such as the beneficiary's address, birthdate, sex, and so on.
Navigation	**Compensate Employees, Administer Base Benefits, Use, Dependent/Beneficiary, Name**
Prerequisites	Enter the pages using the employee ID for the pension plan participant whose beneficiary you're recording.
Access Requirements	EmplID

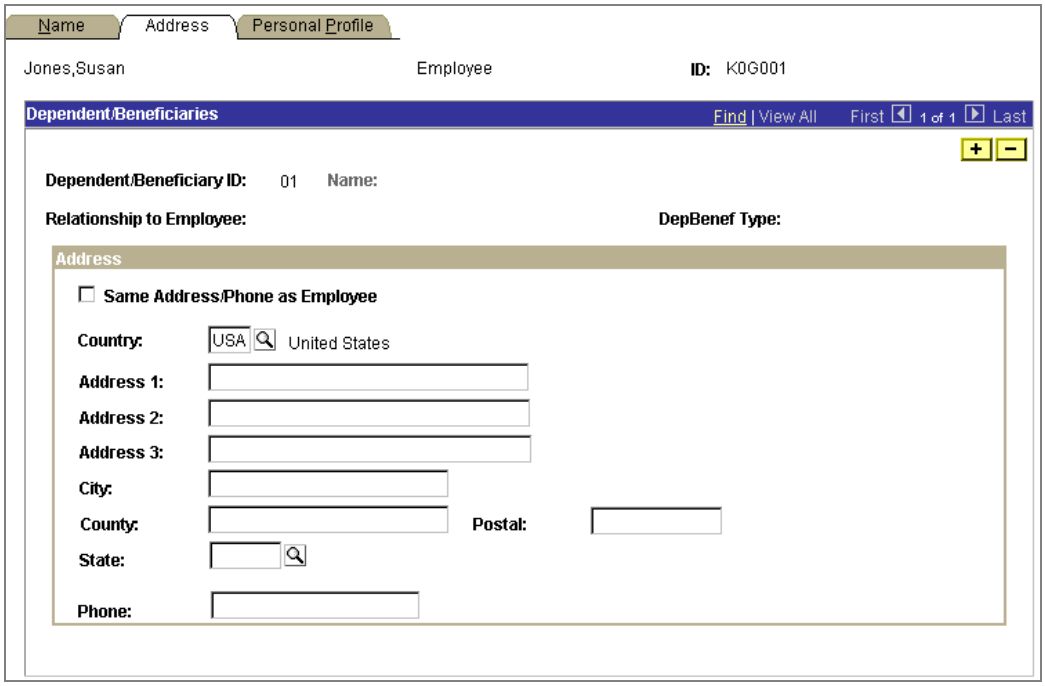


Dependent/Beneficiary – Name page

For more information about the dependent/beneficiary pages, see Setting Up Dependent and Beneficiary Information.

Dependent/Beneficiary - Address Page

Usage	Record the beneficiary's personal address information on the Address page.
Navigation	**Compensate Employees, Administer Base Benefits, Use, Dependent/Beneficiary, Address**
Access Requirements	EmplID

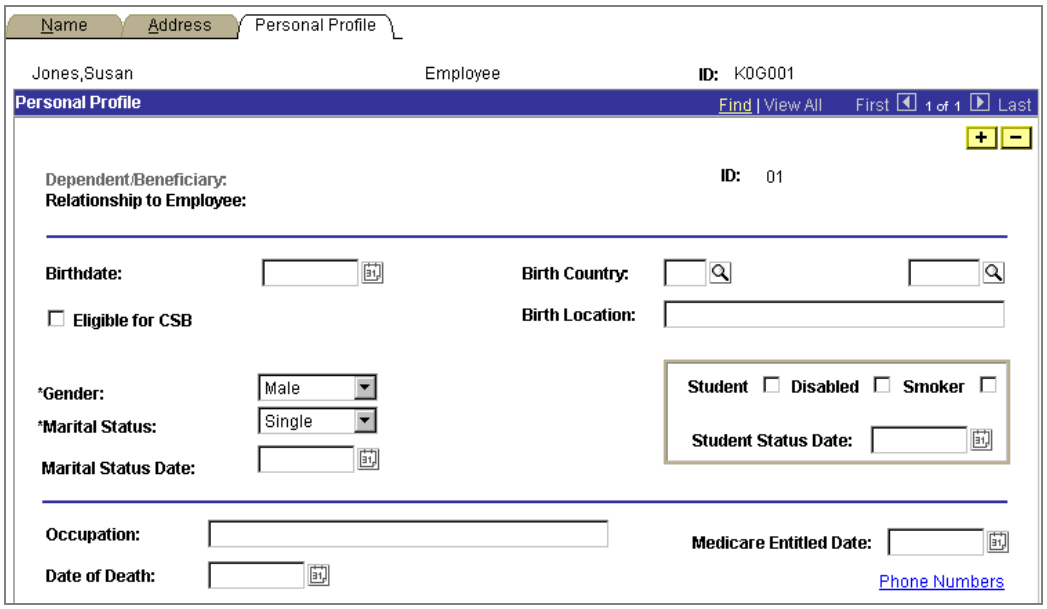


Dependent/Beneficiary – Address page

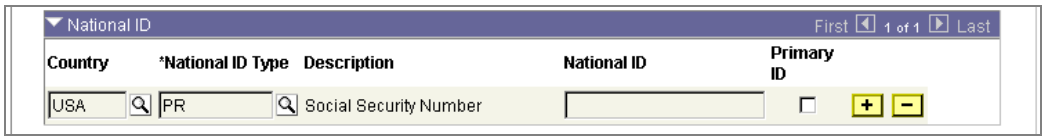
For more information about the dependent/beneficiary pages, see Setting Up Dependent and Beneficiary Information.

Dependent/Beneficiary – Personal Profile Page

Usage	Enter more of the beneficiary's personal information on the Personal Profile page.
Navigation	**Compensate Employees, Administer Base Benefits, Use, Dependent/Beneficiary, Personal Profile**
Access Requirements	EmplID



Dependent/Beneficiary – Personal Profile page (1 of 2)



Dependent/Beneficiary – Personal Profile page (2 of 2)

In order to run calculations for married participants, you need to be sure that the dependent/beneficiary table includes information about the participant's spouse, in particular, the spouse's birthdate.

The system identifies the spouse based on the value ***Spouse*** in the **Relationship** field. If there is no spouse, more than one spouse (for example, if both a former and current spouse show up as the employee's spouse), or if the spouse's record doesn't include the spouse's birthdate, the calculation will end with an error.

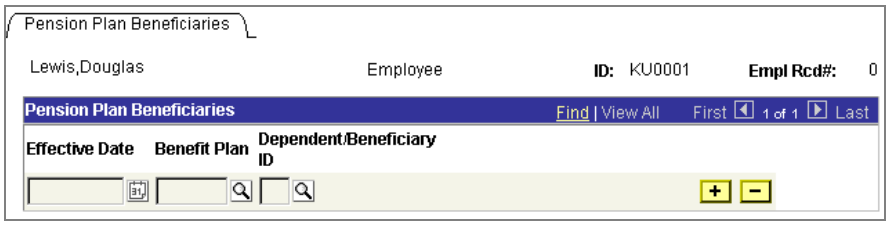
If your plan allows employees to name non-spouse beneficiaries, you'll have to enter the non-spouse beneficiary into the dependent/beneficiary table as well. However, you'll use a different page to establish the person as the pension beneficiary.

For more information about the dependent/beneficiary pages, see Setting Up Dependent and Beneficiary Information.

Pension Plan Beneficiaries Page

Usage	For employees whose spouses are their beneficiaries, you don't need to

	record beneficiary information. When no beneficiary is explicitly recorded, the system assumes that the spouse is the beneficiary. For employees who have non-spouse beneficiaries, you'll identify the beneficiary on the Pension Plan Beneficiaries page.
Object Name	PA_CONT_BENEF_IDS
Navigation	**Compensate Employees, Administer Pension Plan, Use, Pension Plan Beneficiaries, Pension Plan Beneficiaries**
Access Requirements	EmplID



Pension Plan Beneficiaries page

Employees can have different beneficiaries for different plans. They can also change their beneficiary over time. So in order to enter beneficiary information, you'll enter both an effective date and a benefit plan.

You can only enter information for plans that allow contingent (non-spouse) beneficiaries. If a particular plan isn't available when you prompt for valid plans, it doesn't allow contingent beneficiaries.

For more information about indicating whether a particular plan allows contingent beneficiaries, see Adding Pension Plan Detail.

Specify the **Dependent/Beneficiary ID** for the designated beneficiary. Only individuals already added to the employee's dependent/beneficiary list are valid beneficiaries. If the designated individual isn't available in the list of valid values, you must go to the dependent/beneficiary pages and add the person as a dependent/beneficiary. Then you can return to the Pension Plan Beneficiaries page to finish recording the pension beneficiary information.

For more information, see Dependent/Beneficiary – Name Page.

Understanding Automatic Spousal Benefits

Certain plans offer an "automatic" joint and survivor benefit for the spouses of plan participants. That means that a specified percentage of the employee's monthly pension is automatically paid

to the surviving spouse after the death of the employee. This benefit is independent of the employee's optional form selection. The employee's optional form selection and any resulting actuarial reduction to the benefit thus only apply to the portion of the benefit above the automatic spouse benefit.

For example, Plan A specifies an automatic 25% benefit. Fred's benefit is $1000 per month as a single life annuity, but, even if he selects a single life annuity, his wife Norma is entitled to $250 per month after Fred dies.

Fred can still elect any optional form, but if he chooses a joint and survivor form, the continuation percentage only applies to the $750 portion of the benefit that isn't already dedicated to Norma. So if he elects a 50% joint and survivor form, the $750 will be actuarially reduced, perhaps to $700, and Fred's benefit will be $950. After Fred dies, his joint and survivor beneficiary will receive $350 per month. This beneficiary could be Norma, but could also be a child, a trust, or another person. If he did name Norma as his beneficiary, she'll get the $350 in addition to the automatic $250, for a total benefit of $600 per month.

If the plan rules specify an automatic benefit, the optional forms calculations will reflect the benefit.

CHAPTER 57

Establishing Pension Payees

In order to track pension payees, you need to establish the payees in your PeopleSoft system. Retiree records are created using existing employee records. Beneficiary and QDRO alternate payee records are created using existing dependent/beneficiary records.

At the time you establish a payee record, you will also update the person's pension status to reflect that the individual is awaiting payment.

Understanding Payee Types

There are three types of people who receive pension payments: retirees, beneficiaries, and QDRO alternate payees. These are all considered pension payees. Beneficiaries and QDRO alternate payees are considered non-employee payees.

Retirees are former employees who earned their benefits through their own service within your organization. Retirees who left the organization after vesting but before retirement are also known as "terminated deferred vested employees."

Beneficiaries and QDRO alternate payees, on the other hand, collect a benefit that was earned by someone else. A beneficiary collects survivor benefits after the death of a retiree. A QDRO alternate payee is an employee's former spouse who, as part of a divorce settlement, is entitled to a portion of the employee's pension benefit. QDRO alternate payees are subject to the plan's rules governing when employees may begin receiving benefits.

Tracking Pension Payees With PeopleSoft Human Resources

PeopleSoft Human Resources tracks essential data about your employees. The system tracks all kinds of information to help you manage everything from competencies to career planning, but the most basic information gets stored in two records: personal data and job data. You will use these records to track your pension payees, including both employees (retirees) and non-employees (beneficiaries and QDRO alternate payees). Very few changes are required to establish a retiree personal data record based on an employee record: one field, person type, gets changed. Beneficiaries and QDRO alternate payees, on the other hand, don't have a personal data record until you create one.

Accessing Payee Data

Although payee data is available through the Administer Workforce pages of PeopleSoft Human Resources, we have also provided separate personal data and job data pages specific to pension payees. You will find these under Payee Personal Data and Payee Job Data. Although the payee pages display fewer fields than their counterparts in the Administer Workforce menus, they reference the same records. This means that the payee personal data and job data records have exactly the same fields as do the employee personal data and job data records.

If fields have default values, the payee records will use those defaults even though you don't see the fields. Conversely, if the field is required, you must provide a value even if the information doesn't really apply to payee records (for example, standard hours).

Understanding Security

You can use PeopleSoft security trees to set up security, based on the employee's department as entered into the job record. When you set up a retiree job record, you will enter a department code. Depending on your organization's security requirements, this may be one department (or more) just for pension payees or the same department that housed the person as an employee. If your organization uses a separate department for payees, you can use security trees to prevent certain users from accessing payee data.

PeopleSoft permission list security, on the other hand, enables you to restrict users from accessing certain pages. However, because payee records are really the same as employee records, you can't use permission list security to prevent users from accessing payee records; you can prevent them from accessing only payee-specific pages.



For more information about department and permission list security, see Administering Security.

Understanding Personal and Job Data

Personal data includes the payee's name and address plus demographic information such as birthdate, sex, and marital status. This is data that doesn't change based on the person's role in your organization. Most important, the personal data record is where you assign people their permanent and unique identifiers: their employee IDs (identifications).

When you use PeopleSoft Human Resources to track retired employees, you will continue to use the same personal data record. This makes sense, because the data doesn't change just because an employee retires. This means that you will track retirees using *the same employee IDs* they had as employees.

When you set up beneficiaries and QDRO alternate payees, there is no existing employee ID. Therefore, you will have to create a personal data record as part of the process of setting up the payee.

Job data describes the employee's role in your organization. In addition to the actual job code, this record contains information on the employee's company, department, location, salary, benefit program, and other similar information. The job record is effective-dated so you can track this information over time. Employees can even have multiple concurrent jobs for the same company. In this case, the employee is said to have multiple job records. For example, if Barbara is simultaneously a professor of engineering and dean of the engineering school, she has two jobs and two job records. PeopleSoft uses the Rcd# (record number or job number) field to identify the separate jobs.

When you use PeopleSoft Human Resources to track pension payees, that is retirees, beneficiaries, or QDRO alternate payees, you will give the person a "job" as a retiree. The retiree job will be a concurrent job. So if Earl retires from his job assembling widgets, he will have two job records: one as a widget assembler, another as a retiree.



You must turn on the PeopleSoft Human Resources multijob setting in order to administer your pension payees.



For more information about activating this setting, see Working with Multiple Jobs.

Establishing Multiple Payee Records for One Person

In PeopleSoft Human Resources, companies are entities with their own Employer Identification Number and thus their own tax-reporting identity. Under this paradigm, each pension plan is its own company and requires its own entry in the company table.

When you create a retiree job record, you will specify a single company that pays the pension benefits. You can see, then, that if you use one company per plan and one company per job, you will need multiple jobs for individuals who retire with a pension benefit from multiple pension plans. The same principle applies to beneficiaries and QDRO alternate payees.

Setting up retirees with multiple jobs, and thus multiple companies, also enables you to set up separate tax-withholding and direct-deposit elections for the same payee under different plans.

When to Establish Payee Records

Set up *retiree* records at the time an employee retires. By setting up the retiree job at the very beginning of the retirement process, you ensure that the record is in place for you to use as you track retirement activities and record optional form selections, tax elections, and other payee information.

Set up *terminated deferred vested* records at the time the employee terminates. You will complete the setup all the way through setting up payments based on the default optional form. Of course, you won't actually start paying the person; you will indicate that the payments are in deferred status so that the payment process can't inadvertently pick up the payment instructions.

However, setting up the payments ahead of time provides liability information to the actuarial valuation.

Set up *beneficiary* records after a retiree dies. It's only at that point that you can be sure the beneficiary will outlive the retiree and receive survivor benefits. Because you don't set up a beneficiary record until the retiree's death, you can also be sure that the retiree record already exists. This is important, since you will associate each beneficiary record with the retiree record for the benefit in question. Complete the setup all the way through the payment schedule, as with terminated deferred-vested employees. If there is an administrative delay before you start payments, give the schedule a deferred status. This way the information is available for the actuarial valuation even if you haven't started payments.

Set up *QDRO alternate payee* records at the time you determine that the court order is qualified and you record the amount due to the alternate payee. This is necessary because you will record the amount due under the QDRO alternate payee's ID. You don't need to set up the alternate payee's job record until you are ready to run the QDRO calculation, which does require a job record.

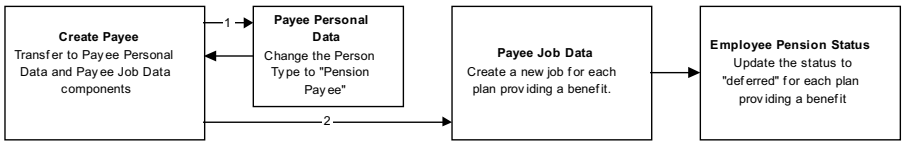
In all cases, you should update the pension status at the same time you set up the payee record.

Creating Payees

You will create payee records based on an "originating employee." For retirees, you will base the payee record on the same person's employee record. For beneficiaries and QDRO alternate payees, you will base the payee record on the employee record of the person who actually earned the benefit.

Understanding the Create Payee Process

You will use four different pages to create payees. You will start on the Create Payee page, which has transfer buttons to guide you to the next two components: Payee Personal Data and Payee Job Data. You will return to the Create Payee page after setting up the payee personal data and before setting up the payee job data. After you set up the payee job data, your last task is to update the payee's pension status on the Employee Pension Status page.



Create Payee process

For more information about and a step-by-step explanation of this process, see Creating Payees and Updating Pension Status in this section.

Using the Create Payee Page

Pension benefits always go back to the employee who earned the pension. Therefore, when you establish payee records, you will do so based on an existing employee ID.

To create payee records, use the Create Payee Page. Because you are establishing a payee based on an existing employee, you will enter this page with an Update/Display action using the existing employee ID**.**

Selecting a Record Number When Setting Up Retirees

When you are setting up a retiree record, enter the person's existing Employee ID and enter the record number of the active employment record.

Selecting a Record Number When Setting Up Non-Employees

When you are setting up a beneficiary or QDRO alternate payee record, enter the Employee ID of the original employee, that is, the employee who earned the benefit that you are now distributing to a beneficiary or alternate payee.

Record Number Examples

To illustrate which Rcd# (record number) to use, let's consider the case of employee Susan Martinez, her beneficiary, Salvatore Martinez, and her former husband, Carl Vega, who was granted part of her pension as part of their divorce settlement and is therefore a QDRO alternate payee.

When Susan retires, you will set up her payee record as Rcd#1. When she dies, you will set up Salvatore's record. When you enter the Create Payee page, you will do so under Susan's employee ID and Rcd#1.

If Susan was receiving benefits from two plans, she would have two payee records, Rcd#1 and Rcd#2. When Susan dies, you set up two payee records for Salvatore, one under Susan's Rcd#1 and one under her Rcd#2. Salvatore will have two separate Employee IDs and two separate personal data records. If, however, only one of the pension benefits has a survivor component, you will set up Salvatore under the Rcd# used for that plan.

Because employees don't receive pension benefits under Rcd# 0, you wouldn't set up a beneficiary under the original employee's Rcd# 0 except in cases of a pre-retirement survivor annuity, where the employee dies before retiring and pension benefits are due to the beneficiary.

Setting up the beneficiary record under the Rcd# used to pay the original retiree provides a crucial link between the beneficiary and the benefit that the person will be receiving. This link enables the system to maintain the appropriate beneficiary amounts as the retiree receives cost-of-living adjustments, and to automatically use the adjusted beneficiary amounts when you set up beneficiary payments.



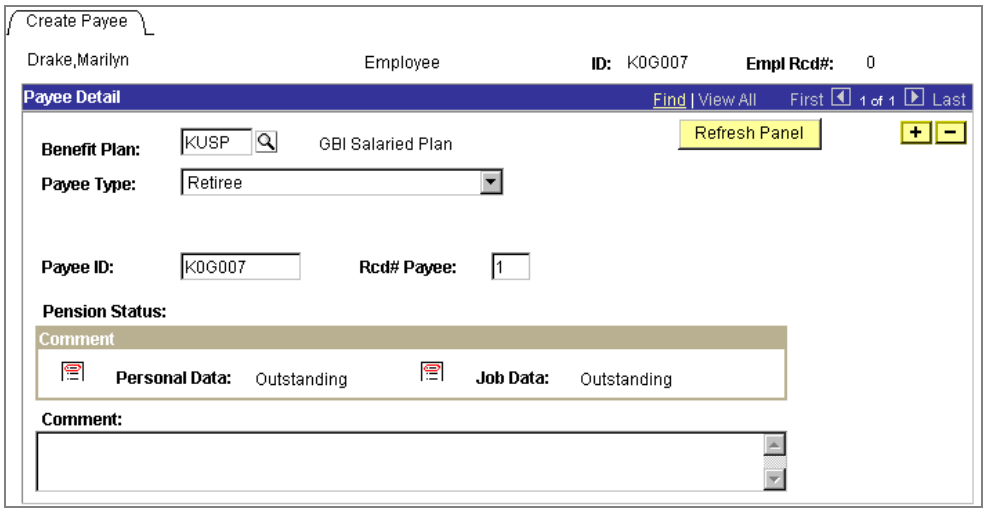
If a retiree has multiple payee job records corresponding to separate plans, you must set up beneficiaries separately for each plan.

Payments to QDRO alternate payees, however, don't depend on the original employees' payments. The two are related, of course, since the original employee's benefit was offset by the amount set aside for the alternate payee. But you will run a separate calculation to determine the alternate payee's pension benefit rather than basing it directly on the original employee's calculation.

For this reason, you will set up QDRO alternate payee records under the originating employee's active service record. This is handy, since you will typically create the QDRO alternate payee's record at the time of the divorce while you won't necessarily create the employee's payee record until the employee is ready to retire, which could be years later.

Create Payee Page

Usage	Use the Create Payee page to create payee records.
Object Name	PA_RT_EMP_SETUP
Navigation	**Compensate Employees, Administer Pension Plan, Use, Create Payee, Create Payee**
Access Requirements	In Update/Display mode, enter an existing employee ID and employment record number.



Create Payee page

If there are already payee rows in the page, for example, rows for the employee's own payee records, insert a new payee row.

Entering Retirement Information

Benefit Plan

Enter the pension plan that is the source of the pension benefit.

If the payee will be receiving pension benefits from more than one plan, you will have to create separate payee records for the additional plans. You can set up additional retiree and QDRO alternate payee records by simply inserting additional rows under the same Employee ID and Rcd#. If a beneficiary requires multiple payee records, you will have to re-enter the page under different Rcd# (record numbers) in order to correctly associate each beneficiary record with the corresponding retiree record.

Payee Type

Valid values are ***Retiree***, ***Beneficiary***, ***QDRO Alternate Payee***, and ***Terminated Deferred Vested.***

A ***Retiree*** is an employee retiring from active employment. A ***Terminated Deferred Vested*** payee leaves active employment before retirement but will eventually be able to collect a pension benefit. Even after the person retires, the **Payee Type** remains ***Terminated Deferred Vested,*** enabling you to report on this value to determine eligibility for retiree medical benefits. The value doesn't impact the pension payment process but is important for your actuarial valuation.

Values of ***Retiree*** and ***Terminated Deferred Vested*** alert the system that the personnel status for the payee record should be ***Employee.*** Values of ***Beneficiary*** or ***QDRO Alternate Payee*** alert the system that the personnel status should be ***Non-employee.***

Payee ID

This is the person's employee ID. Remember that retirees and terminated deferred vested employees will use the same IDs they used as employees. For this reason, the value defaults to the same ID displayed at the top of the page.

Note. Don't change this value for retirees or terminated vested employees. If you do, you won't be able to complete the Create Payee process.

Individuals who have multiple roles, for example, a person who is both an employee and a beneficiary of another employee, will need a separate Employee ID for each role.

If your organization uses Social Security numbers as Employee IDs, you can add a suffix to make the IDs unique while still maintaining your scheme. This will also cluster all of the IDs for one individual if, for example, the person is both an employee and a beneficiary.

If you use a scheme other than Social Security numbers for your Employee IDs, devise a naming standard for your beneficiaries and QDRO alternate payees. Adding a suffix to the originating employee's ID will cluster beneficiaries and QDRO alternate payees with the originating employee. Using prefixes, one for beneficiaries and one for QDRO alternate payees, will cluster everyone with the same payee type.

You must enter a unique **Payee ID** each time you set up a non-employee payee. Use only existing employee IDs as the **Payee ID** when setting up a retiree or a terminated vested employee.

Rcd# Payee

Enter the record number (**Rcd#)** for the payee record you are creating. If a person retires under multiple plans and thus requires multiple record numbers, you can continue to number them sequentially.

You might set up a standard that associates particular record numbers with particular plans. So you will always use Rcd# 1 for Plan A payees and Rcd# 2 for Plan B payees.

You can take two different approaches for non-employees (beneficiaries and QDRO alternate payees). Because you will set up a separate Employee ID for each benefit the person receives, non-employees will have no more than one job record per Employee ID. You can therefore select a single number (say, **Rcd**# 0) for all non-employee job records.

Alternatively, you can match the non-employee's **Rcd#** to the Rcd# of the originating employee. This makes sense if you've implemented a standard for associating record numbers with plans. For example, assume that you always use **Rcd#** 1 for Plan A and Rcd# 2 for Plan B. When Saul retires from plan B, you will set up his **Rcd#** 2. When he dies and you set up a record for his beneficiary, Ruth, you will give her **Rcd#** 2 as well.

Pension Status

This field displays the current status for the employee for the indicated plan. After you create the payee record, you will normally change the pension status.

For more information about when and how to update the pension status, see Updating Pension Status in this section.

Identifying Non-Employees

Dep/Benef (dependent/beneficiary)

If the **Payee Type** is either ***Beneficiary*** or ***QDRO Alternate Payee,*** the payee record will be based on an existing dependent/beneficiary record rather than an existing employee record. Therefore, a **Dep/Benef** field will appear. Use it to identify the existing dependent/beneficiary record for the non-employee. Prompting will display a list of existing dependents and beneficiaries.

Note. You can establish a payee record for only those beneficiaries or QDRO alternate payees who already exist as dependents/beneficiaries of the original employee. If you need to add a beneficiary or QDRO alternate payee to that table, open the Dependent/Beneficiary page. Enter the page under the employee ID of the original employee. For QDRO alternate payees, you can give the person a dependent/beneficiary type of *QDRO Rec* (QDRO recipient).

Changing Personal/Job Data

The **Setup Tasks** group box contains buttons that take you to pages where you complete personal and job data.



To set up the payee's personal data record, click the **Personal/Job Data** button. You will enter the Payee Personal/Job Data 1 page with an add action.

Person Type

The system will automatically set the **Person Type** field, displayed on Payee Personal Data 2, to ***Pension Payee.*** For non-employees, data from the dependent/beneficiary record is automatically transferred to the personal data record.

Both of these buttons have a task status next to them:

Outstanding This indicates that you haven't yet completed the task

Completed This indicates that you've already performed the task.

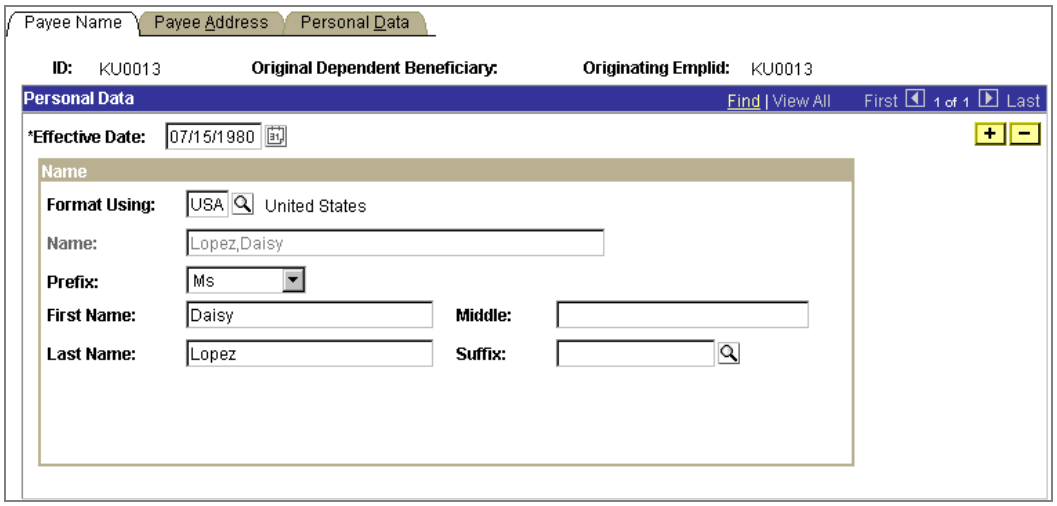
When the tasks are complete, the buttons are unavailable for entry.



Be sure to save the Payee Personal Data page even if you don't make any manual changes. If you don't save, the **Person Type** field doesn't get set to ***Pension Payee*** and the record won't be recognized as a payee record.

Payee Personal Data - Payee Name Page

Usage	Use the Payee Name page to set up the payee's personal data record. It displays the payee's name. This is the same data shown in the personal data pages.
Object Name	PA_RA_PERS_DATA1
Navigation	Click the Personal Data button on the Create Payee page or navigate directly via **Compensate Employees, Administer Pension Plan, Use, Payee Personal Data, Payee Name**
Access Requirements	Enter the payee's ID and the originating employee's ID.



Payee Personal Data - Payee Name page

The display-only fields at the top of the page are primarily to help you track the origins of non-employees in the system.

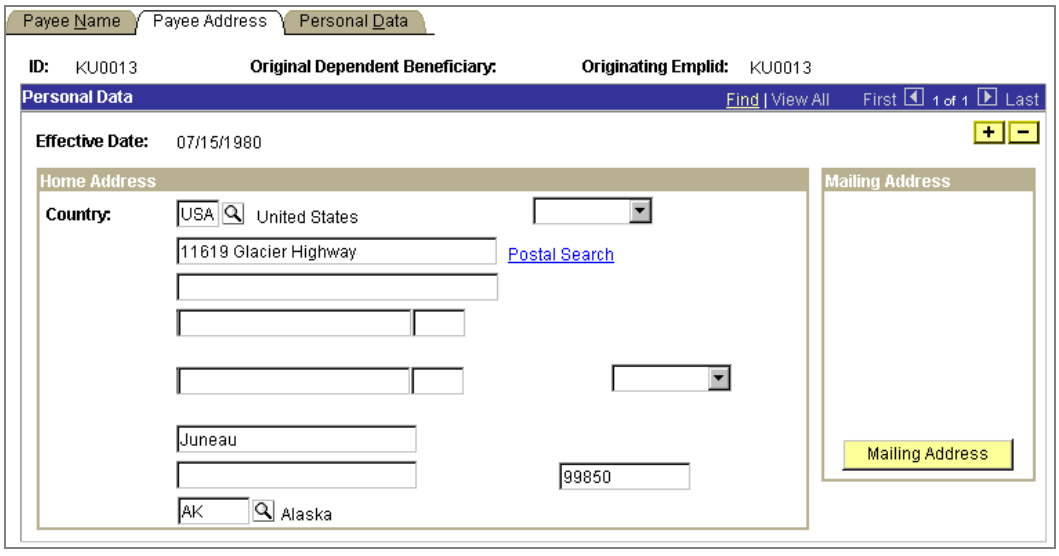
Original Dependent Beneficiary For non-employees (beneficiaries and QDRO alternate payees), the **Original Dependent Beneficiary** tells you the person's original ID from the dependent/beneficiary table. This is the value you put in the Dep/Benef field on the Create Payee page.

Originating Emplid The Employee ID of the originating employee. For retirees, this will be the same ID. In fact, comparing the ID to the **Originating Emplid** is a quick way to ascertain whether the payee is a retiree or a non-employee.

When you first enter a payee's personal data, that is, when you come to this page from the Create Payee page, the page displays the personal data that already exists in the HR personal data record. Notice, however, that the Save toolbar button is active. None of this data is permanent until you Save. In particular, the newly assigned person type ***Pension Payee*** on the second page needs to be saved. Be sure to review this data and make appropriate corrections. For example, there may be a new address.

Payee Personal Data - Payee Address Page

Usage	Use the Payee Address page to set up the payee's personal data record. It displays address information from the personal data pages.
Object Name	PA_RA_PERS_DATA1B
Navigation	Click the Personal Data button on the Create Payee page or navigate directly via **Compensate Employees, Administer Pension Plan, Use, Payee Personal Data, Payee Address**
Access Requirements	Enter the payee's ID and the originating employee's ID.

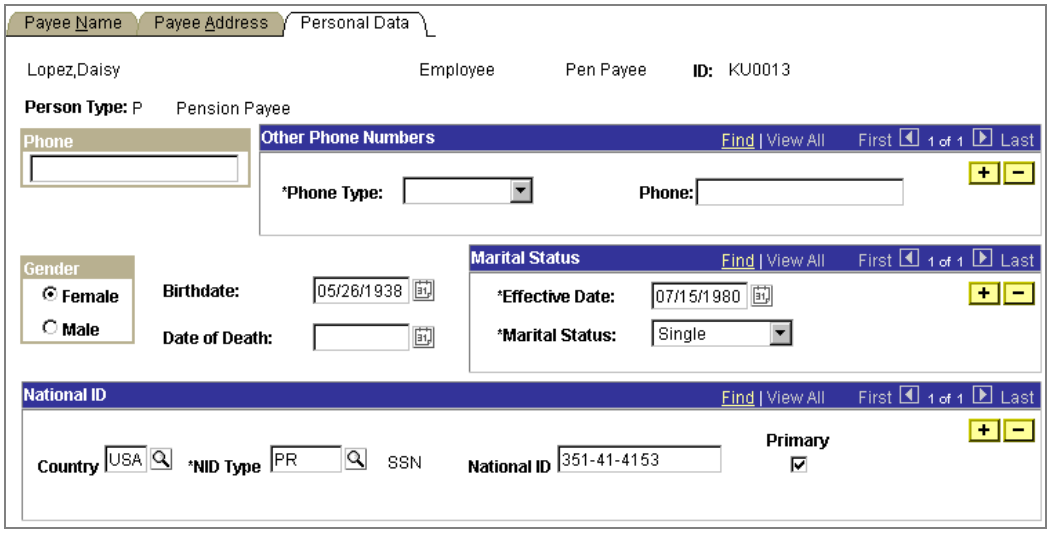


Payee Personal Data - Payee Address page

Payee Personal Data – Personal Data Page

Usage	Use the Personal Data page to set up the payee's personal data record. It displays additional personal and family status information from the personal data pages.
Object Name	PA_RA_PERS_DATA2

Navigation	Click the Personal Data button on the Create Payee page or navigate directly via **Compensate Employees, Administer Pension Plan, Use, Payee Personal Data, Personal Data**
Access Requirements	Enter the payee's ID and the originating employee's ID.



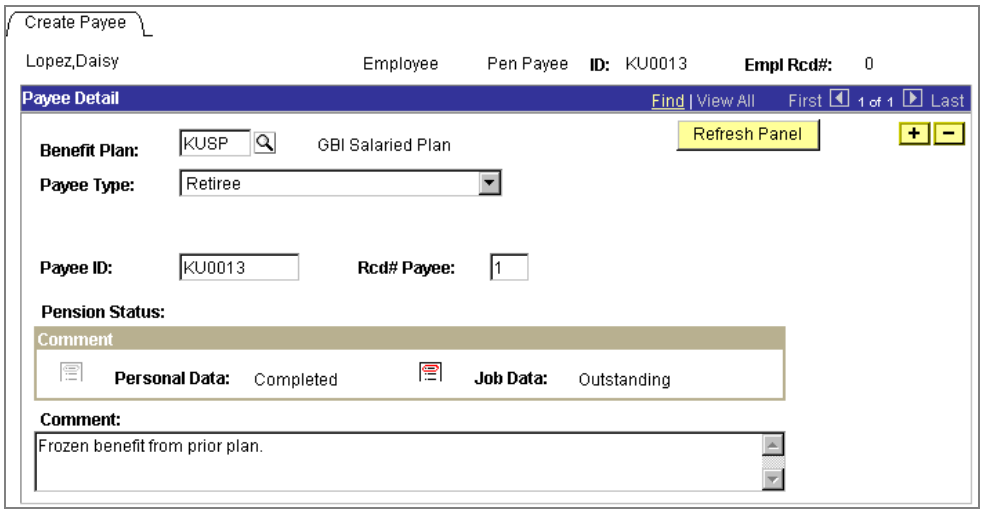
Payee Personal Data – Personal Data page

The system displays the data from the personal data pages. Notice that the **Person Type** is ***Pension Payee.***

When you save, you will see a person type warning notification.

Click **OK.**

After you complete the personal data changes, return to the Create Payee page. You will have to click the Refresh Page button to see the status of the Personal Data task change from ***Outstanding*** to ***Completed.***



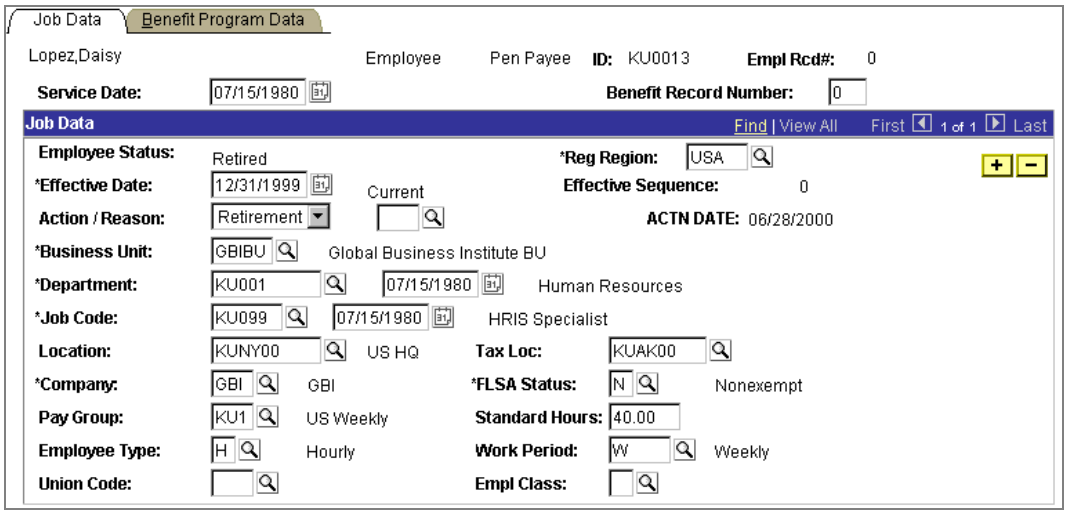
Create Payee page with Personal Data Setup Completed

Creating a Payee's New Job Record

Your next job is setting up the payee's new job record. To do this, click the Job Data button on the Create Payee page. A new PeopleSoft menu will open with the Payee Job Data component. The system will automatically create a new job. If, after creating and saving the new job, you return to the Create Payee page and refresh it, the Job Data task will have a ***Completed*** status.

Payee Job Data - Job Data Page

Usage	Use the Job Data page to set up the payee's new job record. Job Data, the first page in the Payee Job Data component, displays selected fields and data from the job record. This payee job is completely independent of the employee's active employment job. Normally, your human resources staff is responsible for maintaining this record; it isn't important to pension processing that the termination or retirement be entered into Rcd# 0**.**
Object Name	PA_RA_JOB_DATA1
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Job Data, Job Data**
Access Requirements	EmplID



Payee Job Data – Job Data page

Employee Status

The system automatically sets the **Employee Status** to ***Retired - Pension Administration*** based on the fact that you've created this job using PeopleSoft Pension Administration. If you change the **Action** to ***Termination,*** or if you add a new row with a termination action, the employee status for that row will automatically switch to ***Retired - Pension Paid Out.*** Because this is a payee record and not an employee record, the termination action won't kick off a termination workflow**.**

The **Employee Status** doesn't affect any pension processing but can matter to your other PeopleSoft HRMS applications. Either of the two pension-related employee statuses enables other PeopleSoft HRMS applications to recognize that this is a payee job record. Therefore, those applications will filter this record from certain processes, such as COBRA processing that apply to active employees only.

Effective Date

The **Effective Date** defaults to the current date. For retirees and terminated deferred vested employees, you should change it to the termination or retirement date. For beneficiaries, use the day after the original employee died. For QDRO alternate employees, use the date on the court QDRO**.**

Action / Reason

The **Action / Reason** defaults to ***Retirement*** regardless of the payee type.

Company

This is a very important field because tax reporting is based on companies. Typically, there is a company for each retirement plan; the company you enter will correspond to the plan you entered on the Create Payee page. If an employee is getting benefits from more than one plan, you will have to create another retiree record after you return to the Create Payee page. Although you need a new job record only, the process of creating that record also requires you to complete the step for establishing personal data.

Department, Job Code, Location

It is important to think about these three fields. Depending on how your organization has chosen to use these fields, you may have a single department, job, and location for all payees (or for all retirees from a particular plan), or separate departments based on payee type. Alternatively, your organization may choose to keep retirees in the same department, job, and location from which they retired.

Note. Be sure the **Department** you use has appropriate security so that your pension administration staff will be able to access retiree records. If you enter the wrong department, security may prevent you from accessing the record next time.

Tax Loc (tax location)

This is required for PeopleSoft Payroll for North America processing. PeopleSoft Pension Administration assumes you pay retirees using a third-party trustee rather than PeopleSoft Payroll for North America and doesn't require this field.

Benefit Record Number, Service Date, Employee Class, and **Union Code**

These fields are used by PeopleSoft Benefits Administration. If you are using PeopleSoft Benefits Administration for retiree benefits, be sure you understand how the Benefit Record Number affects retiree benefit eligibility. Compensation rate, which doesn't appear on this page but which is relevant to PeopleSoft Benefits Administration, is automatically set to zero.

For more information about using PeopleSoft Benefits Administration, see the PeopleSoft 8 Benefits Administration.

Most of the other fields (for example, Std Hrs/Wk) aren't relevant to a retirement job. Some of the fields are required for all jobs and therefore appear on the page. Others might be of interest if you were to access the active employee job for a pension payee, if for example, if you wanted to look at the union code history.

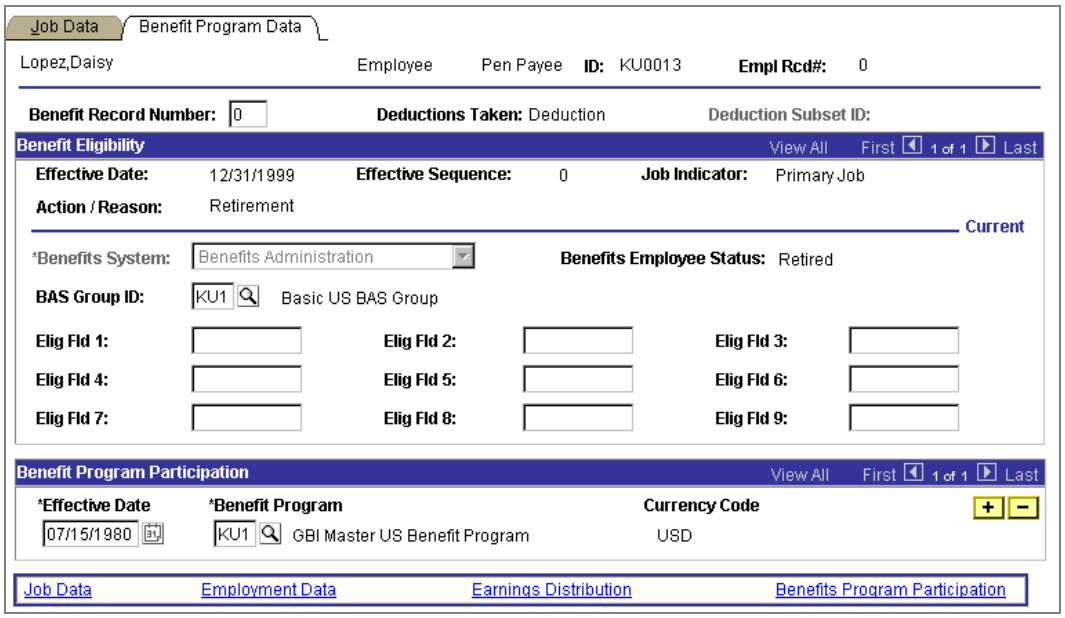
You can accept any defaults for these fields or, if there are no defaults, enter some standard value in these fields.



Remember that this page uses the same table that stores active employee job data, and there are a number of fields that aren't displayed. Although these fields are irrelevant to pension, be aware that they have the same default values as employee job records.

Payee Job Data - Benefit Program Data Page

Usage	Use the Benefit Program Data page to set up the payee's new job record. It is the second page in the Payee Job Data component and records information your plan uses to determining eligibility for retiree benefits.
Object Name	JOB_DATA_BENPRG
Navigation	• **Compensate Employees, Administer Pension Plan, Use, Payee Job Data, Benefit Program Data** • **Administer Workforce, Administer Workforce (GBL), Use, Add Concurrent Job, Benefit Program Participation** • **Administer Workforce, Administer Workforce (GBL), Use, Add Non-Employee, Benefit Program Participation** • **Administer Workforce, Administer Workforce (GBL), Use, Current Job, Benefit Program Particiption** • **Administer Workforce, Administer Workforce (GBL), Use, Hire, Benefit Program Participation** • **Administer Workforce, Administer Workforce (GBL), Use, Job Data, Benefit Program Participation** • **Administer Workforce, Administer Workforce (USF), Use, Current Job, Benefit Program Particiption** • **Develop Workforce, Recruit Workforce (GBL), Use, Hire Applicant, Benefit Program Participation** • **Administer Workforce, Track Global Assignments (GBL), Use, Home/Host Data, Job Data Benprg** • **Administer Workforce, Track Global Assignments (USF), Use, Home/Host Data, Job Data Benprg**
Access Requirements	EmplID



Payee Job Data - Benefit Program Data page

The Benefit Program Data page includes information used for PeopleSoft Benefits and PeopleSoft Benefits Administration. If you are using either of these applications for retiree benefits, enter the appropriate benefit eligibility information here.

Updating Pension Status

Pension status codes categorize participants based on pension-related information. These codes are plan-specific and effective-dated, enabling you to track an employee's changing status in a plan over time. These statuses are more than just informational; they're also the foundation for your actuarial valuation extract and your Form 5500 reporting.

When you create a payee record for a retiree, a beneficiary, or a QDRO alternate payee, you must manually update the status to one of the following values:

- ***TDF*** (Terminated - Deferred Benefit).
- ***RDF*** (Retired Deferred Benefit).
- ***DDF*** (Disability Retire - Deferred Benefit).
- ***BDF*** (Beneficiary Deferred Benefit).
- ***QDF*** (Alt Payee Deferred Benefit).

To update the pension status manually, select the Employee Pension Status page.

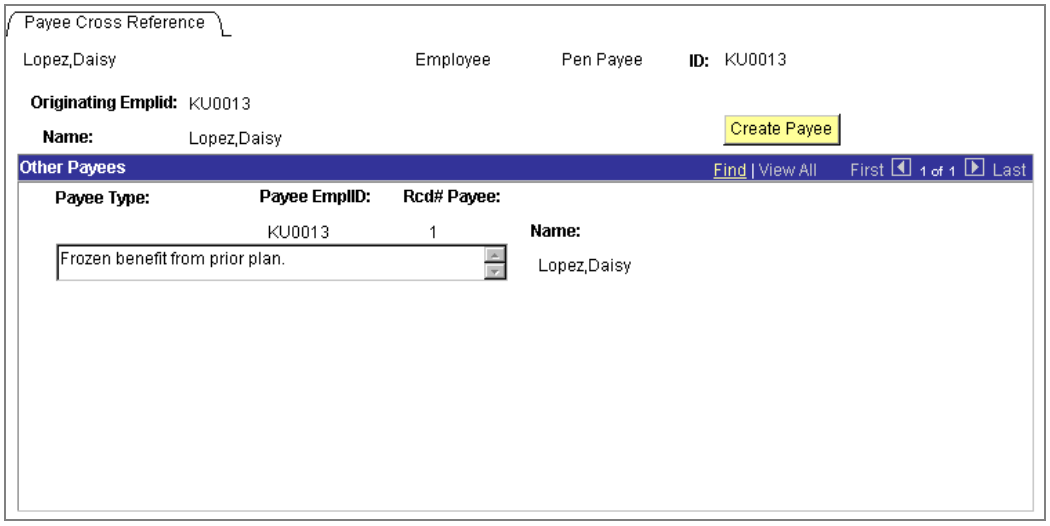
For more information about the Employee Pension Status page, see Employee Pension Status Page.

The payment process applies the appropriate pay status, based on which one of the above codes that you've manually assigned before the first payment. If the current pension status is represented by none of the codes above, the payment process assigns the value ***RDF*** *(Retired, In Pay Status). 7*

For terminated deferred-vested employees, you can get away without making the manual change, because the *Terminated - Deferred Benefit* status is one of the ones that periodic processing maintains, so the status will be automatically set during your next periodic processing. However, setting it manually enables you to set the correct termination date; if you allow periodic processing to update the status for you, the effective date will be the same as the "as of" date for the periodic processing.

Payee Cross Reference Page

Usage	Use the Payee Cross Reference page to view a list of all the payee records associated with a particular employee.
Object Name	PA_RT_EMP_XREF
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Payee Cross Reference, Payee Cross Reference**
Access Requirements	EmplID, Empl Rcd Nbr, Name, Last Name, Personnel Status



Payee Cross Reference page

Originating Emplid(originating employee identification), **Name**	If the employee you are examining is a beneficiary or QDRO alternate payee, then the **Originating Emplid** and **Name** show the id and name of the employee who originally earned the pension that the non-employee will be collecting. If the employee ID you are examining is for a retiree, the originating employee is the same as the retiree.
Other Payees	This section displays all the retiree job records based on the employee you looked up. **Other Payees** also shows any beneficiaries or QDRO alternate payees who are entitled to a portion of the employee's benefit.
Payee Type	For each payee listed in the **Other Payees** section, you will see the **Payee Type:** ***Retiree, Terminated Deferred Vested, Beneficiary,*** or ***QDRO Alternate Payee.***
Payee EmplID (payee employee ID), **Payee Rcd#** (payee record number)	For retirees and terminated deferred vested records, the payee is the same person as the employee you looked up. Therefore, the **Payee EmplID** (the payee's employee ID) is the same as the ones at the top of the page. The **Payee Rcd#** is the job number, a sequential number to identify each job you create. So if you've created three retiree jobs for an employee, because the employee is collecting pension benefits from three plans, you will see the three different job numbers here. Keep in mind that for retirees, Rcd# 0 is the person's "real" job, not a retiree job.
Name	This field displays the name of the payee. In this case, the **Name** field is blank because this is the same person who is identified at the top of the page.

When you set up beneficiaries and QDRO alternate payees, you give them their own employee IDs. You can see the ID in the **Payee EmplID** column along with the name. Again, you will also see the **Payee Rcd#** for their payee job(s). For these non-employees, there is no "real" job, so Rcd# 0 is a payee record**.**

Maintaining Cross-Reference Information

You create each payee record based on an existing record. Retiree and QDRO alternate payee records are based on *employee* records. Beneficiary records are based on *retiree* records except when the benefit comes from a pre-retirement survivor annuity, in which case the beneficiary record is based on an employee record. These relationships are preserved on the Create Payee page, where you can see all the payees created under a given record**.**

Once you create the records, there is no automatic link between the payee records you've created and the data on the Create Payee page. So if you were to delete a beneficiary row on the Create Payee page, you would lose the ability to look up the relationship between the retiree and the beneficiary on the Payee Cross Reference page. Conversely, if you were to delete the

beneficiary's personal and job data records without deleting the beneficiary from the Create Payee page, the cross-reference would still tell you that person existed.

If you delete payee records, be sure you also delete the row on the Create Payee page where you originally created the records. If you delete a row from the Create Payee page after completing the payee setup, you will also have to delete the records you created.

Pension Payees and Other PeopleSoft HRMS Applications

Because the system uses the same records for employees, retirees, and non-employee payees, it needs ways to distinguish the various types of people being tracked. This is important when PeopleSoft Human Resources, PeopleSoft Payroll for North America, and Benefits need to handle payees differently from employees.



For more information about pension payees, see PeopleSoft Pension Administration Integration.

Recognizing Pension Payees

On pages in PeopleSoft HRMS, the Personnel Status field classifies each person in the system as an employee or a non employee. Retirees are classified as employees; beneficiaries and QDRO alternate payees are classified as non-employees. The system sets these values according to the payee type you specify when you establish the payee record. This field is maintained by the system for its own internal use and isn't displayed on the Personal Data pages.

In addition, the Person Type field further classifies the people you track. The value is ***Pension Payee*** for all pension payees: retirees, beneficiaries, and QDRO alternate payees. There are other values as well for job applicants, contractors, and COBRA participants. The system automatically sets this field to ***Pension Payee*** when you set up the payee record using the Create Payee page. For this reason, it's important that you always set up your payees as described here. This field is on the personal data record, so someone with a payee record is classified as a pension payee regardless of any other job records that exist. Although the field is maintained by the system for its own internal use, you can see it on the Payee Personal Data 2 page.

The Employee Status field provides status information for all employees based on the action/reason history in the job record. Each job record has its own associated status. The values that identify pension payee jobs are ***Retired - Pension Administration and Retired - Pension Paid Out.*** The system automatically sets an action of ***Retirement*** and a ***Retired - Pension Administration*** status when you set up a payee. A termination action on a payee job record switches the value to ***Pension Paid Out.*** You can view this field on the Payee Job Data page.

All of these fields enable the system to filter pension payees from other employees in the various payee pages of the Administer Pension Plan menu and from processes that apply to active employees only.

Other PeopleSoft HRMS applications contain logic to filter pension job records from processes that don't apply to them. Retiree records are identified by a combination of the Employee Status, Personnel Status, and Person Type fields.

Human Resources

Termination workflow doesn't trigger when you enter a termination action in a retiree job record. The workflow will, however, still trigger if you enter a termination action in a retiree's **Rcd#** 0, the active employment record.

Payroll

There are no default tax elections for pension-payee jobs. When a pension payee moves from one state or locality to another, new tax elections aren't automatically set up.

Benefits

COBRA processing doesn't occur when you enter a termination action on a payee job record. The only consequence of a termination on a payee job record is to change the Employee Status from ***Retired - Pension Administration*** to ***Retired - Pension Paid Out.***

COBRA action also doesn't occur when the Employee Status is ***Terminated Pension Pay Out*** or ***Retired-Pension Administration.*** This means that if the termination or retirement action for the active employment job occurs *after* the retiree record is established, COBRA won't be triggered.



Be sure to enter the termination or retirement action on Rcd# 0 *before* establishing the payee record to ensure proper COBRA processing.

CHAPTER 58

Preparing Pension Payments

PeopleSoft Pension Administration bases pension payments on a *payment schedule*. This schedule contains effective-dated payment information. Effective-dating enables you to start or stop payments as of a particular date, regardless of how far ahead you're entering the information. If payments are deferred or suspended, you can enter this information in the schedule to suppress payments. When you set up a schedule, the system can automatically enter system-calculated payment amounts, if you've recorded the payee's optional form selection. Cost of living adjustments can be scheduled to kick in at the appropriate date.

You can also schedule one-time adjustments, additions or reductions to the regularly scheduled amount. Adjustments are processed as stand alone payments if there is no regular payment scheduled for the pay period; otherwise, the adjustment amount is rolled into the pension check. You can also use one-time adjustments to adjust balances. Two examples are: if a retiree's estate refunds payments are made after the retiree's death, or if you've issued a pension check outside of the pension system in the case of a retroactive check for the first month of retirement.

In addition to capturing information from the schedule, the payment process captures payee tax elections, direct deposit data, and deduction information that you've entered into the system.

In this section, you'll learn how to record payee elections and set up payment schedules.

Understanding Payment Streams

There are several reasons why you might set up multiple payments to a single payee. The simplest case is when a payee is receiving a benefit from more than one plan. In this case, you'll set up multiple retiree jobs, and set up separate payment schedules under each job.

Sometimes, however, there will be separate payment streams within a single plan. This occurs when some aspect of the payment, typically the optional form or the funding provider, is different for a portion of the benefit. You'll set up both payment streams under the same Rcd # (record number), and you'll distinguish between these payment streams with a Payment Number.

For example, suppose you enable an employee to opt to withdraw contributions as a lump sum and take the remainder of the pension benefit as a single life annuity. In this case, the lump sum portion of the payment represents a separate payment stream from the annuity portion. You have a similar situation when the pension is funded by two different providers, for example, a merger or acquisition.

When you have two separate payment streams, the payment statuses are independent: both payments can be active, or you can stop, defer, or suspend one payment stream without affecting the other.

Recording Payee Elections

Payee elections are all the choices that participants have to make with regard to their pension payments. These include the optional form of payment, tax withholding elections, direct deposit data, and deduction information.

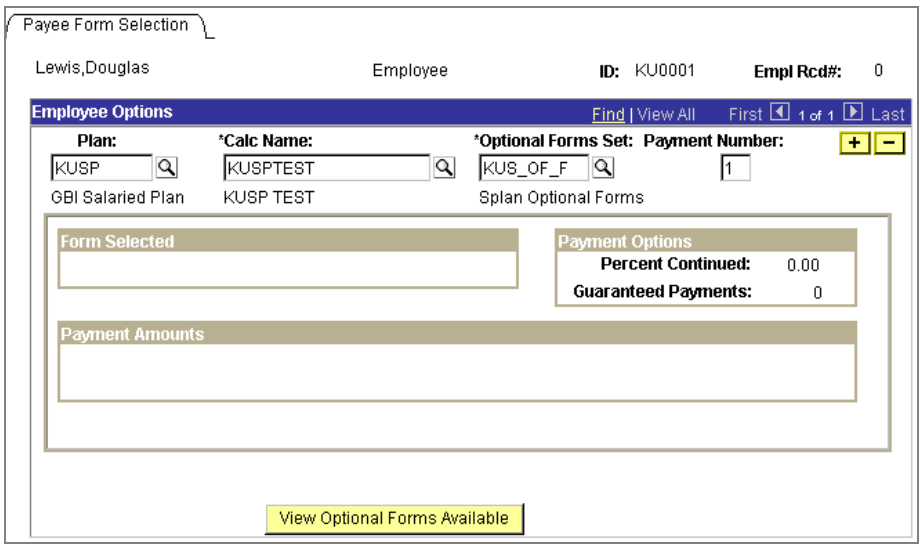
You can monitor the receipt of election forms using the Activity List Page. Additionally there are specific pages where you'll record the actual elections.

You'll only record optional form selections for retirees and QDRO alternate payees; beneficiaries don't make optional form selections because their payments are based on the original employee's choice. Be sure to record the optional form selection *before* scheduling the payment; this enables the system to enter payment amounts into the schedule automatically.

All payees require tax elections. Direct deposit information and deduction information is optional. This information isn't needed to schedule the payment, but it is needed before you actually start paying the person.

Payee Form Selection Page

Usage	If you've used PeopleSoft Pension Administration to calculate optional forms for a retiree or a QDRO alternate payee, you can record the payee's selection on the Payee Form Selection page. By recording the information here, the system calculated amounts can be automatically transferred to the payment schedule page when you schedule payments.
Object Name	PA_RT_EMP_FORM
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Form Selection, Payee Form Selection**
Access Requirements	EmplID



Payee Form Selection page

If you're not scheduling payments using system calculated values, you don't need to record the optional form selection in this page.

Form Selected, Payment Amounts If the **Form Selected** and **Payment Amounts** areas are blank, you haven't yet recorded an optional form selection.

Identifying the Calculation

Plan When the employee's optional form choices come from a system calculation, you're able to prompt for the same list of choices that the employee had. First indicate the **Plan** that was the basis for the employee's choice.

Calc Name (calculation name) Then indicate the **Calc Name** (calculation name) that was the basis for the employee's choice.

Optional Forms Set Then indicate the **Optional Forms Set** that was the basis for the employee's choice. Specifying an **Optional Forms Set** is necessary because a calculation can produce several different sets of values. For example, there may be form sets based on early retirement and normal retirement. Contributory plans may also have separate form sets for the employee- and employer-paid portions of the benefit.

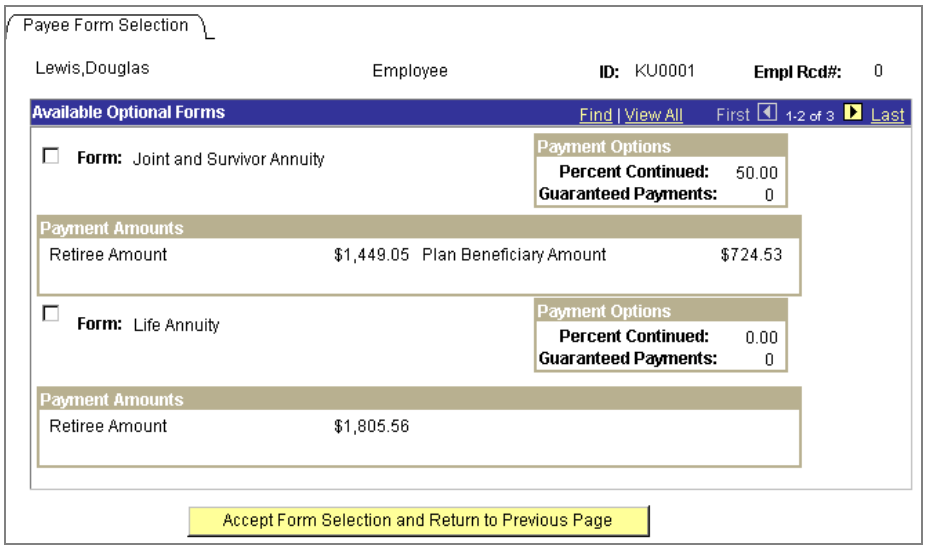
Payment Number Finally, enter a **Payment Number.** This is the field you'll use to distinguish multiple payment streams if necessary. If there's only a single payment stream, enter ***1.*** If there are multiple streams, number them sequentially.

Selecting a Payment Form

View Optional Forms Available

To see a list of options, click the **View Optional Forms Available** button. All the other fields will disappear and you'll see a scrolling list of optional forms.

This option is only available in new rows; once you save an optional form selection, you can't redisplay the choices without first deleting the row.



Payee Form Selection – Scrolling List of Forms

Each form is identified by a description of the **Form,** the **Percent Continued** for forms with a survivor benefit, and the **Guaranteed Payments** for term certain or certain and continuous forms. Note that the Guaranteed Payments actually represent the number of *years* of guaranteed payments, not the *number* of Guaranteed Payments. For each form, you'll see the associated **Payment Amounts.**

Amounts are labeled to distinguish between various types of benefits.

There are four types of retiree payments:

Retiree Payment Type	***Description***
Retiree Amount	Amount due to the retiree. Except in the case of lump sums, this is normally a monthly amount payable until death.

Retiree Pre-SSRA Amount Retiree Post-SSRA Amount (Social Security retirement age amount)	Under a level income option (LIO), the retiree's benefit is higher before the retiree reaches Social Security Retirement Age (SSRA), and is lower afterwards when the retiree has presumably started receiving Social Security benefit. Therefore, LIO forms produce two separate retiree amounts identified as the pre- and post-SSRA amount.
Pop Up Amount	Under a pop-up form of payment, the retiree amount increases if the beneficiary predeceases the retiree. The pop-up amount is this increased retiree amount.

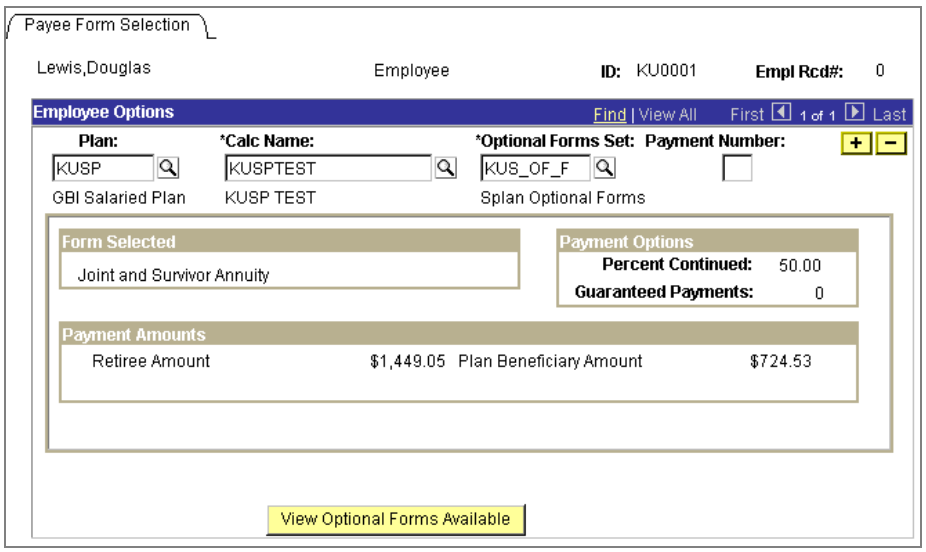
There are four types of beneficiary payments:

Payment Type	*Description*
Plan Beneficiary Amount	Amount payable to a spouse beneficiary on the retiree's death. This can come from two different sources: a joint and survivor form (or any form which includes a percent continued) elected by the retiree, and an automatic plan benefit for which there is no actuarial reduction.
Nonspouse Beneficiary Amount	Amount payable to a nonspouse beneficiary after the retiree's death under a joint and survivor form of payment.
Spouse Demonstration J&S	If a married retiree selects a nonspouse beneficiary, the retiree's spouse is entitled to know the amount that would have been payable to the spouse had the retiree named the spouse as the beneficiary, instead of naming a nonspouse beneficiary. This is different from the nonspouse beneficiary amount because the actuarial adjustment is based on the spouse's age rather than the nonspouse beneficiary's age. This type of payment isn't actually available for payments; it is informational only.
Survivor Amount	In a last to survive form, the amount due to the retiree or spouse after the other one has died.

There may be some forms with zero amounts. These are forms that are offered by the plan, but aren't available to the employee. This could include joint and survivor forms for employees with no beneficiaries, level income options for employees older than the level income age, and any form for an employee whose lump sum falls into the under the small benefit cashout threshold.

Form Use the **Form** check box to indicate which form the employee has selected.

View Optional Forms Available Then click the **View Optional Forms Available** button to copy the selected form to the Payee Form Selection page.



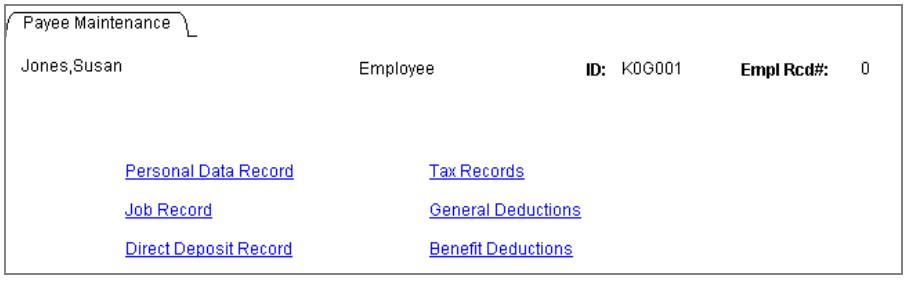
Payee Form Selection after selecting a form

Now the **Form Selected, Payment Options,** and **Payment Amounts** are filled in according to the employee's election.

If there are multiple payment streams based on system calculations, be sure to set up optional form selections for each stream. To do this, insert an additional row for the second payment stream.

Payee Maintenance Page

Usage	Use the Payee Maintenance page to record other payment-related information.
Object Name	PA_RT_EMP_XFER
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Maintenance, Payee Maintenance**
Access Requirements	EmplID



Payee Maintenance page

The buttons on this page enable you to navigate easily to various pages.

Personal Data Record/Job Record

Because you've already set up the payee's personal data and job data, you don't usually need to return to those pages when you set up payments. However, if there's been a change of address or other relevant data, you can use the **Personal Data Record** and **Job Record** buttons to navigate to the appropriate page.

Direct Deposit Record/Tax Records

The **Direct Deposit Record** and **Tax Records** buttons take you to the PeopleSoft Payroll for North America pages where you record employee direct deposit and tax election information. Tax elections are always required. Direct deposit information is required for employees who want to take advantage of this option.

Note. There are no default tax elections. You must enter tax elections in order to pass this information along to the third-party trustee who cuts your pension checks.

Benefit Deductions

The **Benefit Deductions** button takes you to a page where you enroll retirees in benefit programs. Enrolling retirees in benefit programs doesn't automatically sign them up for medical or other benefits; it simply establishes that they're eligible for such benefits. To learn more about using the PeopleSoft HRMS system to manage retiree benefits, refer to your PeopleSoft Base Benefits and PeopleSoft Benefits Administration documentation.

Note. Benefit deduction elections only translate into actual deduction amounts if you use PeopleSoft Payroll Interface to calculate the deductions amounts. To run the deduction calculation, select: **Compensate Employees, Administer Payroll Interface, Process, Deduction Calculation Run Ctl.**

For more information about PeopleSoft Payroll Interface and calculating benefit deductions, see PeopleSoft 8 Payroll Interface, "Introducing PeopleSoft Payroll Interface".

General Deductions

The **General Deductions** button takes you to a page where you sign up retirees for non-benefit deductions such as garnishments. You can also use general deductions for benefit deductions if your deduction is a flat amount or a percentage of gross pay. You don't need to run a process to calculate the deduction; the instructions picked up by the trustee extract, a flat amount or a percentage of gross pay, are sufficient for your trustee to determine the deduction amount.

You can use the general deductions page to set up medical or other benefit deductions if you know the deduction amount, and you don't want to go through the more complex process of administering benefit deductions using PeopleSoft Base Benefits or PeopleSoft Benefits Administration.

Note. Each button on this page opens a new page. Remember to close pages behind you.

The buttons on the Payee Maintenance page are shortcuts to take you to other pages in the PeopleSoft system. You can also navigate directly to the pages referenced:

Button	***Page Navigation***	*For more information,* ***See***
Personal Data Record	Compensate Employees, Administer Pension Plan, Use, Payee Personal Data	Establishing Pension Payees
Job Record	Compensate Employees, Administer Pension Plan, Use, Payee Job Data	Establishing Pension Payees
Direct Deposit Record	Compensate Employees, Maintain Payroll Data US, Use, Direct Deposit	Setting Up Direct Deposits
Tax Records	Compensate Employees, Maintain Payroll Data US, Use, Employee Tax Data	Entering U.S. Employee Tax Data
General Deductions	Compensate Employees, Maintain Payroll Data US, Use, General Deduction Data	Setting Up Employee General Deductions
Benefits Deductions	Compensate Employees, Administer Base Benefits, Use, Benefit Program Participation	Building Benefit Programs

For more information about using the PeopleSoft HRMS system to manage retiree benefits, refer to your PeopleSoft 8 Base Benefits and PeopleSoft 8 Benefits Administration documentation.

Scheduling Payments

In order to pay retirees with PeopleSoft Pension Administration, you'll set up scheduled payments. If the system already has a record of the payment amount, you'll schedule payments in the Payee Schedule Payments component.

For retirees, terminated deferred vested employees, and QDRO alternate payees, you can use this page group when the payment is based on a system calculation, and you've recorded the payee's form selection in the Payee Form Selection page.

For beneficiaries, you'll use this page group when there's already a payment schedule for the original employee and when that schedule includes information about the beneficiary amount.

If the payment amount comes from a manual calculation, or if you're setting up a beneficiary for a retiree who was never in the PeopleSoft system, use the Payee Manual Schedule page to set up payments.

Both pages display the same information, so if you set up a payment automatically, you can go to the Payee Manual Schedule to override the automatic entries, or to add effective-dated changes to the payment information. Conversely, information entered in the Payee Manual Schedule payment is accessible, though not editable, through the Payee Payment Schedule page. And when you apply cost of living adjustments, either manually or though the system's automated process, those adjustments appear in both pages.

Scheduling Payments for Terminated Deferred Vested Employees

You should set up a schedule for terminated deferred vested employees at the time of the termination, even though final payment information (form selection and benefit commencement date) aren't yet available. These schedules will included a "deferred" status marker to ensure that the system doesn't actually process the payments

Pension benefits for terminated deferred vested employees are determined at the time the employee terminates. This means that the plan's liability with regard to this person is frozen. By scheduling the payments at this point in time, you make this information available for the actuarial valuation extract.

Nonemployee payees don't require advance scheduling because until payments commence, the original employee's benefit encompasses the amounts that will eventually be paid to the beneficiary, or QDRO alternate payee.

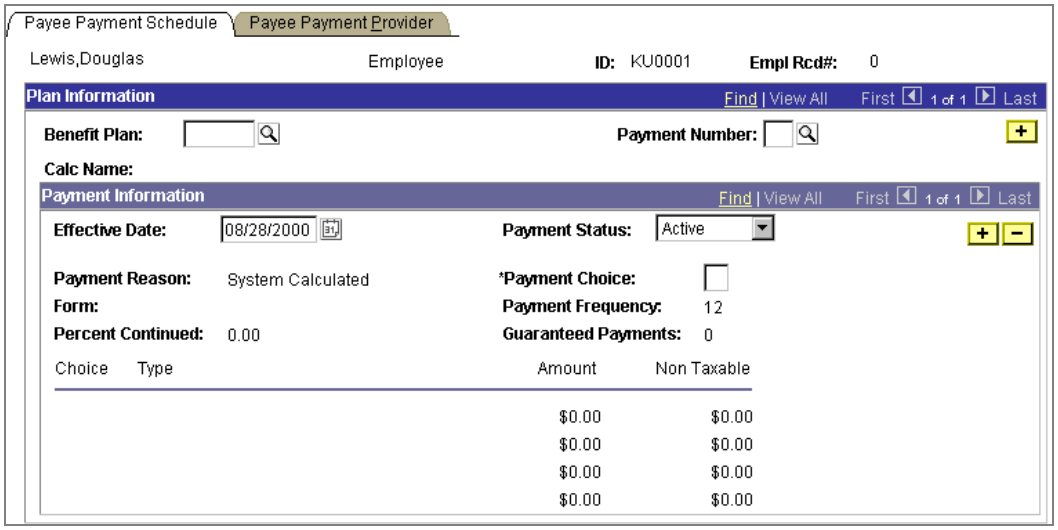
Because a terminated deferred vested employee's actual commencement date and optional form selection are unknown at this time, schedule payments using a default form and the benefit

commencement date specified in the calculation. The deferred status on the schedule ensures that you won't start automatically paying the person at that date.

If the deferred benefit is based on a system-calculated amount, use the Payee Form Selection page to select the default form. This ensures that when you schedule the payments, you'll schedule the appropriate amount.

Payee Payment Schedule Page

Usage	If you're using a system calculation as the basis for your payments, or if you're setting up beneficiary payments based on an existing retiree schedule, use the Payee Payment Schedule Page to set up payments.
Object Name	PA_RT_PAY_SCHED
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Payment Schedule, Payee Payment Schedule**
Access Requirements	EmplID



Payee Payment Schedule page

Entering Payment Amounts

For employees and QDRO alternate payees, the system automatically transfers the information from the Payee Form Selection page, into the Payee Payment Schedule page. The **Benefit Plan,** the **Calc Name** and **Payment Number** automatically appear along with information about the form of payment, and a list of the payment options available for that form. If you've set up multiple payment streams in the same plan, for example, multiple payment numbers, the system will pick up the first one; insert additional rows so you can set up the additional payment streams. If you haven't entered an optional form selection, you need to go back and do that first, or use the Payee Manual Schedule page.

For beneficiaries, the system automatically transfers the information from the payment schedule of the original employee. For example, if Roger retired with a 50% joint and survivor payment option, his payment schedule shows both the amount of his retiree payments, $1000, and the amount of the beneficiary payments for his wife Liz: $500. The system maintains this information through the life of Roger's payments. If Roger receives a 5% cost of living adjustment, his payment record would show the increased amounts for both Roger and Liz: $1050 and $525 respectively. When you set up Liz's payments, the system fetches the current beneficiary amount from Roger's payment schedule.

If Roger was receiving benefits from multiple plans, he would have multiple **Rcd#**s. You would have set up two records for Liz, one under each **Rcd #.** The system can match Liz's record to the appropriate one of Roger's records in order to grab the appropriate information.

Scheduling Payments

Effective Date/Payment Status

The **Effective Date** and **Payment Status** control the actual payments.

Possible **Payment Statuses** include ***Active, Deferred, Stopped,*** and ***Suspended.*** When you run the payment process, the system compares the effective date to the pay period end date to determine the current row. When the current row has an ***Active*** status, the system creates a payment record with the payment amount you've chosen. When the status in ***Deferred, Stopped,*** or ***Suspended,*** there is no payment. Use the ***Deferred*** status when setting up terminated deferred vested employees.

The **Payment Status** also impacts the payee's pension status. When the payment process discovers an initial payment, it puts the payee into an In Pay pension status; when the system discovers that payments have been suspended or deferred, it sets the pension status to Deferred, and when it discovers that payments have been stopped, it sets the pension status to Payment Complete. As the system switches the pension status, it retains the prefix that identifies the payee type: retiree (or disability retiree), terminated deferred vested employee, beneficiary, or QDRO alternate payee,

PeopleSoft's effective-dating enables you to set up payment instructions as far in advance as you need. For example, if Meredith selects a ten year certain form of payment, you can enter an ***Active*** row effective as of the benefit commencement date and a ***Stopped*** row effective ten years later. If Luis selects a level income option, you can set up one row with the pre-SSRA payment amounts and another row, future dated to the date when Luis attains Social Security Retirement Age, with the post-SSRA amount.

Specifying a Payment Reason

Payment Reason

When you schedule payments from the Payee Payment Schedule page, retirees, terminated vested employees, and QDRO alternate payees, automatically have a **Payment Reason** of ***System Calculated.*** For beneficiaries, the system automatically sets the **Payment Reason** to ***Benef.*** When you schedule payments from the Payee Manual Schedule page, you'll have additional options for this field.

The **Payment Reason** is informational only; it doesn't affect payment processing.

Selecting a Payment Amount

Form

Form describes the payment optional form of payment.

Payment Frequency

Payment Frequency tells you the payment frequency. This is usually 12, since most pension payments are monthly.

Percent Continued

Percent Continued tells you what percent of the retiree's benefit will continue to the surviving spouse when the retiree dies.

Guaranteed Payments

Guaranteed Payments tells you how many years of payments are guaranteed for term certain forms of payment.

Choice

The **Choice** field has numbers that identify each payment type. This enables you to specify which of the values to use.

Payment Choice

Specify which of the values to use by entering the number of your choice in the **Payment Choice** field. For example, if Yolanda selects a joint and survivor option with a spouse beneficiary, there will be two choices: choice one is the retiree amount and choice two is the plan beneficiary amount. When Yolanda retires, you'll schedule payments for choice one. When she dies and you set up survivor benefits for her husband, you'll select choice two.

Similarly, if Luis selects a level income option, you can set up one row with the pre-SSRA payment amounts and another row, future dated to the date when Luis attains Social Security Retirement Age, with the post-SSRA amount.

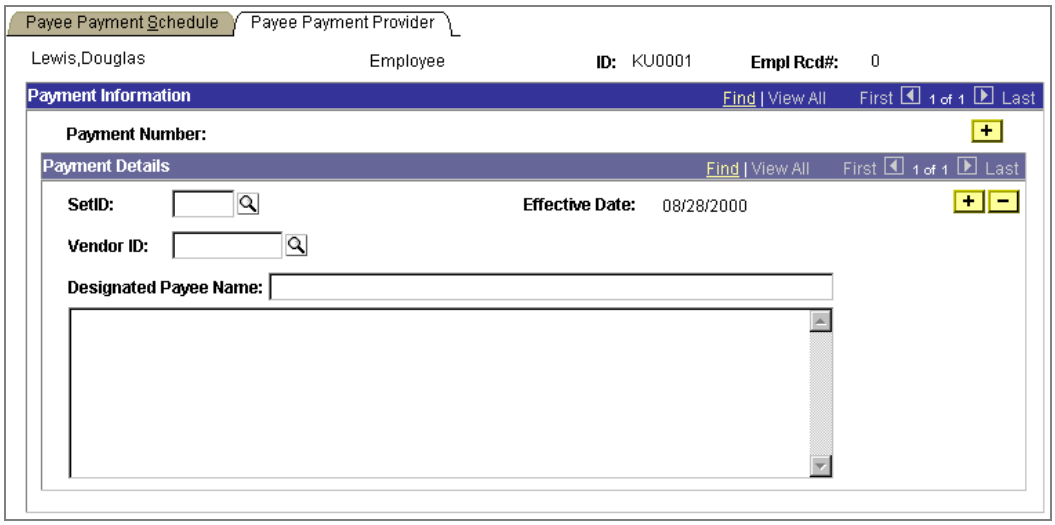
Type	Payment amounts relevant to the chosen form of payment appear in the bottom part of the page. The **Type** describes the various payment types available: retiree amounts and any plan (spouse) beneficiary or contingent (nonspouse) beneficiary amounts.
Amount	The **Amount** is the gross amount of the pension check. If a portion of the amount is attributed to employee after-tax contributions, then that portion is considered non-taxable.
Non Taxable	The **Non Taxable** amount tells you how much of each pension check should be considered non-taxable.



The **Amount** refers to the *total* payable amount; the **Non Taxable** amount refers to the non-taxable *portion* of the total amount. The taxable amount is the difference between the two.

Payee Payment Provider Page

Usage	The second page in the Payee Schedule Payment page component, Payee Payment Provider, enables you to enter some descriptive information about the payment.
Object Name	PA_RT_PAY_SCHED3
Navigation	• **Compensate Employees, Administer Pension Plan, Use, Payee Manual Schedule, Payee Manual Provider** • **Compensate Employees, Administer Pension Plan, Use, Payee Payment Schedule, Payee Payment Provider**
Access Requirements	EmplID, Empl Rcd Nbr



Payee Payment Provider page

Vendor ID Use the **Vendor ID** to specify a funding source for the payments. This information will go into the trustee extract. You can only specify one funding source for the payment stream. If you need to specify more than one funding source, you'll have to create multiple payment streams.

You enter providers/vendors into the system from the Provider Table. The provider/vendor table is effective-dated, so the provider must be valid for the effective-date of the payment. If you've specified valid funding providers for your plan in the Plan Administration - Plan Administration Page only those providers/vendors will be available.

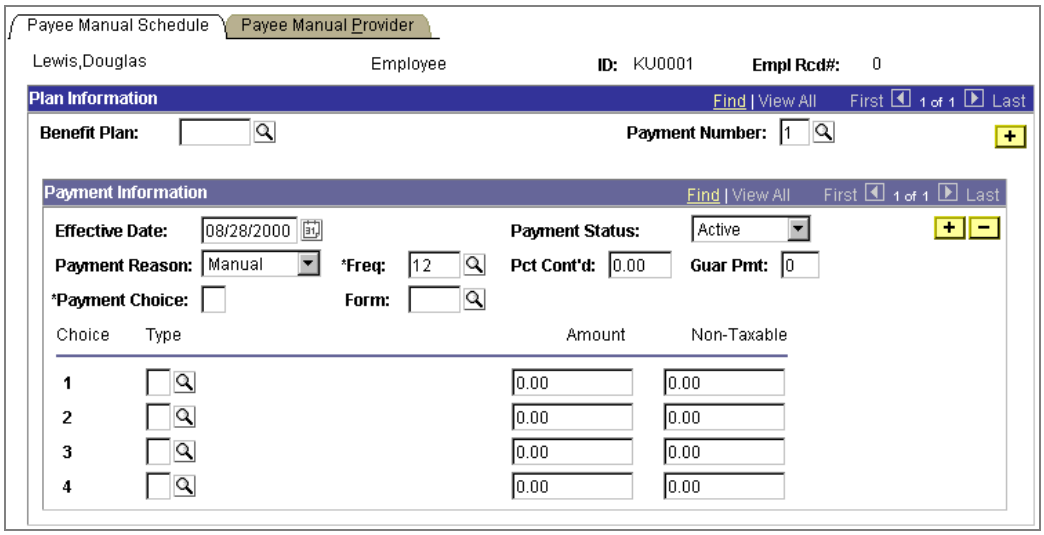
Designated Payee Name Use the **Designated Payee Name** field if the pension check should be made out to someone besides the retiree. For example, if the retiree has been declared incompetent and a legal guardian has control of the retiree's finances, use this field.

Finally, use the large text field for any additional comments about the payment.

Payee Manual Schedule Page

Usage	When you're scheduling payments for payees that don't have payment amounts already in the system, either in a system calculation or, for beneficiaries, in a retiree's payment schedule, use the Payee Manual Schedule page to set up the schedule.
Object Name	PA_RT_PAY_SCHED4

Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Manual Schedule, Payee Manual Schedule**
Access Requirements	EmplID.



Payee Manual Schedule page

Scheduling Payments

Benefit Plan Enter the **Benefit Plan** for the payment.

Payment Number Enter the **Payment Number** for the payment.

There is no Calc Name unless you're viewing payments originally entered through the Payee Payment Schedule page. After all, the reason you're using the manual scheduling is that you're not using a system calculation.

Effective Date/Payment Status As in the Payee Schedule Payments page, the **Effective Date** and **Payment Status** control the actual payments.

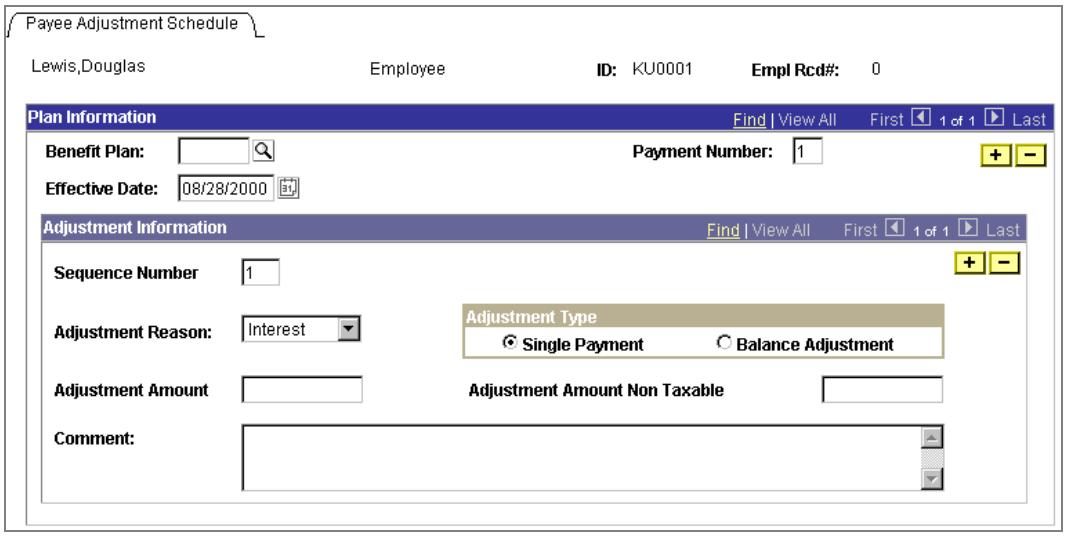
Payment Reason **Payment Reason,** which was always set to ***System Calculated*** or ***Benef*** when you used a system calculation, now has other available options: ***Override, Manual,*** and ***COLA.*** When you run PeopleSoft Pension Administration COLA processing, the system inserts effective-dated rows with the adjusted amounts; these rows will use the ***COLA*** payment reason.

Payment Choice/Choice Specify which of the payment amounts to use by entering a **Payment Choice.** Use the number in the **Choice** field to the left of the payment amount to identify the correct row.

Form, Freq (frequency), **Pct Cont'd** (percent continued), **Guar Pmt** (guaranteed payments)	With manual scheduling, you'll have to enter the payment form by hand using the **Form, Freq** (frequency), **Pct Cont'd** (percent continued), and **Guar Pmt** (guaranteed payments) fields.
Type, Amount, Non Taxable	You'll also enter payment amounts manually using the Type, **Amount,** and **Non Taxable** amount fields. If the form of payment includes a survivor benefit, be sure to enter a row for the beneficiary as well as for the retiree. This row is necessary for automated scheduling of beneficiary payments. Similarly, use additional rows for other optional forms that have more than one pension benefit amount: level income options and pop up options. It is best to schedule these amounts up front so that cost of living adjustments will be properly applied to all the different amounts.

Payee Adjustment Schedule Page

Usage	You will occasionally need to make payments that aren't based on the payee's regular pension benefit. For example, if your organization doesn't send the first pension check until two months after the person retires, you'll owe the payee for the missed month. Use the Payee Adjustment Schedule page to schedule such one-time payments.
Object Name	PA_RT_ADJ_SCHED
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Adjustment Schedule, Payee Adjustment Schedule**
Access Requirements	EmplID.



Payee Adjustment Schedule page

Benefit Plan/Payment Number

Enter the **Benefit Plan** and **Payment Number** that identify the regular payments associated with this adjustment. If a person is receiving benefits from two plans, you'll set up adjustments for each plan separately. The same rule applies when you've set up separate payment streams within a single plan.

Note. Adjustments are only processed for payees who have a payment schedule established. Payments from the schedule can be stopped, but the schedule itself must be present.

Effective Date

The **Effective Date** indicates when to make the adjustment. The adjustment will be made during the first pay run for a pay period concurrent with or later than the effective date. There is no stop date for the adjustment. Instead, the adjustment record is internally flagged as paid after the payment has been made; this prevents the system from making the same payment twice.

Sequence Number

The **Sequence Number** enables you to make multiple adjustment with the same **Plan, Payment Number,** and **Effective Date.** By separating the adjustments rather than scheduling one adjustment with the net amount, you add detail to your audit trail.

Adjustment Reason

Select an **Adjustment Reason** to explain why you're making the adjustment: ***Recalc, Retro Adj, Interest, Mid Period,*** or ***Other.***

Recalc indicates a recalculation, typically introducing additional earnings data unavailable at the time of the initial calculation.

Retro Adj is for retroactive adjustments such as those made after the administrative delay preceding a payee's first pension check.

Select ***Interest*** for interest paid on late payments. For example, use this for the payments associated with recalculations or retroactive calculations. (Alternatively, you can include the interest component in the initial adjustment.)

Mid Period indicates reduced payments made when a pension check is prorated for a partial month. For example, the month a retiree dies may be a ***Mid Period.*** You can either make a negative adjustment to the regularly scheduled payment or you can stop the regular payment and schedule a positive one-time payment.

Other applies to a variety of possible reasons.

Adjustment Type

You can also use one-time adjustments to adjust balances if, for example, for a retiree's estate refunds payments made after the retiree's death, or if you need to reallocate post-death payments from a retiree's balance to the beneficiary's balance. To do this, change the ***Adjustment Type*** to a ***Balance Adjustment.*** For regular adjustment, leave this as a ***Single Payment.***

The Payment Summary page doesn't adjust running totals based on balance only adjustments. When you schedule a balance-only adjustment, you should manually update the payment summary information.



For more information about the payment summary page, see Tracking Running Payment Totals.

Adjustment Amount

You can enter either a positive or negative **Adjustment Amount.** Negative adjustments amounts should only be scheduled for pay periods where there is a regular payment. Be careful to ensure that the reduction doesn't exceed the regular payment amount; PeopleSoft Pension Administration doesn't support arrears processing.

Adjustable Amount Non Taxable

If a portion of the adjustment is non taxable, indicate that amount in the **Adjustable Amount Non Taxable** field. For negative adjustments, entering a non taxable amount ensures that the reduction offsets the nontaxable amount in the regularly scheduled payment. Again, don't try to reduce the nontaxable amount beyond the regularly scheduled amount.

CHAPTER 59

Making Pension Payments

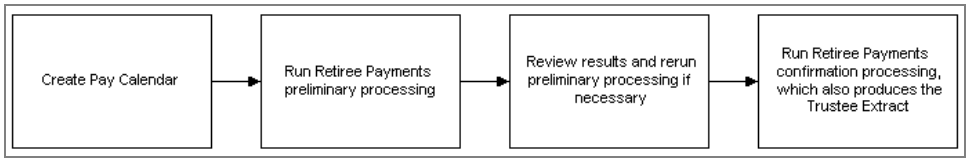
PeopleSoft Pension Administration assumes that a trustee or other third-party produces your pension checks and that the check writer will handle all W2 and 1099 reporting. To facilitate payments, the system will gather and export payment information for you.

Processing payments is a multi-step process:

1. Create a pay calendar where you assign run IDs to each pay period. You can set up separate pay calendars for each plan, or you can set up a single pay calendar for all plans.

2. Run the Retiree Payments process in "preliminary processing" mode. The payment process reads the relevant payment data from both the regular and "one-time" payment schedules. Use preliminary processing mode so that you can review and edit the results before finalizing the payment information. You can rerun the process as often as necessary in preliminary processing mode.

3. Run the Retiree Payments process in "confirmation processing" mode. This confirms the results of the preliminary processing, updates retiree pension statuses, and creates the Trustee Extract. The Trustee Extract takes the payment information that the Retiree Payments process gathered and writes the data to a file that you can transmit to the third-party responsible for cutting your retiree checks. The extract includes other information besides the payment data produced by the payment process. Additional data includes tax elections, direct deposit instructions, deduction information, and personal data such as name and social security number.



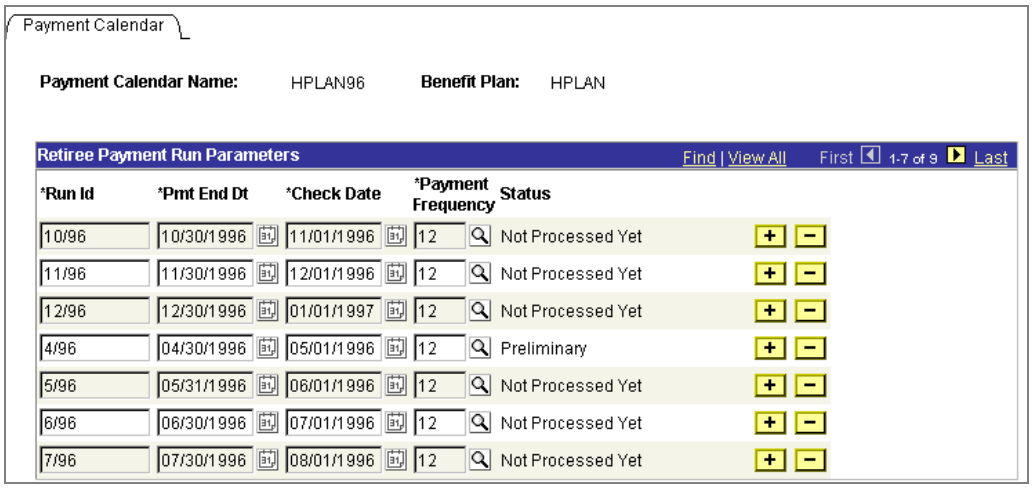
Making Pension Payments

The PeopleSoft Payroll Interface includes an import feature that you can use to import pension check data issued by the trustee. You'll import this data for viewing and ad hoc reporting purposes only - not for issuing 1099-Rs. The system assumes 1099-Rs will be issued by the trustee.

In this section, you'll learn about the different steps for paying retirees.

Retiree Payment Calendar Page

Usage	A retiree payment calendar is simply a schedule of pay periods for pension checks for a particular plan. You'll associate a run ID with each pay period, then you'll reference that run ID when you run the retiree payments process or the trustee extract for that plan and pay period.
Object Name	PA_RT_CALENDAR
Navigation	**Compensate Employees, Administer Pension Plan, Setup, Retiree Payment Calendar, Retiree Payment Calendar**
Access Requirements	Payment Calendar Name



Retiree Payment Calendar page

When you create the calendar, you'll assign a payment calendar name and specify the benefit plan that uses this calendar. If you don't specify a plan, the default benefit plan is ***All Plans Selected.***

Retiree Payment Run Parameters — Within the calendar, you'll set up your **Retiree Payment Run Parameters** with one row per pay period.

Run ID — Assign a **Run ID** for each pay period. Along with each run ID, you'll enter some additional information.

Pmt End Dt (payment end date) — The payment end date reflects the last day in the pay period.

Payment Frequency The payment frequency indicates how many times per year you make payments under the selected plan-typically 12. The **Payment Frequency** field will reveal several valid values: ***One Time Payment, Annual Payment, Semi-Annual Payment, Quarterly Payment, Monthly Payment, Semi-Monthly Payment,*** and ***Biweekly Payment.*** You'll almost always use monthly payments for your regular pension pay runs. This field is information only, as payment processing will pick up all scheduled payments, regardless of whether the scheduled payment frequency matches the frequency of the pay run ID.

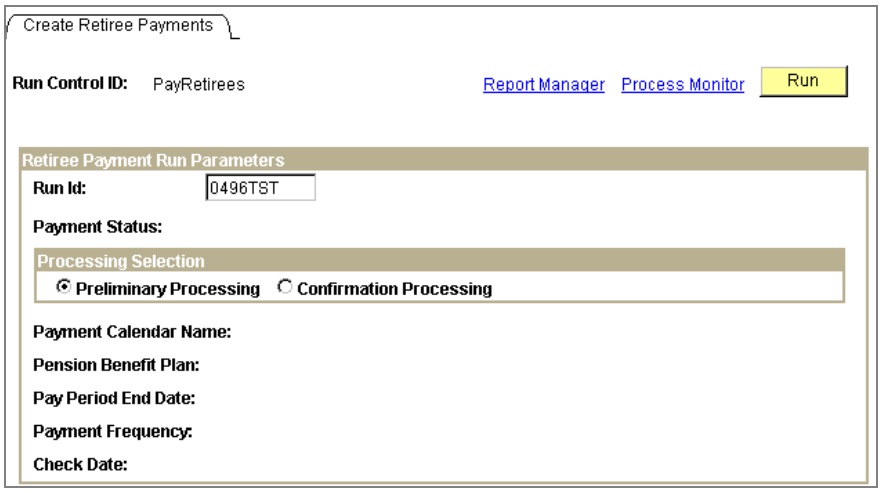
Check Date The **Check Date** is the date that should appear on the actual pension check.

Status The status column lets you know how far along you are in processing this pay period. Possible statuses are ***Not Processed Yet, Preliminary,*** and ***Confirmed.***

Purge Once you've confirmed the retiree payments for a particular pay period, you'll also see a **Purge** check box for that period. If you select this check box, the system will delete the payment records for that run ID during your next payment processing. The system will purge both payment records (created during the payment process) and trustee extract data (created when you run the trustee extract). Purging doesn't affect the actual trustee extract flat file that is saved to disk outside of the PeopleSoft system.

Create Retiree Payments Page

Usage	Running the Retiree Payment process doesn't actually pay retirees. Rather, it translates general payment instructions such as "pay $1500 every month" into pay-period specific information. You'll use a separate process, the trustee extract, to transmit all payments (and deductions) for the pay period to a third-party trustee who is responsible for actually cutting the pension checks. Use the Create Retiree Payments page to process payments for your pension payees.
Object Name	RUNCTL_PAPPYMNT
Navigation	**Compensate Employees, Administer Pension Plan, Process, Retiree Payments, Create Retiree Payments**
Prerequisites	Choose the Update/Display action to use an existing run control ID; choose an Add action to create a new run control.



Create Retiree Payments page

Identifying the Pay Run

Run Control ID

The **Run Control ID** is your link to Process Scheduler, the tool that manages your processing requests.

Run ID

The **Run ID** identifies the pay period that you want to process. This prompts against run IDs that you created in the Retiree Payment Calendar page.

Payment Calendar Name, Pension Benefit Plan, Pay Period End Date, Payment Frequency, Check Date

When you enter the **Run ID**, the system will display the associated payment calendar name, pension benefit plan, pay period end date, payment frequency, and check date.

Note that the payment frequency doesn't actually affect processing. For example, your monthly pay run will pick up any scheduled lump sum payments.

Running Preliminary and Confirmation Processing

Processing Selection

Choose whether to run the processing in ***Preliminary Processing*** mode or ***Confirmation Processing*** mode. You can't run confirmation processing unless you first run preliminary processing.

In both modes, the payment process creates a payment file in the table PA_RT_PAY_DETL. Payments are based on scheduled payments and adjustments. Payments are identified by the run ID that you assign. If you've previously run a preliminary payment process for the same run ID, the previous payment data is deleted and the new data takes its place.

In confirmation processing mode, the payment process also:

- Updates the run ID status to ***Confirmed.*** This is important because the trustee extract will only process confirmed run IDs. To review the run ID status, select Retiree Payment Calendar.
- Marks as complete any one-time payments that were picked up during the current run. This prevents the payment from being picked up again during the next pay cycle. The system doesn't display this flag.
- Updates summary payment data such as running payment totals. To review these totals select Payee Summary.
- Updates the employee's pension status code for all newly started, newly deferred, or newly stopped payments. To review pension statuses select Employee Pension Status.
- Creates the Trustee Extract.

Updating Pension Status Codes

The payment process confirmation mode will update certain pension statuses based on activity during the pay period. The process deals with three types of codes:

- Codes ending in DF - deferred payment codes.
- Codes ending in PY - active payments codes.
- Codes ending in ST - stopped payment codes.

The payment process flips the status from deferred to pay status the first time that it pays an employee. It flips the status from pay status back to deferred if payments were suspended during the pay period. Finally, it flips the status from pay status to stopped when payments are stopped.

The effective date of the pension status is the same as the effective date on the payment schedule that either starts, stops, or suspends the payment.

In order to consider payments stopped, all payment streams for that plan must be stopped.

If you've already manually set the pension status to deceased, the payment process won't change the status to stopped.

In all cases, the first letter of the code remains the same. This is the letter that indicates whether the payee is a beneficiary, QDRO alternate payee, retiree, disability retiree, or terminated vested employee. So a first-time payment to someone who was in RDF status will change the status to RPY.

The following table summarizes the codes that the payment process sets:

Payee Type	*Deferred Payments*	*In Pay Status*	*Payment Stopped*
Terminated Employee	TDF	TPY	TST
Retired Employee	RDF	RPY	RST

Employee Retired on Disability	DDF	DPY	DST
Beneficiary	BDF	BPY	BST
QDRO Alternate Payee	QDF	QPY	QST

If the payment process detects an initial payment, but the current status isn't _DF, it will assume the person is a retiree and change the status to RPY. Similarly, if the process detects a suspended or stopped payment, but the current status isn't PY, it will again assume the person is a retiree and change the status to RDF or RST. In both cases, it will issue a warning message.

A common situation where you'll see this error is if you didn't manually change the pension status to DF when you set up the payee.

Payment process messages don't appear in the message log. Instead, you'll review messages by opening up the log file for the particular process. PeopleTools creates the log files in your temp directory.

For more information about the log files that PeopleSoft creates for COBOL processes, see Process Scheduler.

Running the Process

Click **Run** to run this request. Process Scheduler runs the Create Retiree Payments process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Note. If you click **Run**, you can see the process instance number, which you can use by selecting Message Log for information about the processing. You don't see the process instance number if you click **Run with Defaults.**

Payment processing typically runs on the server. Select the retiree payment program and click **OK** to put the job into the process scheduler queue.

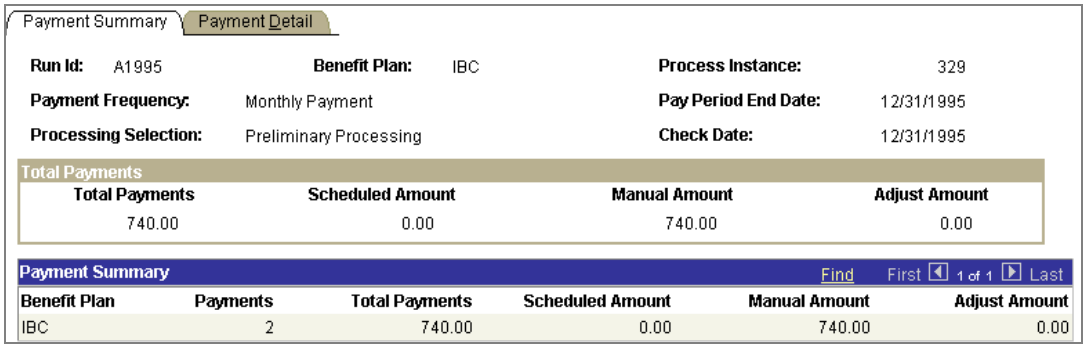
Reviewing Retiree Payment Results

After you've run the retiree payment process, you can review the resulting payment data using the Retiree Payment Results component.

This is particularly useful when you've run a preliminary payment process and you need to review the results before running the confirmation process.

Retiree Payment Results - Payment Summary Page

Usage	The Retiree Payment Results - Payment Summary page shows the total payments that were processed during the payment run.
Object Name	PA_RT_SUM_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Retiree Payment Results, Payment Summary**
Access Requirements	Run ID and Process Instance



Retiree Payment Results - Payment Summary page

The top part of the Payment Summary page shows the fields used in the retiree payments process: **Run ID, Benefit Plan, Payment Frequency, Pay Period End Date, Check Date,** and the **Processing Selection - *Preliminary Processing*** or ***Confirmation Processing.***

The process instance gets assigned by the process scheduler during processing. Look up any processing message by selecting Message Log.

The **Total Payments** shown in the upper part of the page is the sum of all payments **-** for all plans and all payees **-** included in this pay run. The total amount gets broken into three components:

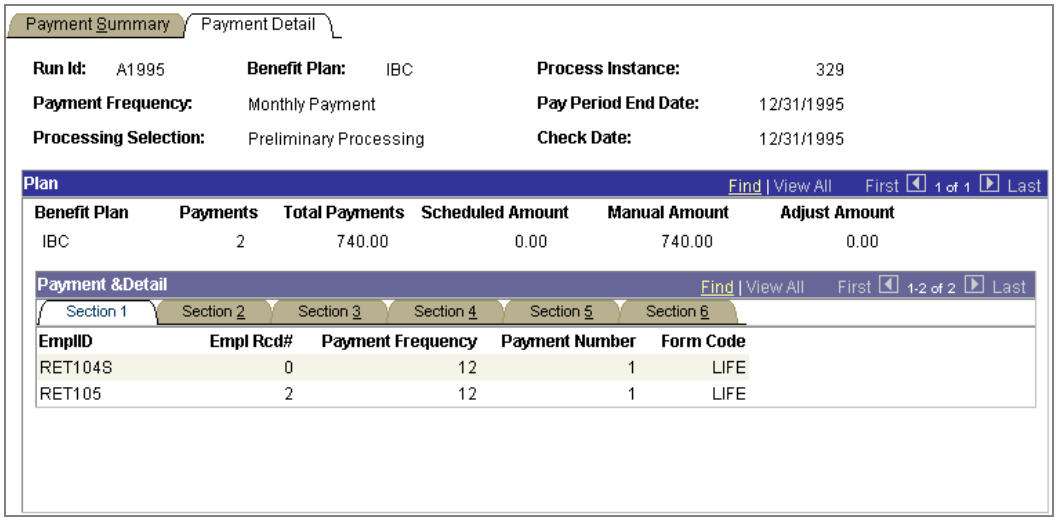
- **Scheduled Amount:** Payments scheduled with any payment reason other than ***Manual.***
- **Manual Amount:** Payments scheduled with a payment reason of ***Manual.***
- **Adjust Amount:** One-time payments (positive or negative) entered into the Payee Adjustment page.

In the scrolling area in the lower part of the page, you can see a plan-by-plan breakdown of the information. The page shows each benefit plan and its associated total payments, scheduled amount, manual amount, and adjust amount.

Retiree Payment Results - Payment Detail Page

Usage	The Retiree Payment Results - Payment Detail page provides an

	employee-level breakdown of the payments processed.
Object Name	PA_RT_DTL_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Retiree Payment Results, Payment Detail**
Access Requirements	Run ID and Process Instance



Retiree Payment Results - Payment Detail page

The top part of the Payment Detail page shows the parameters used in the retiree payments process: **Run ID, Benefit Plan, Payment Frequency, Pay Period End Date, Check Date,** and the **Processing Selection - *Preliminary Processing*** or ***Confirmation Processing.***

The process instance gets assigned by the process scheduler during processing. Look up any processing message by selecting Message Log.

You can scroll through each plan included in the pay run to see the number of payments and the total payments (the total payment amount) for all payees. The total amount gets broken into three components:

- **Scheduled Amount:** Payments initiating with system calculations that automatically flowed into the Payee Payment Schedule Page.
- **Manual Amount:** Payments entered manually into the Payee Manual Schedule Page.
- **Adjust Amount:** One-time payments (positive or negative) entered into the Payee Adjustment Schedule Page.

Finally, you'll see a list of all payees with a payment in this pay run. For each payee, you can view the following information:

- **EmplID** (employee identification)
- **Empl Rcd#** (employee record number)

- Payment Frequency
- Payment Number
- Form Code
- Form Long Name
- Guaranteed Payments
- Percent Continued to Survivor
- Designated Payee Name
- Check Date
- Pay Period End Date
- Payment Amount
- Adjustment Amount
- Payment Total
- Payment Amount NonTaxable
- Adjustment Amount NonTaxable
- Payment NonTaxable Total
- Provider ID



For more information about the payment-related fields, see Scheduling Payments and Payee Adjustment Schedule Page.

Using the Trustee Extract

The trustee extract gathers several types of payment-related data into a single file that you can give your trustee or third-party check writer.

Where Does the Data Come From?

Payment Data

Payment data is only available once you've run the retiree payment process in confirmation mode. The payment process creates this information based on the payment schedules that you set up, both for recurring payments and one-time payments or adjustments.

For more information, see Create Retiree Payments Page in this section.

Tax Elections

You must record payee tax elections in the system prior to paying retirement benefits. There are no default elections. If federal, state, or local tax information is missing, the trustee extract will log a warning message.

Direct Deposit Instructions

Direct deposit instructions aren't required. If you've entered the information into the system, the trustee extract will include the instructions. There is no warning message when direct deposit information is absent.

Deduction Data

There are two ways that you can set up deduction information if you want to include this data in the trustee extract.

Your first option is to set up a general deduction in PeopleSoft Payroll for North America. If you specify a deduction calculation routine of a ***Flat Amount,*** there is no need to actually calculate the deduction each period. If you set up the deduction to use a ***Percentage,*** the trustee extract can pass that percentage to the trustee, who can then calculate the appropriate deduction amount. If you use any other calculation routine, you must use PeopleSoft Payroll Interface's DedCalc (deduction calculation) process to compute the deduction amount(s).

Second, you can enroll the payee in one or more benefit plans through PeopleSoft Base Benefits or PeopleSoft Benefits Administration. This always requires that you use PeopleSoft Payroll Interface's DedCalc process to compute the deduction amount(s).

For more information about tax elections, direct deposit instructions, or deduction data, see Recording Payee Elections.

Where Does the Data Go?

When you run the retiree payments confirmation process and create the Trustee Extract, the system writes all the data to a file that you've defined. You can set up the variable to reside on any accessible drive.

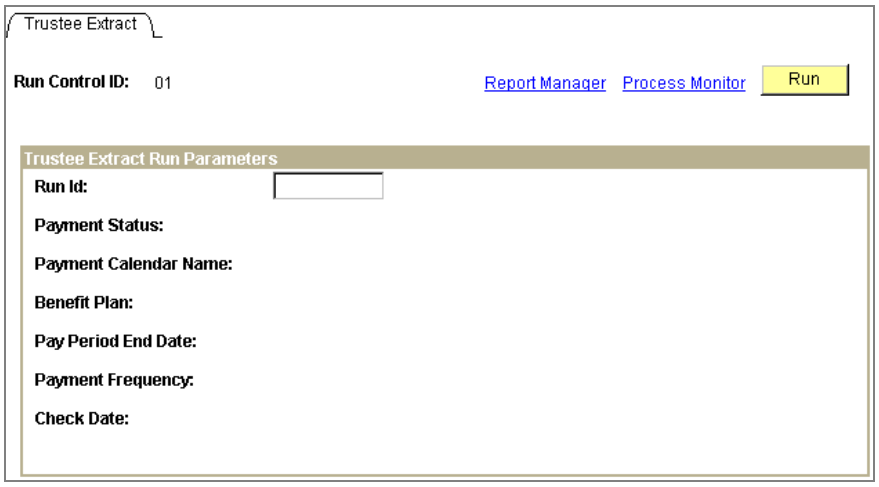
For more information about defining the trustee extract output location, see Creating a Logical File for the Trustee Extract.

Note. You can't create the trustee extract until you've defined an output location.

The trustee extract data also gets written to database records so that you can review its contents online, but this is only a secondary destination. The file is the "real" output that you can send to your trustee.

Trustee Extract Page

Usage	The trustee extract data includes all the payment-related data that a third-party requires in order to produce your pension checks. The system creates the trustee extract when you run the retiree payments process in confirmation mode. You can also produce the trustee extract outside of the payment process. You would only do this in unusual circumstances such as loss or damage to the original version created by the payment process. **Note.** Although you can create the Trustee Extract outside of the payment process, you still must have run the payment process in order to generate the data that gets fed into the Trustee Extract. Although it's possible to create a Trustee Extract after preliminary payment processing, it's advisable to only create a Trustee Extract after you've run confirmation processing for the retiree payments. To run the Trustee Extract, Choose the Update/Display action to use an existing run control ID; choose an Add action to create a new Run Control. For more information on using Run Controls, see PeopleSoft Payroll PeopleBooks.
Object Name	RUNCTL_PAPP02
Navigation	**Compensate Employees, Administer Pension Plan, Process, Trustee Extract, Trustee Extract**
Prerequisites	Confirmation mode for the retiree payments process
Access Requirements	Enter a Run Control ID.



Trustee Extract page

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Run Control ID.**

Run ID Enter the **Run ID** for the payment process job that created the records that you need to transmit to the trustee. The page will then display certain information associated with that **Run ID**: the **Payment Status, Payment Calendar Name, Benefit Plan, Pay Period End Date, Payment Frequency,** and **Check Date.**

Click **Run** to run this request. Process Scheduler runs the Trustee Extract process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

The trustee extract processing typically runs on the server. Select the retiree payment program and click **OK** to put the job into the process scheduler queue.

Reviewing Trustee Extract Data

There are two components to display the contents of the trustee extract:

- A summary page that lists summary payment information for all the employees included in the extract.
- Detail pages that show, on an employee level, the complete data included in the trustee extract.

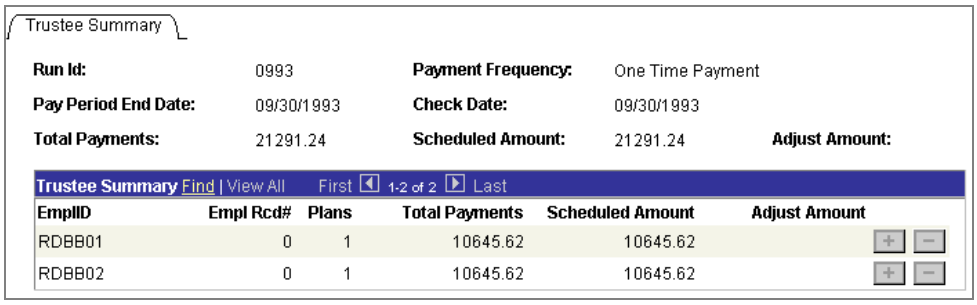
You can also review the contents of the trustee extract by running the Trustee Extract reports. See Generating the Pension Payment Reports to run either the Trustee Extract Summary Report or the Trustee Extract Detailed Report.

For more information, see Generating PeopleSoft Pension Administration Reports.

In this topic, you'll look at both the summary and detailed Trustee Extract pages. As you look at the detail pages, you'll also see technical detail about the layout of the trustee extract. This detail will help you and your trustee use the extract file effectively.

Trustee Extract Summary Page

Usage	The Trustee Extract Summary page lists all the employees included in a particular trustee extract run and provides summary payment information about each employee.
Object Name	PA_TE_SUM_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Summary**



Trustee Extract Summary page

The top section of the page provides summary information about the pay run that is the basis for the extract. The **Run ID** controls the **Payment Frequency, Pay Period End Date,** and the **Check Date.**

The **Total Payments** field shows in the upper part of the page and is the sum of all payments **-** for all plans and all payees **-** included in this pay run. The total amount gets broken into two components:

- **Scheduled Amount:** Payments scheduled in either the Payee Payment Schedule page or the Payee Manual Schedule page.
- **Adjust Amount:** One-time payments (positive or negative) entered into the Payee Adjustment page.

In the scrolling area, you'll see a list of all employees included in the extract. If an employee is being paid based on more than one retiree job record, you'll see separate rows for each one.

For each retiree job record receiving payments, you'll see the employee ID and employee record number, the number of plans providing a benefit (typically once, since you would create an

additional job record for each plan), and the total payments, scheduled amount, and adjust amount for that payee.

Trustee Extract Contents - Detail Pages and Record Layouts

The trustee extract consists of rows of 450 characters each. Each row starts with a two-digit code that identifies the type of data that you'll find in the row. Payment data for a single employee will occupy multiple rows.

For each record, the data following the record type code follows a predetermined pattern. Each field occupies a specific number of characters. If the field has fewer characters than the allotted space, there will be blanks in the unoccupied spaces, and the next field won't start until its specified position.

There are a number of decimal fields - typically dollar amounts - formatted to hold two digits to the right of the decimal. In these cases, the last two spaces allotted to the field contain those two digits. For example, the following shows how 352.98 would be stored in a decimal field with room allotted for eight spots left of the decimal and two spots right of the decimal:

```
0 0 0 0 0 3 5 2 7 8     = 352.98
```

Notice that there are five leading zeros at the beginning because only three of the eight positions to the left of the decimal are filled.

Go to the Trustee Extract Contents component to see pages that display the exact contents of the trustee extract for individual employees. There are eleven pages, one for each type of record (other than the header record) included in the trustee extract. Following each page illustration, you'll find technical detail about how the data exists in the trustee extract file.

Header Record

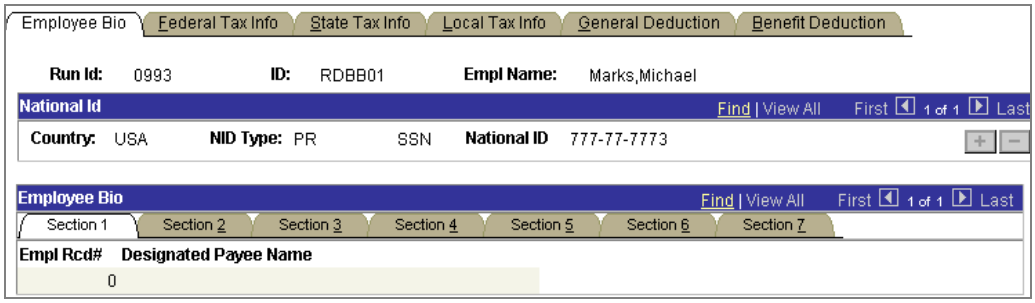
A trustee extract has one header record. The header record contains information about the job that isn't specific to individual employees. Therefore, the employee-based Trustee Extract Contents pages don't display the header information.

Header records have a record type "10."

Header Record Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Run ID	Character	10	3	12
Payment End Date	Character	10	13	22
Check Date	Character	10	23	32

Trustee Extract Contents – Employee Bio Page

Usage	The Employee Bio page contains personal information about a payee. The information is based on one retiree record, so a payee with multiple retiree records will have multiple bio records.
Object Name	PA_TE_BIO_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Employee Bio**
Access Requirements	Run ID, EmplID, Employee Name



Trustee Extract Contents - Employee Bio page

Bio records have a record type "20."

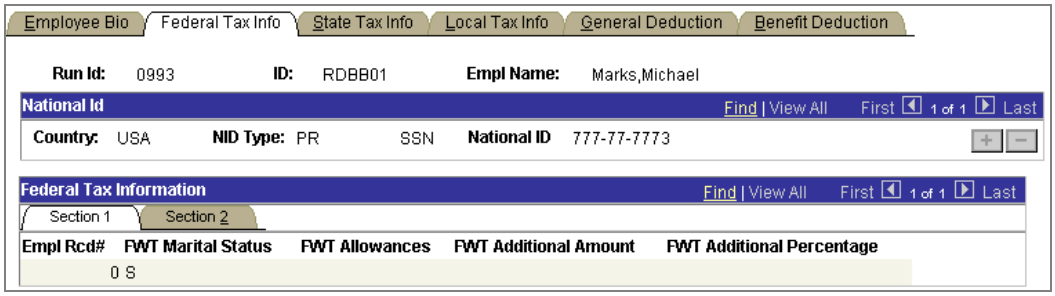
Bio Record Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Employee Name	Character	50	18	67
Alternate Name for Payee*	Character	30	68	97
Address 1	Character	35	98	132
Address 2	Character	35	133	167
Address 3	Character	35	168	202
Address 4	Character	35	203	237
City	Character	30	238	267
County	Character	30	268	297
State	Character	6	298	303
ZIP	Character	10	304	313
Country	Character	30	314	343

Social Security Number	Character	9	344	352
Company Code	Character	3	353	355
Paygroup Code	Character	3	356	358

* this is the designated payee name from the payment schedule. If there are multiple payment numbers for a single employee record number, this name comes from the first payment.

Trustee Extract Contents - Federal Tax Info Page

Usage	Federal tax records contain a payee's federal tax elections for one retiree record.
Object Name	PA_TE_FTX_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Federal Tax Info**
Access Requirements	Run ID, EmplID, Employee Name



Trustee Extract Contents - Federal Tax Info page

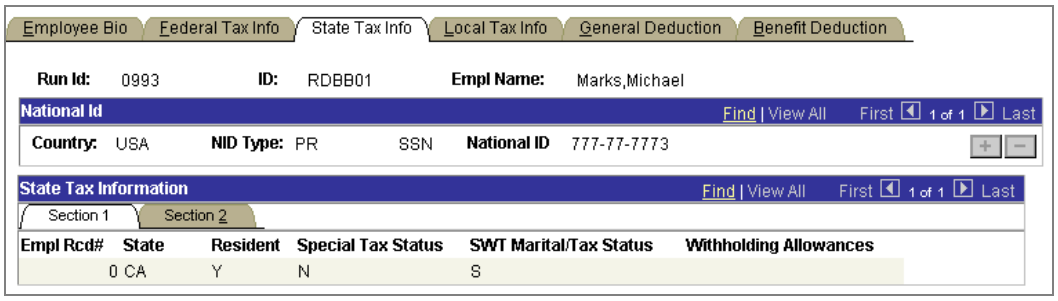
Federal tax records have a record type "30."

Federal Tax Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Marital Status for Federal Withholding	Character	1	18	18
Allowances for Federal Withholding	Number	4	19	22
Additional Amount to Withhold	Signed Decimal	5.2	23	29
Additional Percentage to Withhold	Signed Decimal	2.3	30	34

Special Withholding Status	Character	1	35	35
FICA Status	Character	1	36	36
FUTA Exempt Status	Character	1	37	37
EIC Status	Character	1	38	38
Employee ID for W-2	Character	11	39	49

Trustee Extract Contents - State Tax Info Page

Usage	State tax records contain a payee's state tax elections for one retiree record. A payee who is subject to withholding from more than one state can have multiple state tax records for a single retiree record.
Object Name	PA_TE_STX_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, State Tax Info**
Access Requirements	Run ID, EmplID, Employee Name



Trustee Extract Contents - State Tax Info

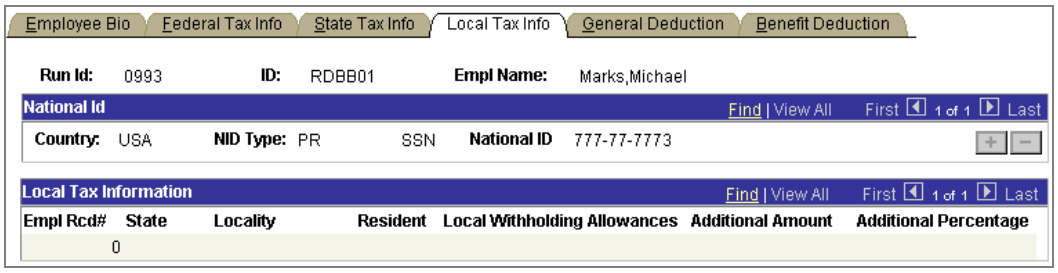
State tax records have a record type "31."

State Tax Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
State	Character	6	18	23
Resident	Character	1	24	24
Special Status for State Withholding	Character	1	25	25
Marital Status for State Withholding	Character	1	26	26
Allowances for State Withholding	Number	4	27	30

Additional Allowances for State Withholding	Number	4	31	34
Additional Amount to Withhold	Signed Decimal	5.2	35	41
Additional Percentage to Withhold	Signed Decimal	2.3	42	46
SDI Status	Character	1	47	47
SUT Exempt	Character	1	48	48

Trustee Extract Contents - Local Tax Info Page

Usage	Local tax records contain a payee's local tax elections for one retiree record. A payee who is subject to withholding from more than one locality can have multiple local tax records for a single retiree record.
Object Name	PA_TE_LTX_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Local Tax Info**
Access Requirements	Run ID, EmplID, Employee Name



Trustee Extract Contents - Local Tax Info page

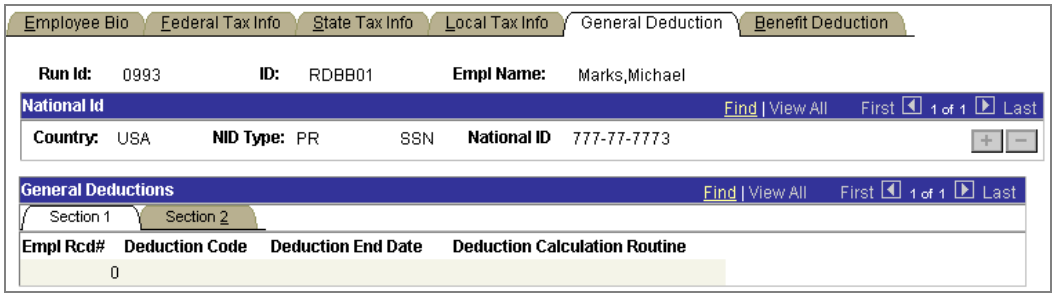
Local tax records have a record type "32."

Local Tax Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
State	Character	6	18	23
Locality	Character	7	24	30
Resident	Character	1	31	31
Allowances for Local Withholding	Number	4	32	35

Additional Amount to Withhold	Signed Decimal	5.2	36	42
Additional Percentage to Withhold	Signed Decimal	2.3	43	47

Trustee Extract Contents - General Deductions Page

Usage	General deduction records contain a payee's general deductions for one retiree record. Payees can have multiple deductions per job. General deductions are typically deductions for anything other than benefits, although some organizations use general deductions for benefits as well.
Object Name	PA_TE_GDED_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, General Deductions**
Access Requirements	Run ID, EmplID, Employee Name



Trustee Extract Contents - General Deductions page

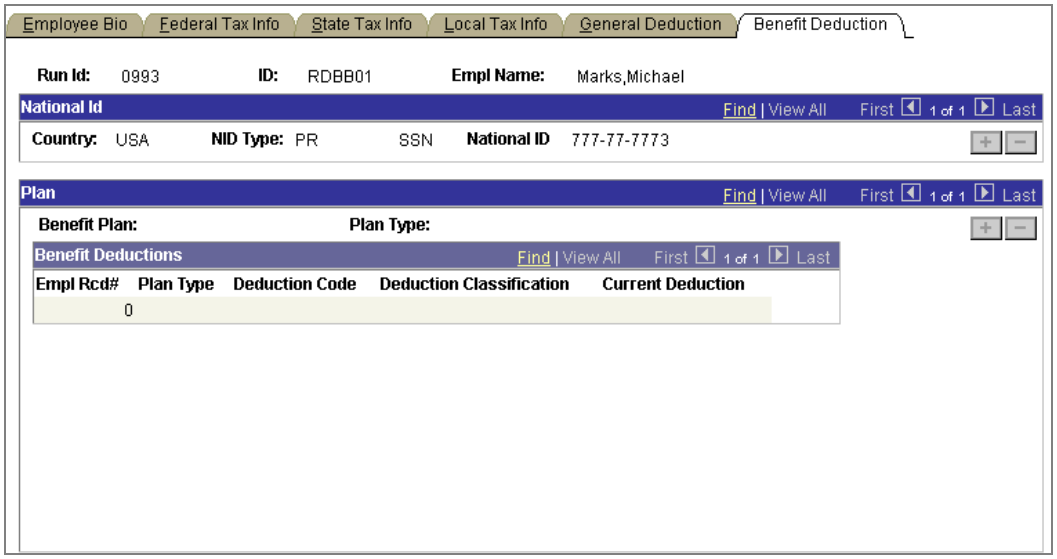
General deduction records have a record type "40."

General Deduction Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Deduction Code	Character	10	18	27
Deduction Calculated	Character	1	28	28
Additional Amount to Deduct	Signed Decimal	8.2	29	38
Percentage Rate for Deduction	Signed Decimal	4.3	39	45

Goal	Signed Decimal	8.2	46	55

Trustee Extract Contents - Benefit Deductions Page

Usage	Benefit deduction records contain a payee's benefit deductions for one retiree record. Payees can have multiple deductions per job.
Object Name	PA_TE_GDED_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, General Deductions**
Access Requirements	Run ID, EmplID, Employee Name



Trustee Extract Contents - Benefit Deductions page

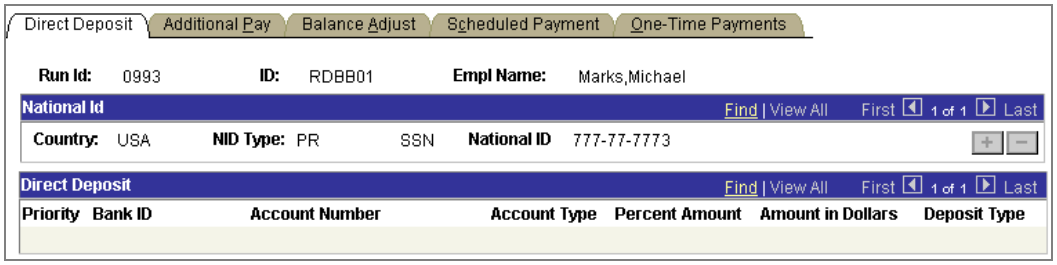
Benefit deduction records have a record type "41."

Benefit Deduction Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Plan Type	Character	2	18	19
Plan	Character	6	20	25
Deduction Code	Character	6	26	31
Deduction Class	Character	1	32	32

Current Deduction	Signed Decimal	8.2	33	42

Trustee Extract Contents - Direct Deposit Page

Usage	Direct deposit records contain a payee's direct deposit instructions for one retiree record. Payees can have multiple deductions per job.
Object Name	PA_TE_DDEP_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Direct Deposit**
Access Requirements	Run ID, EmplID, Employee Name



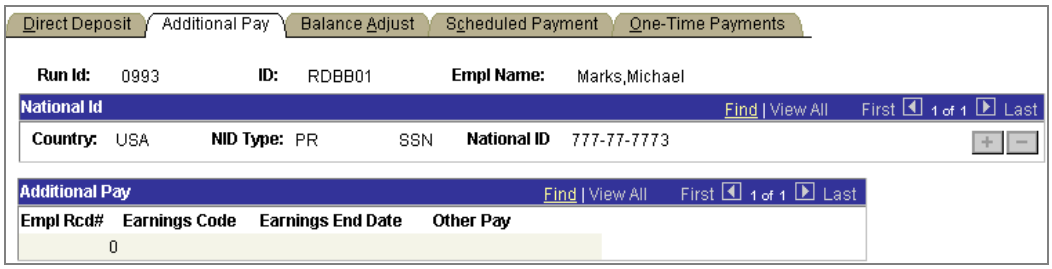
Trustee Extract Contents - Direct Deposit page

Direct deposit records have a record type "50."

Direct Deposit Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Priority	Number	4	18	21
Transit Number	Character	9	22	30
Account Number	Character	17	31	47
Account Type	Character	1	48	48
Percentage Amount	Signed Decimal	3.2	49	53
Deposit Amount	Signed Decimal	8.2	54	63
Excess	Character	1	64	64
Partial Payment Allowed	Character	1	65	65

Trustee Extract Contents - Additional Pay Page

Usage	Additional pay records contain a payee's additional pay for one retiree record. Payees can have multiple additional pay records per job.
Object Name	PA_TE_APAY_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Additional Pay**
Access Requirements	Run ID, EmplID, Employee Name



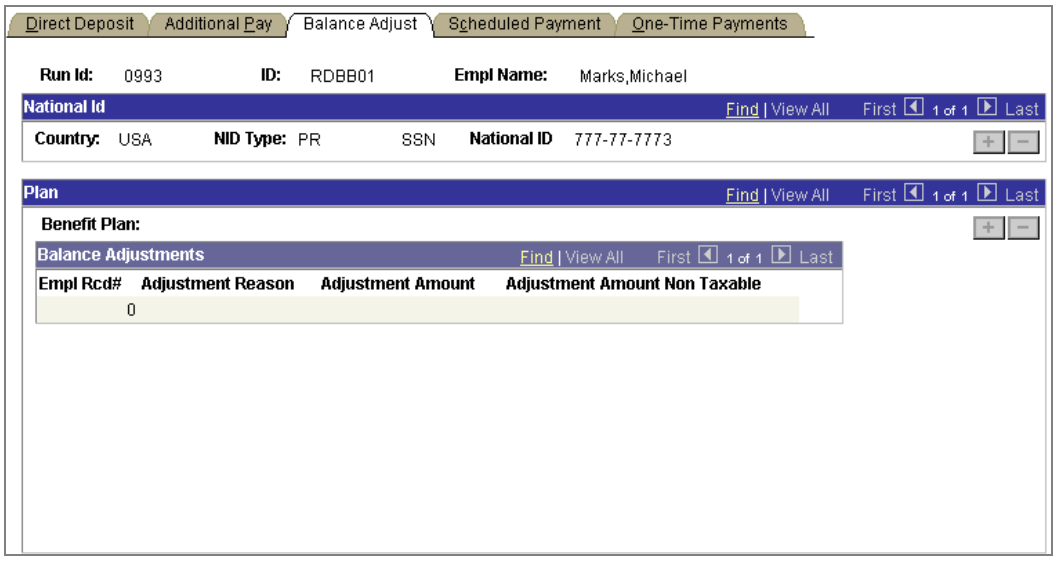
Trustee Extract Contents - Additional Pay page

Additional pay records have a record type "60."

Additional Pay Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Earnings Code	Character	3	18	20
Earnings End Date	Character	10	21	30
Other Pay Amount	Signed Decimal	8.2	31	40

Trustee Extract Contents - Balance Adjustment Page

Usage	Balance adjustment records contain information used to adjust running payment totals for a retiree. Adjustments apply to one retiree record only. Payees can have multiple balance adjustments per job.
Object Name	PA_TE_BADJ_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Balance Adjustments**
Access Requirements	Run ID, EmplID, Employee Name



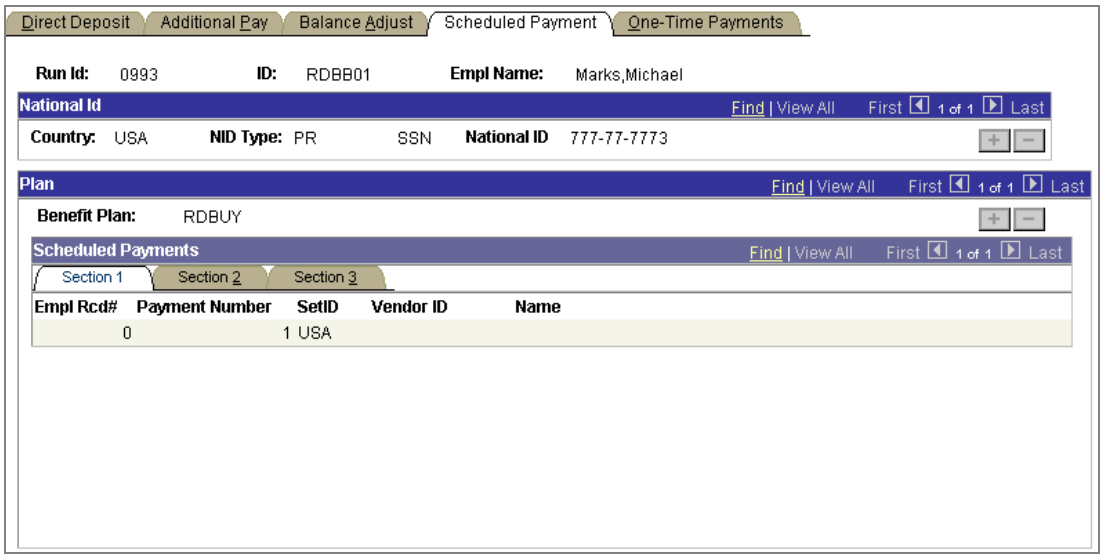
Trustee Extract Contents - Balance Adjustment page

Balance adjustment records have a record type "70."

Balance Adjustment Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Pension Plan	Character	6	18	23
Adjustment Reason	Character	1	24	24
Adjustment Amount	Signed Decimal	9.2	25	35
Nontaxable portion of adjustment amount	Signed Decimal	9.2	36	46

Trustee Extract Contents - Scheduled Payments Page

Usage	Scheduled payment records contain payment amounts and descriptions for recurring payments for one retiree record. Each retiree record corresponds to a single plan, but payees can have multiple scheduled payment records per retiree record if there are multiple payment streams from a plan.
Object Name	PA_TE_SPMT_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Scheduled Payments**
Access Requirements	Run ID, EmplID, Employee Name



Trustee Extract Contents - Scheduled Payments page

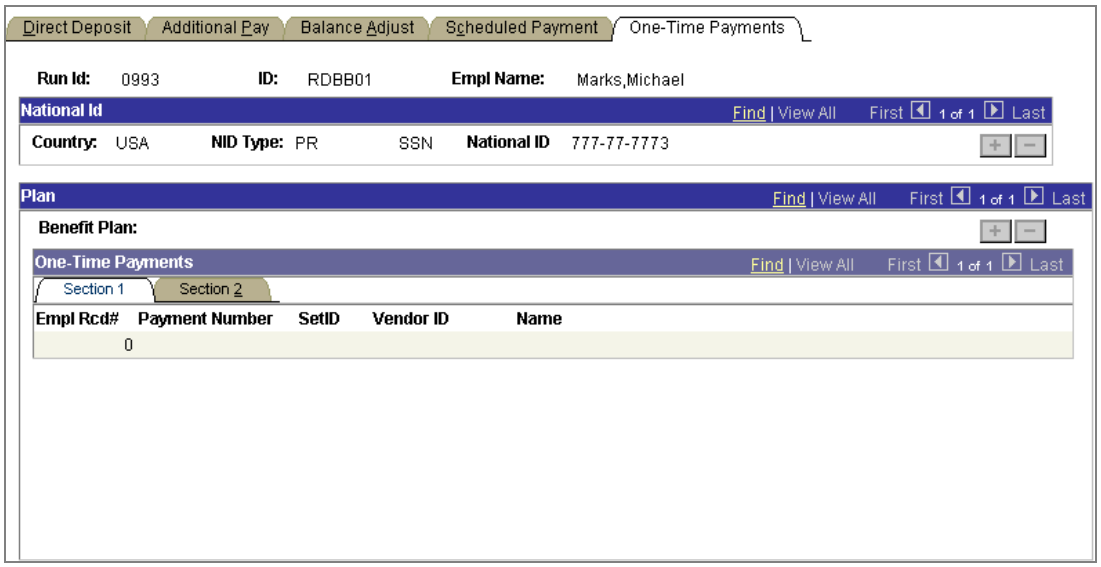
Scheduled payment records have a record type "80."

Scheduled Payment Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Pension Plan	Character	6	18	23
Payment Number	Number	4	24	27
Provider ID	Character	6	28	33
Optional Form Code	Character	4	34	37
Optional Form Years Guaranteed	Number	4	38	41
Optional Form Percent Continued	Signed Decimal	3.2	42	46
Payment Frequency	Character	4	47	50
Payment End Date	Character	10	51	60
Payment Amount	Signed Decimal	9.2	61	71
Nontaxable Portion of Payment Amount	Signed Decimal	9.2	72	82

Trustee Extract Contents - One-Time Payments Page

Usage	Scheduled payment records contain payment amounts and descriptions for one-time payments for a single payment number under a single

	retiree record. One-time payments can be positive or negative. Negative payments offset any regularly scheduled payment occurring in the same period.
Object Name	PA_TE_1PMT_INFO
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, One-Time Payments**
Access Requirements	Run ID, EmplID, Employee Name



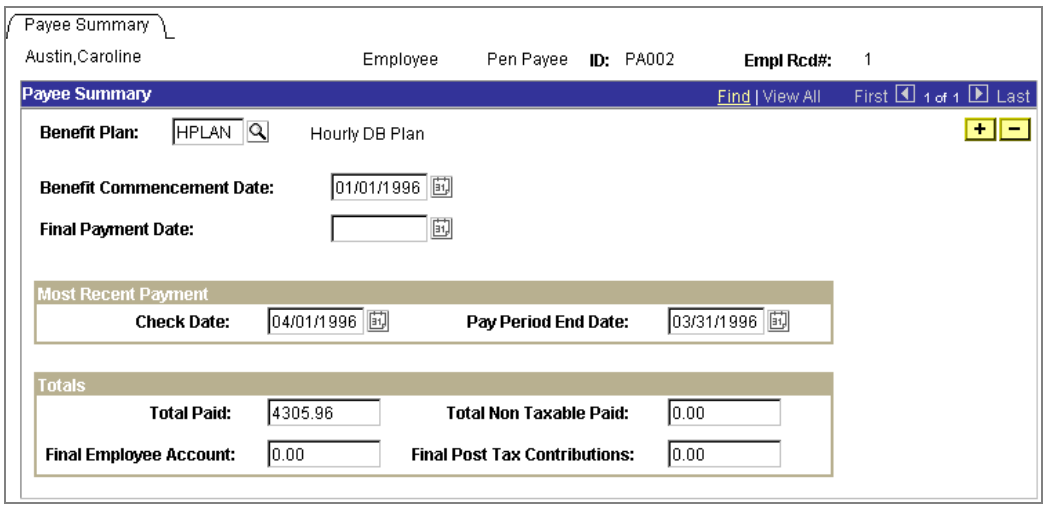
Trustee Extract Contents - One-Time Payments page

One time payment records have a record type “81.”

One-Time Payment Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Pension Plan	Character	6	18	23
Payment Number	Number	4	24	27
Provider ID	Character	6	28	33
Reason for One Time Payment	Character	1	34	34
Amount of One Time Payment	Signed Decimal	9.2	35	45
Nontaxable Portion of One Time Payment Amount	Signed Decimal	9.2	46	56

Payee Summary Page

Usage	Running the payment process automatically updates information under the appropriate payee record number. Use the Payee Summary page to track this process.
Object Name	PA_RT_EMP_SUM
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Summary, Payee Summary**
Access Requirements	EmplID



Payee Summary page

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Empl ID** and **Empl Rcd#.**

Note. The payment summary doesn't adjust running totals based on scheduled balance-only adjustments. When you schedule a balance-only adjustment, you should manually update the payment summary information.

Benefit Plan The benefit plan is the plan paying the retirement benefits for the specified record number (job number). Remember, a payee will have separate jobs for separate plan benefits.

Benefit Commencement Date The benefit commencement date is the effective date of the first active payment record on the payee's payment schedule. This gets set after the first payment.

Final Payment Date The final payment date is the date of the last payment. This gets set during the payment period after the last payment.

Most Recent Payment

The **Most Recent Payment** group box tells you the **Check Date** and the **Pay Period End Date** for the most recently processed pension payment.

Totals

The **Totals** group box contains several running totals for the payments.

Total Paid The total paid is the sum of all payments.

Total Non Taxable Paid Once the total non taxable paid amount is equal to the final post tax contributions, the system will automatically override instructions to treat any part of a recurring or one time payment as nontaxable. You can still, however, make adjustment the nontaxable balance with a one time balance adjustment. If such as adjustment leaves room for additional non taxable payments, the system will once again permit them.

The total non taxable paid is the portion of the first amount that was treated as nontaxable. These two amounts get updated each time the person gets paid.

Final Employee Account The final employee account provides the final value of employee contributions (including interest) at the benefit commencement date. This amount includes taxable and nontaxable components. When a payee dies, you can compare this amount to the total paid to see if the payee recovered the entire value of the account.

CHAPTER 60

Administering Pension Payees

Events in the lives of employees and payees are frequently triggers for various administrative tasks. Other sections focus on the steps you'll take when an employee retires. In this section, we'll look at some other events that affect pension benefits, and discuss how you'll use PeopleSoft Pension Administration to respond appropriately.

The topics in this section look at a number of different situations that may trigger administrative tasks. Your organization has its own administrative policies regarding many of these tasks.

To be sure that your organization's requirements become part of the PeopleSoft Pension Administration system, be sure to set up and maintain activity lists: pension checklists for any occasion.



For more information about creating activity lists, see Maintaining Public Tables. For more information about using activity lists, see Recording Communications.

Administering Terminated Employees

When employees terminate with a vested benefit, you'll perform most, but not all, of the same tasks as when an employee retires, but these tasks are performed at two separate points in time: at termination and at benefit commencement.

Retiring an Employee	***Administering a Terminated Deferred Vested Employee***
Establish payee record.	Do this at termination. Use a *Terminated Deferred Vested* payee type.
Update pension status.	Don't do this. The system automatically maintains the *Terminated - Deferred Benefit* status.

Calculate the benefit, protect the calculation(s), record optional form selection, and schedule payments.	Do this once at termination and again at benefit commencement. The schedule you create at termination time is required in order for the actuarial valuation extract to report on the known liability of the employee's pension benefit. The schedule you create at benefit commencement date is used to actually pay the employee.
Record tax, direct deposit, and deduction information.	Do this at benefit commencement

Terminating Employees

When an employee terminates, you'll first determine whether the employee has a vested benefit. You can use periodic processing or a calculation to make this determination. If there is no vested benefit, your organization may still have some paperwork to complete, perhaps a notification letter, or you may be done.

If the employee is vested, you'll have to run a calculation and provide the departing employee with a statement of benefits. This will be considered a final calculation, so be sure to run periodic processes through the termination date so that the calculation has the most up-to-date consolidation information available. If there are additional earnings, or hours after the termination date, you'll manually override the consolidated amounts on the Consolidations page.

Once you've produced an acceptable final calculation, be sure to protect the calculation used to produce the benefits. Protecting a calculation prevents the system from deleting the calculation or its results during periodic processing. Protecting the calculation also prevents anyone from changing the calculation parameters and running the calculation with different assumptions.



For more information about protecting calculation, see Protect Calculation Page.

Once an employee has terminated, the benefit stops accruing and the actual amount of the benefit is known. This information is important for your plan's annual actuarial valuation. In order to include the known benefit amount in PeopleSoft Pension Administration's actuarial valuation extract, you'll set up a payment schedule based on this amount.

Of course, at this point you don't know what optional form of payment the employee will choose, nor do you know when the employee will elect to start receiving payments. The payment schedule should therefore use the normal form of payment (typically a single life annuity) scheduled to start on the normal benefit commencement date.

To ensure that you don't use this schedule as the basis for real pension payments, you'll set up the schedule with a *Deferred* status. This prevents the system from including payment instructions in the trustee extract.

Scheduling payment requires that you complete several steps: establishing the payee record, recording an optional form selection, and setting up the actual schedule. These are the exact same

steps you would perform if the employee were retiring except that you won't manually update the pension status: your next periodic processing job will automatically set the status to *TDF - Terminated Deferred Vested.*



For more information about creating payees, see Establishing Pension Payees. For more information about recording optional form selection and scheduling payments, see Preparing Pension Payments.

In summary, you'll perform the following actions when an employee terminates:

Task	***Page***
Verify that the employee has terminated and is vested.	Job History. Plan History. Calculation Results.
Run consolidations through the termination date. Make any manual corrections to the consolidations based on late earnings, hours, or contributions.	Periodic Processes. Consolidations.
Calculate the benefit, and prepare a benefit statement.	Calculate Pension.
Protect the calculation, and the results from deletion.	Protect Calculation.
Establish the employee as a pension payee.	Create Payee.
Select an optional form of payment.	Payee Form Selection.
Create a deferred payment schedule based on a default payment form and benefit commencement date.	Payee Payment Schedule.

Although the above summary doesn't include recording your activities and communications, you can keep such records as needed in the General Comment and Payee Activity List pages.



For more information about comments and activity lists, see Recording Communications.

Paying a Terminated Vested Employee

Because you establish the payee record for a terminated vested employee at the time of the termination, you don't need to perform this task when the employee is ready to start receiving payments.

You will usually run a new calculation for a terminated vested employee. There are at least two reasons you might do this: first, depending on when the employee elects to retire, there may be early or late retirement adjustments, and second, if the employee's marital situation has changed, the optional forms calculations are affected.

Once you've produced a retirement calculation, you'll complete the steps for retiring an employee. This consists of protecting the calculation, selecting the optional form, and scheduling the payment. You can delete the optional form selection and payment schedule you set up at the time of termination. These were placeholders that were set up so that the actuarial valuation extract could access the benefit information. Once you schedule actual payment information, the placeholders are no longer necessary.

Remember to record tax, direct deposit, and deduction information, and to use activity lists to monitor the flow of retirement paperwork.

In summary, you'll perform the following actions when a terminated vested employee retires:

Task	*Page*
Recalculate the benefit, if necessary, and prepare a benefit statement.	Calculate Pension.
Protect the calculation and the results from deletion.	Protect Calculation.
Select an optional form of payment.	Payee Form Selection.
Record tax, direct deposit, and deduction information.	Payee Maintenance.
Schedule the payment.	Payee Payment Schedule.

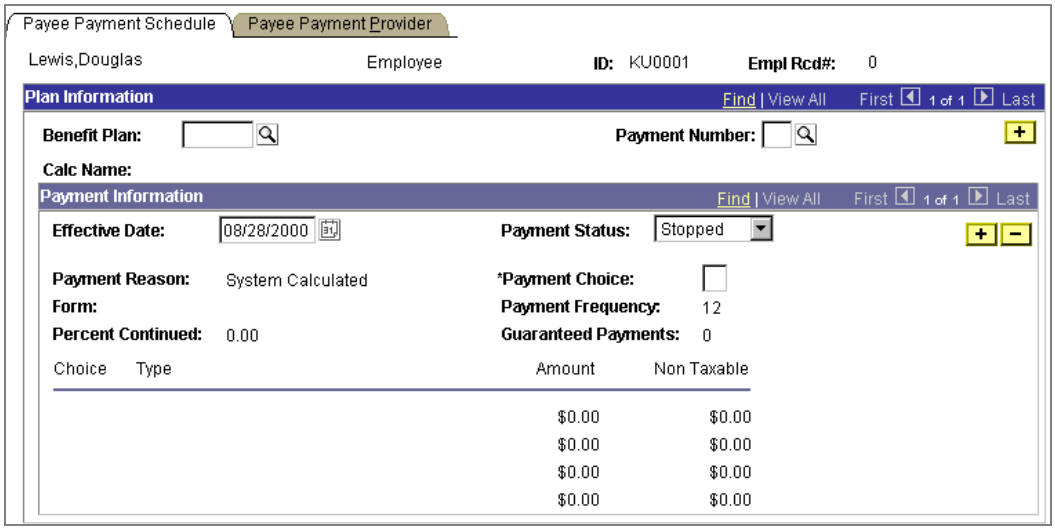
Administering Retiree Deaths

When a pension payee dies, you need to stop payments and possibly begin beneficiary payments. For contributory plans, you'll check that the retiree recovered all contributions, and that all post-tax contributions have been recovered as a nontaxable benefit.

Payee Payment Schedule Page

Usage	Use the Payee Payment Schedule page to stop payments.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee**

	Payment Schedule
Access Requirements	EmplID



Payee Payment Schedule page

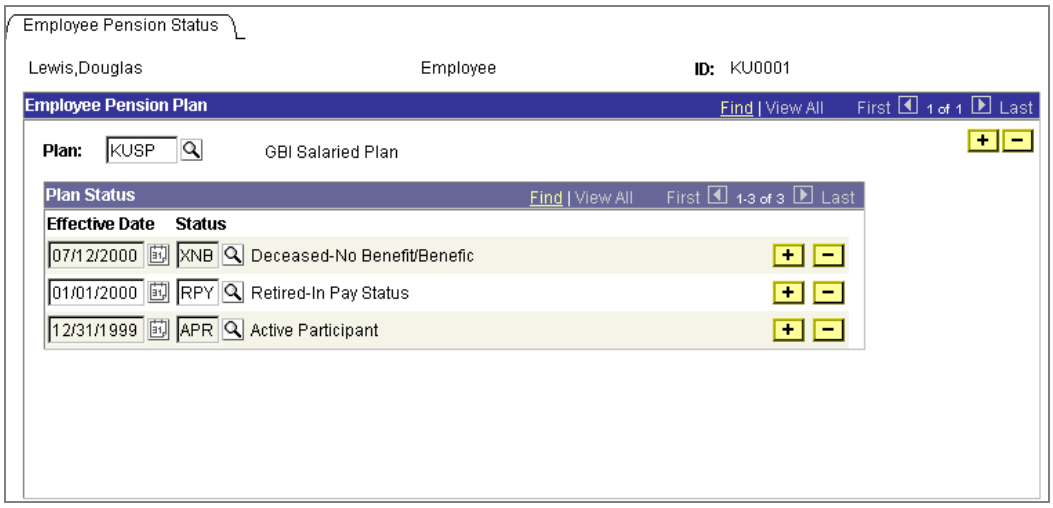
Payment Status Insert a new **Payment Status** to ***Stopped.*** You may need to make a partial payment for the month of death, recover overpayments for time since the death, and/or adjust the payee's balances to reflect any recovered money so that the amount doesn't appear on the payee's 1099-R.

To make payment adjustments or balance adjustments, open the Payee Adjustment Schedule page.

For more information, see Preparing Pension Payments.

Updating the Pension Status

Usage	Use the Employee Pension Status when a participant dies, to manually update that person's pension status.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Pension Status**



Employee Pension Status page

The following elements are common to multiple pages, and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **ID, Effective Date, Status.**

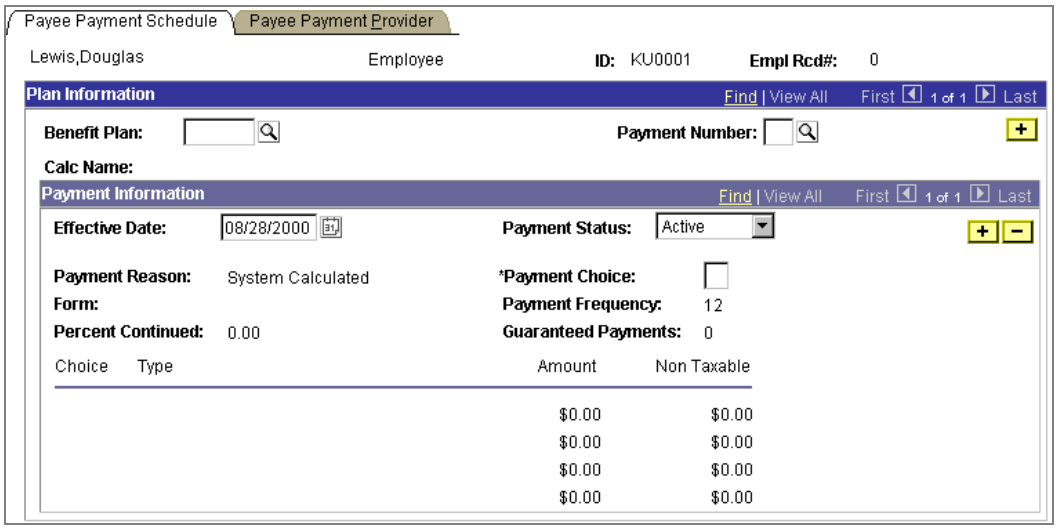
Status Set the status to either ***Deceased-With Beneficiary*** or ***Deceased-No Benefit/Beneficiary.*** If you fail to update the status, the payment process will automatically set the status to ***Retired-Payment Complete*** the next time it runs. This makes a difference when you produce your Form 5500 Participant Count report, which is based on pension statuses.

For more information about pension statuses, see Using Pension Statuses.

Paying Beneficiaries

Usage	Depending on the optional form of payment selected by the payee, there may be a survivor benefit due to a beneficiary. The payee's payment schedule shows the form of payment: a non-zero value in the percent continued field indicates that there is a survivor benefit. System-calculated benefits will also show the beneficiary amount on the original payee's schedule. If there is a survivor benefit and if the beneficiary is still alive, you'll set up the beneficiary as a pension payee and start making survivor payments. Even if the beneficiary is also an employee of the company, you need to set up a separate payee record. For more information about setting up payee records for beneficiaries, see

	Establishing Pension Payees, “Establishing Pension Payees”. You don’t have to record an optional form selection because the payment amount is determined by the original retiree’s payment form. You do, however, need to record tax, direct deposit, and deduction information using the Payee Maintenance page.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Payment Schedule**



Payee Payment Schedule page – paying beneficiaries

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **ID, Empl Rcd#, Effective Date.**

Benefit Plan Enter the **Benefit Plan** from the original employee’s benefit. The system will automatically fill in the payment information using appropriate amounts from the original employee’s payment schedule.

Payment Number Enter the **Payment Number** from the original employee’s benefit. The system will automatically fill in the payment information using appropriate amounts from the original employee’s payment schedule.

Calc Name The system displays the calculation name.

Payment Status Enter a **Payment Status** of ***Active, Deferred, Stopped*** or ***Suspended***.

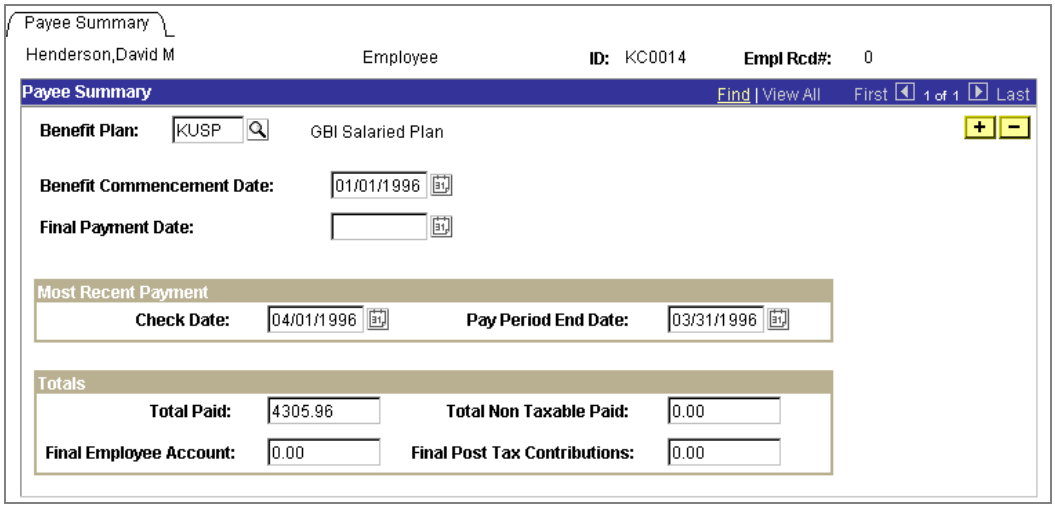
Payment Choice Set the **Payment Choice** to the appropriate beneficiary payment.

In summary, you'll perform the following actions when a terminated vested employee retires:

Task	*Page*
Create the beneficiary's payee record.	Create Payee Payee Pension Status
Record tax, direct deposit, and deduction information.	Payee Maintenance
Schedule payment.	Payee Payment Schedule

Checking Payment Summary Information

Usage	Use the Payee Summary page to check how much of a retiree's contributions have been repaid.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Summary**



Payee Summary page – checking payment summary information

Totals

The **Totals** group box contains several running totals for the payments.

Total Paid — **Total Paid** is the sum of all payments. These two amounts get updated each time the person gets paid.

Total Non Taxable Paid — **Total Non Taxable Paid** is the portion of the first amount that was treated as nontaxable. These two amounts get updated each time the person gets paid.

Final Employee Account	The **Final Employee Account** provides the final value of employee contributions, including interest. This amount includes taxable and nontaxable components. When a payee dies, you can compare this amount to the total paid to see if the payee recovered the entire value of the account.
Final Post Tax Contributions	The **Final Post Tax Contributions** provides the nontaxable component of the final employee account. You can use this to track total nontaxable payments.



For more information about the Payee Summary page, see Making Pension Payments.

When an Employee Dies Before Retirement

All qualified plans must offer a preretirement survivor annuity (PRSA). Therefore, if an employee dies before retiring, there may be a benefit due to a surviving spouse. Depending on your plan, this may also apply when a terminated vested employee dies.

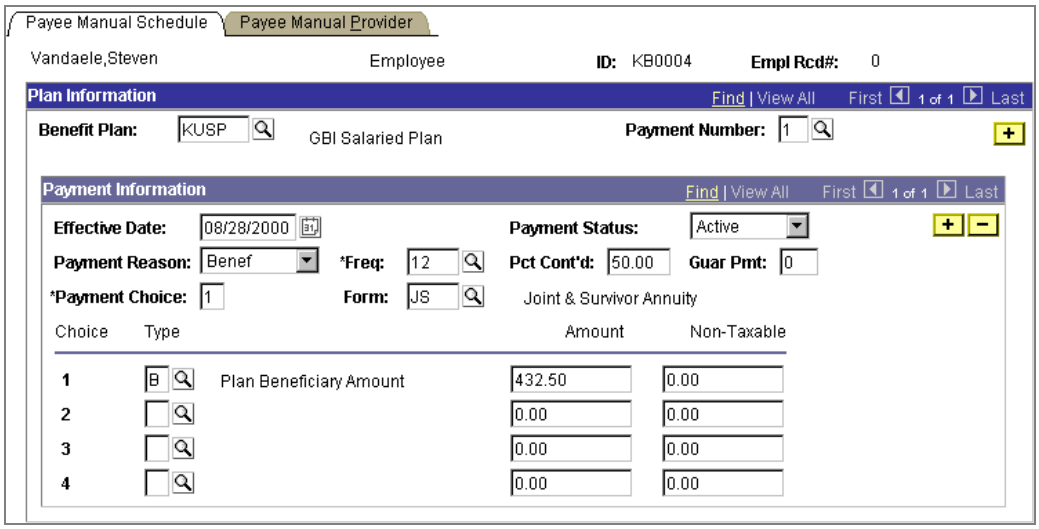
When an employee dies before retiring, first determine if there is a benefit payable. To do this, run a calculation with a calculation reason of *Death.* Depending on how you've set up your system, the optional forms results for this calculation should consist of a joint and survivor form, where the survivor benefit is the death benefit.

If there is a benefit due, you'll establish the beneficiary's payee record, enter the beneficiary's tax, direct deposit, and deduction information, then schedule the payments.

To use PeopleSoft Pension Administration's automatic payment scheduling, you would have to go though all the steps as if the employee had retired: create a payee record for the employee, select the appropriate optional form, and schedule a payment (tax and direct deposit records aren't necessary because there are no actual payments.) You could then schedule the beneficiary's payments and the system would automatically get the beneficiary amount from the optional forms results.

Payee Manual Schedule Page

Usage	Use the Payee Manual Schedule page to schedule beneficiary payments manually if there isn't already a retiree payment schedule.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Manual Schedule**



Payee Manual Schedule page

Enter the payment information for the beneficiary as required.

For more information about scheduling payments manually, see Preparing Pension Payments.

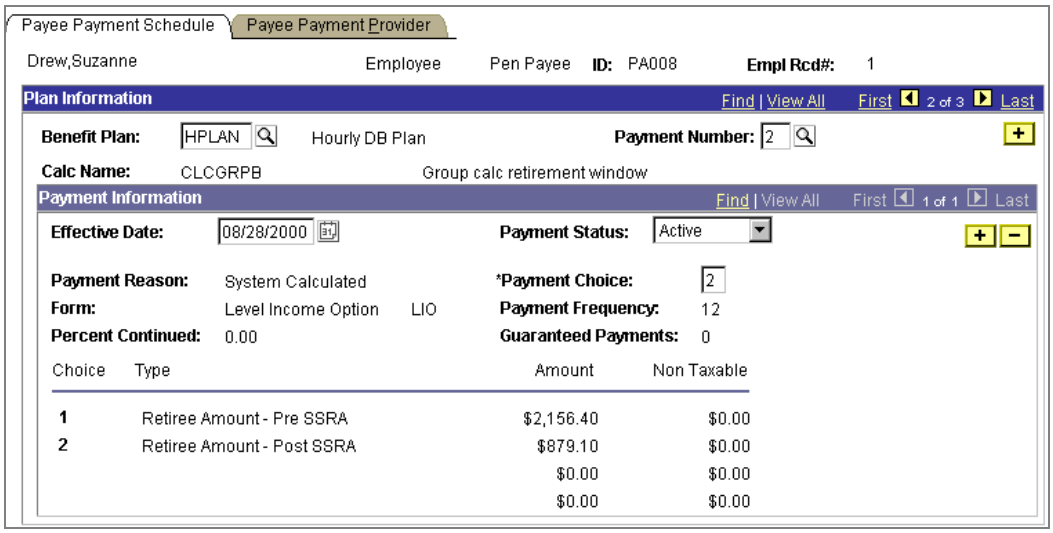
Changing Payment Amounts

Individual pension payments can change for different reasons. The retiree may have elected a form of payment that provides for a different amount under specific circumstances: a level income option provides for a reduced payment once the retiree attains Social Security Retirement Age (SSRA), a pop-up payment provides for an increased benefit, if the beneficiary predeceases the retiree, and a last to survive annuity provides for a reduced benefit when the beneficiary predeceases the retiree.

A plan can also grant a cost of living adjustment that increases pension benefits for all pension payees that meet specified criteria.

Adjusting Level Income Forms of Payment

Usage	If a retiree selected a level income form of payment, you'll need to decrease payments when the retiree reaches the level income age, normally the Social Security Retirement Age (SSRA). Use the Payee Payment Schedule usage page to adjust the payment.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Payment Schedule**



Payee Payment Schedule - Adjusting for Level Income Age

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **ID, Empl Rcd#, Effective Date.**

Effective Date

The level income form of payment has both a ***Retiree Amount - Pre-SSRA*** and a ***Retiree Amount - Post-SSRA.*** To change the retiree's regularly scheduled payment amount, insert a new **Effective Date,** that is the date the payments should be decreased, and change the **Payment Choice** to *2* - the post-SSRA amount.

Because you know the SSRA ahead of time, you don't need to wait for the employee to attain SSRA to set up the payments. Instead, you can set up both the pre- and post-SSRA payments when you initially schedule payments. The **Effective Date** controls which amount the retiree receives and ensures that payments automatically decrease at the right time.

Payment Choice

The level income form of payment has both a ***Retiree Amount - Pre-SSRA*** and a ***Retiree Amount - Post-SSRA.*** To change the retiree's regularly scheduled payment amount, insert a new **Effective Date** that is the date the payments should be decreased and change the **Payment Choice** to *2* - the post-SSRA amount.

Administering Pop up and Last to Survive Options

Under a pop up form of payment, a retiree has a joint and survivor annuity. with the extra provision that if the beneficiary predeceases the retiree, the retiree's pension payment will pop up to an equivalent single life annuity amount (normally there is a penalty for the pop up insurance).

Under a last to survive form of payment, as soon as either the retiree or the beneficiary dies, the annuity is reduced to the specified percentages.

For both these forms of payment, you may need to adjust the payment amount at some point. Use the Payee Payment Schedule page to adjust the amount.

Effective Date

The pop up form of payment has both a ***Retiree Amount,*** either a ***Plan Beneficiary*** amount or a ***Non-Spouse Beneficiary Amount,*** and a ***Pop Up Amount.*** When the beneficiary predeceases the retiree, you'll change the retiree's payments from the retiree amount to the pop up amount. To do this, insert a new **Effective Date** that is the date the payments should be increased and change the **Payment Choice** to the pop up amount.

For a last to survive annuity, you'll have a ***Retiree Amount*** and a ***Survivor Amount.*** If the retiree dies first, you'll set up the beneficiary just as you would for a normal joint and survivor annuity. If the beneficiary dies first, change the retiree's schedule so the retiree is receiving the beneficiary amount.

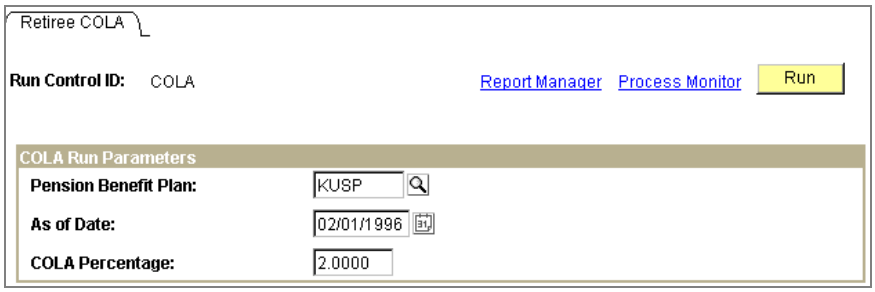
Payment Choice

The pop up form of payment has both a ***Retiree Amount,*** either a ***Plan Beneficiary*** amount or a ***Non-Spouse Beneficiary Amount,*** and a ***Pop Up Amount.*** When the beneficiary predeceases the retiree, you'll change the retiree's payments from the retiree amount to the pop up amount. To do this, insert a new **Effective Date** that is the date the payments should be increased and change the **Payment Choice** to the pop up amount.

For a last to survive annuity, you'll have a ***Retiree Amount*** and a ***Survivor Amount.*** If the retiree dies first, you'll set up the beneficiary just as you would for a normal joint and survivor annuity. If the beneficiary dies first, change the retiree's schedule so the retiree is receiving the beneficiary amount.

Retiree COLA Page

Usage	Cost of Living Adjustments (COLAs) for retirees typically take the form of a percent increase in a benefit. PeopleSoft Pension Administration enables you to calculate and schedule the new payment amount for all employees receiving benefits from a particular plan.
Object Name	RUNCTL_PASCOLA
Navigation	**Compensate Employees, Administer Pension Plan, Process, Retiree COLA**



Retiree COLA page

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **User ID, Run Control ID, As of Date.**

COLA Run Parameters

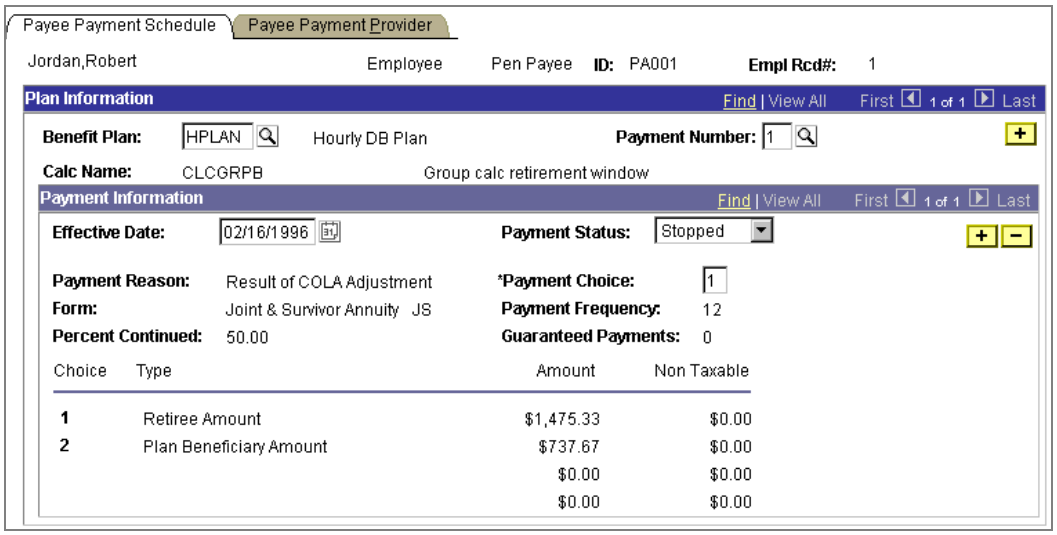
Pension Benefit Plan Identify the **Pension Benefit Plan** granting the COLA for the increased payments.

COLA Percentage The **COLA Percentage** is the increase factor for the adjustment. This percentage is always applied to the current pension payment, a compound COLA. If you need to apply the COLA to the original amount, you must modify the COLA SQR.

Click **Run** to run this request. Process Scheduler runs the Retiree COLA process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

After you've run a Retiree COLA process, you can see the COLA for any individual payee in that person's payment schedule. Go to the Payee Payment Schedule page.



Payee Payment Schedule - retiree COLA results

There will be a new row with an **Effective Date** matching the COLA date. The **Payment Reason** will show that this row is the ***Result of COLA Adjustment.*** Both the ***Retiree Amount*** and any additional amounts, a ***Beneficiary Amount*** in the example pictured, reflect the new, higher pension payment.

Because the beneficiary amount has been adjusted, if the retiree dies and you schedule payments to the beneficiary, the system will automatically copy the adjusted amount to the beneficiary's schedule.

CHAPTER 61

Administering Contributory Plans

Contributory plans require employees to contribute a specified portion of their wages to help fund their pension benefits. In this section, you'll look at some of the administrative tasks necessary for collecting, tracking, and administering employee contributions.

Deducting Pension Contributions

If you sponsor contributory plans, you can use the PeopleSoft HRMS system to deduct employees' pension contributions from their paychecks. The PeopleSoft Pension Administration standalone configuration doesn't support payroll deduction processing.



For more information about how the HRMS applications work together for deduction processing, see PeopleSoft Pension Administration Integration.

Understanding the Deduction Process

The process of taking pension deductions from employee paychecks is identical to the process used taking other benefit deductions such as those for medical or life benefits. If you've set up the benefit plan (with the appropriate calculation rules) and added it to a program, you'll administer the deduction process using other PeopleSoft HRMS applications:

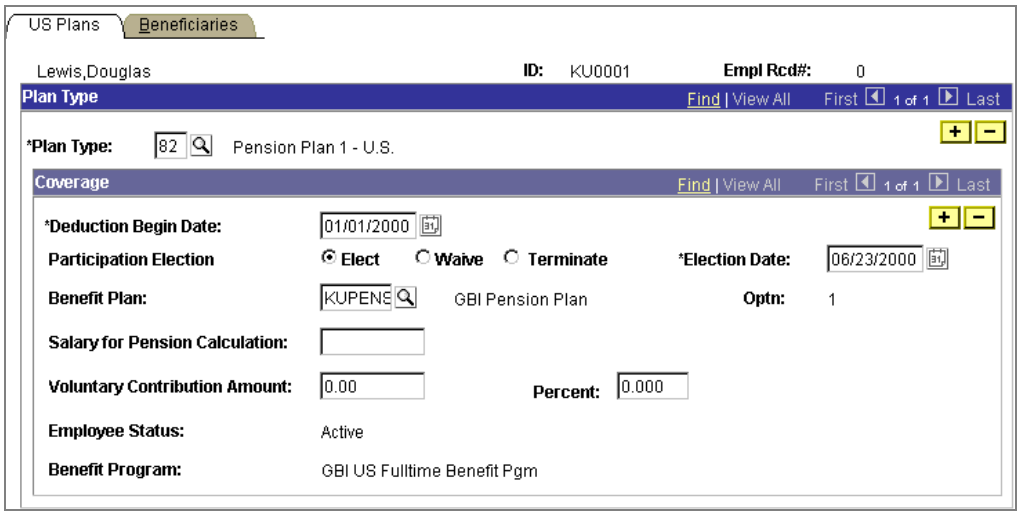
- Use PeopleSoft Base Benefits or PeopleSoft Benefits Administration to enroll employees in the plan. It isn't enough for the plan to simply exist; you must also sign employees up for the deduction.
- Use PeopleSoft Payroll for North America or PeopleSoft Payroll Interface to calculate and apply the deductions in a particular pay run.



For more information about using PeopleSoft 8 Base Benefits, PeopleSoft 8 Benefits Administration, PeopleSoft 8 Global Payroll PeopleBook, and PeopleSoft 8 Payroll Interface PeopleBook, to administer benefit deductions, see the documentation for those applications.

Pension Plans (US) – US Plans Page

Usage	If you use PeopleSoft Base Benefits rather than PeopleSoft Benefits Administration to enroll employees in benefit plans, you'll sign employees up for pension deductions manually using the Pension Plans (US) – US Plans page.
Object Name	US_PLAN_1
Navigation	**Compensate Employees, Administer Base Benefits, Use, Pension Plans (US), US Plans**
Access Requirements	EmplID



Pension Plans (US) – US Plans page

Plan Type Because an employee can contribute to multiple pension plans, each contributory plan has been set up with a unique plan type. Select the **Plan Type** that uniquely identifies the desired plan.

Deduction Begin Date Enter the **Deduction Begin Date.** The system won't process deductions before the effective date that the plan became part of the employee's Benefit Program.

Participation Election If employees are permitted to decline participation in the plan, indicate the employee's **Participation Election:** ***Elect, Waive,*** or ***Terminate.***

Elect Date Enter an **Elect Date** to show when the election was made.

Benefit Plan Select the **Benefit Plan.** There should only be one contributory plan associated with the plan type you chose.

Salary for Pension Calculation	Pension deduction calculations are based on a specified percentage of pensionable earnings. The percentage and the special accumulator that tracks pensionable earnings are determined at the plan rather than for individual employees. However, there are certain variations that you can set at the employee level - the salary for pension calculation and any supplemental voluntary contributions. To calculate the pension using an annual salary other than the employee's annual compensation rate, enter the alternative **Salary for Pension Calculation.** Be sure you use an ***annual*** amount.
Voluntary Contribution Amount/Percent	Enter any **Voluntary Contribution Amount** or **Percent** the employee has elected. Voluntary contributions will increase the employee's pension benefit. This is only permitted for plans that have been defined to allow voluntary contributions.
Employee Status/Benefit Program	The **Employee Status** and **Benefit Program** provide additional information about the employee.



For more information about the plan-level rules for calculating pension deductions, see Establishing Pension Plans.

Tracking Contributions

Your periodic pension processing includes two processes that help you track employee contributions. A "consolidation" process reads payroll tables and puts the contributions in monthly or annual buckets. An "employee accounts" process keeps a running total of the contributions and the interest they earn.

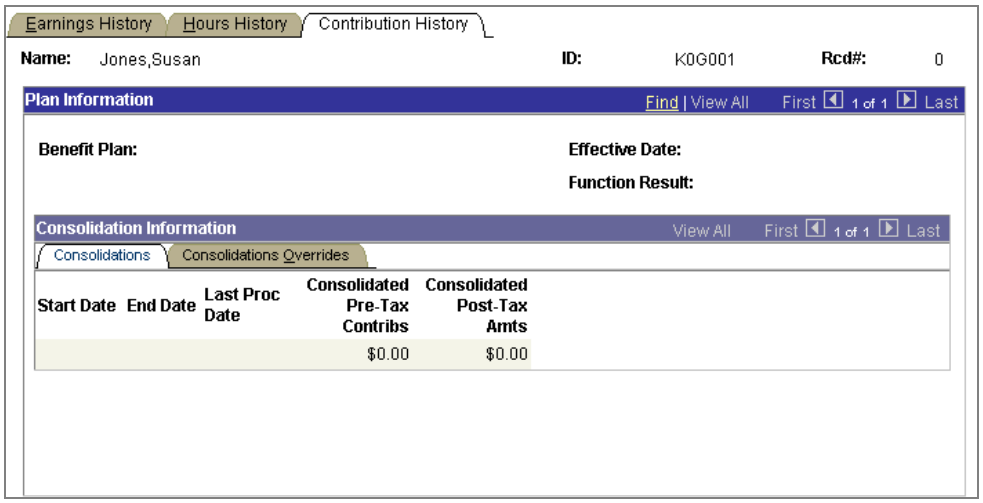


For more information about periodic processing, see Running Periodic Processes.

Employee Consolidated History – Contribution History Page

Usage	Use the Employee Consolidated History – Contribution History page to view the results of periodic consolidation processing. You can also use this page to override values for particular periods if, for some reason, the source data in the payroll tables was incorrect.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee**

	Consolidated History, Contribution History
Access Requirements	EmplID

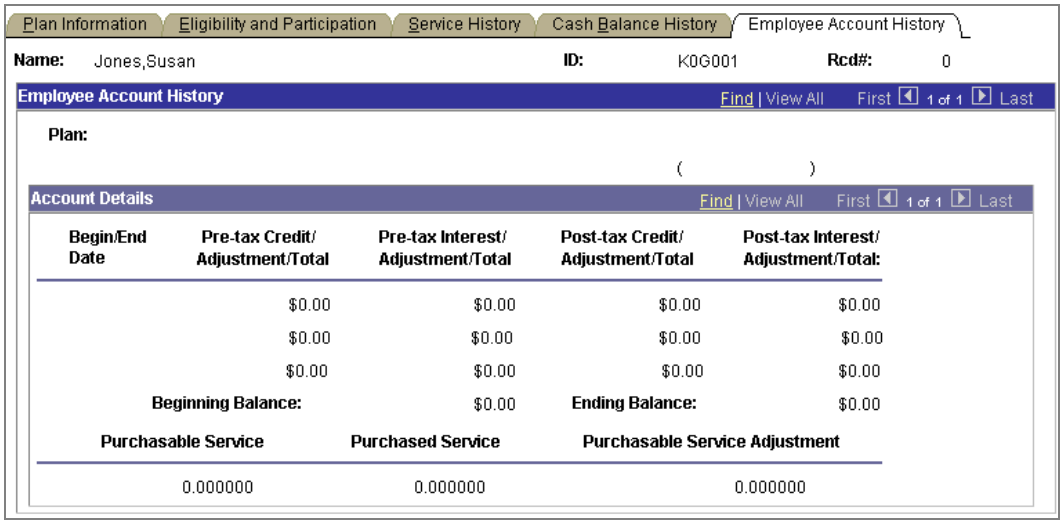


Employee Consolidated History - Contribution History page

For more information about viewing and overriding consolidated earnings, see Maintaining Consolidated Payroll Data.

Plan History - Employee Account History

Usage	Use the Plan History – Employee Account History page to view the results of periodic processing for employee accounts
Navigation	**Compensate Employees, Administer Pension Plan, Inquire, Plan History, Employee Account History**
Access Requirements	EmplID



Plan History - Employee Account History

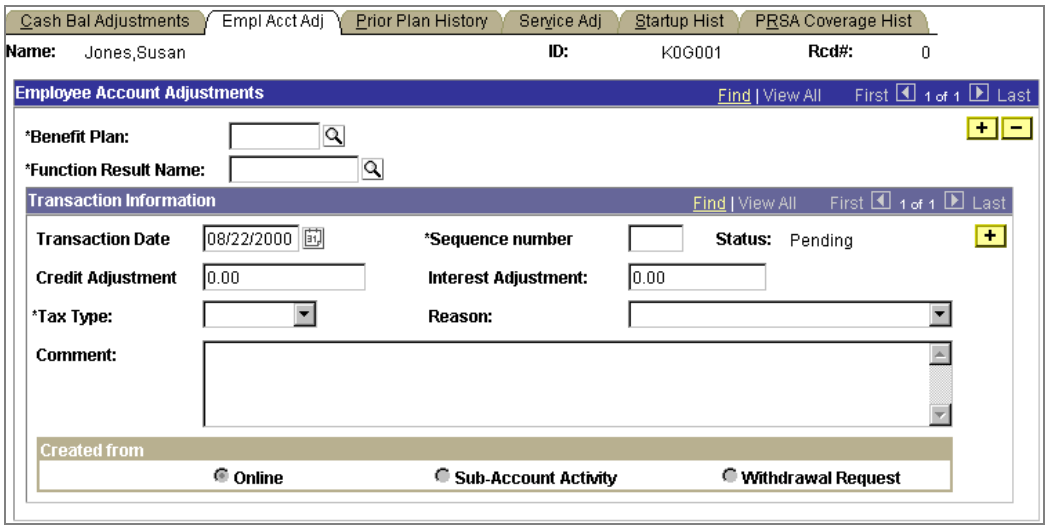
You can't modify or override data on this page. If you need to correct the data, enter an adjustment by selecting **Compensate Employees, Use, Employee Plan Data, Employee Account Adjustments.**

For more information about viewing employee accounts, see Viewing Plan-Related Information.

Don't process employee accounts beyond the event date; if you do so, the post-event date accruals will be included in the calculation's final account balance, which is meant to be the balance at event date.

Employee Plan Data - Employee Acct Adj Page

Usage	Use the Employee Plan Data - Employee Acct Adj (employee account adjustments) page to make manual adjustment to employee account balances.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Empl Acct Adj**
Access Requirements	EmplID



Employee Plan Data - Empl Acct Adj page

The system applies the adjustments during the next periodic processing.

For more information about employee account adjustments, see Maintaining Employee Plan Data

Administering Withdrawals Of Contributions and Service Buy Back

Employees who lose their plan eligibility, particularly terminated nonvested employees, often withdraw their contributions when they leave the plan. Depending on your plan rules, this usually means forfeiting the service earned during the period the employee was contributing to the plan.

In this situation, you need to cut a check for the employee, zero out the account balance (contributions plus interest), zero out the service balance, and store pertinent information in case the employee is later rehired and chooses to repay the contributions in order to restore the forfeited service.

Later, if the employee rejoins the plan and elects to buy back the forfeited service, you need to establish the repayment amount, the withdrawal amount plus interest. You need to get the employee's payments either via check or via payroll deduction. Finally, as you receive payments, you need to credit the employee's contributory account and service balance accordingly.

Understanding Withdrawal Accounts

If your plan allows employees to repay contributions after they've been withdrawn, then you've set up the system to include one or more "withdrawal accounts." A withdrawal account is a subaccount of the plan's main (or "parent") contributory account. The withdrawal account is also associated with the plan service accrual.

When an employee withdraws contributions, you'll establish a corresponding negative balance in the withdrawal account. This negative adjustment will roll up to the main contributory account to zero it out, and, if you so specify, will also zero out the corresponding service credit.

If the employee later elects to repay the contributions, you can use periodic processing to apply interest to the withdrawal account and establish the amount to be repaid. The actual repayments are then made to the withdrawal account and rolled up to the main contributory account. In any period where no repayment is made, periodic processing will continue to apply interest to the withdrawal account. In any period where a repayment is made, the system won't apply any additional interest to the withdrawal account.

As the payments are made, the service is restored using the restoration rule associated with that particular withdrawal account. The three available methods are: restore service on any payment, on full payment, or on a pro-rated basis as payments are made.

For example, when Shoshana leaves the company with three years of service, her employee account is worth $3,000. Processing the withdrawal establishes a value of -$3,000 (a negative value) in the withdrawal account which, when rolled up to the main account, results in a zero value for the main account. Processing the withdrawal additionally creates a service adjustment of negative three years, so that her service is also at zero.

Two years later, you rehire Shoshana, and she wants to repay her contributions and get back her three years of service. In order to do this, she'll have to pay back $3,000 with interest, say your plan interest rate is 6% annually. Periodic processing calculates the interest and brings the withdrawal account up to date; with interest, the new balance is -$3,370.80. Note that the interest calculation for a withdrawal account appears as ***negative*** activity in the withdrawal account, and doesn't roll up to the main account, which still has a balance of zero.

If Shoshana writes you a check for $2,000, you'll apply the payment to the withdrawal account. Because this is ***positive*** activity, it rolls up to the main account. So now the withdrawal account balance is -$1,370.80 and the main account balance is $2,000.

If the withdrawal account specifies service restoration on partial payment, Shoshana will get her entire three years of service back as soon as the $2000 payment is processed. If the account requires full payment, Shoshana won't get any service back until she's paid back the last $1370 she owes. If the account allows pro-rated restoration of service, Shoshana will get part of her service restored now, part later as she makes additional payments. In all cases, the system restores the service by generating a positive service adjustment for the appropriate amount.

If Shoshana buys back the service over an extended period of time, you can use periodic processing to continue adding interest to the amount due.

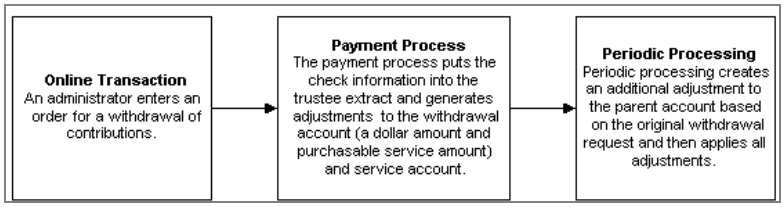


All payments (positive adjustments) to the withdrawal account roll up to the main contributory account and, if appropriate, generate service adjustments as well. However, the only negative activity that rolls up from the withdrawal account is an initial withdrawal of contributions entered through the Payee Contribution Withdrawal page. Other negative activity, including interest charges and any adjustments you manually entered, don't roll through.

Understanding Withdrawal Processing

Withdrawal processing is triggered by an online transaction request, but actually occurs during two separate processes:

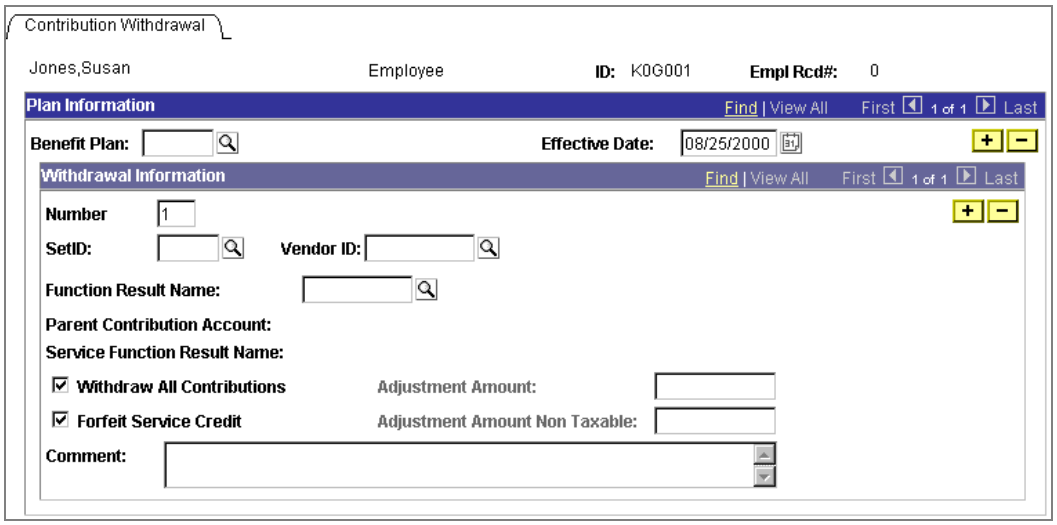
- The payment process pays out the contributions and sets up appropriate account adjustment requests.
- Periodic processing for employee accounts and service applies the adjustment requests, calculates the additional interest due if the employee decides to repay the withdrawal, and applies repayments. Repayments can come from payroll deductions, in which case periodic processing pulls the deductions into consolidated contribution buckets and from there into the withdrawal account. Employees can also make direct repayments by writing a check to the plan. In this case, you'll record the repayment using an online transaction (an adjustment request) which periodic processing will subsequently apply to the account.



Withdrawing Contributions

Payee Contribution Withdrawal Page

Usage	When an employee elects to withdraw contributions, enter the transaction on the Payee Contribution Withdrawal page.
Object Name	PA_WTHDRW_CTB
Navigation	**Compensate Employees, Administer Pension Plan, Use, Payee Contribution Withdrawal, Contribution Withdrawal**
Access Requirements	EmplID



Payee Contribution Withdrawal page

Although the navigation is to the "Payee" Contribution Withdrawal page, you shouldn't set up a When to Establish Payee Records for the employee; instead, enter the page under the employee's record #0, which is the active employment record.

During your next retiree payment processing, the system will include the withdrawal payment in the trustee extract so that the third-party that cuts your pension checks will pay the employee the specified amount.

Also during the payment processing, the system will automatically enter adjustments to the withdrawal account and the master contributory account. If you've checked the option to forfeit service credit, the withdrawal zeros out the contributory account. The system will also enter an adjustment zeroing out the associated service (service isn't adjusted unless all contributions are withdrawn). Although the adjustments are set up during the payment processing, they are actually applied during your next periodic processing.

Entering Payment Information

Benefit Plan Identify the **Benefit Plan** from which the employee is withdrawing contributions.

Effective Date Enter the **Effective Date** of the withdrawal. The first payment process (for one-time payments) that you run after this effective date will pick up the withdrawal request and include the payment in the trustee extract.

Sequence Number The **Sequence Number** enables you to make multiple withdrawals from the same plan on the same day. Typically you'll only do this if you need to break the payment into components based on the funding provider.

Provider ID

Enter the **Provider ID** to identify the funding source for each withdrawal. The provider is typically the plan itself.

You enter providers into the system from the provider table, found in **Define Business Rules, Define Base Benefits, Setup, Provider Table.** The provider table is effective-dated, so the provider must be valid for the effective date of the payment. If you've specified valid funding providers for your plan in the Plan Administration Component only those providers will be available.

Specifying the Withdrawal Account

Function Result Name

Enter the **Function Result Name** for the withdrawal account that will track the withdrawal. Remember, the withdrawal will roll up to the withdrawal account's parent account. By debiting a withdrawal account instead of the main parent account, you enable the system to track interest on the withdrawn amount without forcing the main account to go negative.

Parent Contribution Account/ Service Function Result Name

When you enter the withdrawal account, the page displays the associated **Parent Contribution Account** and **Service Function Result Name.** These are the accruals that will be affected by the activity in the withdrawal account.

When the withdrawal is processed, the negative adjustment to the withdrawal account (and thus to the parent account) is based on the last completed periodic processing for the parent account.

Entering Withdrawal Details

Withdraw All Contributions

To zero out the parent contribution account in a single transaction, check **Withdraw All Contributions.**

Adjustment Amount

If you're breaking the withdrawal into multiple transaction, either because there are multiple funding providers or because the employee isn't withdrawing all contributions, the **Adjustment Amount** is the total amount to be withdrawn.

Adjustment Amount Non Taxable

The **Adjustment Amount Non Taxable** is the portion of the withdrawal that should be treated as nontaxable. When employee pension contributions are after-tax deductions, the employee is considered to have already paid taxes on that money and the contributions being refunded are nontaxable. The interest portion of the employee account, however, is considered taxable.

Forfeit Service Credit	If the employee forfeits all service based on the withdrawal, check the **Forfeit Service Credit** option. Note that your only option is to forfeit all service, the system doesn't support partial service forfeiture. If you select this option, then the withdrawal account will have a "purchasable service" balance based on the total value of the service account in addition to a negative balance corresponding to the amount paid out.
Comments	You can enter any **Comments** associated with this withdrawal transaction.

Crediting a Return of Contributions and Service Buy Back

In order to buy back service that was forfeited as a result of withdrawing contributions, employees have to reimburse the plan with interest.



The calculation page enables you to run calculations that give the employee full credit for all purchasable service, even if the employee hasn't made all the required payments. You control this option in the calculation Plan Inputs page using the Grant Full Service Credit flag. Be careful to only use this flag for estimates and not for final calculations.

The withdrawal account definition, like all employee account definitions, includes interest rules. Periodic processing of this account applies the appropriate interest and increases the amount due. After an employee is rehired, you can run periodic processing to bring the account to the present and establish the current buy-back price. Interest will continue to accrue until the employee repays all money and zeros out the account. You can always review up-to-date balances in the Employee Accounts History page.



In any period where no repayment is made, periodic processing will continue to apply interest to the withdrawal account. In any period where a repayment is made, the system won't apply any additional interest to the withdrawal account.

Employees can make repayments through payroll deductions or by writing checks directly to the plan. For direct payments, you'll enter the amounts into the Employee Account Adjustments page. For payroll deductions, you'll set up an appropriate general deduction in PeopleSoft Payroll for North America. This will feed into the purchase account via the consolidated deductions definition you entered into the original definition of the purchase account.

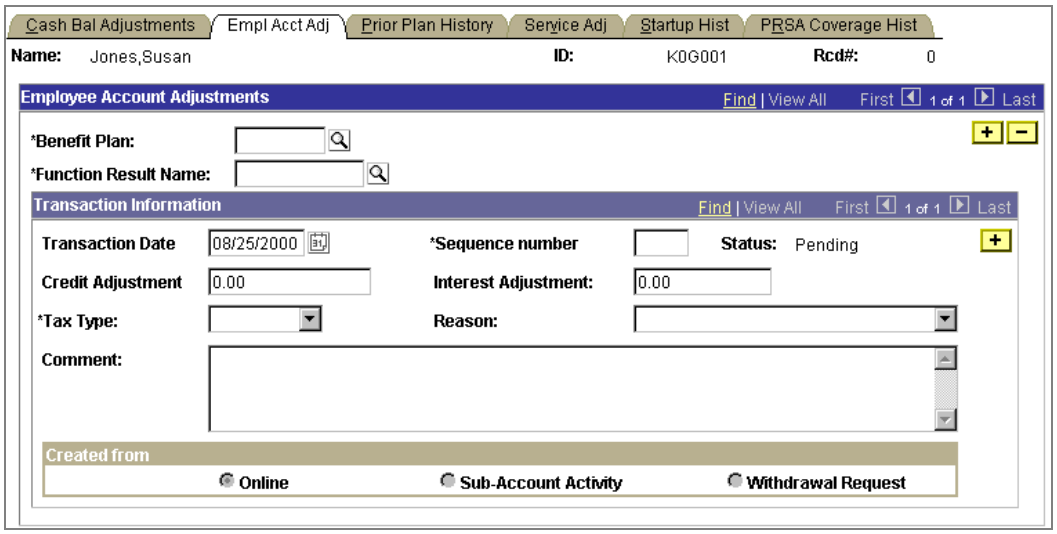


When PeopleSoft Payroll for North America processes the general deduction, it won't check the remaining balance in the withdrawal account. Therefore, to ensure that you stop taking deductions once the entire balance is repaid, you may want to set up the deduction with a target amount. As interest accrues on the account, you may have to increase that target.

For more information about general deductions, see Specifying Calculation Routines for General Deductions. For more information about setting up consolidations to reference a general deduction code, see Consolidated Contributions.

Employee Plan Data – Employee Acct Adj page

Usage	When an employee repays money directly, use the Employee Plan Data – Employee Account Adjustments page to record the payment as a manual adjustment to the withdrawal account.
Navigation	**Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Employee Account Adjustments**
Access Requirements	EmplID



Employee Plan Data - Employee Account Adjustment page

For more information about the Employee Account Adjustments page, see Employee Plan Data - Empl Acct Adj Page.

Benefit Plan/Function Result Name Enter the **Benefit Plan** and the **Function Result Name** for the withdrawal account that has been tracking the buyback amount.

Transaction Date Enter the **Transaction Date** for the repayment and, if there are multiple adjustments to the same account on the same day.

Sequence Number A **Sequence Number** is used to distinguish the adjustments.

Status The **Status** tells you whether the adjustment has been applied to the account yet. When you're entering the adjustment, the status is ***Pending.*** Once periodic processing has applied the adjustment, the value will be ***Applied.***

Credit/Interest Adjustment The **Credit Adjustment** and **Interest Adjustment** are the amounts that should be credited to the credit and interest buckets in the employee account. Add these values together to see the total adjustment.

Tax Type The **Tax Type** indicates whether these amounts belong in the ***Post-Tax*** or ***Pre-Tax*** credit and interest buckets.

Normally an employee's repayment check will all be credited to the post-tax credits bucket. An exception might be if the repayment is a rollover from a pre-tax account such as certain IRAs. If the repayment is coming from payroll deductions, it's possible that it could be pre-tax, but in this case the consolidation process automatically determines the appropriate bucket.

Note. With normal employee account processing, the post-tax interest bucket shows the interest on the post-tax contributions. The interest itself is actually pre-tax. Don't ever put post-tax money in this bucket, as you'll end up with pre- and post-tax amounts mixed up and indistinguishable. This means that the only appropriate place to hold post-tax amounts (credits or interest) is the Post-Tax Credits bucket.

Comments Enter any **Comments** to explain the nature of the adjustment transaction.

Saving the transaction doesn't actually apply the adjustment to the account. Instead, periodic processing will apply the adjustment. During periodic processing, both payroll activity and manual adjustments are applied to the withdrawal account. This will automatically adjust the master contribution account also.

Depending on whether you've specified that you'll restore service on partial payment, on full payment, or on a prorated basis, this may also generate a service adjustment.

Administering Service Purchase

In certain situations, you might allow your employees to purchase service by paying the contributions and interest that the plan would have collected if the employee had been working and contributing during that time. For example, this service purchase arrangement might be available for periods of military leave or for periods where an employee was working but wasn't eligible to participate in the plan.

Understanding Service Purchase Accounts

If your plan allows employees to purchase service, then you've set up the system to include one or more "service purchase accounts." A service purchase account is a subaccount of the plan's main contributory account. The service purchase account is also associated with the plan service accrual.

To administer a service purchase transaction for an employee, you'll first establish the amount of purchasable service and the cost of that service. Using this information, you'll establish a negative dollar balance in a service purchase account. The amount corresponds to the cost of the purchasable service and a positive purchasable service amount in the same account.

Employees can make purchase payments via payroll deductions, in which case periodic processing pulls the deductions into consolidated contribution buckets and from there into the service purchase account. Employees can also make direct payments by writing a check to the plan. In this case, you'll record the repayment using an online transaction (an adjustment request) which periodic processing will subsequently apply to the account.

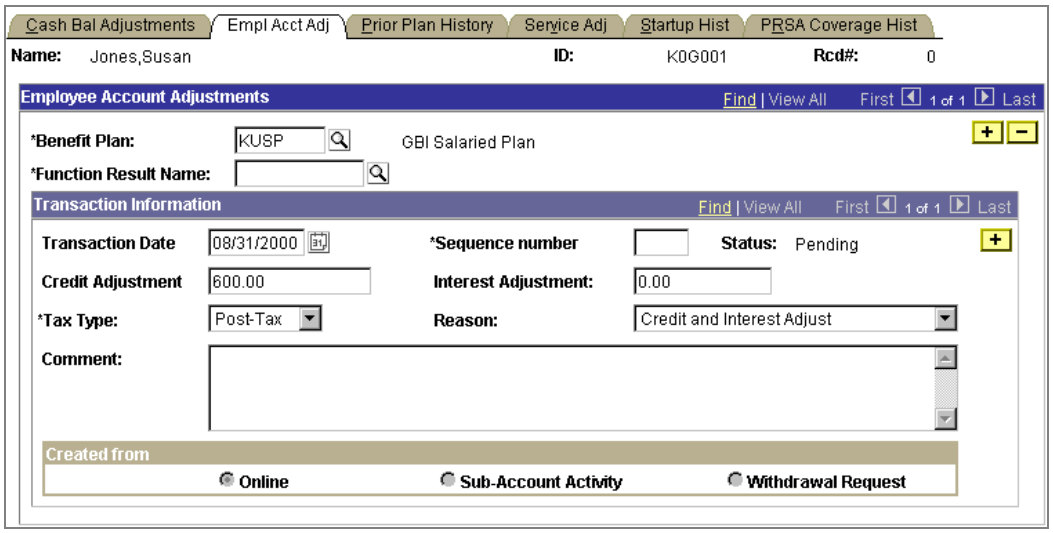
If the employee makes the payments over time, you can apply interest to the purchase price by using periodic processing. In any period where no payment is made, periodic processing will apply interest to the purchase account. In any period where a payment is made, the system won't apply any interest to the purchase account.

As payments are credited to the purchase account, the negative balance will eventually reach, zero. Depending on the account rules, the purchasable service will be reduced to zero, with corresponding adjustments to the plan service - on the first payment, after complete repayment, or on a prorated basis.

Establishing Purchasable Service

When an employee decides to purchase service, you'll decide how much the employee currently owes in contributions and back interest and enter this as a negative adjustment to the purchase account.

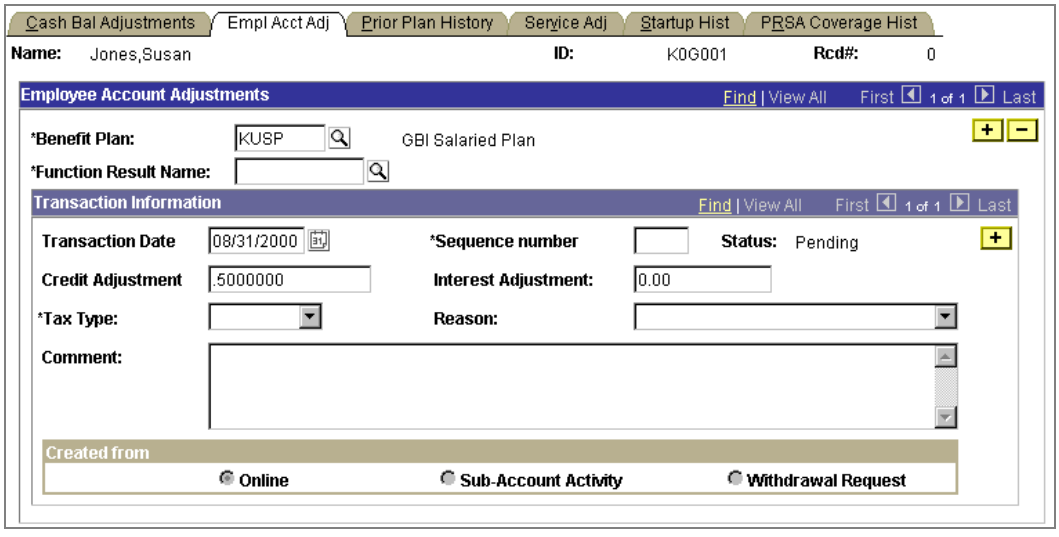
It's also possible to make subsequent adjustments if you discover any errors in your original calculation.



Employee Account Adjustments - Purchasable Service Cost

You'll also establish the amount of service that corresponds to this purchase amount. You'll do this with another account adjustment in this same page.

Use the Employee Accounts Adjustments page, not the Service Adjustments page, to establish the amount of purchasable service. The purchasable service amount is tracked in the service purchase accounts; as the employee makes payments, the system will generate service adjustments to credit the service.



Employee Accounts Adjustment - Purchasable Service Amount

Calculate Purchasable Service	The system includes an online calculator to help you determine how much service the employee can purchase. Click the **Calculate Purchasable Service** button, which appears after selecting **Purchasable Service Adjustment**, to bring up a dialog where you can enter the date range for which the employee can purchase service.
Calculate	In the service calculator, enter the dates for the service period, then click **Calculate** to have the system perform the calculation and display the result. The system calculates the service purchase period using the method you specify in the Plan Aliases page.



For more information about the Plan Aliases page and the service calculation method, see the Plan Aliases Page.

Crediting Service Purchase Payments

In order to purchase service under a service purchase agreement, employees have to pay the established amount.



The calculation page enables you to run calculations that give the employee full credit for all purchasable service, even if the employee hasn't made all the required payments. You control this option in the calculation Plan Inputs page using the Grant Full Service Credit flag. Be careful to only use this flag for estimates and not for final calculations.

If the payment takes place over time, the plan normally charges interest as well. The purchase account definition, like all employee account definitions, includes interest rules. Periodic processing of this account applies the appropriate interest and increases the amount due. Interest will continue to be assessed until the employee pays the entire balance and zeros out the account. You can always review up to date balances in the Employee Accounts History page.



In any period where no payment is made, periodic processing will apply interest to the purchase account. In any period where a payment is made, the system won't apply any interest to the purchase account.

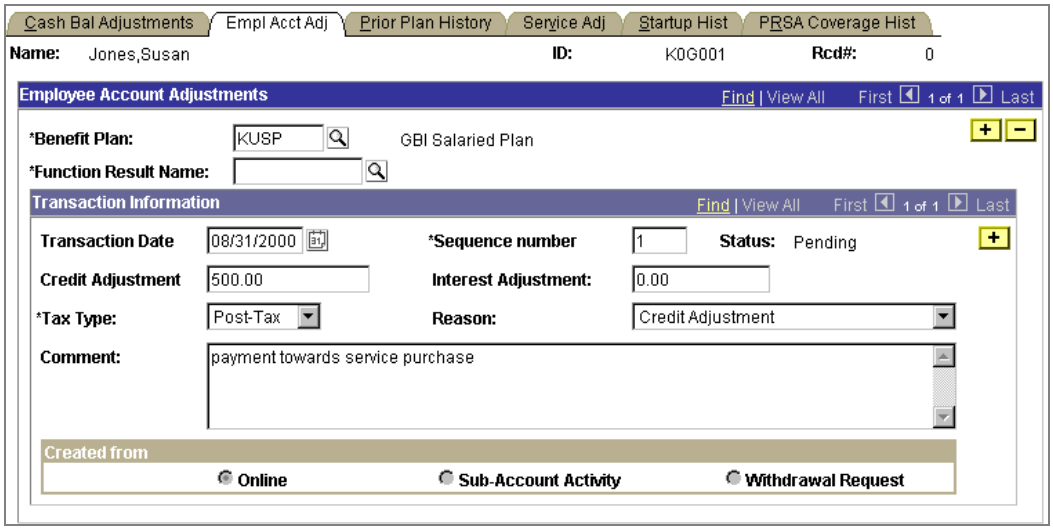
Employees can make payments directly to the plan or via payroll deductions. For direct payments, you'll enter the amounts into the Employee Account Adjustments panel. For payroll deductions, you'll set up an appropriate general deduction in PeopleSoft Payroll for North America. This will feed into the purchase account via the consolidated deductions definition you entered into the original definition of the purchase account.

When PeopleSoft Payroll for North America processes the general deduction, it won't check the remaining balance in the purchase account. Therefore, to ensure that you stop taking deductions once the entire balance is paid, you may want to set up the deduction with a target amount. As interest accrues on the account, you may have to increase that target.

For more information about general deductions, see Specifying Calculation Routines for General Deductions. For more information about setting up consolidations to reference a general deduction code, see Consolidated Contributions.

When an employee pays money directly, select **Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Employee Account Adjustments** to record the payment as a manual adjustment to the withdrawal account.

For more information about the Employee Account Adjustments page, see Employee Account Adjustments page.



Employee Plan Data - Employee Account Adjustments page

Benefit Plan/Function Result Name Enter the **Benefit Plan** and the **Function Result Name** for the service purchase account where the purchase payments are being tracked.

Transaction Date Enter the **Transaction Date** for the repayment.

Sequence Number If there are multiple adjustments to the same account on the same day, a **Sequence Number** to distinguish the adjustments.

Status The **Status** tells you whether the adjustment has been applied to the account yet. When you're entering the adjustment, the status is ***Pending.*** One periodic processing has applied the adjustment, the value will be ***Applied.***

Credit/Interest Adjustment The **Credit Adjustment** and **Interest Adjustment** are the amounts that should be credited to the credit and interest buckets in the employee account. Add these values together to see the total adjustment.

Tax Type The **Tax Type** indicates whether these amounts belong in the ***Post-Tax*** or ***Pre-Tax*** credit and interest buckets.

Normally an employee's payment check will all be credited to the post-tax credits bucket. If the repayment is coming from payroll deductions, it's possible that it could be pre-tax, but in this case the consolidation process automatically determines the appropriate bucket.

Note. With normal employee account processing, the post-tax interest bucket shows the interest on the post-tax contributions. The interest is actually pre-tax. Don't ever put post-tax money in this bucket, as you'll end up with pre- and post-tax amounts mixed up and indistinguishable. This means that the only appropriate place to hold post-tax amounts is the Post-Tax Credits bucket.

Comments Enter any **Comments** to explain the nature of the adjustment transaction.

Saving the transaction doesn't actually apply the adjustment to the account. Instead, periodic processing will apply the adjustment. During periodic processing, both payroll activity and manual adjustments are applied to the purchase account. This will automatically adjust the master contribution account also.

Depending on whether you've specified that you'll grant service on partial payment, on full payment, or on a prorated basis, periodic processing may also generate a service adjustment.

Managing Multiple Withdrawal or Purchase Accounts

Because service buy back and service purchase arrangements associate a specific dollar amount with a specific amount of service, you probably don't want to combine amounts. For example, if an employee is purchasing service for two separate periods of time, you need to track the payments separately. The same rule applies for employees who get terminated and rehired multiple times and withdraw contributions each time.

For example, consider the case of Charlie, who works for a company that restored service on a pro-rated basis. For the sake of simplicity, this example doesn't incorporate interest on the withdrawals.

Date	*Event*	*Account Balances*
1/1/1980	Charlie terminates and withdraws $6,000 of contributions, representing three years of service	Withdrawal Account 1: -$6,000 for six years
1/1/1981	Charlie is rehired and agrees to start repaying the account.	Withdrawal Account 1: -$6,000 for six years
1/1/1983	Charlie terminates. Over the last two years, he's paid back $3,000 of his previous contributions. Because he's been making monthly payments, there's been no additional service charge. In the meantime, he's also contributed another $2,000 for the two years he's worked since he was rehired. Charlie withdraws this money too.	Withdrawal Account 1: -$3,000 for three years; Withdrawal Account 2; -$5,000 (the $3,000 previously repaid plus the $2,000 additional contributions) for five years (the three years previously restored plus the two additional years worked) Total: -$8,000 for eight years.

By keeping separate accounts for the separate withdrawals, you keep a clear audit trail associating the correct dollar amounts with the correct amount of service.

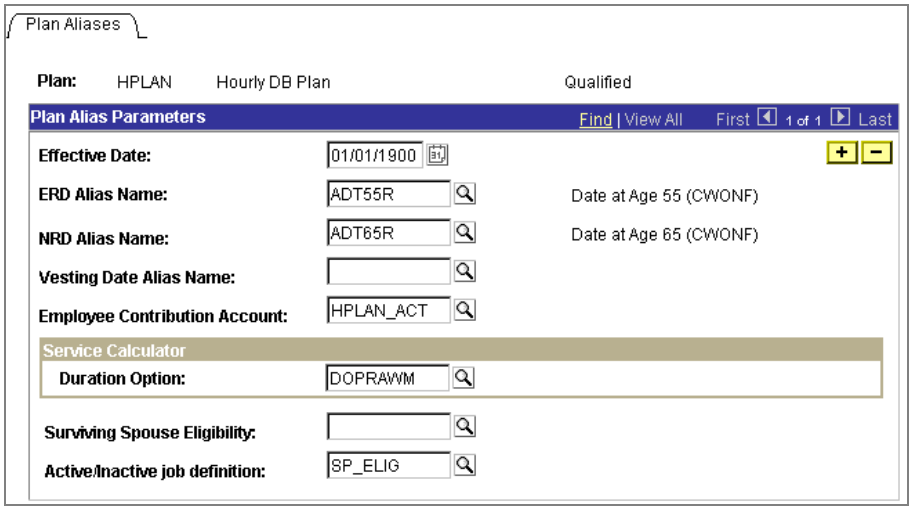


If a plan restores service on any payment or on full payment, you may have to make manual adjustments to the dollar value of the employee account in order to keep the purchasable service amounts associated with the correct repayment amounts.

Ensuring Retirees Recover Their Contributions

You'll need to keep track of the final employee contributory balances and compare that amount to the retiree's eventual benefits because employees are entitled to full recovery of their contributions. Furthermore, any after-tax contributions are recovered as nontaxable benefits.

The first time you pay a retiree, the system looks up the final employee account balances for the plan in order to track payments against these balances. The system identifies the appropriate Employee Account based on information you've entered in **Define Business Rules, Maintain Pension Plans, Implement, Plan Aliases.**



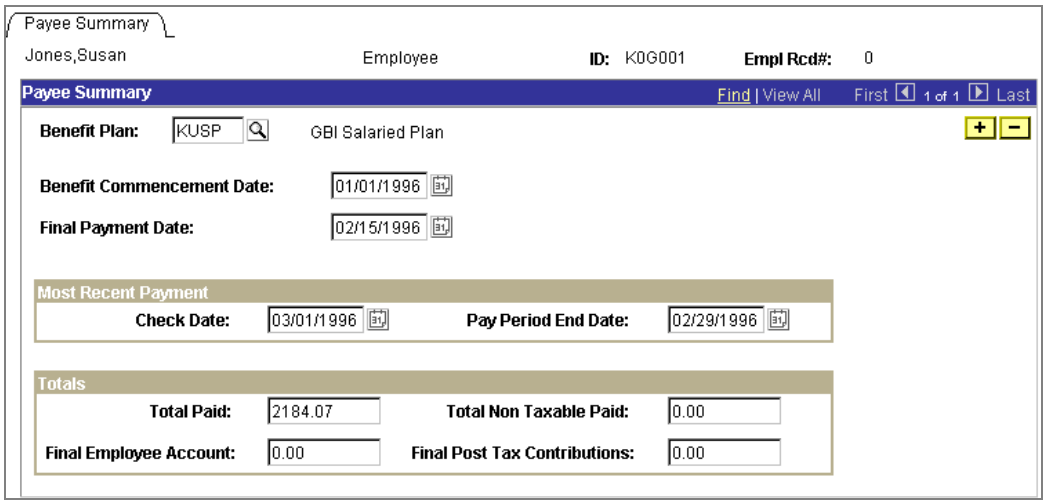
Plan Aliases page

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Effective Date.**

Employee Contribution Account You identify the account in the **Employee Contribution Account** field.

For more information about the Plan Aliases page, see Plan Aliases Page.

The pension payment process copies the account information to a payment summary record. This record is also where the system also keeps a running balance of the total benefits paid and the nontaxable benefit paid. You can view the final account balances and the running payment totals by selecting **Compensate Employees, Administer Pension Plan, Use, Payee Summary.**



Payee Summary page

Every time you make payments, the system compares the employee's final after-tax contributions to the total nontaxable benefit paid out by the plan. Once the employee has recovered all the after-tax contributions as nontaxable income, the system will no longer treat any portion of the retiree's benefit payments as nontaxable.



For more information about tracking payment totals, see Tracking Running Payment Totals.

CHAPTER 62

Administering QDROs

When a Domestic Relations Order (DRO) from the court instructs you to pay a specified portion of an employee's benefit to an alternate payee, there are a number of things you have to track. You'll have to determine if the order is qualified; if it is, the DRO becomes a Qualified Domestic Relations Order, or QDRO. You'll also record information about the alternate payee and about the benefit owed to that payee.

There are two sides to the system's QDRO capabilities. On the administrative side, you'll record the DRO, determine if it's qualified, if it is you'll add your QDRO alternate payees to the system and enter information about the QDRO. You'll eventually calculate benefits due to the alternate payee and pay them through the same Trustee Extract that you use to pay your retirees.

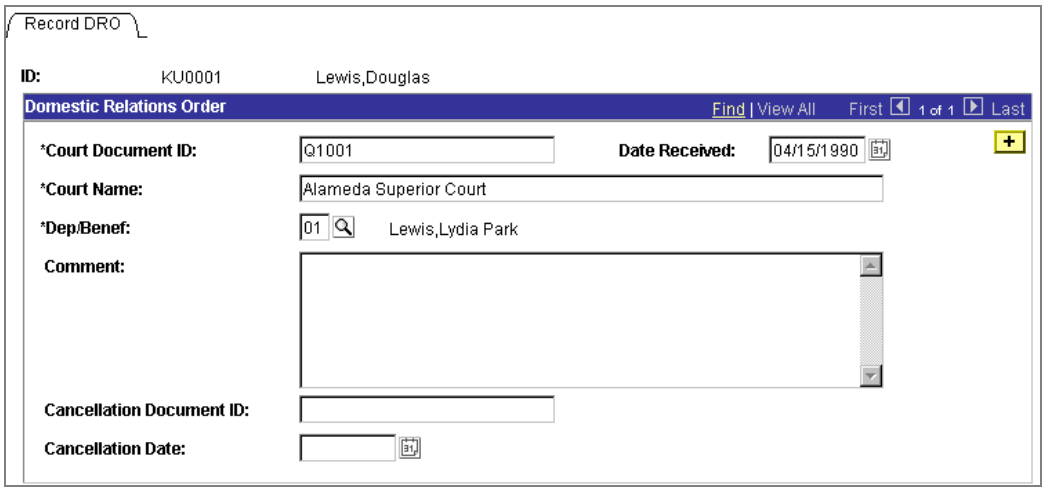
On the implementation side, you have to be sure that you've set up plan rules in such a way that the QDRO calculations work correctly.



For more information about QDRO issues for implementation, see Implementation Tips and Tricks.

Record DRO Page

Usage	Use the Record DRO page to record receipt of a DRO and to record activities up to the point the DRO is determined to be qualified.
Object Name	PA_DRO_SPEC
Navigation	**Compensate Employees, Administer Pension Plan, Use, Record DRO, Record DRO**
Access Requirements	EmplID



Record DRO page

When you first learn of an impending QDRO, the court order isn't yet "qualified," so you're actually dealing with a "DRO," not a "QDRO." During the process of qualifying the DRO, you'll probably be in regular communication with the attorneys for the parties.

Court Document ID — Provide the **Court Document ID** for the DRO.

Date Received — **Date Received** tells when you first received the court documents.

Court Name — Provide the **Court Name** for the DRO.

Dep/Benef — **Dep/Benef** (dependent/beneficiary) identifies the former dependent or beneficiary on whose behalf the DRO has been issued. This individual (typically a former spouse) must be recorded in the PeopleSoft system as a dependent/beneficiary in order to identify the person in this page.

For more information about adding a person to the dependent/beneficiary record, see PeopleSoft 8 Base Benefits, "Setting Up Dependent and Beneficiary Information".

Comments — Enter any **Comments** in the large text box. You can record ongoing activity by appending additional comments (appropriately dated) in the comments field.

Cancellation Document ID/ Date — If it is determined that the DRO isn't qualified, enter the **Cancellation Document ID** and the **Cancellation Date.**

Creating Alternate Payee Records

If it is determined that a DRO is qualified, you'll track the QDRO information under the IDs of both the employee who earned the benefit and the QDRO alternate payee. This means that the alternate payee needs a personal data record.

Eventually, in order to perform QDRO calculations or make QDRO payments, the QDRO alternate payee will require a job record as well.



You must establish an Employee ID for the alternate payee before you can record any QDRO information.

Even if the alternate payee is also an employee of the company, you need to set up a separate payee record. Someone who is an alternate payee for more than one of your employees requires two separate IDs; one for each QDRO.

For example, Jane, who is an employee of your organization, gets divorced from her husband Jack. Jack becomes a QDRO alternate payee, with Employee ID 902. Jack then marries another employee, Daisy, and they also get a divorce. Jack gets a new alternate payee Employee ID of 987, not 902, reflecting his association with Daisy. You can't reuse 902 for the second QDRO.

An alternate payee who will be receiving benefits from multiple plans (based on benefits earned by on one employee) can use the same Employee ID for both plans. You will, however, have to create separate job records for the separate plans.

If your organization uses Social Security Numbers as Employee IDs, you'll have to add a suffix to distinguish multiple records for the same person.

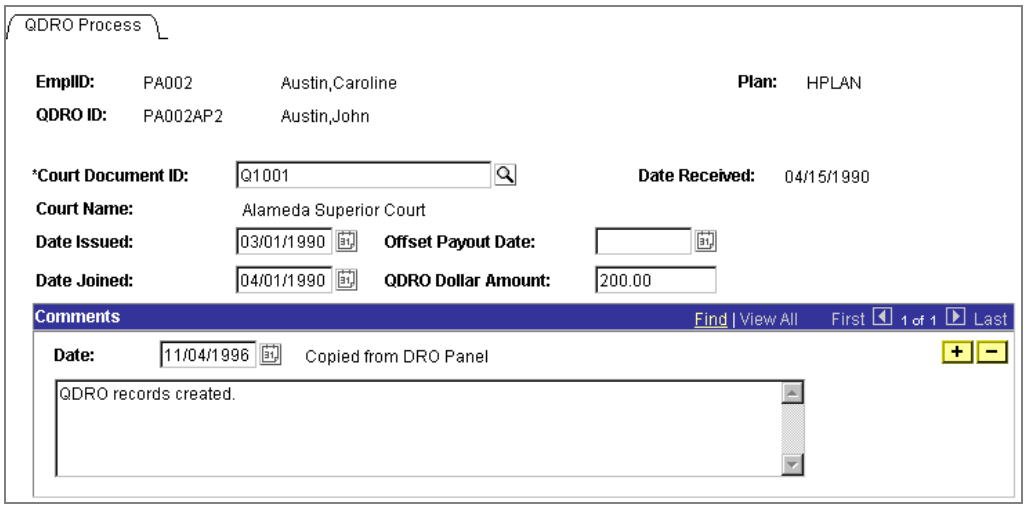


For more information and instructions on creating an alternate payee's Employee ID and data, see Establishing Pension Payees.

QDRO Process Page

Usage	Use the QDRO Process page to record the amount awarded to the alternate payee. This amount is particularly crucial, since it is the basis for your QDRO payments.
Object Name	PA_QDRO_SPEC
Navigation	**Compensate Employees, Administer Pension Plan, Use, QDRO Process**
Prerequisites	First you must use the Record DRO page to determine that the DRO is qualified. You must also set up the QDRO alternate payee's Employee ID.
Access	EmplID

Requirements	



QDRO Process page

You can't access the QDRO pages until you've set up the QDRO alternate payee's Employee ID.

When you enter the **Court Document ID** from the DRO page in the QDRO Process page, the DRO information: the **Date Received** and the **Court Name** and any **Comments** along with the **Comment Date** from the DRO page, will automatically transfer over.

Date Issued Record the date the QDRO was issued in the **Date Issued** field.

Date Joined The **Date Joined** provides additional information about the court order itself.

Offset Payout Date The **Offset Payout Date** is the earliest date at which the QDRO alternate payee can begin receiving the benefit. Note that if the QDRO alternate payee begins receiving payments earlier than the participant's normal retirement date, the QDRO dollar amount entered on this page (which is the amount as of the participant's normal retirement date) may get reduced.

QDRO Dollar Amount

The **QDRO Dollar Amount** represents the amount the QDRO alternate payee will receive. This has to be expressed in the same terms as the normal plan retirement date with a normal form of payment. For example, John's benefit of $200 is actually his benefit as of the date Caroline reaches normal retirement age, assuming a single life annuity and monthly payments.

If the HPLAN normal benefit amount was expressed yearly, you would have entered the yearly benefit, $6,840.

Note. The implied payment form, frequency, and commencement date are important because this is the amount which will be reduced from the employee's final benefit. If you entered a monthly amount here, and the benefit formula subtracted this amount from Jane's yearly benefit, the offset calculation would be incorrect.

Calculating an Alternate Payee's Benefit

Once you've established an Employee ID for the alternate payee, you can run calculations for the QDRO alternate payee.

Your plan rules should include parameters that check the payee type and skip functions irrelevant to QDRO alternate payees when necessary. For example, you don't need to calculate service, average earnings, or other pension components that are only relevant to employees. Nor do you need to calculate the unreduced benefit amount since that's stored in the database in the QDRO Process page. Typically, you'll only run the early retirement factors, the reduced benefit (QDRO amount * early retirement factors), and the optional forms.



QDRO calculations only work as described if your company has set up QDRO-specific calculation rules so that irrelevant processes get skipped and relevant processes calculate correctly for QDRO alternate payees. Early retirement factors in particular require careful setup if your plan rules require that early retirement reductions be calculated with regard to the original employee's age rather than the alternate payee's age.

Paying QDRO Alternate Payees

Once you've entered an alternate payee into your PeopleSoft Pension Administration system and run a calculation, you'll pay the alternate payee just as you would pay a retiree.

The only difference is that you don't have to set up a retiree "job" separate from the original working job because there is no working job to begin with. If the alternate payee is receiving benefits from multiple plans, however, you'll set up separate jobs for each plan.



For more information about setting up pension payments, see Preparing Pension Payments and Making Pension Payments. For more information about creating payee job records, see Using the Create Payee Page.

CHAPTER 63

Recording Communications

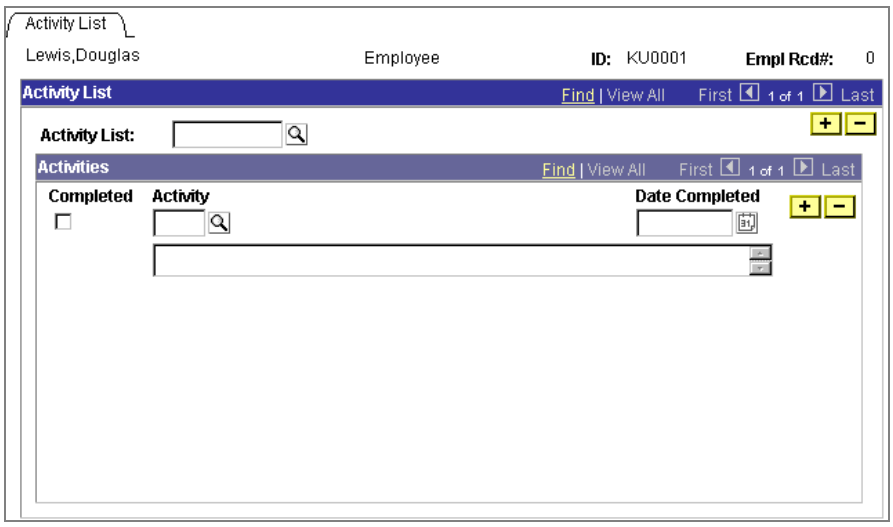
As a retiree, beneficiary, or QDRO alternate payee prepares to receive pension payments, you need to gather certain information, including verification for birth dates and marital status, spousal waivers, and payment elections. As you work with the employee to produce a final calculation, you'll need to keep records of your interactions.

PeopleSoft Pension Administration provides two methods for tracking your pension-related communications: Activity List pages and General Comments pages. Activity lists are your organization's standard checklists used in specific situations. General comments pages are for free-form comments.

In this section, you'll learn how to use these communication tools.

Activity List Page

Usage	Use the Activity List page to start a checklist for an employee pension activity. This page enables you to create standard activity lists for common tasks. For example, your organization may have created checklists for you to use when an employee retires or dies, when a beneficiary starts receiving payments, or for other pension activities. The specific checklists available depend on what your organization has set up.
Object Name	PA_RT_EMP_LIST
Navigation	**Compensate Employees, Administer Pension Plan, Use, Activity List, Activity List**
Access Requirements	Enter an **Employee ID** and **Employee Record Number.**



Activity List page

Activity List Select an **Activity List** from the standard lists your organization has created. You can keep several activity lists for a single employee. For example, you can create a retirement checklist when an employee retires and then, years later when the retiree dies, you can set up a checklist to manage the death-related activities.

Activity When you enter an **Activity List,** you also create a list of associated activities.

Completed For each **Activity**, there is a check box where you can select the task as **Completed.**

Date Completed You can also fill in a **Date Completed** field and a long text box for any comments about the task.

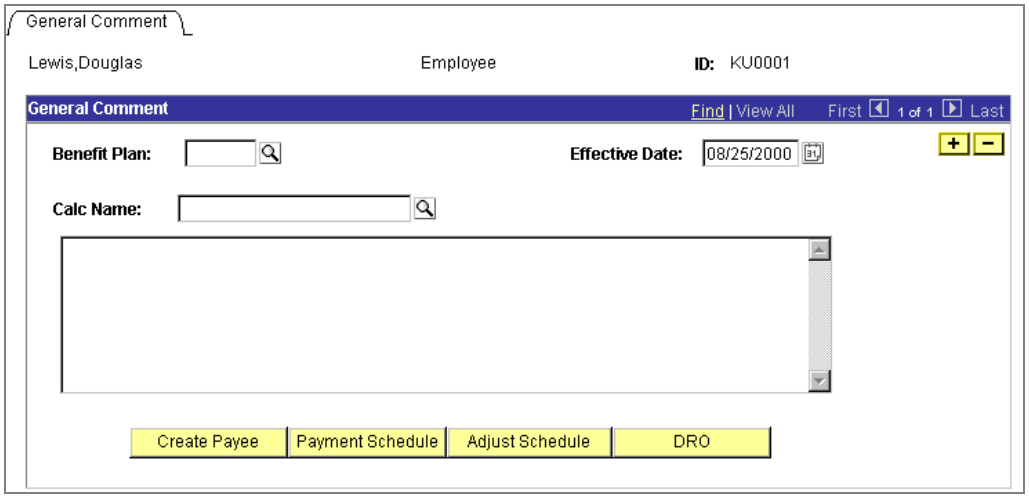
You maintain activity lists using the employee ID *and* the record number (job record). This means that if a retiree has two retiree jobs, one for your salaried plan and one for your supplemental executive plan, you can establish activity lists under both. This enables you to track activities that must be performed for each plan. For example, recording the optional form selection and tax withholding elections.

Your company may have a separate activity list for tasks that are performed only once, regardless of how many plans the employee participated in. These are activities such as verifying birth dates and marriages. If so, you won't have to check off those activities for each plan. If your company uses such a list, always set up that list under a default job. You'll probably use Record #0, which is the active employment record. This makes it easy to find regardless of how many plans the employee is receiving benefits from.

For more information about setting up the standard activity lists, see Maintaining Public Tables.

General Comments Page

Usage	Use the General Comments page to record general pension-related comments.
Object Name	PA_RT_EMP_CMNT
Navigation	**Compensate Employees, Administer Pension Plan, Use, General Comments, General Comment**
Access Requirements	Enter an Employee ID and Employee Record Number.



General Comments page

Effective Date The **Effective Date** field is for dating your comments.

Benefit Plan and **Calc Name** The **Benefit Plan** and **Calc Name** fields enable you to prompt for the names of your plans and the calculations you've run. You don't have to enter values if the comment isn't related to a specific plan or calculation. However, if you do want to record the information, these fields provide a data entry aid.

Record any relevant information in the long text field.

Four buttons at the bottom of the page transfer you to other pages related to activities you're likely to be recording here in the General Comment page.

Create Payee transfers you to Creating Payees, where you establish payee records for your retirees, beneficiaries, and QDRO alternate payee.

Payment Schedule transfers you to Payee Payment Schedule Page, where you schedule recurring pension payments.

Adjust Schedule transfers you to Payee Adjustment Schedule Page, where you schedule one-time pension payments.

DRO transfers you to the Record DRO Page, where you track receipt of DROs (domestic relations orders) from the court.

Unlike activity lists, general comments aren't distinguished by job number. This enables you to keep one uninterrupted log of your interactions with employees and retirees.

CHAPTER 64

Maintaining Public Tables

The calculation rules you set up when you implement your PeopleSoft Pension Administration system sometimes make use of certain public tables published by agencies of the U.S. Government. These include tables related to Internal Revenue Code limits on pension benefits, interest rate tables, and Social Security-related tables. PeopleSoft delivers these tables with data current as of when we released the software, but we also give you pages for viewing and updating the information when necessary.

Depending on how you decide to maintain the information, be sure to establish appropriate security to prevent unauthorized modification of the data in these tables.

Effective Dates and Sequence Numbers

There are two fields common to most of the public table pages. These are **Effective Date** and **Sequence.**

Effective Dates

You'll notice that many of the public tables include an effective date as well as yearly rates. For most of these tables, you'll never add another effective date; you'll simply add a new value with the same effective date.

For example, the 30-Year Treasury Bond table is effective-dated 1/1/1900. Under that effective date, there are values for every month since 7/1/1994. As new values become available, you can simply append them under the existing effective date.

In certain cases, the information for a particular year will change. For example, each year the National Average Wage table includes estimates for the most recent two years. That is, in 1988, there was no data for 1988, there were estimates for 1987 and 1986, and there was final data for all prior years. When the 1989 table came out, the estimate for 1986 was replaced with a final amount. Overwriting the estimate would make historical calculations invalid, since a calculation for an employee that terminated in 1988 uses the rules as of 1988 and can't use information that wasn't available then. Therefore, it's important to have a new effective date to preserve the historical data so the system can use the appropriate value based on the employee's termination date.

When you do create a new effective date, be sure to include values for the entire date range of the table. For example, a calculation based on a 1989 retirement would only be able to access the National Average Wage for the years shown in the 1989 table. If that table doesn't have data from earlier years, the calculation will be compromised.

The National Average Wage table is the only one of the delivered tables that will regularly require new effective dates. Only extremely unusual events would require new effective dates in the other tables.

Sequence Numbers

When you implement the PeopleSoft Pension Administration system, you'll use a special "Table Lookup" utility to enable certain functions to look up information on these tables. In order to reference a table with the Table Lookup utility, the table must conform to certain requirements. One requirement is a sequence number field that the Table Lookup utility uses to order the rows. On the pages, this field is labeled Sequence.

If you let PeopleSoft maintain the tables, you can ignore this field. If you maintain the data yourself, be sure to sequence the data appropriately.

For more information about the sequence number requirement for Table Lookups, see Creating the Physical Table.

Maintaining Internal Revenue Code Limit Tables

Section 415 of the Internal Revenue Code limits an employee's total pension benefit from all qualified plans. Section 401(a)(17) of the Code limits the amount of annual earnings that can be used in determining a pension benefit. PeopleSoft Pension Administration delivers the tables with the limits published by the Internal Revenue Service.

Because PeopleSoft maintains these tables, it is unlikely that you'll need to edit the existing values. However, you can update the tables yourself if you want.

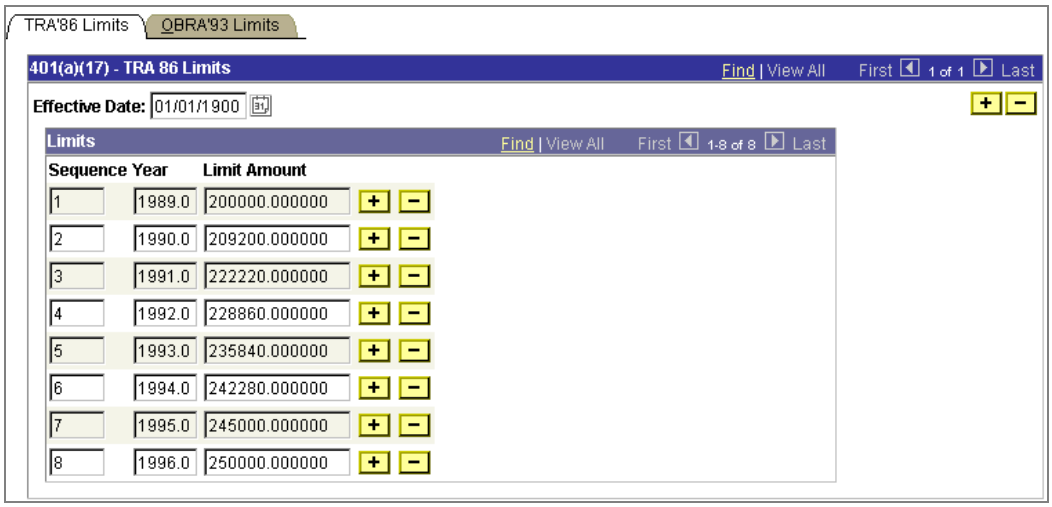
401(a)(17) Limits

There are two separate tables used in conjunction with 401(a)(17) limits: TRA '86 and OBRA '93. The two different tables came about because a transition rule enabled bargained plans to use the previous limits in effect when OBRA reduced the limit to $150,000 for non-bargained plans. Beginning in 1997, 401(a)(17) limits are the same for bargained and non-bargained plans.

401(a)(17) Limits - TRA'86 Limits Page

Usage	Use this page to update the 401(a)(17) limits: TRA '86 table.
Object Name	PA_TRA86_LIMITS
Navigation	**Compensate Employees, Administer Pension Plan, Tables,**

	401(a)(17) Limits, TRA'86 Limits
Access Requirements	None

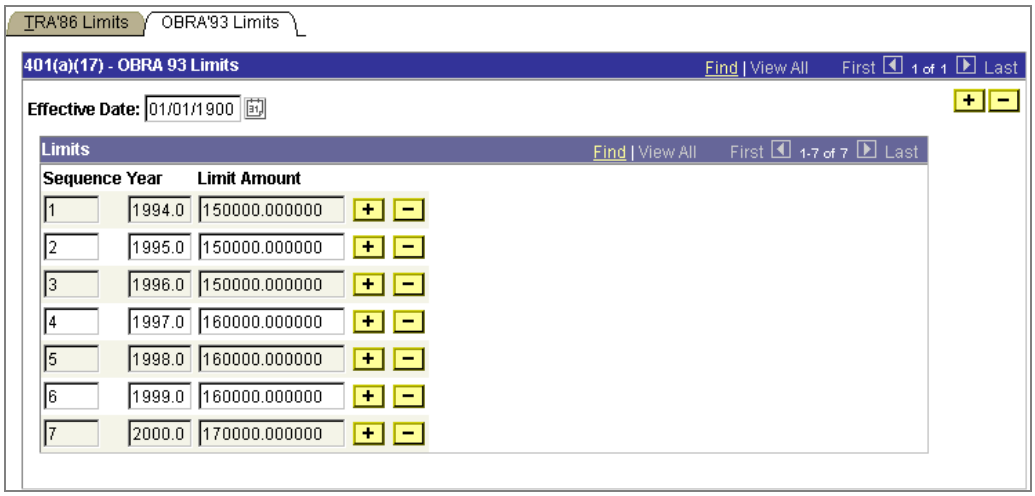


401(a)(17) Limits - TRA'86 Limits page

For more information about applying 401(a)(17) limits, see Applying 401(a)(17) Earnings Limits.

401(a)(17) Limits - OBRA'93 Limits Page

Usage	Use this page to update the 401(a)(17) limits: OBRA '93 table.
Object Name	PA_OBRA93_LIMITS
Navigation	**Compensate Employees, Administer Pension Plan, Tables, 401(a)(17) Limits, OBRA'93 Limits**
Access Requirements	None



401(a)(17) Limits - OBRA'93 Limits page

415 Limits

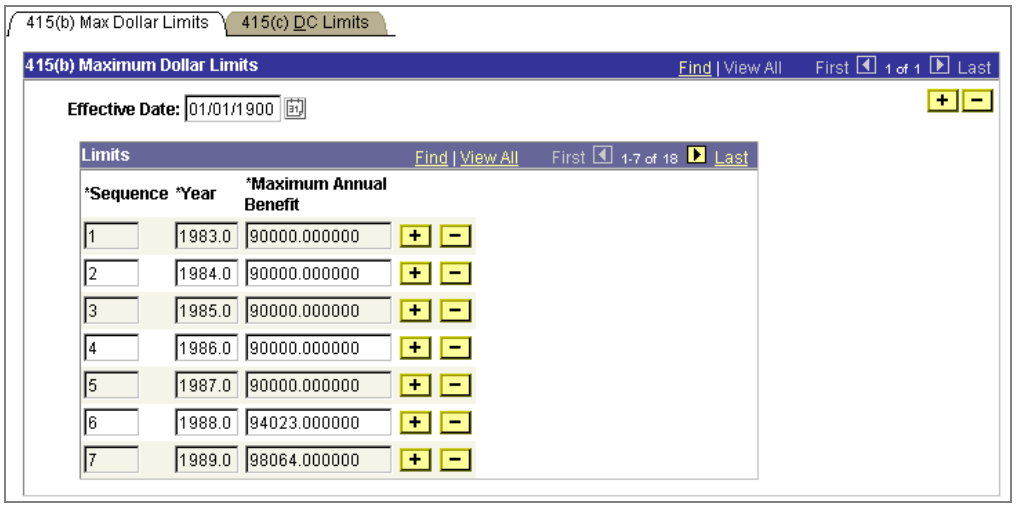
Section 415(b) of the Internal Revenue Code specifies a dollar limit on an employee's total pension benefit from all qualified defined benefit plans. The limit was originally $90,000 in 1987; the amount has been adjusted annually for cost of living increases.

Section 415(e) of the Internal Revenue Code limits the combined benefits from all defined benefit and defined contribution plans. If you sponsor a defined contribution plan, you'll apply this limit to employees who participate in both plans. To do this, you must determine an employee's "defined contribution fraction." One of the components needed to determine this fraction is the IRS's published limits for defined contribution (DC) plans. Although PeopleSoft Pension Administration doesn't calculate the DC fraction, we provide the table of defined contribution limits for your information. Note that section 415(e) will no longer be in effect as of 1/1/2000.

For more information about 415 limits, see Applying 415 Limits.

415 Limits - 415(b) Max Dollar Limits Page

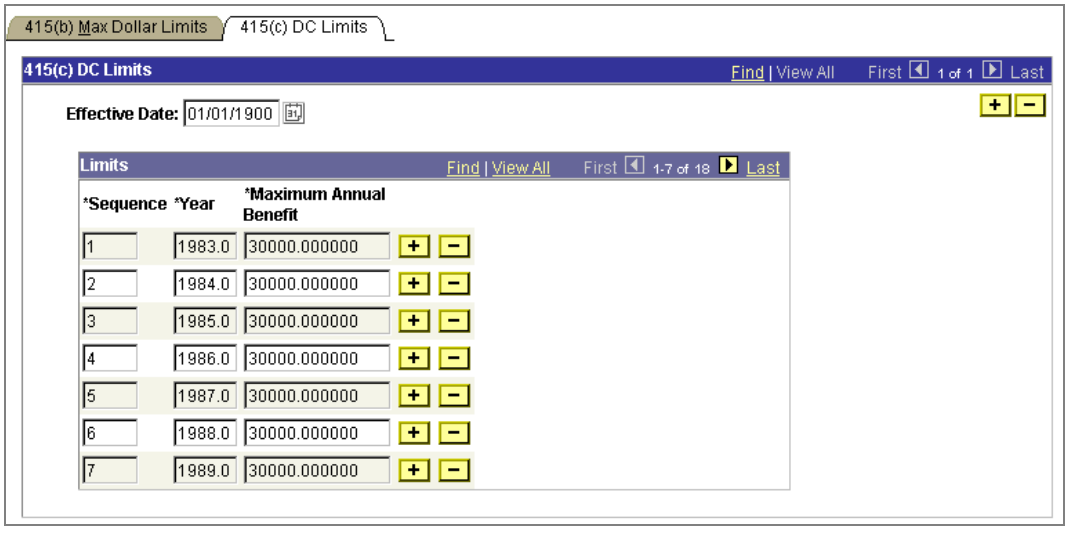
Usage	Use this page to maintain the 415(b) Max Dollar Limits table.
Object Name	PA_TL_415_LIMIT
Navigation	**Compensate Employees, Administer Pension Plan, Tables, 415 Limits, 415(b) Max Dollar Limits**
Access Requirements	None



415 Limits - 415(b) Max Dollar Limits page

415 Limits - 415(c) DC Limits Page

Usage	Use this page to maintain the 415(c) DC Limits table.
Object Name	PA_TL_415_LIMDC
Navigation	**Compensate Employees, Administer Pension Plan, Tables, 415 Limits, 415(c) DC Limits**



415 Limits – 415(c) DC Limits page

Maintaining Interest Rate Tables

There are several areas of pension calculations that use interest rates. Anywhere you need an interest rate, you'll have the option to find the rate using a Table Lookup.

Under Define Business Rules, Maintain Pension Parameters, Rules, Interest Method, you can create interest rules that you'll reference from within the Cash Balance Accounts and Employee Accounts functions. One of your interest method options is to look up the rate using a Table Lookup.

You'll also use an interest rate lookup when you set up an Employee Paid Benefit definition. This function uses the interest rate to project the value of an employee account and determine what portion of an employee's total benefit is attributable to employee contributions.

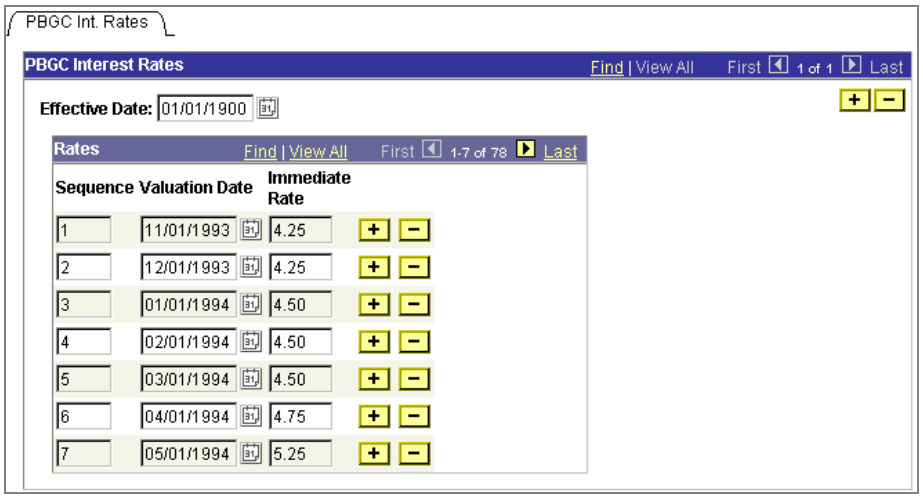
Actuarial assumption sets can also use interest rate lookups to determine the interest basis for actuarial calculations.

PeopleSoft Pension Administration provides three interest tables that you can use with the Table Lookup utility: PBGC rates, published by the Pension Benefit Guaranty Corporation, thirty year Treasury bond rates, and federal mid-term rates.

Although PeopleSoft doesn't provide you with Table Lookup aliases based on any of the delivered interest tables, all three tables are compatible with the Table Lookup requirements. You'll create Table Lookup aliases for the tables you actually use.

PBGC Interest Rates Page

Usage	Use this page to look up PBGC Interest Rates.
Object Name	PA_PBGC_RATES
Navigation	**Compensate Employees, Administer Pension Plan, Tables, PBGC Rates, PBGC Interest Rates**



PBGC Interest Rates page

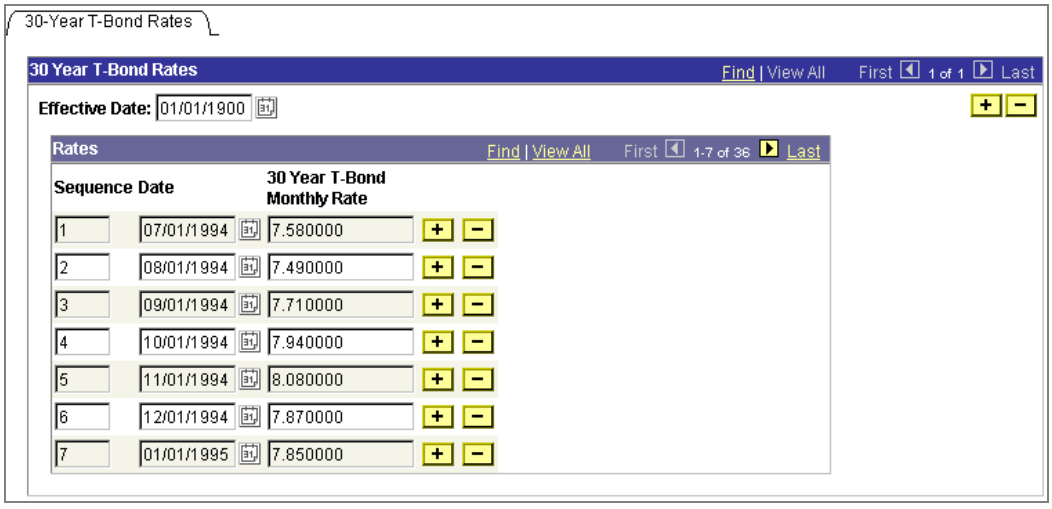
Each row has the PBGC **Immediate Rate** for a particular **Valuation Date.** The immediate rate is the basis for the PBGC *grading structure*, which uses a set formula to derive three additional rates from the immediate rate. These additional rates get applied over specific periods of time between the valuation date and the deferral date, the date when payments actually commence.

For example, Diana terminates at age 45. Her contributions continue to collect interest until her benefits commence at age 65. An immediate rate is determined based on the termination date; then PBGC grading provides one rate to use for the first seven years prior to the deferral date, between ages 58 to 65; another rate for the prior eight years, from age 49 to 57; and a third rate for all remaining prior years, from ages 45 to 48. The immediate rate is never used, only the derived rates.

When you set up your plan rules, the Actuarial Assumption Set and Employee Paid Benefit pages provide an option to use PBGC grading. Although you can apply the grading to any rate, you would normally use published PBGC rates any time you grade the rates.

30-Year T-Bond Rates Page

Usage	The Internal Revenue Service publishes thirty-year Treasury bond rates. These are the average yields on 30-year Treasury Constant Maturities for a given month. These rates are used in determining the present lump sum value of a participant's benefit under a qualified defined benefit plan. Use the 30-Year T-Bond Rates page to view the table with these rates.
Object Name	PA_TL_30YR_TBILL
Navigation	**Compensate Employees, Administer Pension Plan, Tables, 30-Year T-Bond Rates, 30-Year T-Bond Rates**

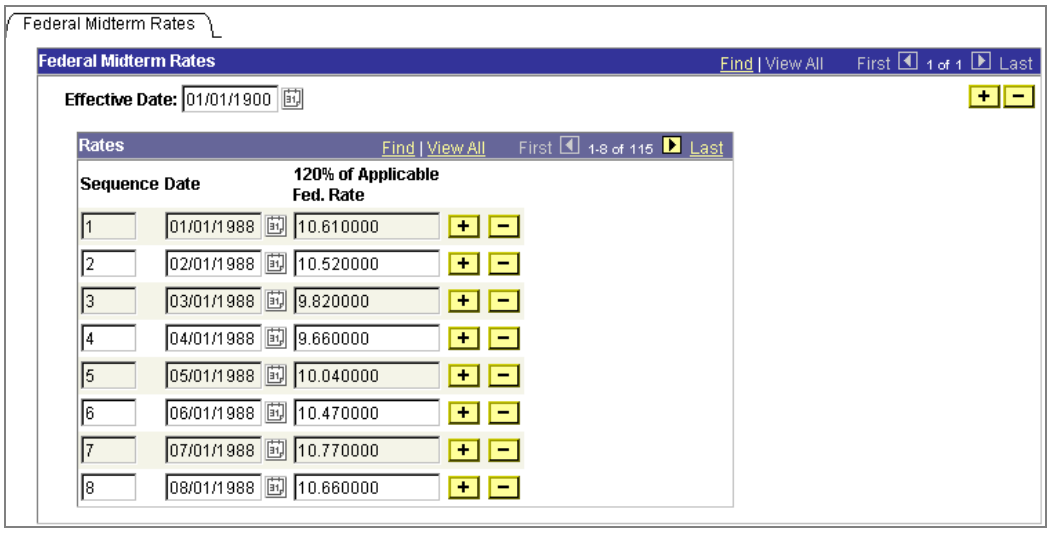


30-Year T-Bond Rates page

Each effective-dated row consists of a **Date** and the **30 Year T-Bond Monthly Rate** that was published on that date.

Federal Midterm Rates Page

Usage	Defined benefit plans that require employee contributions must credit interest to those contributions using the Applicable Federal Rates (AFR), commonly referred to as the Federal Midterm Rates. The rate used is 120% of the annual AFR for the month in which the plan year commences. To view the table with these rates, use the Federal Midterm Rates page.
Object Name	PA_TL_120AFR
Navigation	**Compensate Employees, Administer Pension Plan, Tables, Federal Mid-Term Rates**



Federal Midterm Rates page

The following elements are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Effective Date.**

Each effective-dated row consists of a **Date** and the rate that is **120% of Applicable Federal Rate** on that date. This is an annualized rate.

Maintaining Social Security Tables

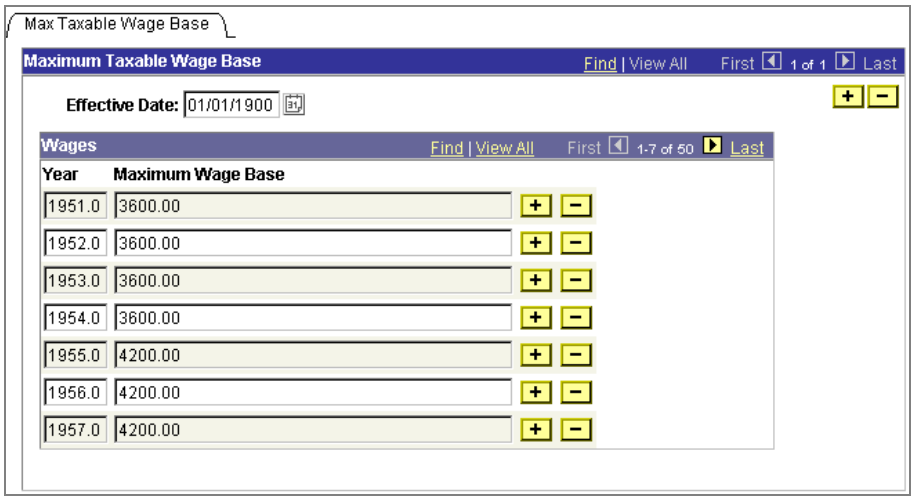
Social Security calculations use a number of tables published annually by the Social Security Administration. PeopleSoft supplies and maintains these following tables.

The pages in this section display the information in these tables. Because PeopleSoft maintains this data, it is unlikely that you'll need to edit the existing values. However, you can, if you choose, enter new values as they become available.

For more information about how each of these tables are used in Social Security calculations, see Defining Social Security.

Max Taxable Wage Base Page

Usage	Social Security benefits are based on an individual's earnings history. Each year, however, there is a cap on the wages that are considered for Social Security purposes. This cap is set yearly and is known as the Max (Maximum) Taxable Wage Base.
Object Name	PA_TL_MAX_WAGE
Navigation	**Compensate Employees, Administer Pension Plan, Tables, Max Taxable Wage Base, Max Taxable Wage Base**

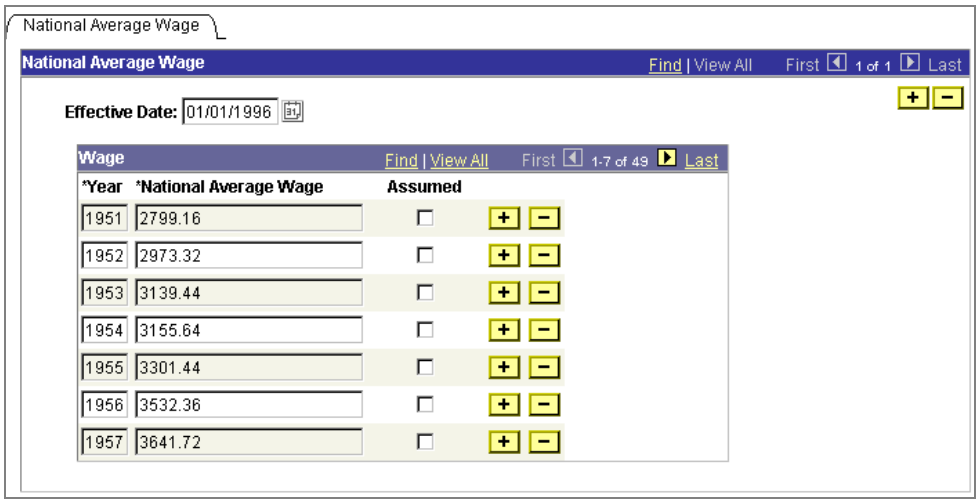


Max Taxable Wage Base Page

Each effective-dated row consists of a **Year** and the associated **Maximum Wage Base.**

National Average Wage Page

Usage	Each year the U.S. Department of Labor publishes national average wage statistics. View these statistics using the National Average Wage page.
Object Name	PA_TL_NATL_AV_WAGE
Navigation	**Compensate Employees, Administer Pension Plan, Tables, National Average Wage, National Average Wage**



National Average Wage page

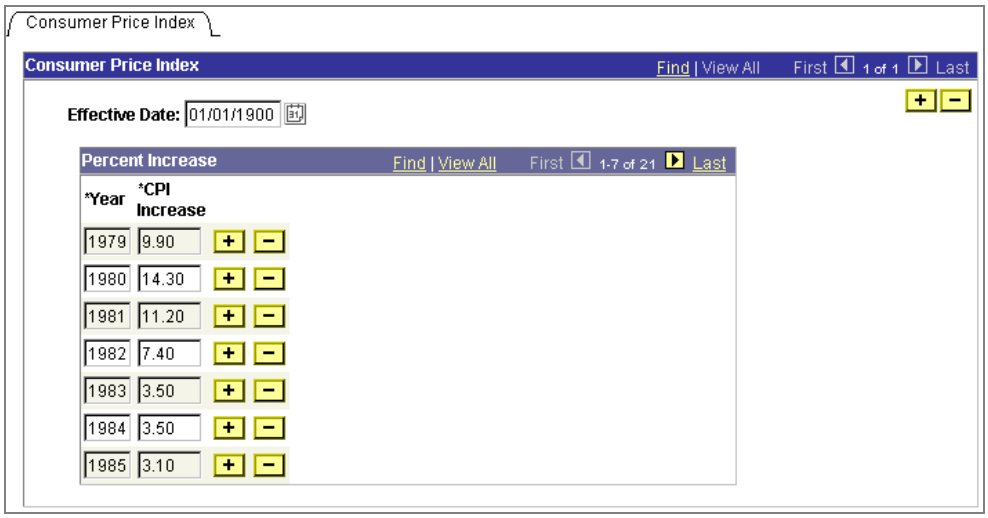
Each effective-dated row consists of a **Year** and the associated **National Average Wage.**

When the Department of Labor publishes these values, final information for the previous two years isn't available except as an estimate. For example, in 1988, there was no data for 1988, there were estimates for 1987 and 1986, and there was final data for all prior years. These two estimates are marked **Assumed** and are known as the table's "lag years." The Social Security pages include a setting that enables you to choose how you'll treat lag year data during Social Security calculations.

In 1989, the estimated average wage for 1986 is replaced with a final amount. Overwriting the estimate would make historical calculations invalid, since a calculation for an employee that terminated in 1988 uses the rules as of 1988 and can't use information that wasn't available then. Therefore, a new effective-dated table is added every year, and both the estimate and the final value are available when needed.

Consumer Price Index (CPI-W) Page

Usage	When the system calculates Social Security benefits, it uses the Consumer Price Index (CPI) to take into account annual cost of living adjustments between the year of eligibility and the year Social Security benefits are assumed to commence. The Social Security Act requires that the cost of living increase be based on the CPI for Urban Wage Earners and Clerical Workers for the quarter ending each September 30, the average for the months of July, August, and September. The Consumer Price Index page enables you to view this table.
Object Name	PA_TL_CPI_INCR
Navigation	**Compensate Employees, Administer Pension Plan, Tables, Consumer Price Index (CPI-W), Consumer Price Index**

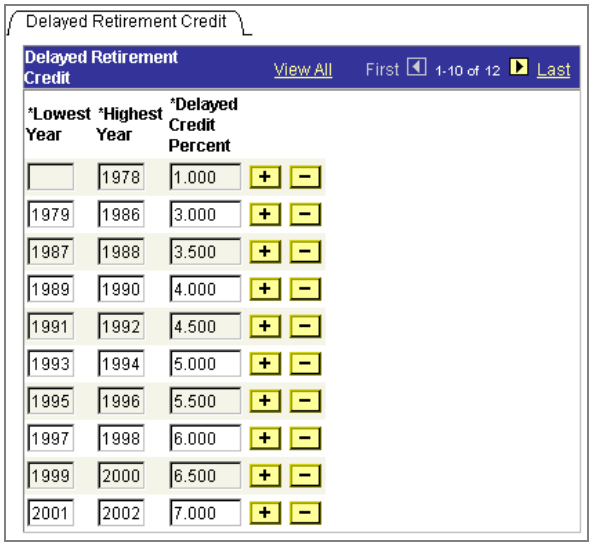


Consumer Price Index page

Each effective-dated row consists of a **Year** and the associated **CPI Increase** rate.

Delayed Retirement Credit Page

Usage	Social Security benefits can be increased if benefits commence after the Social Security normal retirement age. The Delayed Retirement Credit page shows the allowable increase percentage for each year.
Object Name	PA_DLAY_CRD_PCT
Navigation	**Compensate Employees, Administer Pension Plan, Tables, Delayed Retirement Credit, Delayed Retirement Credit**



Delayed Retirement Credit page

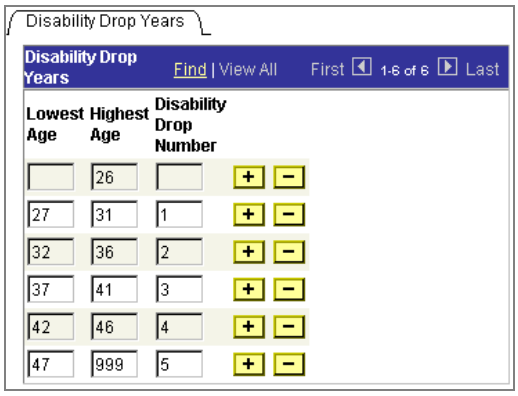
Each row consists of a **Lowest Year,** a **Highest Year,** and the associated **Delayed Credit Percent** for that range.

Note that each delayed credit value applies to a specified range of years. This display format is slightly different from the previous tables, which show only one value for each individual year.

If you edit this table, be sure not to set up overlapping rows. For example, if you were to set up rows for 1980-1990 and 1990-2000, there would be two rows for 1990.

Disability Drop Years Page

Usage	Calculating Social Security disability benefits involves dropping a number of years from the employee's wage history before determining the average wage. The Disability Drop Years page shows the number of years to drop based on age at the time of disability.
Object Name	PA_SS_DROP_TBL
Navigation	**Compensate Employees, Administer Pension Plan, Tables, Disability Drop Years, Disability Drop Years**



Disability Drop Years page

Each row consists of a **Lowest Age,** a **Highest Age,** and the associated **Disability Drop Number**, the number of years to drop for employees becoming disabled within that age range.

Be sure not to set up overlapping rows. For example, if you set up rows for 37-41 and 41-46, there would be two rows for age 41.

CHAPTER 65

PeopleSoft Pension Administration Integration

PeopleSoft Pension Administration is part of the integrated PeopleSoft Human Resources Management System (HRMS). In this section, you'll look at how the pension system interacts with the other HRMS applications to help you administer your pension-related business processes.

Managing Employees with Multiple Jobs

PeopleSoft Pension Administration tracks retirees, who already exist as employees in the PeopleSoft HRMS database, by creating an additional job, called a "retiree job", for each pension plan benefit that the employee receives. Each job has a unique "record number". You'll see the record number in those pages that display job-related data.

In order to track both the original employee job and any retiree jobs, you need to select PeopleTools, Utilities, Use, PeopleTools Options to turn on the system's "multiple jobs" capabilities.

The multiple jobs setting applies to your entire PeopleSoft HRMS. Once it's turned on, you'll see a "record number" field on several pages. You'll also access those pages by both employee ID and record number.

If you use PeopleSoft Benefits Administration, you'll need to understand how to use the benefit program number to determine which job records get used to determine eligibility for benefit plans. If you use PeopleSoft Payroll for North America, be aware of any impact multi-jobs will have on your payroll processing.

Many other HRMS reports and processes need to distinguish between retiree jobs and employee jobs. PeopleSoft processes and reports already filter out retirees where appropriate. If you make modifications, however, or if you create new reports or processes, you'll need to account for the possibility of multiple job records, some of which may be retiree records.



For more information about turning on multiple jobs, see Working with Multiple Jobs. For more information about multiple jobs in the eligibility process, see Defining Job Eligibility. For more information about multiple jobs and the primary job record, see Defining the Primary Job Record and Multiple Jobs Considerations.

Setting Up Pension Plans

You'll use PeopleSoft Base Benefits to initially establish pension plans for your PeopleSoft Pension Administration processing. You'll establish pension plans in PeopleSoft Base Benefits. There are two pages that you'll use to define the plan:

- Select Define Business Rules, Define Base Benefits, Setup, Benefit Plan Table to add the plan to the Benefit Plan table.
- Select Define Business Rules, Define Base Benefits, Setup, Pension Plan Table (U.S.) to add pension-specific information about the plan in the Pension Plan Table, including rules for calculating any mandatory deductions for employees enrolled in this plan.

You must set up your pension plans in these two PeopleSoft Base Benefits tables in order to create your pension calculation rules in PeopleSoft Pension Administration.

Setting up the pension plan also enables you to process pension contributions using PeopleSoft Base Benefits or PeopleSoft Benefits Administration.

Administering Employee Pension Deductions

If you sponsor contributory pension plans, you can use PeopleSoft Payroll for North America and PeopleSoft Base Benefits to set up the contribution processing, then PeopleSoft Base Benefits or PeopleSoft Benefits Administration to process deductions for specific employees. You can then use PeopleSoft Payroll for North America or PeopleSoft Payroll Interface to deduct the contribution from the employee paychecks.

If your pension plan requires employees to make contributions based on a percent of pensionable earnings, you can use the PeopleSoft system to process those contributions. This occurs entirely in PeopleSoft Base Benefits, PeopleSoft Benefits Administration, and PeopleSoft Payroll for North America or PeopleSoft Payroll Interface.

The process parallels how you would take deductions for medical coverage, life insurance, 401(k) contributions, or any other benefits offered by your company and requires a general understanding of how PeopleSoft implements deduction processing.



For more information about benefit deductions processing in PeopleSoft, see PeopleSoft 8 Base Benefits, PeopleSoft 8 Benefits Administration, and PeopleSoft 8 Global Payroll PeopleBook or PeopleSoft 8 Payroll Interface PeopleBook documentation.

Setting Up Deduction Processing

To set up deduction processing:

1. In PeopleSoft Payroll for North America, establish a special accumulator to track earnings subject to mandatory contributions: Pension contributions will be a specified percentage of

the earnings tracked by this accumulator.

Define Business Rules, Define Payroll Process, Setup 1, Special Accumulator Table.

2. In PeopleSoft Payroll for North America, establish a default deduction code to be used for the pension deduction:

   This is where you'll specify whether the deduction is before-tax or after-tax and set up other aspects of deduction processing, such as how often to take the deduction, whether to allow arrears, the deduction priority (in case there aren't enough earnings to cover all deductions), and any effect on FICA and FUTA.

   Define Business Rules, Define Payroll Process, Setup 1, Deduction Table.

3. In PeopleSoft Base Benefits, enter the default deduction code in the Benefit Plan Table:

   Define Business Rules, Define Base Benefits, Setup, Benefit Plan Table.

4. In PeopleSoft Base Benefits, establish the mandatory contribution rates and identify the payroll special accumulator that tracks earnings subjects to contributions: This is also where you'll specify if the plan allows voluntary (supplemental) contributions.

   Define Business Rules, Define Base Benefits, Setup, Pension Plan Table (U.S.).

5. In PeopleSoft Base Benefits, add the plan to the appropriate deduction program(s).

   Define Business Rules, Define Base Benefits, Setup, Benefit/Deduction Program Tbl.

Taking Pension Deductions from Employee Paychecks

"Enrolling" employees in a plan signs employees up for the associated deductions

- In PeopleSoft Base Benefits, you can enroll employees in plans manually: Compensate Employees, Administer Base Benefits, Use, Pension Plans (US).
- In PeopleSoft Benefits Administration, you can automate enrollment. You don't do this in one specific page. Rather, you'll need an understanding of the entire PeopleSoft Benefits Administration automated enrollment process.

PeopleSoft Payroll for North America or PeopleSoft Payroll Interface will calculate the deductions for specific pay runs and take the deduction amount from the employee's pay.

Calculating Pension Benefits

One of the big advantages of PeopleSoft Pension Administration is that the data that you need in order to calculate pension benefits all resides in PeopleSoft HRMS where it's immediately accessible for on-demand calculations.

Using PeopleSoft Human Resources Data

Much of the information in an employee's PeopleSoft Human Resources record is used during the pension calculation. For example:

Employee Personal Data Plans frequently reference birth date, marital status, and other personal information.

Job Data Service calculations reference the Action Reason History.

Eligibility processing can reference any of a number of relevant fields such as Company, Location, Full/Part Time Status, Regular/Temporary Status, Salaried/Hourly Status, and Union Code. This is only a partial list. All the data on the job record is available to pension processing.

Earnings calculations (used in final average earnings, social security, and cash balance account calculations) can be based on the compensation rate from the job record.

Employee Personal Data Plans frequently reference birth date, marital status, and other personal information.

Using PeopleSoft Base Benefits Data

Pension benefits are often paid over the lifetime of a beneficiary as well as over the lifetime of the employee. Therefore, pension calculations need to know certain information about an employee's beneficiaries.

If you don't specify a pension beneficiary, the pension system looks for a spouse in the PeopleSoft Base Benefits dependent/beneficiary table and uses that person as the pension beneficiary.

If you want to specify a different pension beneficiary in the Pension Plan Beneficiaries page, the only valid values are the people already entered into the PeopleSoft Base Benefits dependent/beneficiary pages.

Regardless of who the beneficiary is, the pension system will look on the dependent/beneficiary record to find the beneficiary's birth date and use that for actuarial determination of optional forms.

Using Payroll Data

Pension calculations can be based on various types of payroll data:

- Payroll hours are used in service calculations.
- Payroll earnings are used in calculations for final average earnings, social security, and cash balance credits (which are typically a percent of qualified earnings). If you choose, you can also calculate hours based on payroll earnings.

- Payroll contributions are the deductions taken from an employee's paycheck as the employee's contribution toward the pension plan. These require special treatment at various points during the pension calculation. For example, contributions earn interest and the employee is always fully vested in the contributions and the interest.

The pension system's consolidation processing reads the hours, earnings, and contribution data from PeopleSoft Payroll for North America tables and puts them into monthly or annual buckets that the rest of the pension processes can then use.

The consolidation process can get the payroll data from a variety of sources in PeopleSoft Payroll for North America, including:

- Earnings balance table
- Payroll special accumulator
- Payroll W2 accumulator
- Payroll earnings tables

Following are the payroll tables that provide data to each consolidation function.

Earnings	***Hours***	***Contributions***
PAY_EARNINGS	PAY_EARNINGS	PAY_DEDUCTIONS
PAY_OTH_EARNS	PAY_OTH_EARNS	
PAY_SPCL_EARNS	PAY_SPCL_EARNS	
PAY_CHECK	PAY_CHECK	
W2_AMOUNTS	W2_AMOUNTS	
EARNINGS_BAL		



If you load data into these tables manually, be sure to populate ***all*** of the tables indicated. Consolidations won't work when an employee doesn't have data in every table. If real data is unavailable, create a row with zeros in all of the numeric fields. This isn't a concern when PeopleSoft Payroll for North America populates the tables.

Archiving Payroll Data to Pension Tables

PeopleSoft Pension Administration includes a process to copy payroll data into pension history tables. This enables you to purge data from your payroll tables while still leaving the necessary information available for pension processing.

The pension archive tables have names similar to the payroll source tables, but have a prefix of "PA_HST."

Payroll Source Table	*Pension Archive Table*
PAY_EARNINGS	PA_HST_PAY_EARN
PAY_OTH_EARNS	PA_HST_OTH_EARN
PAY_SPCL_EARNS	PA_HST_SPL_EARN
PAY_CHECK	PA_HST_PAY_CHK
W2_AMOUNTS	PA_HST_W2_AMTS
EARNINGS_BAL	PA_HST_EARN_BAL
PAY_DEDUCTIONS	PA_HST_PAY_DED

Administering Active Employees

Pension administrators require access to human resources data in order to verify calculations and provide retirement counseling. PeopleSoft Pension Administration includes pages to display employee personal and job data.

- You'll see personal data from human resources and beneficiary data from PeopleSoft Base Benefits in Compensate Employees, Administer Pension Plan, Inquire, Employee Information.
- You'll see job data from human resources in Compensate Employees, Administer Pension Plan, Inquire, Job History.

Establishing Pension Payees

Pension payees (retirees, beneficiaries, and QDRO alternate payees) exist as employees in your HRMS database. Retirees, who were once employees in human resources, keep their same employee ID, but get an additional job record for their retiree information. Beneficiaries and Qualified Domestic Relations Order (QDRO) alternate payees, who were once dependents or beneficiaries in PeopleSoft Base Benefits, get their own employee ID, personal data, and job data records.

When PeopleSoft Pension Administration establishes a pension payee record, it reads the existing human resources or PeopleSoft Base Benefits data, then adds whatever new information is necessary.

Because retirees have job records, you need to enter job data appropriate for retirees. This means you need valid jobs, departments, and locations for your pension payees, as well as values for any other required field in the job record. The payee department also needs to be part of your HRMS security structure.

Because employees and retirees are both tracked using the same data structure (employee ID, personal data, and job data) the system provides mechanisms for distinguishing between active employees and retirees.

Enabling Multiple Jobs

PeopleSoft Pension Administration tracks retirees, who already exist as employees in the PeopleSoft HRMS database, by creating an additional job, called a "retiree job", for each pension plan benefit that the employee receives. Each job has a unique "record number". You'll see the record number in those pages that display job-related data.

In order to track both actual employee jobs and any retiree jobs, you need to select PeopleTools, Utilities, Use, PeopleTools Options to turn on the system's "multiple jobs" capabilities.

The multiple jobs setting applies to your entire PeopleSoft HRMS system. Once it's turned on, you'll see a "record number" field on several pages. You'll also access those pages by both employee ID and record number.

If you use PeopleSoft Benefits Administration, you'll need to understand how to use the Benefit Program Number to determine which job records get used to determine eligibility for benefit plans. If you use PeopleSoft Payroll for North America, be aware of any impact multi-job will have on your payroll processing.

Many other HRMS reports and processes need to distinguish between retiree jobs and employee jobs. PeopleSoft processes and reports already filter out retirees where appropriate. If you make modifications, however, or if you create new reports or processes, you'll need to account for the possibility of multiple job records, some of which may be retiree records.



For more information about turning on multiple jobs, see Working with Multiple Jobs.

Establishing Retirees

PeopleSoft Pension Administration tracks payees using PeopleSoft Human Resources employee data. When you use the page Compensate Employees, Administer Pension Plan, Use, Create Payee to create a retiree record, you're actually making the following changes to human resources data in the employee's personal data and job records:

- Updating the **Person Type** field on the personal data record to be ***Pension Payee.***
- Adding an additional concurrent job to the employee's data. This new job starts with an action of ***Retirement*** and a employee status of ***Retired - Pension Administration.***

Establishing Beneficiaries and QDRO Alternate Payees

Sometimes pension benefits are paid out to other people besides the employee who originally earned the benefit. There are two types of nonemployee payees: the beneficiaries named by employees when the employees retire, and QDRO alternate payees who gain a right to a portion of a benefit through a court order, typically as part of a divorce settlement.

When you actually create the beneficiary or QDRO alternate payee record, the pension system pulls data from the PeopleSoft Base Benefits dependent/beneficiary record, then creates new personal data and job records in human resources.

To create payee records for a nonemployee:

1. In PeopleSoft Base Benefits, establish the person as a dependent or beneficiary of the employee who originally earned the benefit: Compensate Employees, Administer Base Benefits, Use, Dependent/Beneficiary. Often beneficiaries and QDRO alternate payees will already have records in the Dependent/Beneficiary page because of their relationship with the employee.

2. In Pension Administration, click the **Personal Data** button in Compensate Employees, Administer Pension Plan, Use, Create Payee to create a new PeopleSoft Human Resources personal data record with a new employee ID. This data is based on the existing dependent/beneficiary data. The personal data record has a personnel status of ***Nonemployee*** and a person type of ***Pension Payee.***

3. In Pension Administration, click the **Job** button in Compensate Employees, Administer Pension Plan, Use, Create Payee to create a new PeopleSoft Human Resources job record with an initial action of ***Retirement*** and a employee status of ***Retired - Pension Administration.***

Establishing a Payee Organizational Structure and Payee Security

Pension creates job records for all pension payees. The record must include organizational data such as the business unit, company, department, location, and pay group used for that job. Therefore, you need to ensure that the PeopleSoft Human Resources "control tables" used to define your organizational structure include values that are valid for retiree jobs. Although some of these fields don't really apply to pension payee jobs, the payee information resides in the same records as the employee information, so the fields that are required for employees are also required for payees. You'll simply have to use dummy data where necessary.

PeopleSoft Human Resources secures data using a security tree based on departments or other organizational units. Pension payees need a place in the security structure. For example, if security is based on department, then the department that houses pension payees must be placed in the security tree.



For more information about PeopleSoft Human Resources control tables, see Setting Up Control Tables.

Distinguishing Employee Records From Retiree Records

There are several fields in the personal and job data fields that help the system distinguish pension payees from other types of people in your system:

Person Type	This field is on the personal data record, so someone with a payee job record is classified as a pension payee regardless of any other job records that exist. The value is ***Pension Payee*** for all pension payees that you've created using the pension system: Compensate Employees, Administer Pension Plan, Use, Create Payee. There are other values for job applicants, contractors, and COBRA participants.
Personnel Status	This field is on the personal data record. The value is either ***Employee*** or a ***Non Employee.*** Retirees are classified as employees and beneficiaries, and QDRO alternate payees as nonemployees.
Employee Status	This field is in the job record. It provides status information for all employees based on the action/reason history in the job record. Each job record has its own associated status. The values that identify pension payee jobs are ***Retired - Pension Administration*** and ***Retired - Pension Paid Out.*** The system automatically sets an action of ***Retirement*** and a ***Retired - Pension Administration*** status when you set up a payee. A termination action on a payee job record switches the value to ***Pension Paid Out.***

All of these fields enable the system to filter out certain types of people for particular processes and reports. For example, many of the pages under Compensate Employees, Administer Pension Plan filter employee records based on the person type so that they'll only display information for pension payees.

Other PeopleSoft HRMS applications also contain logic to filter pension job records from processes that don't apply to them. Retiree records are identified by a combination of the **Employee Status, Personnel Status,** and **Person Type** fields.

PeopleSoft Human Resources

Termination workflow doesn't kick off when you enter a termination action in a retiree job record. The workflow will, however, still kick off if you enter a termination action in a retiree's active employment record.

PeopleSoft Payroll for North America

Payroll recognizes payee records but doesn't create paysheets for them.

Payroll doesn't recognize the corresponding pre-retirement job records for employees. Those records will have an employee status of ***Terminated*** if the final action was a termination or ***Retired*** if the final action was a retirement.

There are no default tax election for pension payee jobs. When a pension payee moves from one state or locality to another, new tax elections aren't automatically set up.

PeopleSoft Benefits

COBRA processing doesn't occur when you enter a termination action in a payee job record. The only consequence of a termination on a payee job record is to change the employee status from ***Retired - Pension Administration*** to ***Retired - Pension Paid Out.***

COBRA action also doesn't occur when the employee status is ***Terminated Pension Pay Out*** or ***Retired-Pension Administration.*** This means that if the termination or retirement action for the primary employment job occurs *after* the retiree record is established, COBRA won't be triggered.

Providing Retirement Benefits

PeopleSoft Pension Administration doesn't pay retirees through PeopleSoft Payroll for North America. Instead, it assumes that the trustee or another third-party produces your pension checks and that the check writer calculates any withholding and handles all W2 and 1099 reporting.

Although the gross pension payment originates within PeopleSoft Pension Administration system, much of the other data that gets transferred to the check writer comes from other sources in the PeopleSoft HRMS database.

In the pension system, various buttons in Compensate Employees, Administer Pension Plans, Use, Payee Maintenance transfer you to Payroll for North America and Benefits pages where you can record information that will eventually be included in the trustee extract. You can also navigate directly to the pages in question:

- In PeopleSoft Payroll for North America, select Compensate Employees, Maintain Payroll Data US, Use, Employee Tax Data to record a retiree's federal, state, and local tax elections.
- In PeopleSoft Payroll for North America, select Compensate Employees, Maintain Payroll Data US, Use, Direct Deposit to record a retiree's direct deposit elections.
- In PeopleSoft Payroll for North America, select Compensate Employees, Maintain Payroll Data US, Use, General Deduction Data to establish general deductions, that is, deduction other than benefit deductions.
- In PeopleSoft Base Benefits, select Compensate Employees, Administer Base Benefits, Use, Benefit Program Participation to enroll retirees in benefit programs. You'll still have to enroll them in individual benefit plans, such as medical, dental, or life insurance plans, using other pages in the same menu.



When you use PeopleSoft Base Benefits or PeopleSoft Benefits Administration to enroll retirees in benefit plans, you'll administer this process just as you would administer it for active employees using a retiree benefits program in place of your employee benefits programs. Of course, you'll have to set up all your retiree benefit plans and programs before you can enroll employees in these plans. Setting up and administering retiree benefits using PeopleSoft benefits applications requires a general understanding of those applications.

Using a Standalone Pension System

PeopleSoft Pension Administration provides maximum functionality when used as part of the integrated PeopleSoft HRMS database. If you've licensed PeopleSoft Pension Administration as a standalone application, there are special considerations for each of the business processes that normally involve other HRMS applications.

Business Process	***Special considerations for standalone users***
Setting Up Pension Plans	No difference. You'll still set up your benefit plan in the PeopleSoft Base Benefits pages.
Administering Employee Pension Deductions	This functionality isn't available to standalone users.
Calculating Pension Benefits	Any employee data required by the calculation must be loaded into the appropriate PeopleSoft HRMS tables. For example, if your calculation uses the BRITH_DT alias, you must load the employee's birth date into the personal data record. You'll typically need to load data into the personal data, job, and dependent/beneficiary tables and into the payroll tables used in consolidations. You'll also have to establish a method for loading updated employee data into the PeopleSoft HRMS database as often as needed.
Administering Active Employees	In order to view employee data in the PeopleSoft Pension Administration system, you must first load the relevant data into the appropriate PeopleSoft Human Resources tables.

Establishing Pension Payees	For retiree records, you must establish the retiree in PeopleSoft Human Resources. For beneficiary and QDRO alternate payee records, you must have a human resources record for the employee who originally earned the benefit and PeopleSoft Base Benefits dependent/beneficiary record for the beneficiary or QDRO alternate payee. There are no differences in how you'll use PeopleSoft Human Resources control tables, for example, department table and company table, and PeopleSoft HRMS security.

CHAPTER 66

Generating PeopleSoft Pension Administration Reports

PeopleSoft Pension Administration reports provide information about several aspects of your pension plans. We've provided you with reports that explain employee pension benefits, form letters to help you communicate with your employees about those benefits, and data extracts to provide information to third parties, such as your plan actuary and the trustee who cuts your pension checks.

About PeopleSoft Reports

When it comes to reporting, you couldn't ask for more versatility. PeopleSoft applications offer a wide range of query and reporting possibilities with the standard reports that we deliver and the reporting tools that you can use to create new reports from scratch.

Your database contains a wealth of information that you've carefully entered, maintained, and secured for the ultimate purpose of generating timely, meaningful, presentation-quality reports. Our reporting capabilities enable you to access the data that you need and present it in the form that is most useful for those who depend on you for financial and management information.

And the tools are easy to use. You no longer have to rely on technical support staff to create queries or reports for you. That means you can get all the information you need, when you need it.

PeopleSoft Reporting Tools

We deliver PeopleSoft applications with a set of standard reports designed to provide the kind of business information that many companies need. Running a report is as easy as selecting it from a menu and entering any necessary parameters. But for those of you who want to modify our standard reports, create your own reports, or reformat report output, we offer a variety of reporting tools:

- PeopleSoft Query
- Crystal Reports
- PeopleSoft nVision
- Structured Query Reports (SQRs)

- Process Scheduler

PeopleSoft Query

We designed PeopleSoft Query to help you create and run database queries without having to write Structured Query Language (SQL) statements. You can extract the precise data you want using visual representations of your PeopleSoft database. The queries can be as simple or as complex as necessary, and they can be one-time queries or queries that you'll use repeatedly.

PeopleSoft Query is more than just a reporting tool. You can use it to create queries for a variety of purposes:

- **To display data in a list box.** You can run queries within Query itself, displaying the result set in a list box for review. This option is useful as you are refining your queries.
- **To provide input to a spreadsheet or Crystal report.** Query can seamlessly pass data to Microsoft Excel, Lotus 1-2-3, or Crystal Reports Pro. From there, you can use the features of these applications to create polished reports.
- **To search for records.** Many of the search dialog boxes in PeopleSoft applications enable you to select a predefined query or create a new one rather than enter search criteria for the records you want to find.
- **To check the database for conditions that trigger workflow events.** Using PeopleSoft Workflow, you can specify that certain conditions, such as the presence of a new employee, cause the system to send an email to someone or put an entry on someone's worklist. You write queries to detect these conditions, and then you schedule database agents to run them periodically.



For more information about the PeopleSoft Query, see Crystal Reports.

Crystal Reports

Crystal Reports Pro for Windows is a versatile report formatter from Crystal Services. Combined with our Query-to-Crystal Interface, Crystal helps you generate clear and easy-to-read reports containing data from PeopleSoft applications. You can use it to generate standard reports that we've already created or to create your own custom reports.

Query and Crystal are linked together seamlessly. Once you build a query, you can use Crystal to create reports, mailing labels, or forms. You can quickly and easily lay them out using a variety of fonts, borders, and other special effects.

PeopleSoft nVision

PeopleSoft nVision is a sophisticated tool for creating business reports in Microsoft Excel. Working within Excel, you create a report layout that defines both the data to retrieve and the format of the report.

Reporting with PeopleSoft nVision goes well beyond simply formatting the results of a query. You can create report layouts that summarize information from your PeopleSoft database, and also enable you to interactively find the supporting details. You can share report layouts across multiple companies without changing the data-retrieval criteria.

And PeopleSoft nVision provides you with "data on demand," so you don't have to wait for batch reports for the information that you need. Since everything runs online right from your spreadsheet application, there's less paper tracking. You're one step closer to a paperless office.

Structured Query Reports (SQRs)

One of the most versatile approaches to reporting is the MITI Structured Query Report Writer. This tool can extract data from any SQL-based relational databases and print or display it in a prescribed format. We've created a variety of standard SQRs that summarize table information and data. You can use these reports as they are, modify them, or, if needed, create your own. You can create tabular, single- or multi-page reports, and form letters. You can also use SQRs to make global updates to your database, load and unload tables, and perform interactive queries.

Process Scheduler

The Process Scheduler isn't a true reporting tool, but it plays an important role in PeopleSoft reporting. You see, it's the part of the system that actually runs most of the reports. When you request one of the standard reports, you're really asking the Process Scheduler to run it for you.

The Process Scheduler performs tasks "behind the scenes" of your application. It can run several kinds of processes, such as COBOL programs, database queries, reports, on a regular schedule or at your request. Furthermore, it can run the processes at your workstation or on a server. The Process Scheduler handles reports because you would typically like the system to generate the report while you continue to work on something else. The Process Scheduler also enables you to track the status of the report.

List of PeopleSoft Pension Administration Reports

Following is a list of the reports provided with PeopleSoft Pension Administration. All these report names begin with PA, denoting that the report is a PeopleSoft Pension Administration report.

The tables in this section show the report name, ID, and location.

Calculation Reports

These reports provide information based on a specific employee and calculation.

Report ID	Report Name	Location
PAT06A	Non Detail Calculation Worksheet	Compensate Employees, Administer Pension Plan, Report, Calculation Worksheet
PAT06B	Detailed Calculation Worksheet	Compensate Employees, Administer Pension Plan, Report, Calculation Worksheet
PAT06C	Social Security Worksheet	Compensate Employees, Administer Pension Plan, Report, Calculation Worksheet



For more information, see Generating Calculation Reports.

Data Extracts

Data extracts produce comma-delimited data files rather than formatting the output for display. You use them to transmit data to third parties who will import the data into a spreadsheet or database for appropriate processing.

Report ID	Report Name	Location
PASAV01	Actuarial Valuation Extract	Compensate Employees, Administer Pension Plan, Report, Actuarial Valuation Extract
PASPC01	Form 5500 Participant Count	Compensate Employees, Administer Pension Plan, Report, Form 5500 Participant Count
PAPPEXPT	Trustee Extract	Compensate Employees, Administer Pension Plan, Process, Trustee Extract



For more information about creating data extracts, see Generating Pension Payment Reports.

Participant Letters

These reports are all Word for Windows form letters. Running these letters is a two-step process. First you'll run the appropriate data extract to put the participant data into a Word for Windows merge file, then you'll run the letter with the participant data automatically merged in. The data extracts access data for a single employee, so when you run the Word merge, you'll produce just one letter at a time.

Data Extracts for Winword Merges

There are two extracts that you'll use as Word for Windows merge files. You'll run the appropriate one of these extracts immediately prior to running a participant letter report.

Report ID	*Report Name*	*Location*
PASOF01	Participant's Benefit Extract (use with Winword reports PAWOF01 and PAWOF02)	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection
PASTDEXT	Standard Personal Data Extract (use with all other Winword reports)	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection

Winword Letters

Report ID	*Report Name*	*Location*
PAWOF01	Participant Selection - Qualified	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection
PAWOF02	Participant Selection - Nonqualified	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection
PAWQL01	Notice of Minimum Distribution	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection
PAWQL02	Qualified Preretirement Survivor Form	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection
PAWQL03	Notice of Benefit Suspension	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection
PAWRL01	Rollover Notice	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection
PAWRL02	Rollover Election Form	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection

For more information, see Generating Participant Letters. For more information about the actuarial valuation and the Form 5500 extracts, see Producing Data Extracts. For more information about the trustee extract, see Making Pension Payments.

Other Reports

The system provides the following additional reports.

Report ID	*Report Name*	*Description*
PAT07	Pension Plan Summary Report	Compensate Employees, Administer Pension Plan, Report, Plan Summary
PAT08	Trustee Extract Detailed Report	Compensate Employees, Administer Pension Plan, Report, Plan Summary, Trustee Extract
PAT09	Trustee Extract Summary Report	Compensate Employees, Administer Pension Plan, Report, Plan Summary, Trustee Extract

For more information about the Plan Summary report, see Creating the Plan Implementation and Plan Aliases. For more information about the trustee extract reports, see Making Pension Payments.

Accessing Report Samples

For samples of these other reports, see the PDF files published on CD-ROM with your documentation (for online users) or *PeopleSoft HRMS Reporting* Tools (for hard copy users).

Generating Calculation Reports

Calculation Results reports show you the values produced when you run a calculation. In the case of group calculations, you'll run Calculation Results reports for one employee at a time.

An additional Calculation-related report, the Plan Summary report, shows you the calculation rules used by a particular plan.

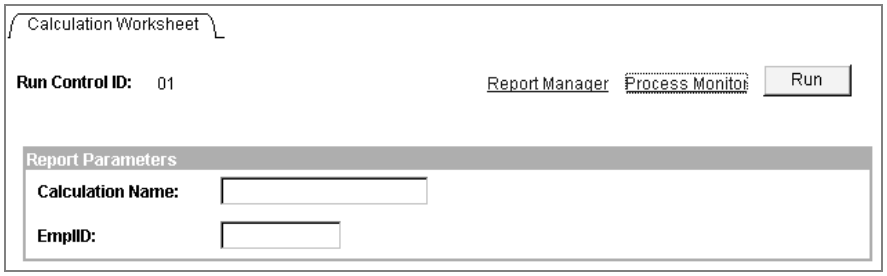
You run pension calculations to produce benefit information, information that you'll be sharing with your employees. The calculation worksheet can tell you not only about a benefit, but also about how that benefit was determined: service amounts, vesting percentages, average earnings information, or any other intermediate result.

The system includes both a detailed and nondetailed calculation worksheet and a separate social security worksheet. The detailed worksheet shows all the results produced by the calculation. You may choose to modify this report by cloning it and then modifying the structured query report (SQR). In order to modify the report, you'll need to understand where the calculation results are stored so that you'll be able to pick up the values that you require.

An additional calculation-related report, the Plan Summary report, shows you the calculation rules used by a particular plan.

Calculation Worksheet Page

Usage	Use the Calculation Worksheet page to run the three separate reports that PeopleSoft Pension Administration provides for examining calculation results: the Detailed Calculation Worksheet, Nondetailed Calculation Worksheet, and the Social Security Worksheet.
Object Name	RUNCTL_PASCW01
Navigation	**Compensate Employees, Administer Pension Plan, Report, Calculation Worksheet, Calculation Worksheet**
Access Requirements	Enter a run control ID



Calculation Worksheet page

The worksheets always produce information about a single employee, based on results from a single calculation. Enter a calculation name and an employee ID (EmplID) to identify the results being reported. The **EmplID** field value is required when reporting on a group calculation, which includes results for multiple employees.

The Process Scheduler dialog lists all three reports: detailed and nondetailed calculation worksheets, and social security worksheet. Select one or more.

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Nondetailed Calculation Worksheet Report

Description	The Nondetailed Calculation Worksheet provides summary information about a calculation and its benefit formulas. This report shows you each benefit formula processed during the specified calculation.
Report ID	PAT06A
Type of Report	SQR
Parameters	Calculation Name, Employee ID
Source	RUNCTL_PASCW01
Source Records	Calculation results tables (prefixed PA_CLC)
Sorted By	Calculation components appear in the same order as they appear in the plan implementation.

Report Header

The report header appears at the top of every page. It tells you the report run date and time as well as the page number.

Calculation Information

The Calculation section of the worksheet provides the calculation description and name, the rules "as of" date (which determines the effective-date to use when determining the appropriate plan rules), and the calculation run date and time. It also states the calculation reason that was the basis for the calculation.

Employee Information

The Employee section of the worksheet provides the employee name and ID along with the following biographical data: birth date, sex, social security number, marital status, and the spouse's name and birth date.

Plan Benefit Information

The Plan section of the worksheet first shows the assumed benefit commencement date or age and the lump sum date or age.

Next the report provides the formula and the values of various formula components for each benefit amount. Multiple benefit amounts may reflect reduced and unreduced benefits,

employee-paid and employer-paid benefits, grandfathered benefits, benefits before and after a QDRO offset, or any other benefits your organization has chosen to calculate.

This section of the worksheet uses the 10-character names that you've assigned to different calculation components, not the full description.

The first thing you see for each plan is the formula, represented in an equation.

Following the formula is a list of all the individual components and their values.

Detailed Calculation Worksheet Report

Description	The Detailed Calculation Worksheet reports on the results for a particular calculation. The worksheet includes basic calculation information such as employee biographical information, work history data, and calculation inputs. The bulk of the report consists of detailed results for each calculation component. This report provides detailed information about all aspects of a calculation, including the calculation inputs and the intermediate and final values for each benefit component. The intermediate values are only available if the Detailed Worksheet flag on the calculation Plan Inputs page is turned on.
Report ID	PAT06B
Type of Report	SQR
Parameters	Calculation Name, Employee ID
Source	RUNCTL_PASCW01
Source Records	Calculation results tables (prefixed PA_CLC)
Sorted By	Calculation components appear in the same order as they appear in the plan implementation.

Report Header

The report header appears at the top of every page. It tells you the calculation name, run date, and run time. It also states the event date and the calculation reason that were the basis for the calculation.

Employee Information

The Employee Information section of the report provides biographical information about the employee.

Employment History

The Employment History section provides a history of Action/Reason codes and Employee Types recorded in the employee's job record.

Plan Overrides

The Plan Overrides section shows any projection assumptions you entered, any beneficiary overrides, and your choice for whether to grant full service credit to employees with purchasable service balances.

Beneficiary Information

The Beneficiary Information section shows whether the spouse (the "plan beneficiary") meets eligibility requirements for an automatic benefit. This section also provides personal data about any nonspouse ("contingent") beneficiary.

Function Result Overrides

The Function Result Overrides section shows any overrides you entered for specific plan components.

Optional Forms

The Optional Forms section shows all the different sets of optional forms available to the employee. Depending on how you've set up your calculation job stream, there may be multiple form sets based on different commencement dates, typically normal and early retirement.

Each form in the form set is described by the **Form** (for example, a single life annuity, a joint and survivor, or a lump sum), the number of years of **Guaranteed Payments** (for example, 5 years), and the **Percent Continued** if there is a survivor benefit.

You'll see the **Factor** used to convert the benefit to this optional form.

For each **Form** in the form set, you'll see each different payment **Type.** For example, Joint and Survivor forms will show both a retiree amount and a beneficiary amount ("plan beneficiary" is the employee's spouse, "nonspouse beneficiary" is any other beneficiary). Level Income Option Forms will show both the retiree pre-SSRA amount and the retiree post-SSRA amount.

Because qualified pension benefits are limited under section 415 of the Internal Revenue code, you'll see both **Unlimited** and **Limited** amounts. The limited amount is the actual payable amount, the unlimited amount is informational only.

For each payment type, you'll see the **Total** amount and any **NonTaxable** portion of that amount. This is displayed for both the unlimited and limited amounts.

Benefit Calculation

The Benefit Calculation section shows the normal and early retirement dates and all the different benefit amounts calculated. This may include reduced and unreduced benefits, employee-paid and employer-paid benefits, grandfathered benefits, or any other benefits your organization has chosen to calculate.

For each benefit, you'll see the **Benefit Amount,** a description of the benefit, and a description of the normal form of payment, including any automatic spouse benefit. The amounts shown don't reflect reductions caused by applying Internal Revenue Code Section 415 limits.

The descriptions are created by your organization to go with the calculation rules for your plan. For example, the amounts above reflect the normal amount (Basic Benefit Unreduced); the same amount reduced for early retirement (Pension - Reduced for Age), and then further reduced by any QDRO offset (EE Final Reduced Benefit). In the example shown, there was no QDRO offset, so the final amount matches the early retirement amount.

Service

The **Service** section of the worksheet shows all the different service calculations for the employee. Depending on how you've set up your calculation job stream, there may be multiple service calculations for participation service, vesting service, and service credit.

For each service calculation, you'll see a description of the type of service and the final amount of service accrued as of the event date.

Following this is a detailed breakdown of the service accrual. For each period, you'll see the start and end date of the service period and the "process through" date, which will be the end of the period for all complete periods and the event date for the final period.

You'll also see the following information:

- How many **Hours** the employee had. This will be zero for elapsed time service calculations.
- Whether the period counted for **Break.** This will be one for break periods and zero for nonbreak periods.
- The **Accumulated Breaks,** that is, the number of consecutive breaks including this period.
- The **Service With Breaks,** how much service the employee received credit for ***after*** break rules were applied. This is the basis for the total service accrual.
- The **Service Without Breaks,** how much service the employee received ***before*** break rules were applied. This is informational only.
- Any **Service Adjustment** applied during the period. Some common reason for adjustments include: employees withdrawing contributions, thus forfeiting their previous service; employees repaying contributions to restore forfeited service, or employees purchasing service.
- The **Accumulated Service,** The total service accumulated as of the period end date, taking into account breaks in service and any service forfeiture or restoration.

Note that if you entered a Function Result override for a service calculation, there are no detailed results.

Final Average Earnings

The Final Average Earnings section of the worksheet shows all the final average earnings (FAE) calculations for the employee. Along with the FAE amount and its description, you'll see a detailed breakdown of the employee's consolidated earnings history. If your earnings definition

uses only a specified number of periods, you'll only see rows for as many periods as the system needed to evaluate to come up with that number. This may be more than the specified number of periods if your definition ignores zero periods, final periods, or other periods.

For each period, you'll see the start and stop date of the earnings period and the "last process date," which will be the end of the period for all complete periods. You'll also see the following information:

- **Projected Y/N** only has a value when the earnings were projected.
- **Actual Earnings** shows the earnings picked up from payroll.
- **Generated Earnings** shows earnings for the period if your plan rules have caused the system generate earnings.
- **Adjusted Earnings** shows the final earnings amount after all generation and adjustments. This is the amount actually used in the averaging process.
- **Portion of Earnings Used** is zero when the earnings weren't included in the average and one when the earnings were used.

Vesting

The Vesting section of the worksheet shows the vesting percentage as of the event date.

Early and Late Retirement Adjustments

The Age Adjustment Factors section of the worksheet shows any early or late retirement adjustments. This will include plan early and late retirement factors, and may include actuarial adjustments that are applied to 415 limits in cases of early or late benefit commencement.

For each factor, you'll see the description and the factor.

Death Coverage Factors

The Death Adjustment Factors section of the worksheet shows the reduction factor applied to an employee's benefit when the plan required the employee to pay for coverage under the plan's preretirement survivor annuity offering. The worksheet shows the final factor and the length of the coverage period.

Covered Compensation

The Covered Compensation section of the worksheet shows the employee's covered compensation: the average of the taxable wage bases for the 35 years up to and including the employee's social security normal retirement age. The amount will be either a monthly or annual figure depending on how you've chosen to express covered compensation for your plan.

Social Security

The Social Security section of the worksheet provides the employee's social security retirement age, the estimated social security benefit at that age, the assumed social security commencement date, and the estimated social security benefit at that date.

Detailed information as to how the social security amounts were calculated is available in a separate report, the Social Security worksheet.

Cash Balance Accounts

The Account Balances section of the worksheet applies to cash balance accounts. It includes the final account balance as of the event date (note that the report has a misleading "benefit commencement date" label) as well as a detailed period-by-period breakdown of the account. For each period, you'll see the start and stop date of the period and the following information:

- Beginning balance for period;
- Earnings for period;
- Credits for period;
- Contribution rate - the percentage of earnings credited to the account;
- Interest for period;
- Interest rate;
- Adjustments and interest adjustments for period;
- Ending balance.

Employee Accounts

The Employee Accounts section of the worksheet includes the final account balance as of the benefit commencement date and a detailed period-by-period breakdowns of the account. For each period, you'll see the start and end date of the period and the following information:

- The interest earned on the prior period balance.
- The pre-tax credits (deductions) for period, the interest earned on the prior pre-tax credit balance, and the new totals for pre-tax credits and pre-tax interest after the current period amounts are added to the balance.
- The post-tax credits (deductions) for period, the interest earned on the prior post-tax credit balance, and the new totals for post-tax credits and post-tax interest after the current period amounts are added to the balance.
- Contribution rate - the percentage of earnings contributed.
- Interest for period.
- Interest rate.
- Adjustments and interest adjustments for period.
- Ending balance.

Plan Eligibility

The Plan Eligibility section of the worksheet shows whether the employee was eligible as of the event date and provides a history of the employee's eligible and ineligible periods.

Plan Participation

The Plan Participation section of the worksheet shows whether the employee is participating and, if so, when the employee became a plan participant.

Benefit Eligibility

The Benefit Eligibility section of the worksheet shows each retirement type you've defined in the system and whether the employee is eligible or ineligible for that retirement type.

The middle column shows the system's internal name for the retirement type.

415 Limits

The 415 Limits section provides information about how the system determined 415 limits and applied the limits to the employee's benefit.

There are three different components to the 415 limit, and whichever one is smallest gets used as the final limit. These parts are:

- A final average earnings (FAE) limits, which can be adjusted for early or late benefit commencement. This amount is shown as **FAE Limit/Adjusted.**
- A dollar limit published by the Internal Revenue Service as known as the Maximum 415(b) dollar limit. This can also be adjusted for early or late benefit commencement. This amount is shown as **Maximum 415(b) Limit/Adjusted.**
- A combined fraction limit that restricts the total amount an employee can receive from both defined benefit and defined contribution plans. The rule is that the sum of the "defined contribution fraction" (DC fraction) and the "defined benefit fraction" (DB fraction) can't exceed one. If the sum is greater than one and the DC plan is primary, the defined benefit is reduced until the sum equals one. These fractions are calculated according to rules laid out by the Internal Revenue Code. The final limit is displayed on the worksheet as the **415(e) Limit.** You can also see the **DC Fraction** and **DB Fraction** used to determine the limit.

After the three limits, this section of the worksheet shows the employee's total single life annuity (SLA) benefit from all plans included in this calculation. Next is the limit that was used (the smallest of the three limits) and the amount of the reduction.

Finally, you can see a list of the benefits subject to 415 limits, the unlimited payment amount, the limited amount, and the reduction amount and factor. If the "For 415 Only" indicator is "Y" (Yes), then the plan doesn't actually offer a single life annuity and the annuity value shown was used only for purposes of the 415 limit calculation.



For more information about calculation results, see Viewing Detailed Plan Results.

Social Security Worksheet Report

Description	The Social Security worksheet report provides detailed information about how the system calculated an employee's Social Security benefit. The report includes an entire earnings history.
Report ID	PAT06C
Type of Report	SQR
Parameters	Calculation Name, Employee ID
Source	RUNCTL_PASCW01
Source Records	Calculation results tables (prefixed PA_CLC)
Sorted By	Calculation components appear in the same order as they appear in the plan implementation.

The **Primary Insurance Amount** (PIA) is the social security PIA as of the employee's normal social security retirement age.

The **Adjusted Primary Insurance Amount** includes both general increases and increases or reductions based on the assumed social security commencement date. This would normally be considered the "actual" social security retirement benefit.

The **Eligibility Year** is when the employee reaches age 62 or the year of death or disability.

The **NAW Indexing Year** is two years before the year of eligibility.

The **NAW Index Year Amount** is the national average wage (NAW) for the indexing year.

The **# of Computation Years** tells you how many years of the employee's lifetime earnings history is used in Social Security determination.

The **AIME** (average indexed monthly earnings) is produced by taking the lesser of the employee's earnings and the Taxable Wage Base for each computation year, "indexing" it with a factor representing the growth in the national average wage, and dividing the total by the number of computation years and then again by 12. This will then be adjusted further by "bend point" factors to produce the initial PIA.

The **Birthdate** determines the **Social Security (Retirement) Age.** The **Social Security BCD** is the assumed benefit commencement date for social security benefits.

This report also includes year-by-year earnings information used for social security calculations. For each year, you'll see the **Taxable Wage Base Amount** and the **Actual Empl Earnings;** the lesser of these is the **Taxable Earnings.** Since indexing is based on NAW growth, you'll see the **Natl Avg Earnings** (the NAW) for each year and then the **Indexed Amount** found by multiplying the taxable earnings by a factor where the numerator is the NAW for the indexing year and the denominator is the NAW for the year being indexed. Finally, the **Indexed Amount**

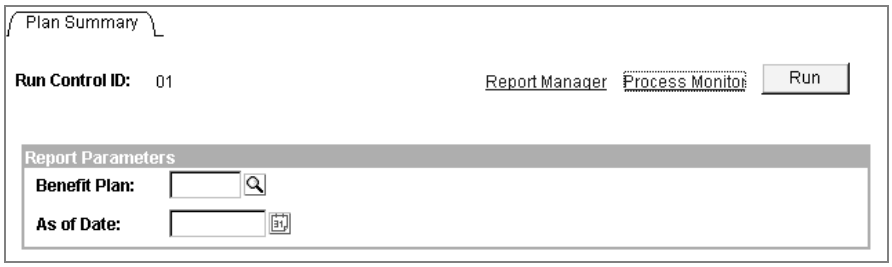
Used in Calc column indicates the earnings amount used for those years included in the AIME computation period.

For more information about social security calculations, see Viewing Detailed Plan Results.

Generating the Pension Plan Summary Report

Plan Summary Page

Usage	Use the Plan Summary page to generate the Pension Plan Summary Report.
Object Name	RUNCTL_PASPS01
Navigation	**Compensate Employees, Administer Pension Plan, Report, Plan Summary, Plan Summary**
Access Requirements	Enter a Run Control ID.



Plan Summary report page

Benefit Plan Select the **Benefit Plan** that you want to report on.

As of Date Enter the date as of which you want to report data.

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Plan Summary Report

Description	This report describes the calculation rules in effect for a single plan as of a certain date. This is a detailed report showing values for a large number of tables, not a summary plan description.
Report ID	PAT07
Type of Report	SQR
Parameters	Plan, As of Date.
Source	RUNCTL_PASPS01
Source Records	PeopleSoft Pension Administration implementation tables.
Sorted By	Calculation components appear in the same order as they appear in the plan implementation. Subcomponents appear where they are used.

Producing Data Extracts

Data extracts produce comma-delimited data files. These reports don't produce printed output. Instead, you'll transmit the data files to third parties that will import the data into a spreadsheet or database for appropriate processing.

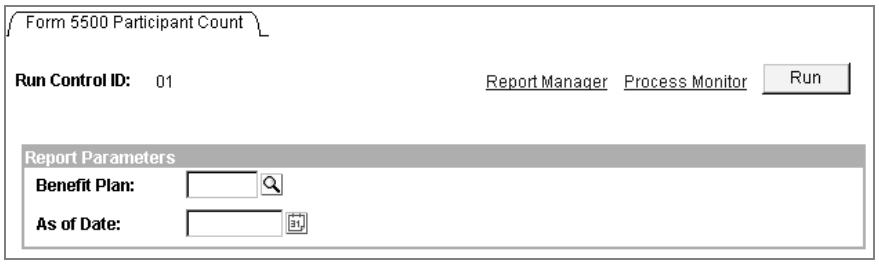
In this section, we'll look at the three such data extracts used in PeopleSoft Pension Administration.

PeopleSoft Pension Administration includes two data extracts that aren't typically used to transmit data to a third-party. These are the data extracts used in Microsoft Word mail merges to produce forms and letters. For more information about mail merge data extracts, see Generating Participant Letters.

Form 5500 Participant Count Extract

Form 5500 Participant Count Page

Usage	Use this page to run the Form 5500 Participant Count.
Object Name	RUNCTL_PASPC01
Navigation	**Compensate Employees, Administer Pension Plan, Report, Form 5500 Participant Count, Form 5500 Participant Count**
Access Requirements	Choose the Update/Display action to use an existing Run Control ID; choose an Add action to create a new Run Control.



Form 5500 Participant Count page

Because the participant count is based on employee pension status and vesting percentage, be sure to run periodic processing for these two processes prior to producing your report. Although there isn't a vesting option in your periodic processing parameters, vesting runs whenever you run service periodic processing.

For more information about periodic processing, see Running Periodic Processes.

Report Parameters

Benefit Plan Enter the name of the **Benefit Plan** whose participants you need to count.

As of Date Enter the **As of Date** for the count.

Click **Run** to run this request. Process Scheduler runs the Form 5500 Participant Count process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Form 5500 Participant Count Extract Report

Description	The Form 5500 Participant Count provides participant information required for annual IRS reporting. The count breaks participants into categories based on pension status and vesting percentage, and provides the total number of participants to be reported on various lines of Form 5500.
Report ID	PASPC01
Type of Report	Data Extract
Parameters	Plan, As of Date

Source	RUNCTL_PASPC01
Source Records	Pension status codes
Sorted By	Form 5500 line number

For more information about pension statuses, see Maintaining Pension Status Codes.

Mapping Pension Statuses to Form 5500 Categories

The following table shows how status codes map to Form 5500 line numbers.

Codes	*Form 5500 Item 7*	*Additional Logic or Conditions*
APR, AVS, ANS, A70	(a) 1	If Vested Percent = 100
APR, AVS, ANS	(a) 2	If Vested Percent > 0 and < 100
APR, AVS, ANS	(a) 3	If Vested Percent = 0
TNV	(h)	If terminated within the reporting year
TDF	(c)	
TDF, TST, TPY, RDF, RPY	(h)	If terminated within the reporting year and vested percent < 100
TPY	(b)	
RDF	(c)	
RST	Not included	
RPY	(b)	
XBP	(e)	
XNB	Not included	
DDF	(c)	
DST	Not included	
DPY	(b)	
BDF	(e)	

BST	Not included	
BPY	(e)	

The following table shows how the Form 5500 line numbers map to pension codes:

Form 5500 Item 7	*Codes*	*Additional Logic or Conditions*
(a) 1	APR, AVS, ANS, A70	If Vested Percent = 100
(a) 2	APR, AVS, ANS	If Vested Percent > 0 and < 100
(a) 3	APR, AVS, ANS	If Vested Percent = 0
(b)	TPY, RPY, DPY	
(c)	TDF, RDF, DDF	
(e)	BDF, BPY, XBP	
(h)	TNV TDF, TST, TPY, RDF, RPY	If terminated within the reporting year If terminated within the reporting year and less than 100% vested

Participants who terminated or retired within the reporting year with a vested percent of less than 100 may be counted twice. The second occurrence would be on line (h). This is acceptable because this line item isn't really part of the total participant count - it's more of a red flag to the IRS to warn of a possible partial termination.

You must perform the count for row (i) separately. These will be participants with a Pension Status Code of TDF, RBP, XDF, or DDF who terminated in the current 5500 reporting year and who haven't been paid out (either completely or in part) by the due date for filing Form 5500. This is due to the recent publication of IRS Form 5500 Schedule SSA for 1995, which revised the required reporting deadline.

QDRO recipients who aren't otherwise participants in their own right aren't included.

Participants who have reached age 70+ are presumed to be 100% vested. They are counted as active (and not receiving payments) for 5500 reporting purposes to avoid counting them twice.

What's Included in the Form 5500 Extract

The comma-delimited file produced by the Form 5500 extract includes just two rows of data. The first row identifies the Form 5500 line numbers, the second row provides the counts for each row.

The labels in row one are:

- A1_COUNT

- A2_COUNT
- A3_COUNT
- B_COUNT
- C_COUNT
- E_COUNT
- H_COUNT

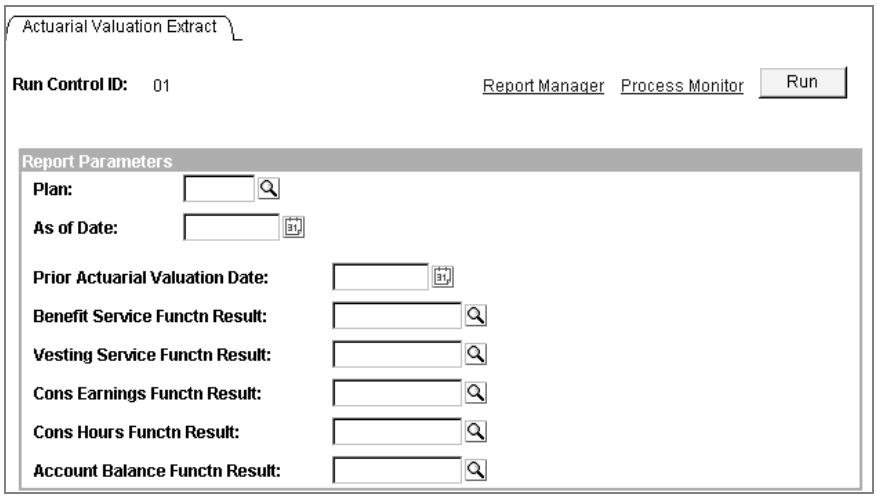
Actuarial Valuation Extract

The Actuarial Valuation Extract provides data that your actuary will need in order to perform a plan's annual actuarial valuation. The extract consists of two separate extract files: the "active" extract, for those whose benefits are still accruing, and the "inactive" extract, for those who are owed a benefit, but whose benefit is no longer accruing.

For example, current employees covered under the plan, whether or not they have begun to participate, would typically be active. Terminated employees, whether receiving benefits or awaiting deferred benefits, would typically be inactive.

Actuarial Valuation Extract Page

Usage	Because the Actuarial Valuation Extract is based on pension status codes, don't run the extract until you've finished your periodic processing and payment processes for the year in question. Remember, these two processes change status codes, and you want to be sure all the status codes are current before running the Actuarial Valuation Extract.
Object Name	RUNCTL_PASAV01
Navigation	**Compensate Employees, Administer Pension Plan, Report, Actuarial Valuation Extract, Actuarial Valuation Extract**
Access Requirements	Choose the Update/Display action to use an existing Run Control ID; choose an Add action to create a new Run Control.



Actuarial Valuation Extract page

Plan Enter the name of the **Plan** for which you are running the extract.

As of Date The **As of Date** is the date used to establish the current year valuation category.

Prior Actuarial Valuation Date The **Prior Actuarial Valuation Date** is the date used to establish the prior year valuation category. Based on the combination of current and prior categories, an employee will fall into the active, inactive, or both extracts.

The actuary will need to see certain plan information for each employee. To direct the extract to the correct source of the information, complete the five Function Result fields. Each one is for a different plan component: **Benefit Service Functn Result, Vesting Service Functn Result, Cons Earnings Functn Result, Cons Hours Functn Result,** and **Account Balance Functn Result.** Account balances only apply to cash balance accounts.

Click **Run** to run this request. Process Scheduler runs the Form 5500 Participant Count process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Actuarial Valuation Extract Report

Description	The Actuarial Valuation Extract provides data that your actuary will need in order to perform a plan's annual actuarial valuation. The extract consists of two separate extract files: the active extract (file name pawav01.ext), for those whose benefits are still accruing, and the inactive extract (file name pawav02.ext), for those who are owed a benefit, but whose benefit is no longer accruing.
Report ID	PASAV01

Type of Report	Data Extract
Parameters	Plan, As of Date, Prior Actuarial Valuation Date, Benefit Service Function Result, Vesting Service Function Result, Consolidated Earnings Function Result, Consolidated Hours Function Result, Account Balance Function Result.
Source	RUNCTL_PASAV01
Source Records	Personal data tables, job data tables, employee plan history tables, beneficiary tables.
Sorted By	Employee ID

Mapping Pension Statuses to Actuarial Valuation Codes

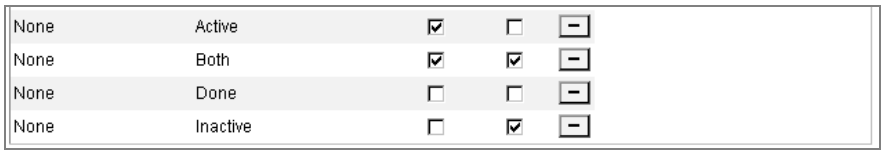
As part of your PeopleSoft Pension Administration setup, you had to match pension status codes to one of the following valuation categories: ***Active, Inactive, Both Active and Inactive,*** or ***Done (no liability remaining)***. The Actuarial Valuation Extract puts employees into the active or inactive valuation file based on this valuation category. If the employee has had more than one valuation category since your last valuation, say, the employee was active as of your last valuation and is now inactive, then the system refers to the Actuarial Valuation Matrix you've defined to determine which of the extract files should house the employee's data. Employees appearing in the extract for the first time have a prior year category of ***No Record Exists.***

Actuarial Valuation Matrix

Actuarial Valuation Matrix Find First 1-18 of 18 Last

Prior Year Category	Current Year Category	Active Valuation Extract	Inactive Valuation Extract
Active	Active	☑	☐
Active	Both	☑	☑
Active	Done	☑	☐
Active	Inactive	☑	☑
Both	Done	☑	☑
Both	Inactive	☑	☑
Done	Active	☑	☐
Done	Both	☑	☑
Done	Done	☐	☐
Done	Inactive	☐	☑
Inactive	Active	☑	☑
Inactive	Both	☑	☑
Inactive	Done	☐	☑
Inactive	Inactive	☐	☑

Actuarial Valuation Matrix page (1 of 2)



Actuarial Valuation Matrix page (2 of 2)

For more information about the actuarial valuation categories and the actuarial valuation matrix, see Using Pension Statuses.

Understanding Error Messages

The Actuarial Valuation Extract produces the following warning messages. These won't cause an abnormal termination of the program but may explain why certain employees don't appear on the inactive or active files.

Cause	*Message*
Pension status has no corresponding valuation category.	Valuation code not assigned to pension status [status]. Therefore no active or inactive file is written for this employee [Employee ID].
Current year category/prior year category combination isn't defined within the valuation category matrix.	'Valuation matrix invalid for CY_VAL_CODE [current year valuation category] PY_VAL_CODE = [prior year valuation category]. Therefore no active or inactive file is written for this employee [Employee ID].
You haven't established a payee record and one is required.	'There isn't a valid payee setup for EmplID [Employee ID].
You haven't established a payment schedule and one is needed.	'There isn't a valid payment schedule for EmplID [Employee ID].

Data Included in the Actuarial Valuation Extract Active File

The active file includes columns for the following information:

Column Label	*Description*
EMPLID	Employee ID.
PENSION_STATUS	Pension Status.
ACTION	Current action in the employee's job record on the valuation "as of" date.
ACTION_REASON	Reason associated with the Action.
LOCATION	Location.

COMPANY	Company.
EMPL_TYPE	Employee Type: salaried, hourly, or exception hourly.
STD_HOURS	Standard hours.
COMP_FREQUENCY	Compensation frequency.
COMPRATE	Compensation rate.
NAME	Name.
NATIONAL_ID	National ID. The system only uses the employee's U.S. National ID (Social Security Number).
SEX	Gender.
MAR_STATUS	Marital status.
BIRTHDATE	Birth date.
QDRO_IND_YN	Flag to indicate if the employee has any QDROs attached.
ORIG_HIRE_DT	Original hire date.
ACTUAL_ EARININGS	Actual pension earnings since the last actuarial valuation. Earnings are those calculated by the Function Result identified in the reports parameters.
ACTUAL_HOURS	Actual pension hours since the last actuarial valuation. Hours are those calculated by the Function Result identified in the reports parameters.
BENEFIT_SERVICE	Total benefit service accrued as of the extract "as of" date for the Function Result identified in the reports parameters.
VST_SERVICE	Total vesting service accrued as of the extract "as of" date for the Function Result identified in the reports parameters.
END_BALANCE	Total employee account balance as of the extract "as of" date for the Function Result identified in the reports parameters.
BEN_BIRTHDATE	The designated beneficiary's birth date. If there is no explicitly named beneficiary, the spouse is assumed to be the beneficiary.
BEN_SEX	The designated beneficiary's sex. If there is no explicitly named beneficiary, the spouse is assumed to be the beneficiary.

Data Included in the Actuarial Valuation Extract Inactive File

The inactive file includes columns for the following information:

Column Label	*Description*
EMPLID	Employee ID
PENSION_STATUS	Pension Status
LOCATION	Location.
COMPANY	Company.
NAME	Name.
NATIONAL_ID	National ID. The system only uses the employee's U.S. National ID (Social Security Number).
SEX	Gender.
MAR_STATUS	Marital status.
BIRTHDATE	Birth date.
QDRO_IND_YN	Flag to indicate if the employee has any QDROs attached.
ORIG_HIRE_DT	Original hire date.
BENEFIT_PLAN	Name of the pension plan identified in the actuarial valuation report parameters.
APPLIES_AT_DATE	Date payments began.
PAY_STATUS	Pay status for the pension plan identified in the actuarial valuation report parameters: active, deferred, or stopped.
PAYEE_TYPE	The payee type: retiree, beneficiary, or QDRO alternate payee.
PYMT_FREQ	The payment frequency for pension payments.
FORM_CODE	Code that identified the optional form of payment.
PMT_AMT	Payment amount.
PMT_END_DT	The date of the last pension payment, if known.

The Trustee Extract

The Trustee Extract data extract includes all the payment-related data that a third-party requires in order to produce your pension checks. The system creates the trustee extract when you run the retiree payments process in "confirmation" mode.

You can also produce the trustee extract outside of the payment process. You would only do this in unusual circumstances such as loss or damage to the original version created by the payment process.

For more information about as well as a detailed look at the contents of the trustee extract, see Reviewing Trustee Extract Data. For more information about the retiree payment process and when it produces the trustee extract, see Making Pension Payments. For more information about running trustee extract process outside of the payment process, see Using the Trustee Extract.

Accessing the Completed Extracts

By definition, the output from a data extract is always a file. You can't run data extracts directly to the printer.

The Actuarial Valuation and Form 5500 data extracts create comma-delimited files in the directory specified in your processing parameters

- The file name for the Actuarial Valuation ***active*** file is PAWAV01.ext.
- The file name for the Actuarial Valuation ***inactive*** file is PAWAV02.ext.
- The file name for the Form 5500 report is PAWPC01.ext

When you run the trustee extract process, the system writes all the data to a file that you've defined using the system variable ***TRSPYMT.*** You can set up the variable to reside on any accessible drive. How you define this variable is particular to your database platform.

For more information about defining the trustee extract file, see Creating a Logical File for the Trustee Extract.

Generating Pension Payment Reports

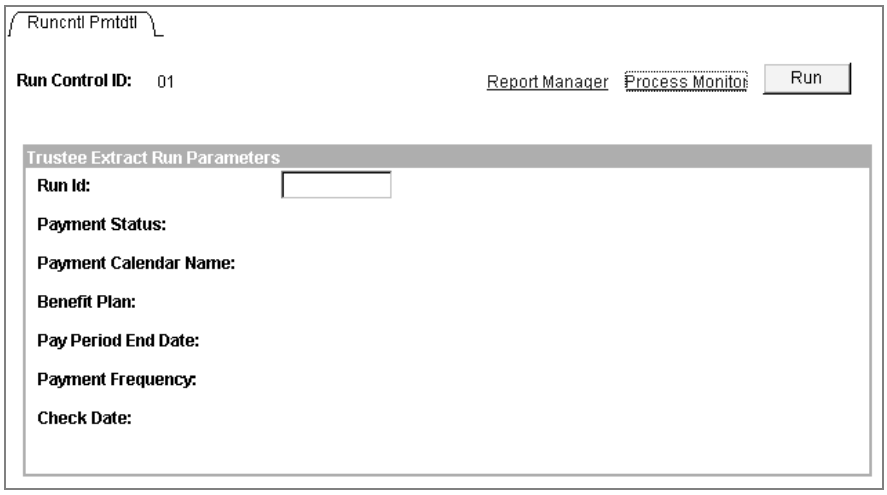
PeopleSoft Pension Administration provides two reports that you can use to review the contents of your Trustee Extract.

The Trustee Extract falls in the data extract report category. These two Trustee Extract reports are different from the Trustee Extract. They aren't themselves extracts; they are regular reports with information about the contents of the trustee extract.

For more information about the Trustee Data Extract, see The Trustee Extract

Trustee Extract Report Page

Usage	Use this page to run the Trustee Extract report.
Object Name	RUNCNTL_PMTDTL
Navigation	**Compensate Employees, Administer Pension Plan, Report, Trustee Extract, Runcntl Pmtdtl**
Access Requirements	Enter a Run Control ID.



Trustee Extract report page

Trustee Extract Detailed Report

Description	The Trustee Extract Detailed report provides information about benefit deductions and balance adjustments, in addition to the same information provided by the trustee extract summary report.
Report ID	PAT08
Type of Report	SQR
Parameters	Run ID for the retiree payment process.
Source	RUNCNTL_PMTDTL

Source Records	Trustee Extract
Sorted By	Benefit Plan, Employee ID, Employee Record Number, Payment Type

Trustee Extract Summary Report

Description	The Trustee Extract Summary report lists all the employees receiving payments from a particular pay run. For each employee, the report shows information about any scheduled (recurring) and one-time payments in this pay run. Information includes: the total payment amount, the nontaxable portion of the payment amount, the funding provider, and a payment reason (the associated optional form for scheduled payments, the payment reason for one-time payments). The report also provides summary totals for all employees in the pay run.
Report ID	PAT09
Type of Report	SQR
Parameters	Run ID for the retiree payment process.
Source	RUNCNTL_PMTDTL
Source Records	Trustee Extract
Sorted By	Payment Type, Employee ID, Employee Record Number

Generating Participant Letters

PeopleSoft Pension Administration provides several form letters to facilitate your employee communications.

Producing form letters requires that you run two reports sequentially: an SQR that retrieves data from employee records and creates data extract files; and a Winword (Microsoft Word for Windows) macro that opens the letter template we've provided, merges the data into the letter, and prints the final merged result.

Generating Form Letters

Here's how the form letter process works:

Step	*You run*	*What it does*
1	An SQR	Extracts data from PeopleSoft Pension Administration and creates data extract files containing data for letter recipients.

2	A Winword report	Merges the data extract files into the appropriate Word letter templates and prints the letter.

You must perform these steps sequentially - an SQR first, then its corresponding Winword report - because the data extract file the SQR creates must exist before the Word macro starts and the Process Scheduler can't call up the report writer and the word processor simultaneously.

However, the letters will print on the server's printer. If you have sensitive data printing on the letters, you may not want these letters to print at another location.

PeopleSoft Pension Administration includes two SQRs that extract the data for the seven sample letters.

SQR Data Extract	*Letters*
PASOF01: Participant's Benefit Extract	PAWOF01: Participant Selection - Qualified PAWOF02: Participant Selection - Nonqualified
PASTDEXT: Standard Personal Data Extract	PAWQL01: Notice of Minimum Distribution PAWQL02: Qualified Preretirement Survivor Form PAWQL03: Notice of Benefit Suspension PAWRL01: Rollover Notice PAWRL02: Rollover Election Form

Configuring Form Letters

The sample letters provided in PeopleSoft Pension Administration are exactly that: samples. Because there are regulations regarding many of the issues you'll be communicating about, be sure to review the samples, and modify them as necessary.

Depending on your needs, you can modify the sample form letters in several ways, ranging from simple changes of text in the existing templates, to creating entirely new letters. At the very least, you'll want to ensure that the macros contain the right PATH configuration for your system, and change the text in the sample letters to match your organization's requirements.

Here are some ways to configure form letters:

- Modify the Word for Windows macros for the sample letters, such as changing the PATH statements to match your environment.

- Change the text in sample form letters so that it suits your organizational needs.
- Extract additional fields from PeopleSoft Human Resources, and incorporate the information into the letters.
- Adapt a sample letter to a similar use.
- Create new form letters for different purposes.

Following are the file names of the seven delivered standard letters:

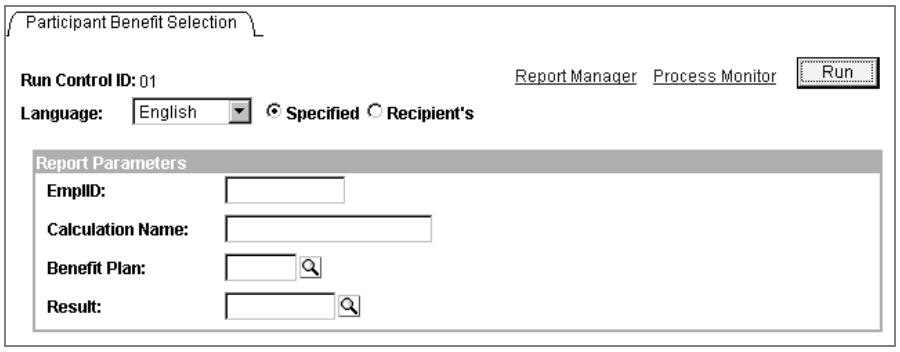
Report ID	*Report Name*	*Word Template*
PAWOF01	Participant Selection - Qualified	optform.doc
PAWOF02	Participant Selection - Nonqualified	optform2.doc
PAWQL01	Notice of Minimum Distribution	mindislt.doc
PAWQL02	Qualified Preretirement Survivor Form	presurv.doc
PAWQL03	Notice of Benefit Suspension	bensuspn.doc
PAWRL01	Rollover Notice	rollover.doc
PAWRL02	Rollover Election Form	rollover2.doc



For more information about modifying form letters, see Generating Form Letters.

Participant Benefit Selection Page

Usage	Use the Participant Benefit Selection page to produce any of the participant letters. In the Process Scheduler, select the letter you want to produce.
Object Name	RUNCTL_PASOF01
Navigation	**Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection, Participant Benefit Selection**
Access Requirements	Enter a Run Control ID.



Participant Benefit Selection page

Select the **Language** to use for the report: the language ***Specified*** in the **Language** field, or the **Recipient's** language. This option only works if there are multiple language versions of the report available.

Enter the **EmplID** (employee ID) for the participant.

Enter the **Calculation Name** and select the **Benefit Plan** that produced the optional forms results.

Select the name of the optional forms **Result.** This is the specific optional form set you want to print in the letter. For example, if the plan produces optional forms for both normal and late retirement, enter the name of the desired set of forms.

Click **Run** to run this request. From the Process Scheduler Request page, select the check box for the process that you want to run. You need to run two processes sequentially to create participant letters. First, run the SQR report PASOF1 or PASTDEXT that retrieves data from employee records and creates data extract files. When the SQR has completed, run the Winword process that merges the data extract files into a Word letter template.

For more information about Process Scheduler, see Process Scheduler.

Winword Merge Extracts

There are two extracts that you'll use as Word for Windows merge files. You'll run the appropriate one of these extracts immediately prior to running a participant letter report.

Standard Personal Data Extract Report

Description	This SQR creates a Winword merge file with the following fields: Language, Name, Plan, Address 1, Address 2, Address 3, National ID (Social Security Number), and the current date. Run this SQR as a prerequisite for running the Rollover Notice, the Rollover Election Form, or any of the miscellaneous letters and forms.

Report ID	PASTDEXT
Type of Report	SQR Report
Parameters	Employee, Calculation Name, Plan
Source	RUNCTL_PASOF01
Source Records	Personal data record
Sorted By	N/A - the extract includes only one employee

Participant's Benefit Extract

Description	This SQR creates a Winword merge file with the employee's Language, Name, Plan, and benefit amounts for the following optional forms: single life annuity; five year term certain; ten year term certain; fifteen year term certain; lump sum; 50% joint & survivor employee and beneficiary amounts; 66-1/2% joint and survivor employee and beneficiary amounts; 75% joint and survivor employee and beneficiary amounts; 100% joint and survivor employee and beneficiary amounts. Run this SQR as a prerequisite for running either of the participant benefit selection letters.
Report ID	PASOF01
Type of Report	SQR Report
Parameters	Employee, Calculation Name, Plan, Optional Forms Function Result
Source	RUNCTL_PASOF01
Source Records	Personal data record, optional forms results
Sorted By	N/A - the extract includes only one employee

Participant Benefit Selection Letters

Participant Benefit Selection - Qualified Letter

Description	This letter outlines a participant's optional form choices for a qualified pension plan.
Report ID	PAWOF01
Type of Report	Winword
Parameters	Employee ID

Source	RUNCTL_PASOF01
Source Records	Participant's Benefit Extract**.**
Sorted By	None (Report is for a single employee).

Participant Benefit Selection - Nonqualified Letter

Description	This letter outlines a participant's optional form choices for a nonqualified pension plan.
Report ID	PAWOF02
Type of Report	Winword
Parameters	Employee ID.
Source	RUNCTL_PASOF01
Source Records	Standard Personal Data Extract.
Sorted By	None (Report is for a single employee).

Rollover Letter and Form

Rollover Notice

Description	This letter notifies participants that they are eligible to roll over their retirement plan distributions.
Report ID	PAWRL01
Type of Report	Winword
Parameters	Employee ID
Source	RUNCTL_PASOF01
Source Records	Standard Personal Data Extract.
Sorted By	None (Report is for a single employee).

Rollover Election Form

Description	This is a form for participants who want to roll over their retirement plan distributions.
Report ID	PAWRL02

Type of Report	Winword
Parameters	Employee ID
Source	RUNCTL_PASOF01
Source Records	Standard Personal Data Extract.
Sorted By	None (Report is for a single employee).

Miscellaneous Letters and Forms

Notice of Minimum Distribution

Description	This is a notice of minimum distribution for active employees reaching age 70-+ who are 5% owners.
Report ID	PAWQL01
Type of Report	Winword
Parameters	Employee ID
Source	RUNCTL_PASOF01
Source Records	Participant's Benefit Extract**.**
Sorted By	None (Report is for a single employee).

Qualified Preretirement Survivor Form

Description	This is a form for employees to elect or waive the plan's qualified preretirement survivor annuity coverage.
Report ID	PAWQL02
Type of Report	Winword
Parameters	Employee ID
Source	RUNCTL_PASOF01
Source Records	Standard Personal Data Extract
Sorted By	None (Report is for a single employee)

Notice of Benefit Suspension

Description	This letter notifies retirees that benefits have been suspended because the retiree has been rehired.
Report ID	PAWQL03
Type of Report	Winword
Parameters	Employee ID.
Source	RUNCTL_PASOF01
Source Records	Standard Personal Data Extract.

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