

PeopleSoft 8.3 Pension Administration PeopleBook

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About the HRMS PeopleBooks

The HRMS PeopleBooks provide you with the information you will need for implementing and using PeopleSoft Human Resources Management System (HRMS) products.

This section describes information you should know before you begin working with PeopleSoft products 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 these books, 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 windows, 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 the PeopleSoft system, much of the information in these books is not procedural. That is, it does not 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. These books expand on the material covered in PeopleSoft training classes.

PeopleSoft Application Fundamentals for HRMS PeopleBook

The individual HRMS PeopleBooks provide you with implementation and processing information for the individual HRMS products. However, there is additional, essential information describing the setup and design of each HRMS product contained in the companion volume of documentation called *PeopleSoft Application Fundamentals for HRMS PeopleBook.*

The *PeopleSoft Application Fundamentals for HRMS PeopleBook* consists of important topics that apply to many or all PeopleSoft applications across the HRMS product line. Whether you are implementing a single HRMS product, some combination of products within the product line, 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 for HRMS 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 for HRMS* and other PeopleBooks.

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 (www4.peoplesoft.com/cc). We post updates, troubleshooting documentation, 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://www4.peoplesoft.com/cc

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 8.3 HRMS PeopleBooks,* SKU HR83PBR0, and *PeopleTools 8.14 PeopleBooks,* SKU PTB814R0.

Note. 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.

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 or panels. 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.

Field	*Definition*
Country	Country for address. Other address fields will be adjusted to reflect Country choice. Select a country from the list of valid values and press TAB to move through the field. The system automatically displays the appropriate address fields using the standardized address formats previously set up in the Country Table. Enter the appropriate address data in the fields that appear.
County (also **Prefecture** and **Parish**)	Name of county (prefecture/parish) for address, if applicable.
Currency Code	The 3-letter code in which the currency is specified.
Description	Freeflow text up to 36 characters that describes what you are defining.
Department	An identification code that represents an organization in a company.
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 or panels and batch processes that use the information use the current row.
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, identification, 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	The phone number for a person or organization.
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.
Regulatory Region	A regulatory region can be any region where there are specific laws and regulations that are addressed by functionality in PeopleSoft Human Resources. Many country-specific transactions are driven by regulatory requirements where Regulatory Region is used for transaction processing.
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.
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.

Field	*Definition*
Run Control ID	Identifies specific run control settings for a panel.
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.

See Also

PeopleTools Development Tools: Application Designer PeopleBook, "Creating Field Definitions," Understanding Effective Dates

PeopleSoft Process Scheduler

PeopleBook Standard Group Boxes

The following group boxes and field groupings appear throughout PeopleSoft HRMS. We have documented them once here.

Entering Name Information

The following fields appear wherever you enter or display naming information:

Format Using Select the country with name format appropriate for this employee. The system will display the appropriate fields for this format in the Person Name group box.

Refresh the Name Field Click to refresh the Name field after you've edited any of the name fields. The system will refresh the name field when you save.

Person Name or Current Name

The following fields appear in the Person Name group box. You will not see all of the fields listed below at any one time. The system displays the fields necessary for the country you select in the Format Using field.

Title — Select a title. If you are reporting employee information under the German Duevo Directive, this field is required and must be completed according to the Duevo rules.

Prefix and **Name Prefix** — Select a Prefix or Name Prefix, if applicable.

Royal Prefix — Select a Royal Prefix, if applicable.

First Name — Enter the employee's official first name.

Preferred First Name — For The Netherlands, enter the employee's preferred first name, if different from the First Name. The system will use the preferred name when you generate form letters or mailing labels for this employee.

Last Name Preference — For the Netherlands, choose this link to provide additional name information for married employees. The Last Name Preference page contains three fields: Last Name Partner, Prefix Partner and Last Name Preference.

Middle — Enter the employee's middle name, if applicable.

Last Name — Enter the employee's official last name.

Suffix — Select a suffix, if applicable.

Second Last Name — For Spanish employees, enter the second surname (mother's surname).

Alternate Character Name — Use this field to enter the employee's name using alternate characters (such as Japanese phonetic characters).

Note. You can enter names using Japanese characters with or without a space between the surname and given name. Names using Roman alphanumeric characters require a comma delimiter.

Warning! Be sure to select the correct character set on the Installation Table – Alternate Characters page. Using the wrong character set generates an error message.

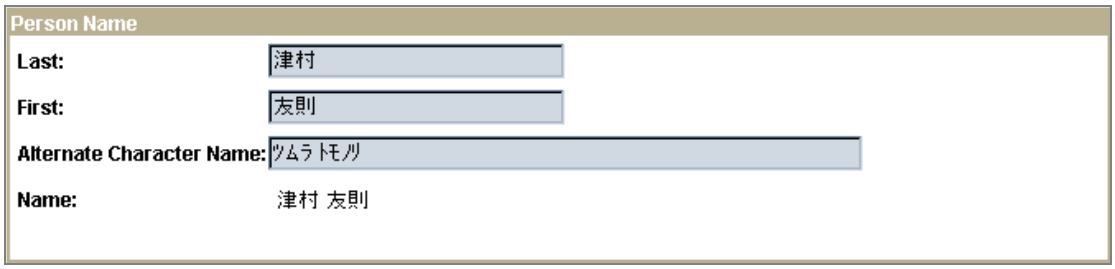
Royal Suffix — Select the appropriate royal suffix. If you are reporting employee information under the German Duevo Directive, this field is required and must be completed according to the Duevo rules.

Name — The system displays the employee's name as it will appear in the system.

Displaying Japanese Names on Pages

Pages that display personal name fields usually display them in First Name, Last Name order. When the country is Japan, however (JPN in the Format Using field), those fields appear in the Last Name, First Name order.

Another difference is that the Name field displays "Last Name[space]First Name," not "Last Name,First Name"; that is, a space separates the last and first names, not a comma.



Japanese name format on a page

See Also

PeopleSoft Applications Fundamentals for HRMS PeopleBook, "Setting Up PeopleSoft HRMS," Working With Double-Byte Characters

Entering Address Information

The following fields appear in address group boxes throughout PeopleSoft HRMS. You may not see all of the fields listed below as the system displays only the fields necessary for the country in use. Determine which address fields are required for each country on the Country Table – Address Format page.

Country	Select the country with address format appropriate for this address. The system will display the appropriate fields for this format in the address group box.
Address 1, **Address 2**, **Address 3**, and **Address 4**	Freeflow text entry fields that enable you to describe street, street number, apartment number, and other address information.
City	Enter the city.
County	Enter the county, if applicable.
State (State, Province, or other)	Enter the state or province.
Postal	Enter the postal, such as zip or postal code.
Number 1, and **Number 2**	Enter 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.

House Type	Enter the house type, if applicable.
Postal Search	Click **Postal Search** to use international address formats.

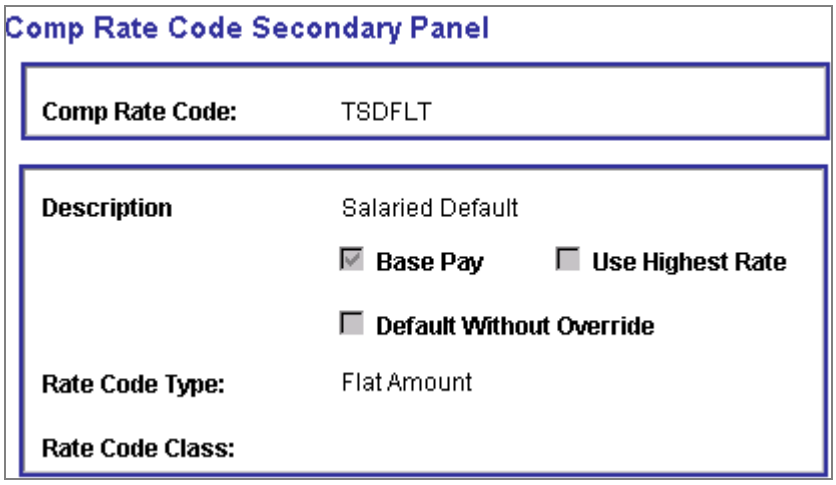
Entering or Viewing Pay Components

Amounts Tab



Pay Components - Amounts

Rate Code	Rate codes are IDs for pay components. The system inserts any compensation information associated with this rate code in the compensation grid. **Note.** If a seniority rate code is inserted as a default value on the Job Data - Compensation page, the values for these rate codes are unavailable for entry.
Seq (sequence)	The sequence number of the rate code if it is used more than once.
Details	Click the **Details** button to open the Comp Rate Code Secondary Panel page.
Comp Rate, (compensation rate) **Currency**, and **Frequency**	The compensation rate, its currency, and the frequency (for example, annually, weekly, or hourly) the comp rate will be paid.
Apply FTE	If selected, the system multiplies the rate code value by the FTE factor for annualization and deannualization. FTE is the percent of full time the employee should normally work in the corresponding job. This field isn't available for ***Percent*** rate codes.
Points	The salary points associated with this rate code, if any.
Percent	If the rate code rate type is ***Percent,*** the system displays the percent to be applied to the job compensation rate or to a rate code group if you are using rate code groups.
Rate Code Group	A rate code group enables you to be more specific when calculating percentages based components as part of your employee compensation package.



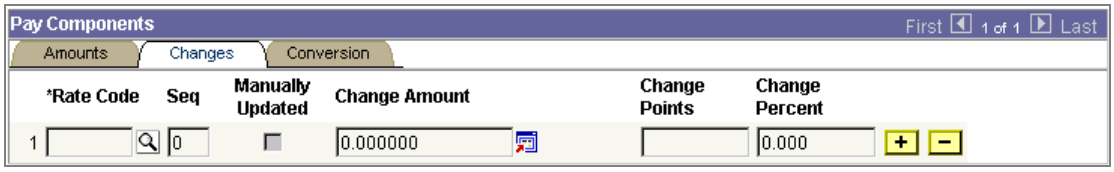
Comp Rate Code Secondary Panel

Access this page by clicking the Details link on the Amounts page. Displays additional information about the rate code.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, "Working With Multiple Components of Pay," **Defining Rate Codes**

Changes Tab



Pay Components – Changes page

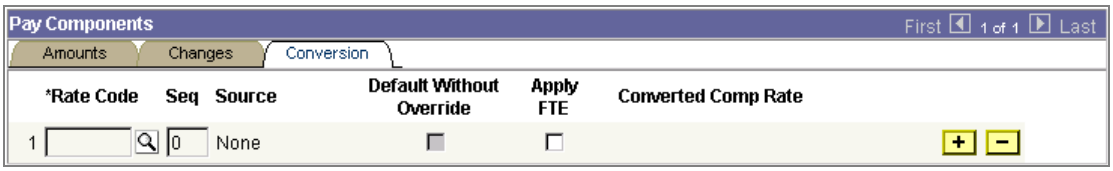
This page displays the change in an employee's salary.

Manually Updated The system selects this if you have manually updated the pay components.

Change Amount The overall change amount to this pay component rate.

Change Points The overall change amount (in points) to this pay component, if applicable.

Change Percent The overall percentage change to this pay component, if applicable.



Pay Components – Conversion

This page displays the conversion rates in an employee's salary.

Source The system displays the source of the rate code, such as ***Absorbing Premium***, ***Seniority Pay***, ***Job Code***, or ***Manual***.

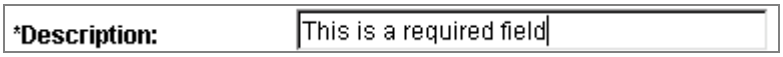
Default Without Override Selected if the worker's compensation package cannot be manually updated on the Job Data – Compensation page.

Apply FTE Indicates if the converted rate code value will be multiplied by the FTE factor for annualization and deannualization.

Converted Comp Rate Displays the converted compensation rate for this pay component. The system converts all base pay components to the Job currency and compensation frequency.

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 not 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.
See Also	PeopleBooks provide cross-references under the heading "See Also." Capitalized titles in italics indicate the title of a PeopleBook; titles in quotes indicate the title of a chapter; titles in normal font refer to sections within the PeopleBook. Here's an example: ***See Also*** *About These HRMS PeopleBooks,* **PeopleSoft 8.3 HRMS PeopleBooks Preface**

Note. 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.

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

Process Introductory Table

In the documentation, each business process in the application is accompanied by an introductory table with pertinent information about the pages used in the process.

Page	*System Name*	*Navigation*	*Usage*
Name of the page.	Gives the system name of the page as specified in the PeopleTools Application Designer. For example, the system name of the Detail Calendar panel is DETAIL_CALENDAR1.	Provides the path for accessing the page.	Describes how you would use the 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 an 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.

Local Country Functionality

Any functionality that is specific to an individual country will be designated by the three-character ISO code for that country. For example, functionality specific to Germany would be indicated by a DEU designation at the beginning of a section heading. Most often this will appear at the beginning of a section heading (such as with this section), but the country 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:

DOC@PEOPLESOFT.COM

While we cannot 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

About the PeopleSoft 8.3 Pension Administration PeopleBook

This book provides you with the information you will need for implementing and using PeopleSoft Pension Administration.

This preface explains how to use the documentation for PeopleSoft Pension Administration. General information you should know before you begin using PeopleSoft documentation is presented in About These HRMS PeopleBooks. It provides information about the following topics:

- Using related documentation such as the PeopleSoft Application Fundamentals for HRMS PeopleBook.
- Ordering documentation on the Internet, on CD-ROM, and in hardcopy.
- PeopleBooks standard page element definitions.
- Required fields on pages.
- Typographical conventions and visual clues in the documentation.
- Process introductory table explanation.
- U.S. Federal Government functionality designation within the documentation.
- Education and Government functionality designation within the documentation.
- Local country functionality designation within the documentation.
- Comments and suggestions about the documentation.

Note. We strongly recommend that you read About These HRMS PeopleBooks. In particular, the PeopleSoft Application Fundamentals section lists where you can find information about topics that apply to many PeopleSoft applications across the HRMS product line. For example, you can find information about setting up control tables, administering security, and setting language and currency preferences in the *PeopleSoft Application Fundamentals for HRMS PeopleBook*.

CHAPTER 2

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.

Getting Started With 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

Task	*For more information, see:*
Setting up plan rules for individual plan components	Consolidating Payroll Data Defining Plan Eligibility Defining Plan Participation Defining Service and Break Rules Defining Vesting Rules Defining Benefit Eligibility Defining Final Average Earnings Defining Cash Balance Accounts Defining Employee Accounts Defining Social Security Defining Covered Compensation Defining Early and Late Retirement Factors Defining Death Coverage Reductions Defining Benefit Formulas Defining the Employee-Paid Benefit Defining Optional Forms Applying 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

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.

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 for North

America 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.

See Also

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.

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.

See Also

"Maintaining Public Tables"

"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.

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.

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.

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.

See Also

"Maintaining Employee Pension Data"

Administering Contributory Plans

"Recording Communications"

"Maintaining Public Tables"

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.

When erroneous employee data is detected, periodic processing will stop for that employee and restart with the next employee. The system checks for valid data such as date of birth, date of hire, and date aliases. Erroneous data is written to a table named PS_PA_EE_ERR_TBL. You can then use this table to troubleshoot the data that is causing the process to skip a particular employee.

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.

See Also

"Running Periodic Processes"

"Calculating Pension Benefits"

"Viewing Calculation Results"

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.

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.

See Also

"Establishing Pension Plans"

"Preparing Pension Payments"

"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.

Managing Non-employee 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.

See Also

"Administering Pension Payees"

"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 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 menu.
- To sign employees up for deductions, use the Administer Base Benefits menu.

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.

See Also

"Appendix: PeopleSoft Pension Administration Reports"

CHAPTER 3

Planning Your Implementation

This chapter provides an overview of implementing PeopleSoft Pension Administration and tells you how to:

- Establish plans.
- Set up specific plan components.
- Form the calculation job stream.
- Set up miscellaneous plan information.
- Put plans in order.
- Create status codes.
- Establish retiree administration control tables.
- Convert your data.
- Test your implementation.

Overview of Planning Your Implementation

The work of implementing PeopleSoft Pension Administration falls into three areas:

- Defining processing rules.
- Converting employee data.
- Testing your implementation.

This book focuses almost entirely on the first area, establishing processing rules.

Establishing the Plans

First you need to determine how you're going to map your existing plans into the PeopleSoft Pension Administration system. You take inventory of your existing plans and decide which ones to create in the system as you may decide that you don't need to set up calculation rules for certain plans.

However, even if you aren't going to set up calculation rules, you still need to establish the plan in the system if you want to use PeopleSoft Pension Administration to administer participants and benefits.

You establish your plan by adding it to a plan table and adding pension-specific information about the plan in the Base Benefits business process of PeopleSoft Human Resources.

And if you the Base Benefits business process to deduct pension contributions from employees' paychecks, there are some additional considerations.

See Also

PeopleSoft Human Resources PeopleBook: Base Benefits, "Setting Up Benefit Plans," Entering Benefit Plan Information and Setting Up U.S. Pension Plans

Setting Up Specific Plan Components

When setting up specific plan components you:

- Organize plan rules into 19 distinct functional areas such as service, final average earnings, optional forms.
    - These 19 core functions represent the processes needed to produce a benefit amount in all its optional forms.
    - No plan will use every function; your analysis will determine which functions are appropriate for your plans.
- Decide on specific plan rules
    - Some rules, such as your benefit formulas, are explicitly defined in your plan document.
    - Other rules, such as the method used to calculate employee ages, might be written or unwritten administrative policies.
- Make sure your policies are well-defined. Look at the parameter pages first to determine which methods are most easily implemented if you are reengineering your administrative practices at implementation time

Entering Calculation Parameters

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. This is extremely important because it will be impossible for you to create any module until all its prerequisite modules are in place. Use your diagrams as a road map for entering the data in the system.

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

See Also

PeopleSoft Human Resources PeopleBook: Base Benefits, "Setting Up Benefit Support Tables" Setting Up Calculation Rules

Forming the Calculation Job Stream

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.

Setting Up Miscellaneous Plan Information

You 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.

See Also

"Creating the Plan Implementation and Plan Aliases"

Putting Plans in Order

You must give each plan you create 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.

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.

See Also

"Creating the Plan Implementation and Plan Aliases," Setting the Order of Your Plans

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 for information, they're also the foundation for your actuarial valuation extract and your Form 5500 reporting.

See Also

"Using Pension Statuses"

Establishing Retiree Administration Control Tables

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.

If you use the Base Benefits business process 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.

See Also

"Establishing Retiree Administration Control Tables"

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 for North America and PeopleSoft Human Resources.

When you move your historical employee data into the PeopleSoft system, you're dealing with:

- Data that isn't specific to a particular pension plan. This is descriptive data about the employees and their job histories.
- Data that 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.

See Also

"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 4

Setting Up the Calculation Rules

This chapter provides an overview of setting up calculation rules and tell you how to:

- Identify the core functions.
- Understand modular rules.
- Incorporate time segments into function results.
- Plan your implementation.

Overview of Setting Up Calculation Rules

PeopleSoft Pension Administration handles your pension calculation rules through its 19 core functions. You map plan rules into these functions to construct calculation components for the elements of your plan. You then bring the individual components together to produce a final benefit.

Note. Most pension plans do not use *all* 19 core functions.

Your analysis will reveal the various ways you perform calculations. Effective dating enables you to keep a history of plan provisions through all the changes your plan has seen. Special group processing enables you to match employees to the correct processing rules.

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

Identifying the Core Functions

Sixteen of the nineteen core functions are 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. Each of the functions is discussed in its own chapter.

See Also

"Consolidating Payroll Data"

"Defining Plan Eligibility"

"Defining Plan Participation"

"Defining Service and Break Rules"

"Defining Vesting Rules"

"Defining Benefit Eligibility"

"Defining Final Average Earnings"

"Defining Cash Balance Accounts"

"Defining Employee Accounts"

"Defining Social Security"

"Defining Covered Compensation"

"Defining Early and Late Retirement Factors"

"Defining Death Coverage Reductions"

"Defining Benefit Formulas"

"Defining the Employee-Paid Benefit"

"Defining Optional Forms"

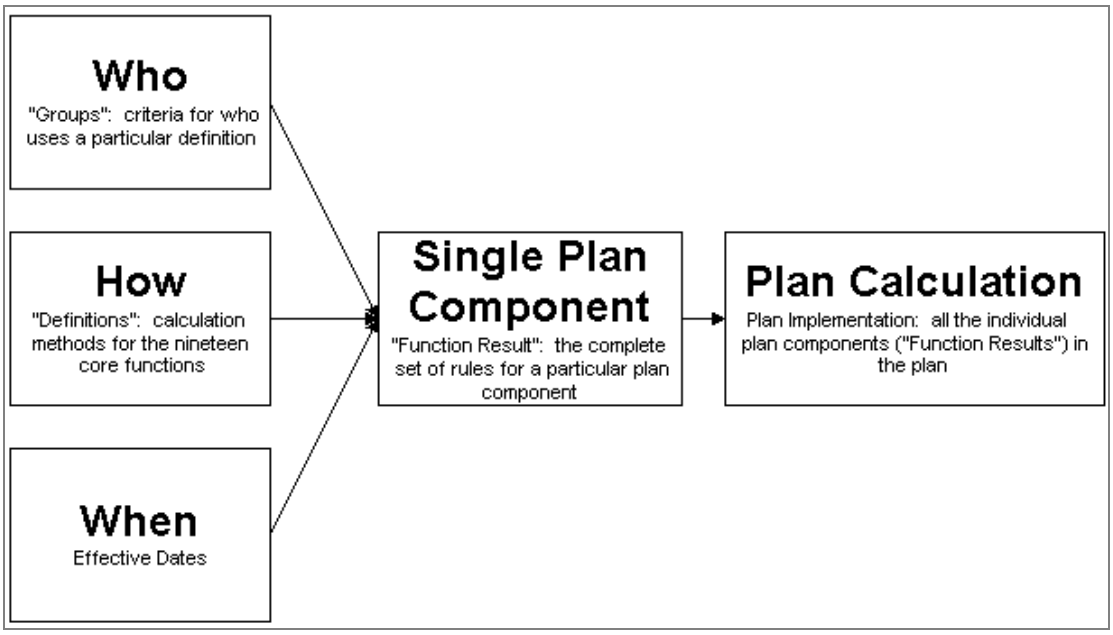
"Applying 415 Limits"

Understanding Modular Rules

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

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

When you put together a complete rule, you 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.

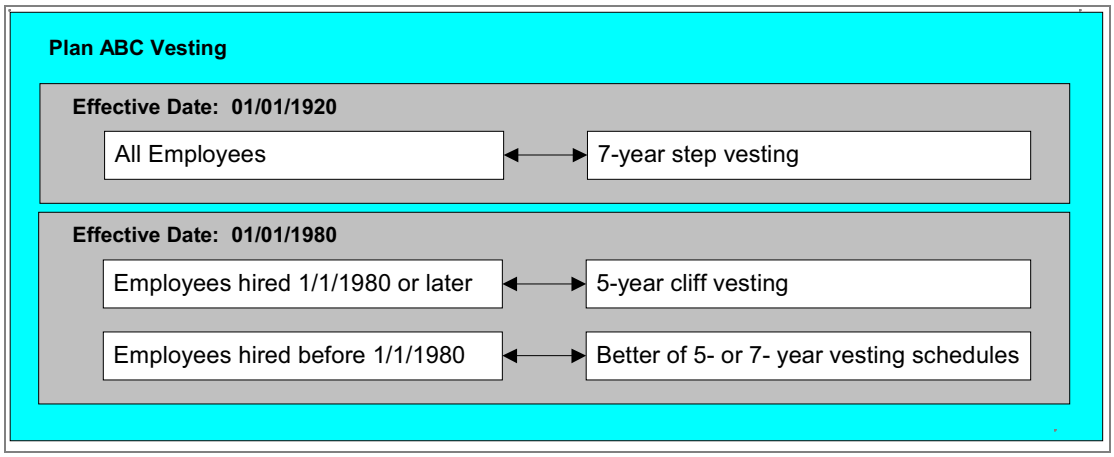
Your complete rules will have two effective dates. First, from the inception of the plan until 1980, there's one rule (step vesting) available to all employees. Second, after 1/1/1980; employees hired after the change use the new rule (cliff vesting) while employees hired before the change use the better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

Note. In reality, each of these modules would reference other modules.

Your rule will look something like this:



Vesting rules example

You put all the pieces together on the *Function Result* page. "Function Result" 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 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:

- If your plan calculates participation service, vesting service, and plan service separately, you would use three different service function results—one for each type of service you need to calculate.
- Benefit Eligibility usually uses several function results: for example, one to determine eligibility for normal retirement, one for early retirement, one for disability retirement.
- The plan may provide more than one benefit amount function, provided by the benefit formula.

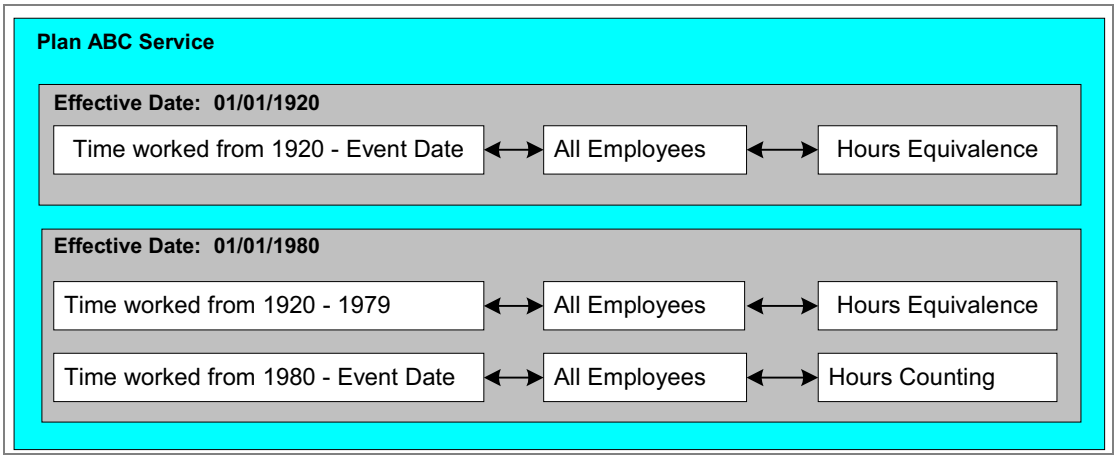
Note. During your implementation, you'll need to keep track of many modular objects: function results, definitions, and various definition subcomponents. You'll find this task easier if you develop a naming standard for your pension objects. For example, you may want to set aside the first or last characters to identify the object type, ending all function results with "_F" and all definitions with "_D." You may also want to incorporate a plan code into the name so you know which plan uses that object. Your naming standard has a ten-character limitation.

See Also

"Understanding Pension Utilities"

Incorporating Time Segments into Function Results

Certain functions 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 until a plan amendment in 1980, then started accruing service using an hours equivalence method. You don't want the system to recalculate the earlier service using the changed rules, you want to add together the service accrued under the old rules and service accrued 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 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*—the date of separation from service due to either 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 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.

Function	*Example*
Participation	If participation rules change, the participation status for prior years will remain unchanged; the new rules would only apply to future periods.

Other functions don't use time segments to break an employee's career into sections. Therefore, the Start Date and Stop Date fields 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. During your detailed analysis, you'll look at your existing administration practices closely.

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 19 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 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 need and you understand their interrelationships. Once you have completed your analysis, use 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 are implicit rather than documented.

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

CHAPTER 5

Understanding Pension Utilities

This chapter provides an overview of pension utilities and covers:

- The three utility types.
- Maintenance of pension parameters.

Overview of Pension Utilities

The system provides parameter pages used to create *definitions* for the 19 core functions that handle pension calculations.

The definition pages you use can, in turn, reference other utility rules. There are three different types of utilities: variables (also called *aliases*), tables, and rules.

Understanding the Three Utility Types

The following table describes the utilities.

Variables (aliases	Aliases are calculated values that vary by employee. Variables may be stored in the database, for example an employee birth date, or calculated, for example the employee's age at termination. When you need to use multiple job processes, there are special rules when resolving aliases.
Rules	Rules are incorporated into the main parameter pages for a function enabling you to reuse specific subsets of your definitions. For example, you can create an earnings projection method using the projections rule and then apply that method within the Final Average Earnings, Cash Balance Accounts, and Employee Accounts functions.
Tables	Tables are lists of values that you use for specific functions. For example, you can set up mortality tables that you can reference from within an actuarial assumption set.

See Also

"Defining the Primary Job Record and Multiple Jobs Considerations"

Maintaining Pension Parameters

You maintain pension parameters using the three utilities.

Using Variables

There are eight types of variables that you can configure to calculate any type of value. Each variable is described in its own chapter.

"Using Database Aliases"

"Creating Table Lookup Aliases"

"Using Date Aliases and Date Options"

"Using Duration Aliases and Duration Options"

"Using Function Result and Actuarial Factor Aliases"

"Using Custom Statements and Spouse Eligibility Statements"

Using Rule Utilities

You can drop certain rule utilities into other definitions as needed, enabling you to reuse a rule without having to set up all its parameters each time. Each rule is described in its own chapter.

See Also

"Creating Action/Reason Categories"

"Using Actuarial Assumptions"

"Using Interest Methods"

"Applying 401(a)(17) Earnings Limits"

"Projecting Hours and Earnings"

Using Tables

You use mortality tables and service schedules for very specific purposes:

- Mortality tables are part of an actuarial assumption set. When you create your actuarial assumptions, you 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 reference these schedules from certain hours-based service definitions.

See Also

"Using Actuarial Assumptions," Setting Up Mortality Rates

"Counting Periods of Service," Crediting Service Based on Hours Worked

Customizing Plan Rules

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

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

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.

See Also

"Configuring Calculations"

CHAPTER 6

Establishing Pension Plans

This chapter provides an overview of setting up pension plans and some information setting up pension plans as benefits.

Overview of Pension Plan Setup

You set up your pension plans in the Base Benefits business process tables. Once you've set up your basic plan definition, you can set 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 to:

- Create deduction codes.
- Create deduction calculation rules.
- Put the plan into a benefit/deduction program.
- 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.

Note. 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.

See Also

"Administering Contributory Plans," Deducting Pension Contributions

Setting Up a Pension Plan

You need to complete only two pages to create a basic pension plan but for contributory plans where the Base Benefits business process or PeopleSoft Payroll for North America calculates the deductions, there are additional steps.

Setting Up Basic Pension Plan Data

Use the Benefit Plan Table page to add the plan and the Pension Plan Table US) page to add pension-specific information about the plan.

See Also

PeopleSoft Human Resources PeopleBook: Base Benefits, "Setting Up Benefit Plans," Entering Benefit Plan Information and Setting Up U.S. Pension Plans

Adding Contributory Elements

To establishing deduction processing for contributory plans you need to.

1. Ensure there is a unique plan type. If you have more than six contributory plans, you'll need to add additional plan types to the translate table.
2. Create a deduction code for each contributory plan.
3. Set up the basic pension plan data.
4. Add the plan to a benefit program.

See Also

PeopleSoft Human Resources PeopleBook: Base Benefits, "Introduction to PeopleSoft Benefits," Designing Your Benefits Program and "Organizing Payroll Information for Base Benefits," Setting Up Benefit Deductions.

Setting Up Pension Plans as Benefits

Perform all of the following setup in the Base Benefits business process. We supply only summary information here except for the example of a Contributory Plan definition.

Using Plan Types and Setting Up Benefit Plans

The Base Benefits business process uses plan type to control much of its processing. Using plan type, the system can distinguish pension plans from health plans, savings plans, and various other categories of benefit plans. Plan types are translate values. When setting up a benefit plan, you first select a plan type.

See Also

PeopleSoft Human Resources PeopleBook: Base Benefits, "Setting Up Benefit Plans," Defining Benefit Plans

Completing Your Pension Plan Set Up

Use the Pension Plan Table page to complete your plan setup.

Part of the completion of your pension plan is the defining Contributory Plans.

Defining a Contributory Plan

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.

See Also

PeopleSoft Human Resources PeopleBook: Base Benefits, "Setting Up Benefit Plans," Entering Pension Plan Details

Building Benefit Programs

Benefit programs are a prerequisite for enrolling employees in a benefit plan. You 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.

See Also

PeopleSoft Human Resources PeopleBook: Base Benefits, "Building Base Benefit Programs"

CHAPTER 7

Establishing Plan Administration Information

This chapter provides a overview of plan administration and tell you how to:

- Enter basic plan administration information.
- Enter funding provider information.
- Set up activity lists.

Overview of Plan Administration

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

You also establish funding providers for the plan. When you set up retiree payments, you identify the funding source using the values you've established. The system includes funding provider information in instructions you send to the third-party trustee who provides 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.

Finally, you can set up generic checklists, "activity lists," to use for those administrative processes that involve working with plan participants.

Pages Used in Plan Administration

Page Name	*Object Name*	*Navigation*	*Usage*
Plan Administration	PA_PLAN_ADMIN	Compensate Employees, Administer Pension Plan, Setup, Plan Administration	Supply basic administrative information.
Funding Provider and Company	PA_PLAN_ADMIN_FUND	Compensate Employees, Administer Pension Plan, Setup, Plan Administration	Identify the retiree company associated with a particular plan and to identify valid funding providers for the plan.
Activity Lists	PA_RT_ACTIVITY	Compensate Employees, Administer Pension Plan, Setup, Activity Lists	Set up lists for different types of events in the lives of plan participants.

Entering Funding Provider and Company Information

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 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.

Access the Funding Provider and Company page.



Funding Provider and Company page

SetID

Vendor ID

Enter IDs for the funding provider. Only providers included in the Funding Provider and Company page will be valid providers when you schedule payments for a pension payee.

Domiciling Company

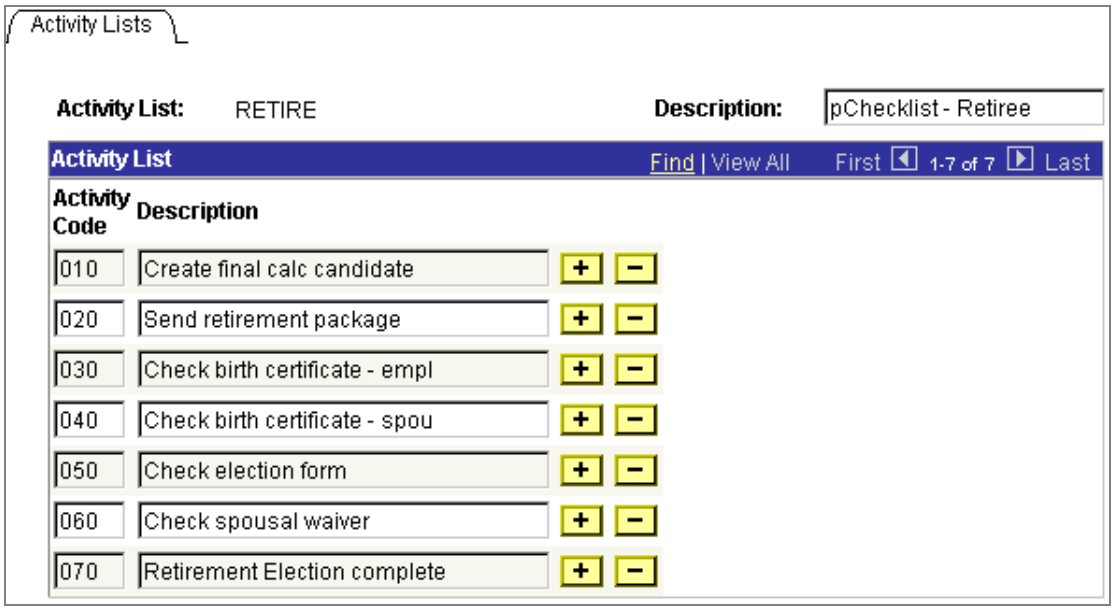
Enter the domiciling company which is the retiree company associated with the plan. This is the company—from the Company Table—to which you assign payees who receive benefits from this plan. Only companies included here will be valid when you create a retiree job.

Creating 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.

You can create activity lists to help you monitor these various events. You can create lists for different types of event processing such as terminations, retirements, and deaths. You can also set up different lists for different types of plan participants: retirees, beneficiaries, and QDRO alternate payees.

Access the Activity Lists page.



Activity Lists page

Activity Code Enter the code of the activity you want to add to the list.

Example

Activity Code	*Description*
010	Create final calc candidate
020	Send retirement package
030	Check birth certificate - empl
040	Check birth certificate - spouse

See Also

PeopleSoft Human Resources PeopleBook: Base Benefits, "Setting Up Vendors"

"Establishing Retiree Administration Control Tables"

CHAPTER 8

Setting Up Contributory Plans

This chapter provides an overview of contributory plans and tells you how to:

- Deduct pension contributions.
- Track contributions.
- Manage the employee-paid and employer-paid benefits.
- Ensure employees recover their contributions.
- Implement service buy back.
- Implement service purchase provisions.

Overview of Contributory Plans

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

1. If you're using the Base Benefits business process and PeopleSoft Payroll for North America, you need to establish deduction processing to take pension contributions from employee paychecks.
2. You need to track contributions and the interest they earn.
3. 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:
    a. Vesting: employees are always 100% vested in their contributions while the employer-paid portion of a benefit is subject to plan vesting rules.
    b. Of the 415 limits on defined benefit plans: you'll only apply the limits to the employer-paid portion. (Employee contributions, mandatory or voluntary are considered a defined contribution plan.)
    c. 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.
4. 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.

5. 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.

6. 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.

Deducting Pension Contributions

You set up all your pension plans in the Base Benefits business process before establishing the plan's calculation rules. When you're dealing with contributory plans, you have to perform some extra steps during plan set up.

Base Benefits business process enables employees to enroll in only one plan per plan type, for example one medical plan, one dental plan. 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 for your Pension Plans (U.S.) (types 82 through 87); they are translate values.

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

You 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.

Once you've established the plan, you add it to a benefit program.

On an ongoing basis, you'll need to enroll employees in the pension plans. Enrolling 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.

See Also

PeopleSoft Payroll Interface PeopleBook, "Understanding the Deduction Table"

"Establishing Pension Plans"

PeopleSoft Human Resources PeopleBook: Base Benefits, "Building Base Benefit Programs" and "Enrolling Participants"

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.

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.

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 but you can:

- Override the consolidation data that was the source for the employee account history.
- Enter an adjustment directly into the account on the Employee Acct Adj page which applies the adjustments during the next periodic processing and determines the employee-paid benefit during a calculation.

See Also

Consolidating Payroll Data

Defining Employee Accounts

Defining the Employee-Paid Benefit

"Maintaining Employee Pension Data," Viewing an Employee's Consolidated Contributions and Adjusting Contributory Accounts

"Viewing Employee Data," Viewing Employee Account History

Managing the Employee-Paid 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 also establish the employer-paid portion of the benefit. How you do this depends on whether the employee contributions are:

- Voluntary and thus supplement the plan benefit
- Mandatory and thus offset the cost of providing the benefit:

If employee contributions *supplement* the employer-paid pension benefit—for example, by employees making voluntary contributions that increase the value of their pension benefit—then the regular benefit formula provides the employer-paid benefit. In this case, you 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 subtract the employee-paid benefit from the total benefit to find the employer-paid portion. You 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: You need to isolate the employer-paid portion and apply vesting rules to that portion only.
- The 415 limits: You need to have both benefit formula and optional forms function results for the employer-paid benefit because the benefit formula feeds values to optional forms, which in turn feeds values to 415 limits processing. Beware, because the limits are applied *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 limits were applied.

Note. You may need to consider the employee contributions in determining the 415 limits applicable to defined contribution (DC) plans. PeopleSoft Pension Administration doesn't calculate 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-paid and employer-paid portions separately. This means you need both benefit formula and optional forms function results for both portions of the benefit so that the system can feed the benefit amount to the payment process. If the two employee-paid and employer-paid portions are a single inseparable benefit, you 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 then 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 let employees receive separate payments for the employee-paid and employer-paid portions of the benefit.
4	Benefit Formula - Employer.	Regular plan benefit, all employer funded. Vesting rules should be applied.
5	Optional Forms - Employer.	Optional forms for the employer-paid benefit are used only 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, the final recombined benefit (benefit formula and optional forms) will be *incorrect* because they're processed before 415 limits, and will, therefore, be based on the unlimited amount, not the 415-limited amount. Work around this limitation by running 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 12, 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 adjusts the optional forms results for the employer-paid benefit, but doesn't recalculate the combined benefit.

If employee contributions *offset* a portion of the employer cost, the job stream will be different with one new row (Order 1) and one changed row (Order 5 — 4 in the preceding table).

Order	Function	Function Result Description
1	Benefit Formula - Total Before Vesting.	Regular plan benefit with no vesting rules applied.
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 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.

Warning! The system doesn't support recombining employee-paid 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 need to keep track of the final employee contributory balances against benefits received, because employees are entitled to full recovery of their contributions.

Setting Parameters in an Optional Forms Definition

Furthermore, any after-tax contributions are recovered as nontaxable benefits. Use the General Parameters Page to set parameters in an optional forms definition.

Identifying the Appropriate System Employee Account

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.

Viewing Final Account Balances

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.

See Also

Creating the Plan Implementation and Plan Aliases

"Making Pension Payments," Tracking the Payee Summary

Implementing Service Buy Back

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.
- Tracking repayments and the associated service credits.

In your Employee Accounts definitions, you establish a special type of employee account for tracking withdrawals. You can pay employees out of this account, and accept repayments into this account. By entering a consolidated deductions data source in this definition, the system can automatically credit this account with repayments made through payroll deductions.

In the Function Result page, you 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.

See Also

Administering Contributory Plans

Implementing Service Purchase Provisions

In certain situations, you might let your employees purchase service by paying the contributions and interest that the plan would have collected had the employee been working and contributing during that time. Examples are the purchase of service 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.

On the Function Result page, you 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.

When a pension administrator sets up a service purchase program for an employee, he needs 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. You 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.**

See Also

Administering Contributory Plans

CHAPTER 9

Establishing Retiree Administration Control Tables

This chapter tells you how to:

- Activate PeopleSoft Pension Administration and set PeopleTools options.
- Set up retiree departments and security.
- Set up other control tables.
- Create a logical file for the trustee extract.

Note. To track pension payees, you need to establish the payees in your PeopleSoft system. There are several tasks you need to do to prepare your system for your pension payees.

Activating PeopleSoft Pension Administration and Setting PeopleTools Options

On the Installation Table's Products page (Define Business Rules, Define General Options, Setup, Installation Table) select the **Pension Administration** check box.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, "Setting Up PeopleSoft HRMS," Setting Up PeopleSoft HRMS Setting Up Implementation Defaults

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Note. If you are 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. Change to partial position management on the Installation Tables HRMS Options page.

On the PeopleTools Options page (PeopleTools, Utilities, Use, PeopleTools Options) select the Multiple-Company Organization check box and the Multiple Job Allowed check box. Do this because:

- Your pension plans are independent tax-reporting entities, your system should be set up to support multiple 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.
- When you retire an employee with the PeopleSoft Pension Administration system, you create an additional retiree "job," concurrent with the employee's original job.

See Also

Establishing Pension Payees

PeopleSoft Application Fundamentals for HRMS PeopleBook, "Setting Up PeopleSoft HRMS," Setting Up HRMS Options on the PeopleTools Options Page and "Setting Up Companies, Agencies, and Locations"

Note. 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.

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.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, "Setting Up Companies, Agencies, and Locations," Maintaining Departments and "Administering PeopleSoft Security"

PeopleTools PeopleBook: Tree Manager

Setting Up Other Control Tables

The other control tables you 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.

Note. 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 10

Defining the Primary Job Record and Multiple Jobs Considerations

This chapter provides and overview of multiple job considerations and tells covers:

- How the system process calculates a primary job record.
- Control of the primary record selection.
- Attachment of Active/Inactive Definitions to the Plan Aliases page.
- Manual selection of a job record as primary.

Overview of Multiple Jobs Considerations

PeopleSoft Pension Administration 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.

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."

See Also

"Creating the Plan Implementation and Plan Alias," Creating a Plan Implementation

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: 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: 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: 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: 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: 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.

Controlling the Primary Record Selection

You can control which record the system selects as primary by controlling what makes a job active or inactive. You create 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.

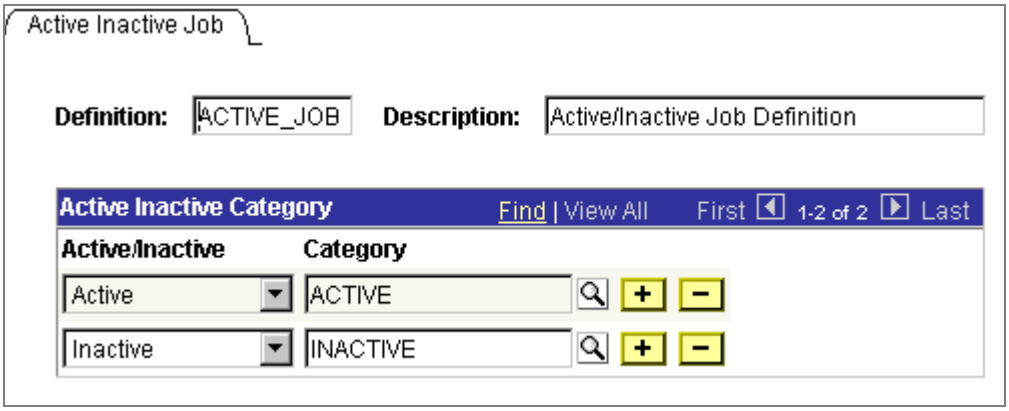
If you want to modify your active/inactive definitions, you can modify one of the delivered categories or create your own.

Pages Used Control What Makes Jobs Active or Inactive

Page Name	*Object Name*	*Navigation*	*Usage*
Active/Inactive Job	PA_ACTIVE_JOB_RULE	Define Business Rules, Maintain Pension Parameters, Rules, Active/Inactive Jobs	Use the Active/Inactive Job page to set up modified definitions of what makes a job active or inactive.

Modifying Definitions for Making Jobs Active or Inactive

Access the Active/Inactive Job page.



Active/Inactive Job page

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

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, 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.

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 attach the set to a pension plan on the Plan Aliases page. In the prompt box for the Active/Inactive job definition field, select the definition name you created on the Active/Inactive page.

See Also

"Creating the Plan Implementation and Plan Aliases"

Overriding The Primary Job Selection

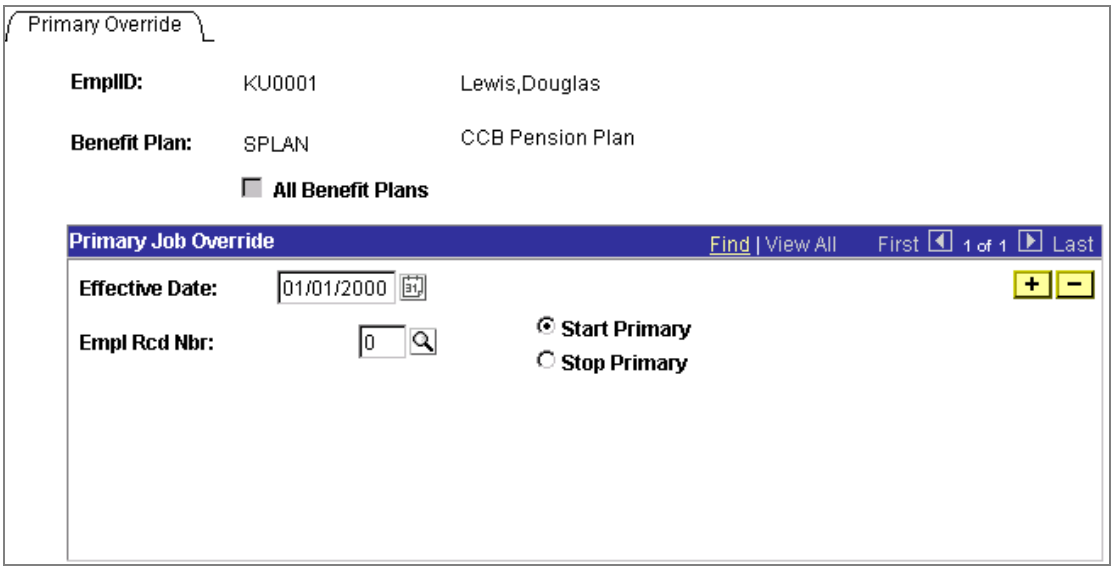
If you don't want the system to determine the primary job record, then you can override it by specifying which employee record the system should consider primary.

Pages Used To Manually Select a Job Record as Primary

Page Name	*Object Name*	*Navigation*	*Usage*
Primary Override	PA_PRIMJOB_OVRD	Compensate Employees, Administer Pension Plan, Use, Primary Job Override.	Manually select a job record as primary, thereby overriding the system default.

Manually Selecting a Job Record as Primary

Access the Primary Override page



Primary Job Override page

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

Start Primary Select this option to override the system-calculated primary job record and designate another record as primary. This automatically removes primary status from any other existing primary record.

CHAPTER 11

Consolidating Payroll Data

This chapter shows you how to:

- Set up earnings consolidations.
- Set up hours consolidations.
- Consolidate contributions.

Understanding Consolidations

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.

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.

See Also

"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

Payroll Source Table	*Pension Archive Table*
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.

See Also

Establishing Earnings Parameters

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

Use the Consolidated Earnings component to set up the rules for earnings consolidations .

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.

Note. 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 display on the Earnings History page but don't get used during the calculation.

See Also

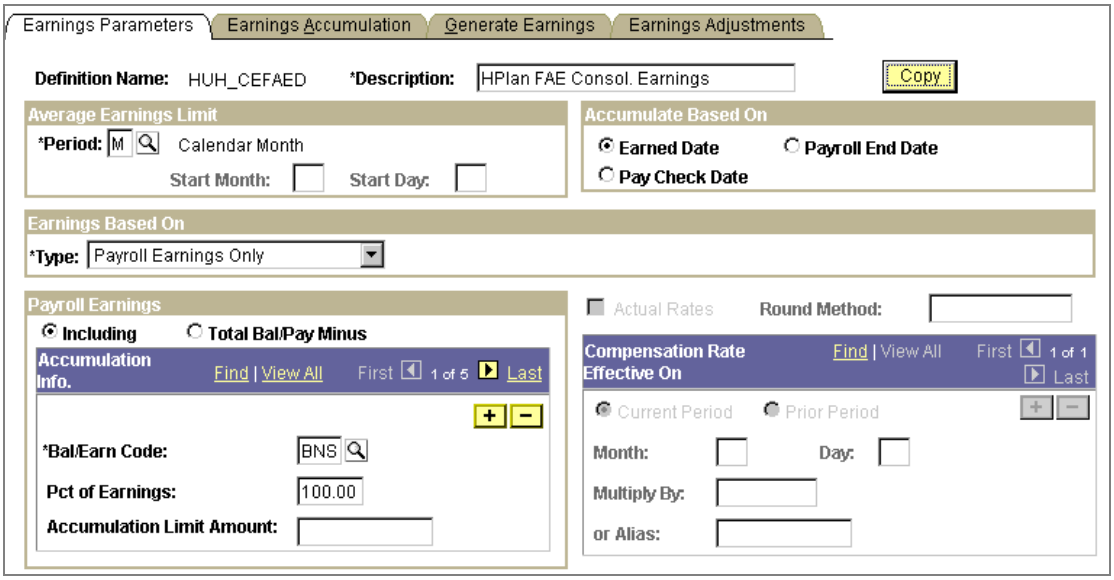
"Maintaining Employee Pension Data," Viewing an Employee's Consolidated Earnings

Pages Used to Set Up Earnings Consolidations

Page Name	*Object Name*	*Navigation*	*Usage*
Earnings Parameters	PA_CONS_EARN_PARMS	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings, Earnings Parameters	Establish the accumulation period and to identify the earnings data to be included in the periodic totals.
Earnings Accumulation	PA_CONS_EARN_ACCUM	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings, Earnings Accumulation	Set limits and adjustments.
Generate Earnings	PA_CONS_EARN_GEN	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings, Generate Earnings	Establish generation conditions and methods.
Earnings Adjustment	PA_CONS_EARN_BRK	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Earnings, Earnings Adjustments	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.

Establishing Earnings Parameters

Access the Earnings Parameters page.



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

Period

The consolidation process produces periodic earnings totals to provide a period-by-period earnings history. Enter the appropriate **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

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.

See Also

"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:

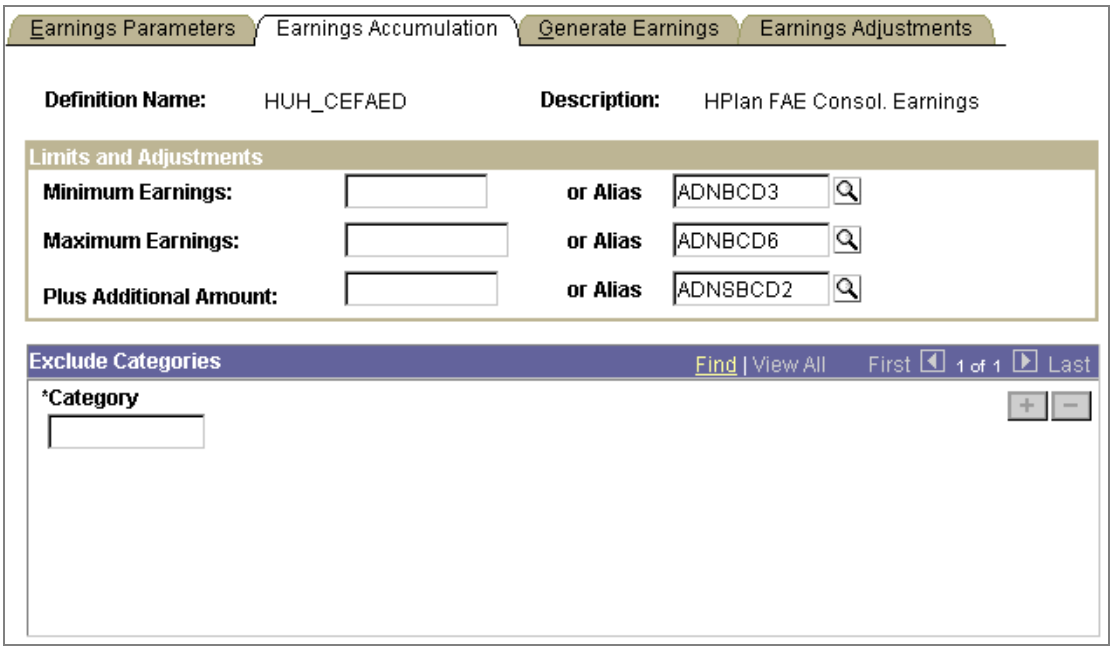
- Using only payroll earnings, there would be 10 months of $4.6K and two months of $6.8K
- Using only compensation rate, there would be 12 months of $5K
- Using a 50/50 blend of the two there are 10 months of $4.8K and 2 months of $5.9K

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.

Setting Earnings Accumulation Limits and Adjustments

Access the Earnings Accumulation page.



Earnings Accumulation page

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.

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.

Exclude Categories

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.

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.

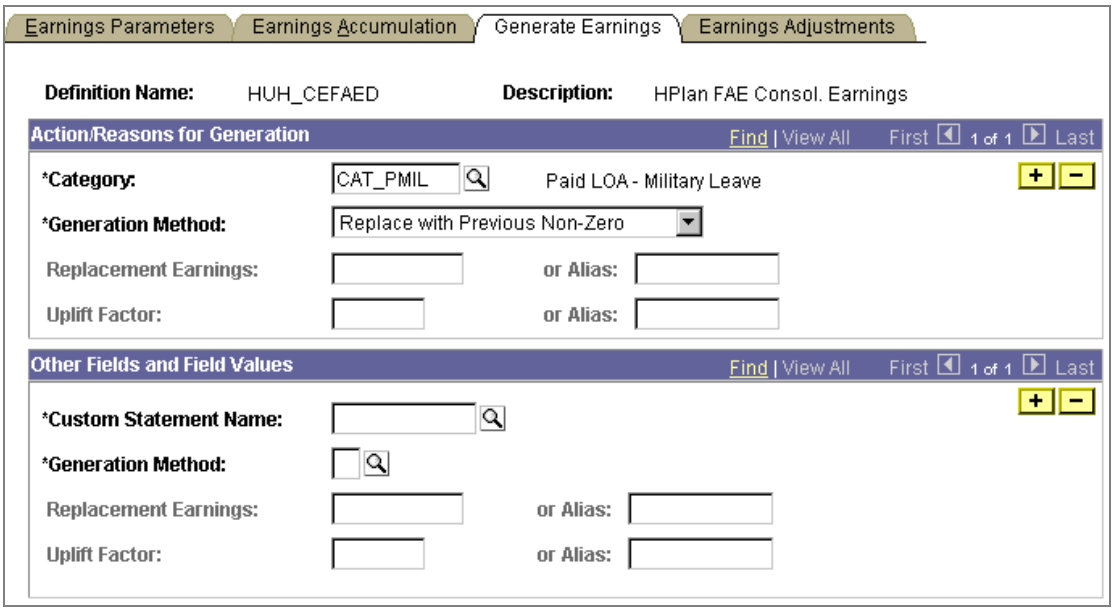
To ensure that the system recognizes the return from leave action (and thus stops excluding earnings), include that action in the "Include Category" on the Consolidate Earnings - Earnings Adjustment page.

See Also

"Creating Action/Reason Categories"

Establishing Earnings Generation Methods

Access the Generate Earnings page.



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.

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.

See Also

"Using Custom Statements and Spouse Eligibility Statements"

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:**

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 Establishing Earnings Parameter 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.

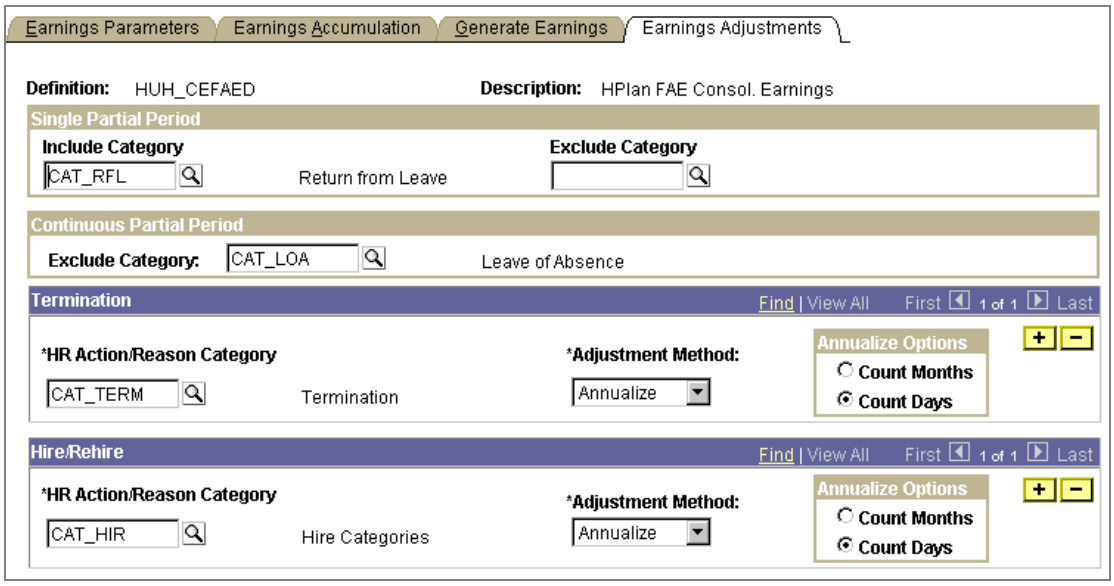
If you select ***Replace with Compensation Rate,*** the system prorates the employee's compensation rate over the duration of the generation status and adds that amount to the actual earnings for the period.

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.

Establishing Earnings Adjustments

Access the Earnings Adjustments page.

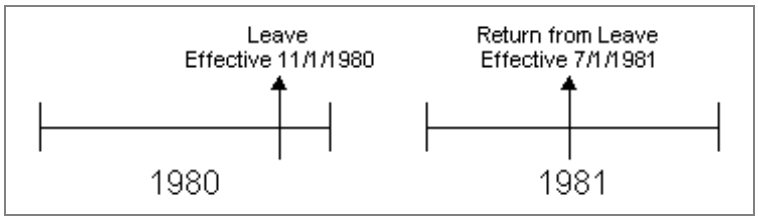


Earnings Adjustments page

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.

Note. 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.

Setting Up Hours Consolidations

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

To process the hours consolidation:

1. Determine the accumulation period and the actual hours for the period.
2. Generate hours if necessary.
3. Adjust hire periods if necessary.
4. 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.
5. Add any additional hours.
6. Apply any minimums or maximums.

Note. 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.

See Also

"Maintaining Employee Pension Data," Viewing an Employee's Consolidated Hours

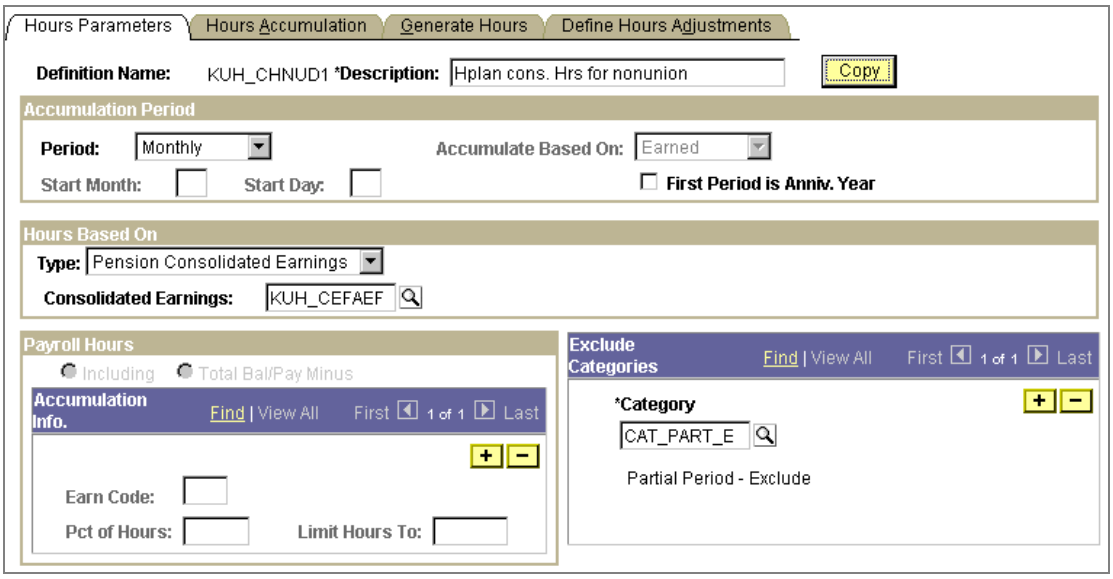
Pages Used to Set Up Hours Consolidations

Page Name	*Object Name*	*Navigation*	*Usage*
Hours Parameters	PA_CONS_HOUR_PARMS	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours, Hours Parameters	Establish the accumulation period and to identify the hours data to be included in the periodic totals.

Page Name	Object Name	Navigation	Usage
Hours Accumulation	PA_CONS_HOUR_ACCUM	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours, Hours Accumulation	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.
Generate Hours	PA_CONS_HOUR_GEN	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours, Generate Hours	Set up conditions and methods for generating hours.
Define Hours Adjustments	PA_CONS_HOUR_ADJ	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Hours, Define Hours Adjustments	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.

Establishing Hours Parameters

Access the Hours Parameters page.



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

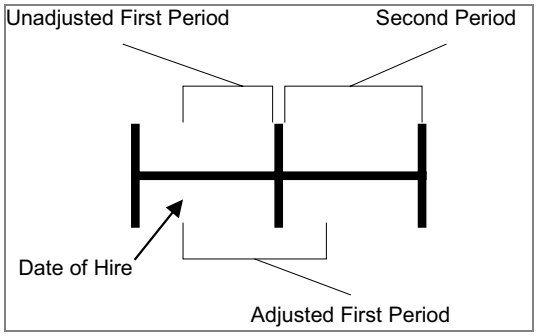
Accumulation Period

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 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:*** Select to list the hours types to be included.

Total Hours Minus: Select 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.

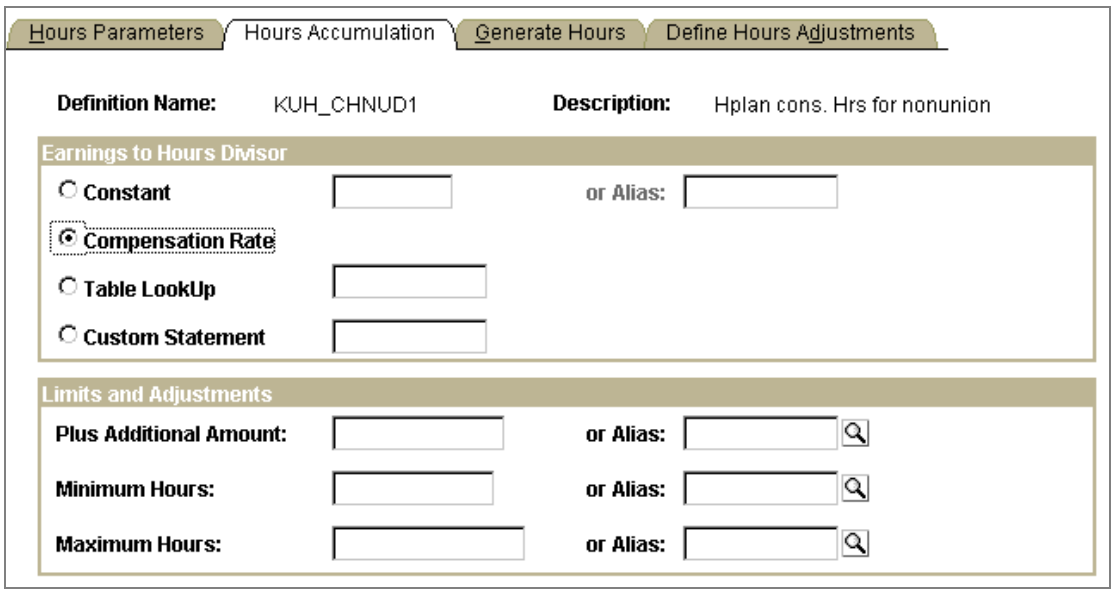
Pct of Hours

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.**

Setting Up Hours Accumulation

Access the Hours Accumulation page.



Hours Accumulation page

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.

See Also

"Creating Table Lookup Aliases"

"Using Custom Statements and Spouse Eligibility Statements"

Limits and Adjustments

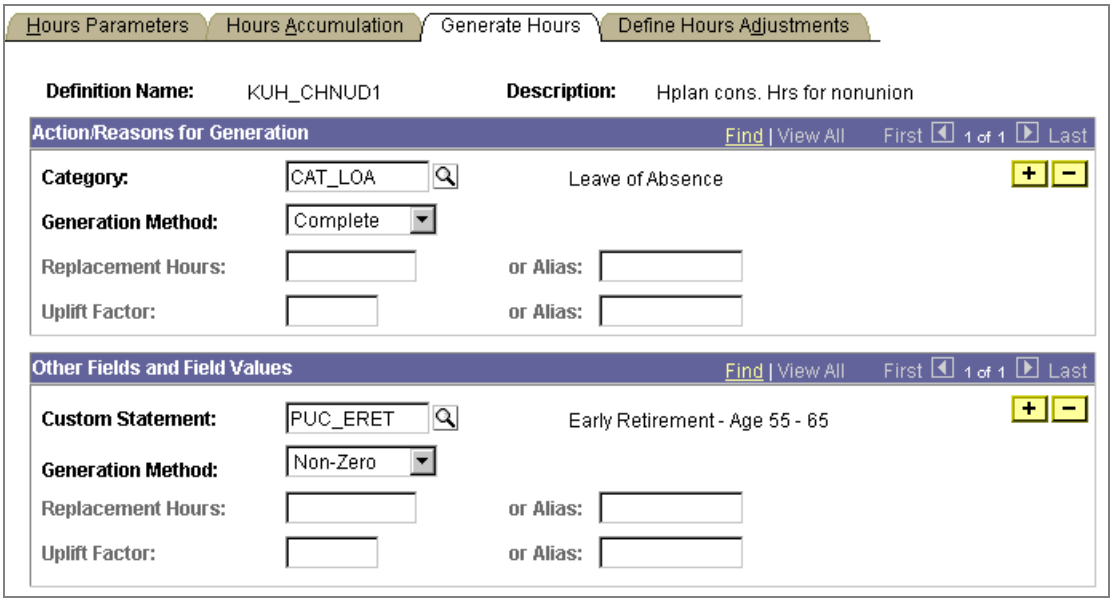
Minimum Hours To limit the total hours per period, enter a **Minimum Hours** amount.

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.

Setting Up Hours Generation

Access the Generate Hours page.



Generate Hours page

Action/Reasons for Generation

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 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.

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.

See Also

"Using Custom Statements and Spouse Eligibility Statements"

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:**

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.

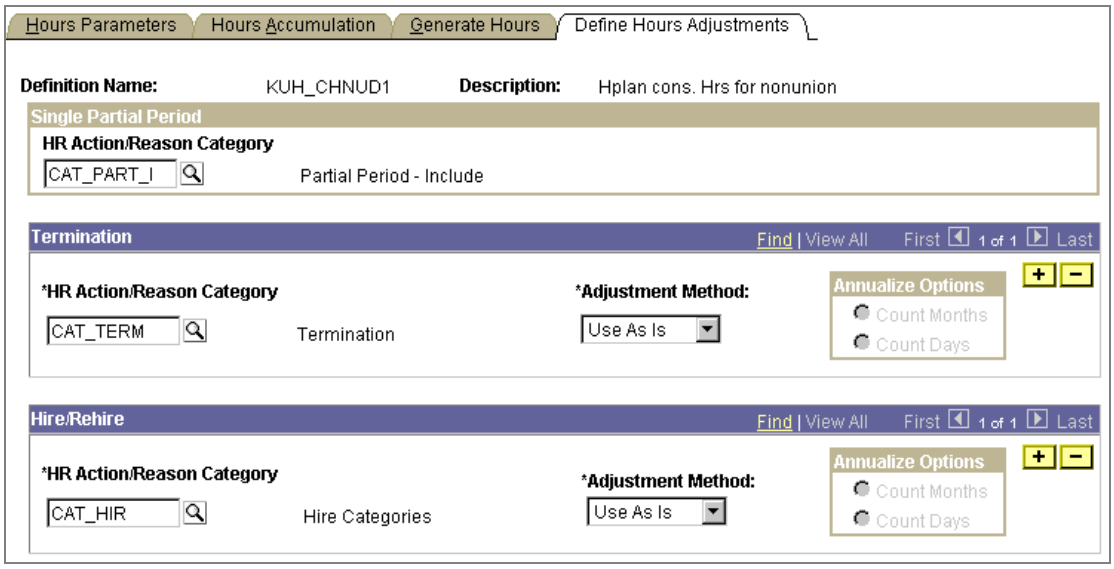
If you select ***Replace with Previous Non-Zero,*** the system will look back for the most recent period - partial or full - that doesn't have zero hours and use the hours from that period.

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.

Defining Hours Adjustments

Access the Define Hours Adjustments page.



Define Hours Adjustments page

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.***

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.

Termination and Hire/Rehire

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
```

Consolidating Contributions

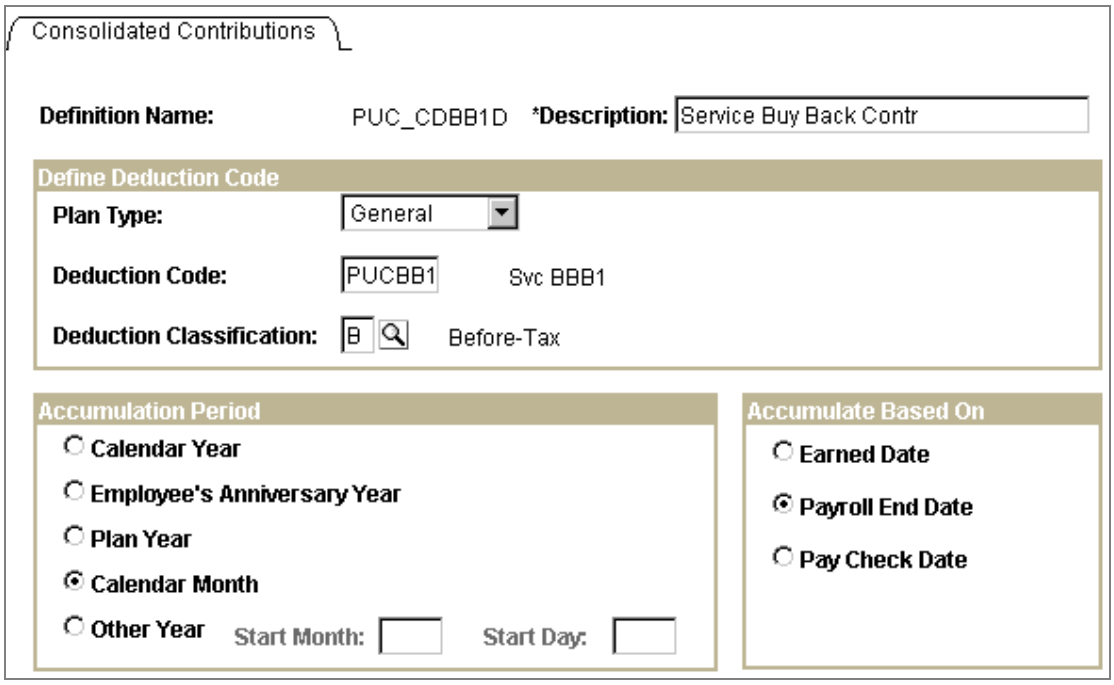
When your employees contribute toward their pensions, you need to keep track of the amounts they have contributed. Since contributions are deducted from employee paychecks, contributions are recorded in your payroll system. Use the Consolidated Contributions page to gather this information and produce annual or monthly totals. The Employee Accounts function can then use this consolidated data to keep track of total contributions and interest.

Page Used to Consolidate Contributions

Page Name	*Object Name*	*Navigation*	*Usage*
Consolidated Contributions	PA_CONS_DED_PARMS	Define Business Rules, Maintain Pension Parameters, Rules, Consolidated Contributions	Produce annual or monthly totals of consolidated contributions.

Setting Up Consolidated Contributions

Access the Consolidated Contributions page.



Consolidated Contributions page

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.

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.

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.

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	Select to divide 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.

See Also

Setting Up Contributory Plans

CHAPTER 12

Defining Plan Eligibility

This chapter provides an overview of plan eligibility and covers:

- The difference between eligibility and participation.
- Use of plan eligibility.
- The set up of plan eligibility requirements.

Overview of 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 prevents the processing of ineligible employees.

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.

Comparing Eligibility with Participation

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

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.

See Also

"Defining Plan Participation"

Using Plan Eligibility

The plan eligibility function establishes which of your employees can 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. Eligibility status can change as, for example, employees change jobs, unions, full-time or part-time status.

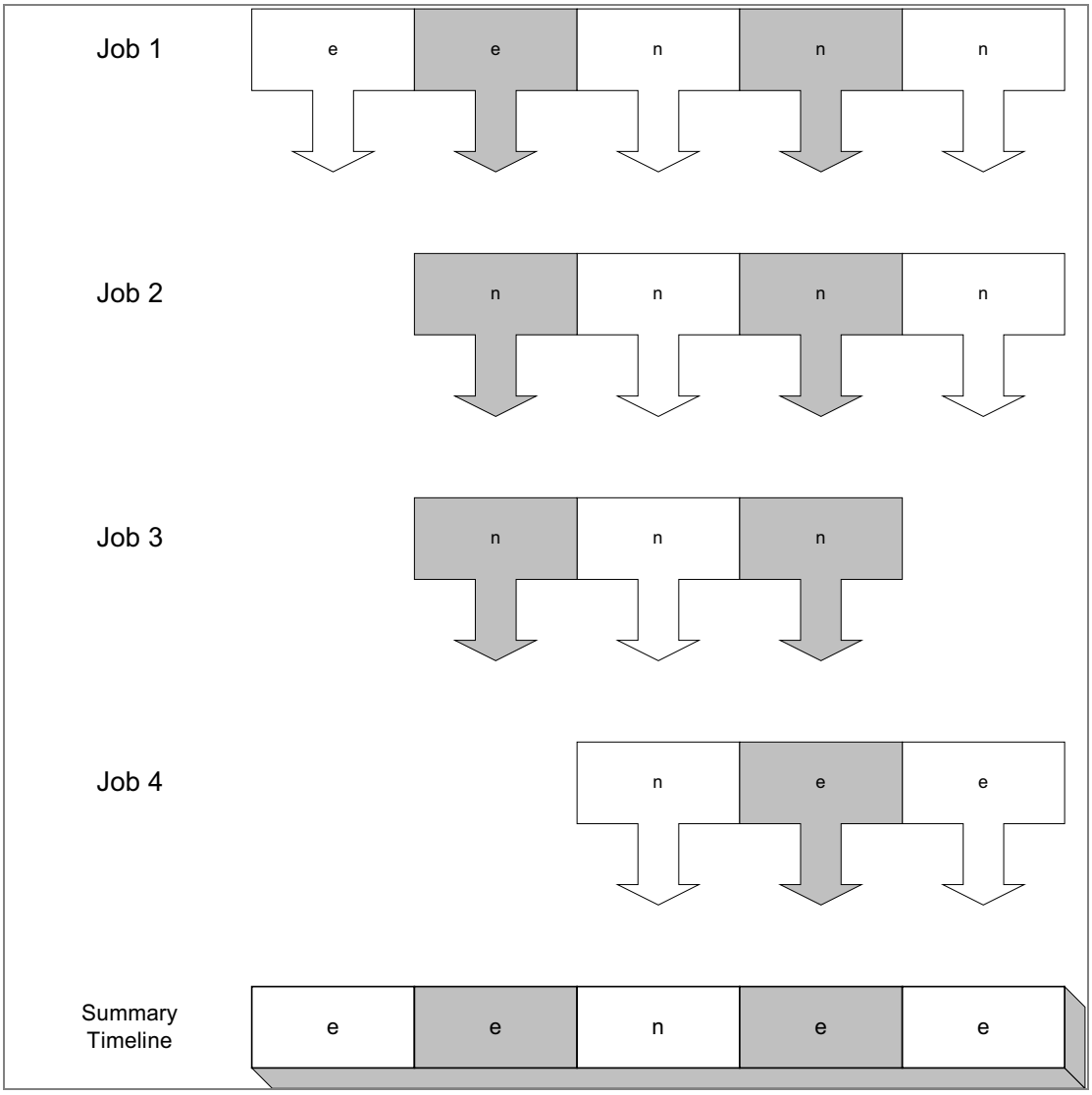
Plan Eligibility provides two critical pieces of information:

- 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.

- A timeline of eligible and ineligible periods. This is more complex since certain functions such as Consolidations, Service, and Cash Balance Accounts will use different rules during periods of eligibility and ineligibility. Most benefits accrue only during eligible periods. You reference the eligibility timeline when you create the function results for those functions. You do this using 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 creates one timeline of eligible and ineligible periods. For employees with multiple jobs, the function uses a blending process to create a summary timeline of all eligible and ineligible periods from all of an employee's jobs. First the system creates a timeline for each job, then it combines them into one summary timeline. If an employee was eligible in any of his jobs during a time period, the system considers him 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 an employee's job eligibility timelines to form one summary timeline. In this example, an employee has had four jobs at Company A. The summary timeline demonstrates that the system considers the employee eligible (e) for any period in which he has at least one eligible job, even if his 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.

Note. 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

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 incorporate your service result into your benefit formula, but you don'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.*

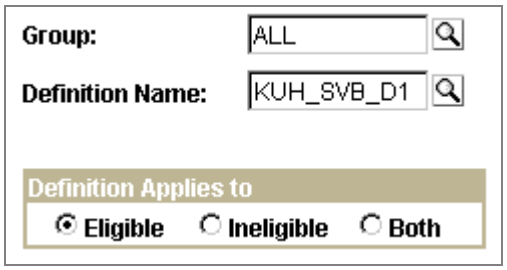
Plan eligibility acts as the gatekeeper for the entire calculation process: if an employee is:

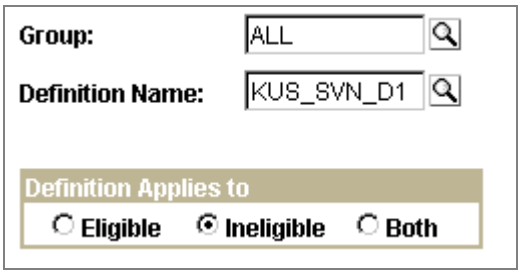
- Iineligible, the system bypasses the rest of the calculation job.
- Eligible or previously eligible, the system processes the employee.

Using the Eligibility Timeline

The eligibility timeline shows eligible and ineligible periods. 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 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. This is a useful 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

Note. 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 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 **This Definition Applies to** to **Eligible** for one and **Ineligible** for the other.

Note. Always use **This Definition Applies to Eligible** and **Ineligible** in pairs. If you have a definition for eligible periods, you *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 was once 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

Note. 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.

Using the Eligibility Timeline Behind the Scenes

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 or Ineligible adds these clauses to your group statement respectively:

- "and employee is eligible".
- "and employee is ineligible".

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 put such criteria in. In this case, employees could continue to accrue service plans for which they are no longer eligible.

Note. Plan Eligibility is the only function result that doesn't have a "group" component. As with all other PeopleSoft Pension Administration functions, you implement your eligibility criteria in a plan-specific function result. However, the Eligibility definition incorporates the "group" functionality.

Setting Up Plan Eligibility Requirements

Set up your plan requirements using a version of the Custom Statement page that has a noneditable Statement Type of "P" (Plan Eligibility).

Note. Before setting up eligibility parameters, be sure to look at Creating Custom Statements in this book to be sure you understand the proper syntax for your Boolean clauses.

The following topics provide a summary of information most likely to be needed while building eligibility formulas.

See Also

"Using Custom Statements and Spouse Eligibility Statements"

Setting Eligibility Requirements

When you set up plan eligibility, you 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 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 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 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

Use the EQU (Equation) button to toggle the long text field at the bottom of the page between:

- A Description field, where you can enter information about the formula
- An Equation field that translates your statement into an equation, using parentheses to show precedence among the operations. Always check the parentheses in your equation. The EQU button also refreshes 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 powerful feature is key to implementing your plan rules—to use it select the History check box underneath any effective-dated variables.

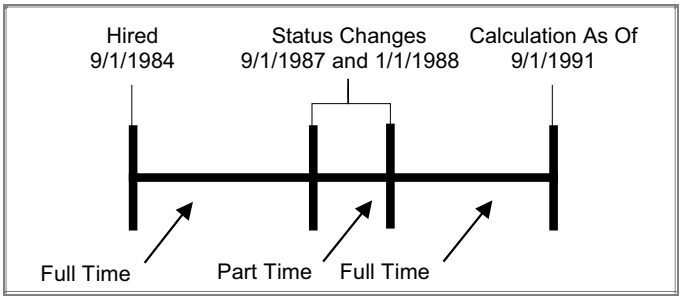
Note. Always turn on the History option under any effective-dated variables.

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, the Plan Eligibility function would produce the following three work history segments.



Work History Segments

Formatting Date Constants

In most PeopleSoft pages, you can enter an unformatted date. For example, the system automatically reformats 01011988 for January 1, 1988 to 01/01/1988.

However, if you enter an unformatted date into one of the Operand fields, the Custom Statement will treat it as a number. To tell the system that the eight digits represent a date and not a number either:

- Include a separator (a slash, dash, or space) when you enter a date, or
- Select the Date check box beneath the operand in question.

Note. 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 13

Defining Plan Participation

This chapter provides an overview of plan participation definition and covers how to:

- Use participation results.
- Define plan requirements.
- Calculate the participation date.

Overview of Defining Plan Participation

Use the participation function to establish age, service, and possibly plan entry date requirements that employees must meet before they begin to accrue pension benefits.

If you have a service requirement, you must 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 participation service often measures service from hire date, whereas plan service usually measures service from participation date.

Using Participation Results

A participation function result returns:

- A Yes/No status for the given event date
- 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 ends without calculating a benefit. While this is normally the only use for the participation status result, you can use it to reference this status for any other reason, .

To reference the participation date, set up a function result alias. Although this function result alias isn't required, the calculation gives a warning if there isn't one. By defining the function result alias even if you're not going to use it, you spare your users this warning.

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.

Refer to the participation status, the yes or no result, to incorporate, for example, participation requirements into a custom statement with criteria such as “If participation status equals Y....”

See Also

“Using Function Result and Actuarial Function Aliases, “ Using Function Result Aliases

Defining Participation Requirements

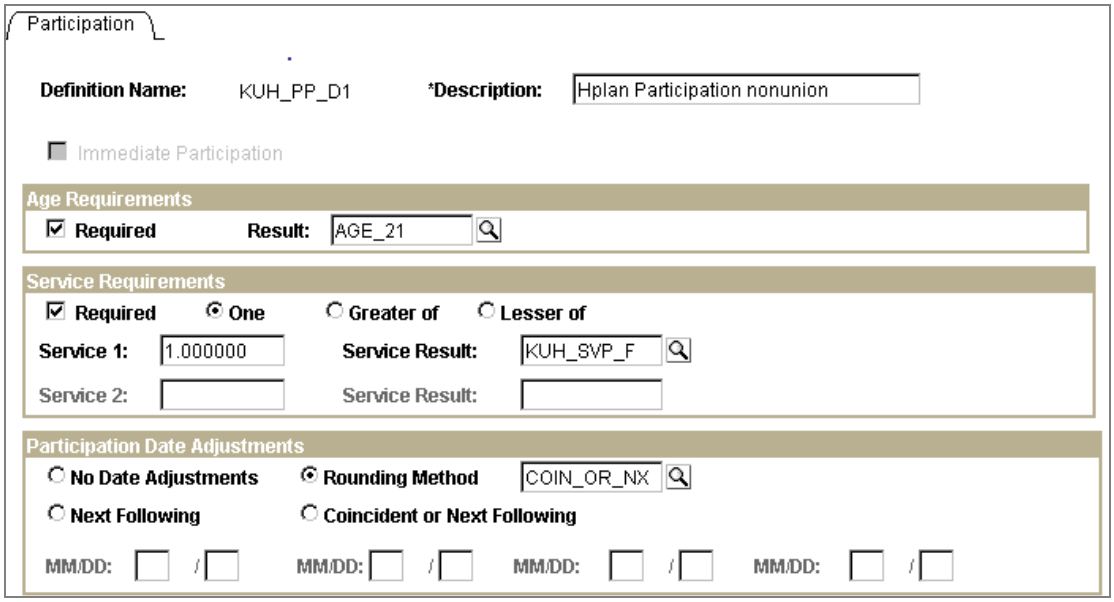
Use the Participation page to define participation requirements.

Page Used to Define Participation Requirements

Page Name	*Object Name*	*Navigation*	*Usage*
Participation	PA_PARTIC_PARMS	Define Business Rules, Maintain Pension Plans, Define, Participation	Enter age and service requirements, enter date adjustments or allow immediate participation.

Entering Participation Requirements

Access the Participation page.



Participation page

Establishing Immediate Participation

Immediate Participation For plans without participation requirements, select **Immediate Participation** to make the age and service requirements options unavailable for data entry. You can still defer participation until a plan entry date specified in the **Participation Date Adjustments** group box.

Age Requirements

Required Select if the plan has a service requirement.

Result Enter a date alias **Result** for the date the employee meets the age requirement. For example, a date alias that adds 21 years to the employee's date of birth.

See Also

"Using Date Aliases and Date Options"

Service Requirements

Required Select if the plan has a service requirement.

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) or the **Lesser of** the two requirements.

Service 1, Service 2 Enter the required years of service even if you're measuring service in months. If the service requirement is less than a full year, use a fraction, for example, ***.5*** for a six month requirement.

Service Result Enter the service function results used to measure participation service. Remember, if participation is a prerequisite for service credit, your participation service function result has to be different than the service credit function result.

Note. Place the participation service function result before the participation function result in the calculation job stream.

See Also

"Creating the Plan Implementation and Plan Aliases"

Participation Date Adjustments

No Date Adjustments	Employees may not become eligible to participate on the exact day they meet the above participation requirements. They may have to wait, for example, until the following month or the following quarter. Select **No Date Adjustments** if the plan has no such adjustments.
Rounding Method	Use, for example, to round to the first day of the following month. Indicate the method in the adjoining field.
Next Following, Coincident or Next Following	Use to set specific plan entry dates, up to four per year. The participation date will be delayed until the next one. Indicate the entry date(s) in the **MM/DD** month and day fields, for example, 1/1, 4/1, 7/1, and 10/1 for quarterly plan entry dates.

See Also

"Using Date Aliases and Date Options"

Calculating the Participation Date

For participation based on age, the participation date will be the same day the employee attains the specified age, subject to any date rounding or plan entry dates adjustments you specify.

For participation based on service however, the system doesn't necessarily determine the exact day the employee attains the specified amount of service. Instead, the system:

1. Looks at the service history, finds the period when the employee attained the specified service amount.

2. 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, set up an elapsed time service definition to use months or anniversary years; 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 don't attain a full year of service during their first year, because of leave of absence for example..

You generally attain greater accuracy in calculating the participation date by measuring participation service in months rather than years. 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 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, then 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.

Note. The participation date can't be before either the hire date or the start date of the participation definition. The system will also verify that the employee is eligible for the plan before providing a participation date.

Handling Multiple Definitions of Participation

The system will apply the participation definitions that are effective for the given time period.

If your pension plan has multiple definitions of participation set up under an effective dated row in the Participation Function Result page, you should including only the last participation definition. Do this by deleting the prior participation definitions so that only the last definition remains.

CHAPTER 14

Defining Service and Break Rules

This chapter provides an overview of service and break rules and helps you:

- Use service results.
- Understand service definitions types
- Consider multiple jobs.
- Set up break rules.

Overview of Service and Break rules

Because service rules can be very complex, we've set up three separate components each containing parameters specific to a particular service calculation method. Between them they present options for the elapsed time, hours counting and hours equivalence calculation methods.

Note. In contributory plans, employees who forfeit service if they withdraw their contributions, may be able to buy back the forfeited service, if rehired, by repaying the withdrawn amount. Also, some contributory plans allow employees to purchase service for certain eligible time periods.

See Also

"Defining Employee Accounts"

"Setting Up Contributory Plans"

Using Service Results

A service function result returns an amount which you can reference:

- In the benefit formula.
- In your vesting definition.
- In your participation definition.

- 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 possible that you 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.

Understanding Service Definition Types

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; for example the time between hire and termination dates. The timeline 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 number of hours worked in the computation period and 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 multiple definition types. For example final adjustment parameters. Several pages, therefore, appear in multiple components.

See Also

"Counting Periods of Service," Setting Up Elapsed Time Service and Setting Up Hours Counting Service and Setting Up Hours Equivalence Service

Considering Multiple Jobs When Setting Up Service Function Results

When you use multiple jobs processing there are special considerations for setting up service function results. Service calculations are highly dependent on Human Resource actions/reasons which indicate when to start, stop, and adjust service. In the multiple jobs environment, where each job has an independent action/reason history, there is added complexity.

To deal with this added complexity, the PeopleSoft Pension Administration system creates a "blended" actions/reasons timeline 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.

There are two more decisions to make when setting 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.

See Also

"Setting Up Function Results," Adding a Function Result

Setting Up Break Rules

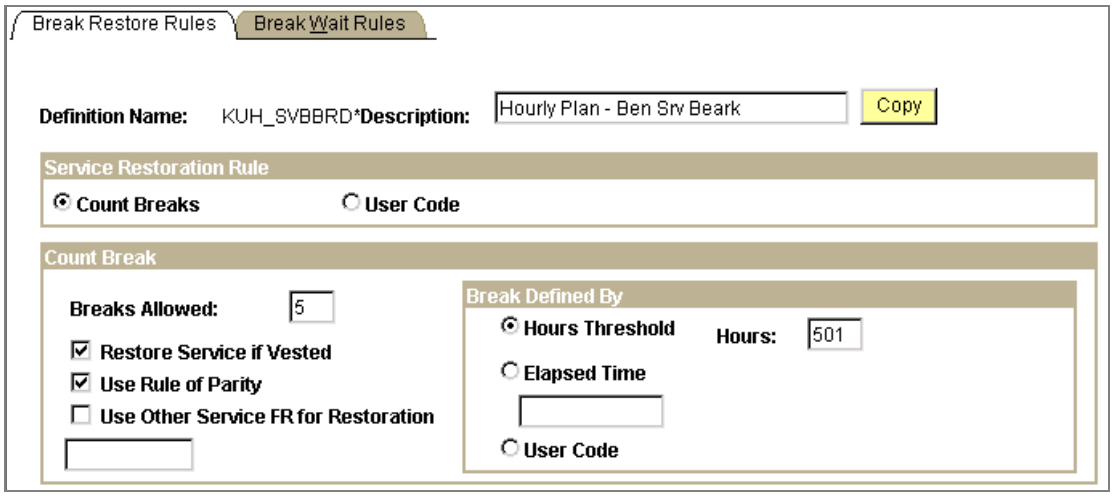
An employee accrues service continuously from the time of hire until retirement. Often, however, service is interrupted by breaks, either due to termination and rehire, leave of absence, or another status change. Break rules determine when an employee is charged with a break-in-service and how that status affects prior service accrual. Break rules comprise break restore and break wait rules.

Pages Used for Break Rules

Page Name	*Object Name*	*Navigation*	*Usage*
Break Restore Rules	PA_BREAK_PNL3	Define Business Rules, Maintain Pension Plans, Define, Service - Break Rules	Use to determine your general service restoration rules.
Break Wait Rules	PA_BREAK_PNL2	Define Business Rules, Maintain Pension Plans, Define, Service - Break Rules	Use to establish this or any other waiting period for service restoration.

Setting Up Break Restore Rules

Access the Break Restore Rules page



Break Rules - Break Restore Rules page

Copy Click the **Copy** button after establishing the first definition then enter a new name and description. The system clones the original definition using the new name. Make the minor adjustments required. For major adjustments, consider creating the new definition from scratch.

Service Restoration Rule

Count Breaks The Service Restoration Rule establishes how you'll determine whether or not to restore service after break.

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*.

Count Break

Breaks Allowed Enter the minimum number of consecutive one-year breaks that disqualifies an employee from the restoration of previous service.

Restore Service if Vested 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

This option means 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.

Use Other Service FR (function result) **for Restoration**

This option means service restoration depends on the length of the service obtained from an alternate function result. Enter the alternate function result in the search box. Specifically, the break restore rules are applied to the service amount retrieved from the alternate function result you enter.

For example, your plan may require that Vesting Service be used to determine if prior Benefit Service should be restored after a break. In this case you would enter the plan's Vesting Service Function Result in the search box provided.

Break Defined By

Hours Threshold

If you're counting breaks, you need to establish what constitutes a one-year break

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**,** 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 provides a consolidated hours result for use in tracking hours.

Note. Use hours-based break definitions with hours-based service definitions and use elapsed time break definitions with elapsed time service.

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 field below. 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.

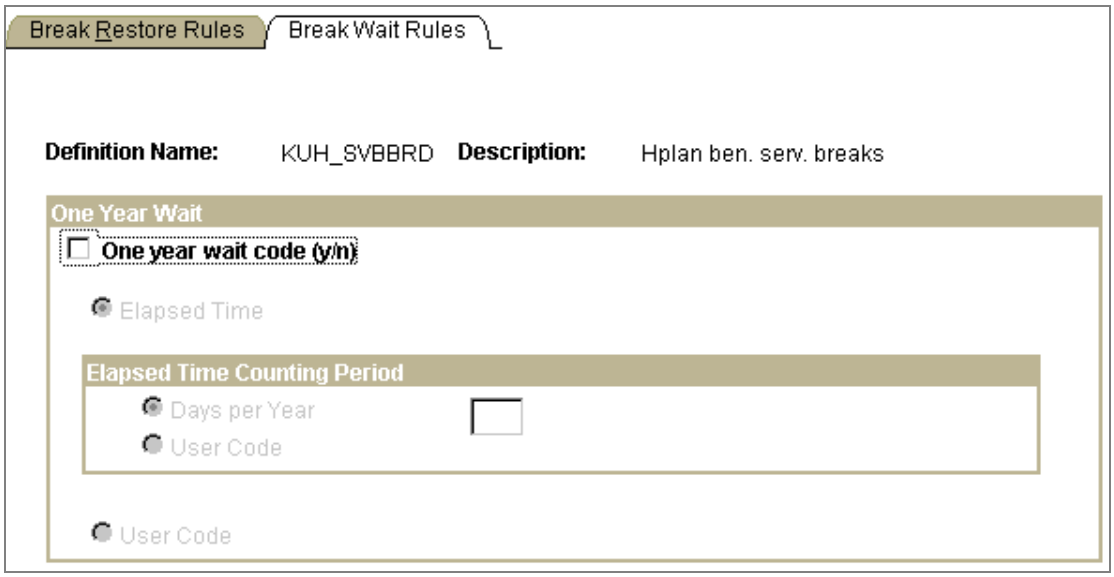
See Also

"Configuring Calculations"

Setting Up Break Wait Rules

When employees leave and then return, you may require that they complete one year of service before you restore their previous service.

Access the Break Wait Rules page.



Break Rules - Break Wait Rules page

One year wait code (y/n) Select if you require employees returning from break to wait a year before you restore service. You then need select either *Elapsed Time* or *User Code* for determining the one year wait period.

Elapsed Time For this option further select either **Days per Year** and enter a days value, or select **User Code** in the Elapsed Time Counting Period group box.

To measure wait periods other than a year, you'll still select the **One year wait code (y/n)** check box, then enter an appropriately shortened ***Days per Year*** value or you can use one of the User Code options to measure the wait.

See Also

"Configuring Calculations"

Using Function Results for Break Definitions

You implement break definitions in the same function results as your service definitions. When you create a service function result, the Function Result – Function Result page automatically includes parameters for the break definition.

See Also

"Setting Up Function Results"

CHAPTER 15

Counting Periods of Service

This chapter provides a brief overview of methods of counting periods of service and the structure of this chapter, and tells you how to:

- Set up basic information about your definition.
- Set an hour thresholds.
- Set up time requirements
- Turn service accrual on and off.
- Add period, time and equivalence rules.
- Set up service adjustments.
- Choose the date math method for your service calculation result.
- Set service accrual limits.
- Set up adjustments to the total service amount.

Overview of Counting Service Periods Methods

There are three ways of counting service periods:

- Elapsed time.
- Hours counting.
- Hours equivalence.

The pages for each method are in their respective components but several of them are the same in each component. Where pages are common to multiple components they are documented once only but any differences between their uses for the different methods are made clear.

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.

Pages Used to Set Up Elapsed Time

Note. Page names in bold are common to all three service period counting methods except where noted differently.

Page Name	*Object Name*	*Navigation*	*Usage*
Service Definition	PA_SVC_DEFINIT_TM	Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Service Definition	Set up basic information about your definition.
Hours Requirement	PA_SVC_TIME_HRS	Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Hours Requirement	Set up hours thresholds that employees must meet before getting service credit for a computation period
Service Statuses	PA_SVC_STATUS	Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Service Statuses	Establish which employee Action/Reason codes should turn service accrual off and which should turn service accrual on
Add Period Rules (Note. Not Hours Counting Method)	PA_SVC_ADD_PERIODS	Define Business Rules, Maintain Pension Plans, Define, Service - Elapsed Time, Add Period Rules	Add time periods to Action/Reason effective dates.
Future Status Code Adjust	PA_SVC_FUTURE_ADJ	Click the Future Stat Code Adj. link on any page in the Service - Elapsed Time component.	Set up service adjustments, for example adjusting a current event with a future event.

Page Name	Object Name	Navigation	Usage
Elapsed Time Rule	PA_SVC_ELAPSED1	Click the Elapsed Time Rule link on any page in the Service - Elapsed Time component.	Select the date math method for your service calculation result.
Min/Max Service Rules	PA_SVC_MIN_MAX_SVC	Click the Min/Max Service Rules link on any page in the Service -Elapsed Time component.	Break computation periods into segments based on HR status changes.
Service Final Handling	PA_SVC_FINAL_RND	Click the Service Final Handling link on any page in the Service -Elapsed Time component.	Set up any adjustments to the total service amount.

Service Statuses Alternate Navigations

Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Svc Status

Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Statuses

Add Period Rules Alternate Navigations

Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Add Periods Rules

Future Status Code Adjust Alternate Navigations

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

Service Final Handling Alternate Navigations

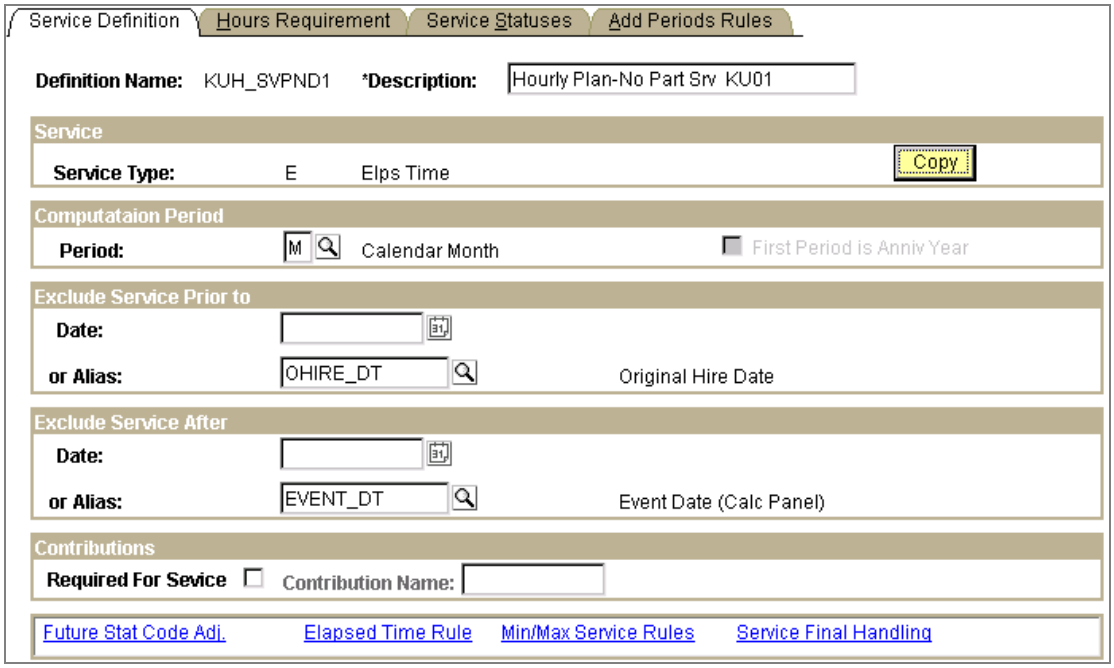
Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Final Handling

Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Final Handling

Defining Your Elapsed Time Service Counting Method

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.

Access the Service Definition Page



Elapsed Time - Service Definition page

Service

Service Type When you access this page through the Service - Elapsed Time component, the read-only type is always E for elapsed time.

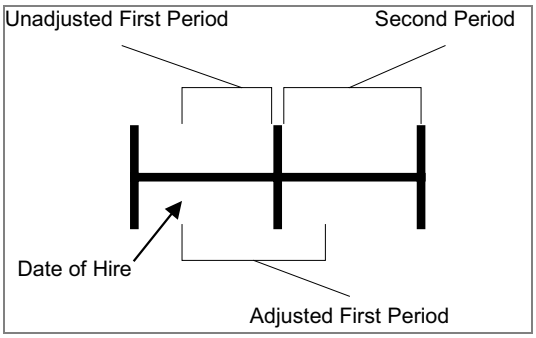
Copy Click to copy your first definition when you have multiple similar statements.

Computation Period

Period 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.

Calendar Month: If you select this period, service will still be expressed in years. For example, an employee could get .083333 years of service in a month (1/12)

Calendar Year or Plan Year: If you're using Calendar Year or Plan Year**,** you can give employees the benefit of a full year first period by selecting **First Period is Anniv Year.** Then, your adjusted first period will overlap with the second period as shown:



First Period is Anniversary Period

Note. Under this option, the employee receives double service credit for the period of time that falls in both the first and second periods.

Anniversary Year: The Anniversary Year begins on the employee's date of hire. For other computation periods, an employee's first period is typically a short period.

Exclude Service Prior to/After

Date

Enter a constant **Date** or **Alias** in the Exclude Service Prior to and Exclude Service After group boxes if you want to exclude service before or after a particular time, such as the participation date.

Contributions

Required for Service — Select this check box if employees must contribute to the plan in order to receive service credit.

Contribution Name — Enter the name of the Employee Accounts result that keeps track of employee contributions.

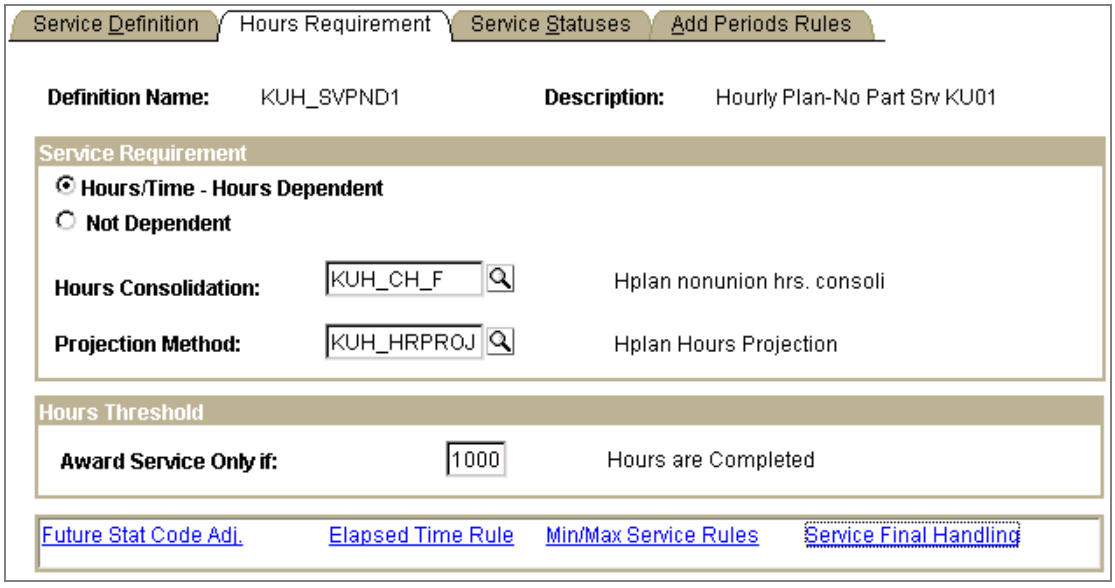
The Employee Accounts function creates a period-by-period history. If an employee made contributions at any time during a period, the Service function grants the employee service for that period.

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.

Setting Up Elapsed Time Hours Requirements (Thresholds)

Hours thresholds are the hours that employees must have 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.

Access the Hours Requirement page.



Service - Elapsed Time - Hours Requirement page

Service Requirement

Hours/Time – Hours Dependent	Select whether the service requirement is dependent or not dependent.
Dependent	For Not Dependent you can make no further entries in this page.
Hours Consolidation	This directs the system to the appropriate hours history for determining whether the employee meets the threshold requirements.
Projection Method	This provides instructions for projecting hours if necessary.

Hours Threshold

Award Service Only If	Enter the number of hours that employees must acquire in the adjacent field.

Setting Up Service Statuses

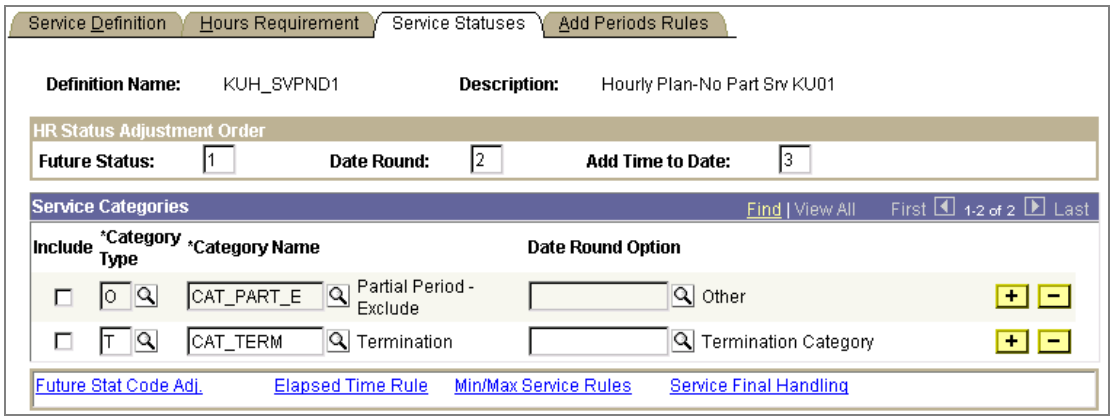
Employees accrue service or not depending on their HR status. Status changes are reflected in the employee's Action/Reason history in the PeopleSoft Human Resources job records: hires, leaves, returns from leave, terminations, and any other Action/Reason codes you choose.

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.

Access the Service Statuses page.



Service - Elapsed Time - Service Statuses page

HR Status Adjustment Order

Future Status, Date Round, 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. You use subsequent pages to add time to the effective date or to set up adjustments based on future status codes; you enter the rounding method on this page.

Add Time to Date has no effect for hours counting service.

Note. An adjustment that causes a date to overlap with the date of another status code will cause a calculation to fail.

Service Categories

Include Select this option if actions in the category start an include service segment. 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 Describe the category as a ***Hire Period, Termination Period*** or ***Other.*** The system uses this information when you set up adjustments that add time to the period. You'll specify whether the adjustments apply to hire periods, term periods, or all periods.

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.

Date Round Option — If you round the effective dates within a category of Action/Reason events, enter the rounding method next to the category. For example, you might round all hire and rehire dates to the first of the month.

See Also

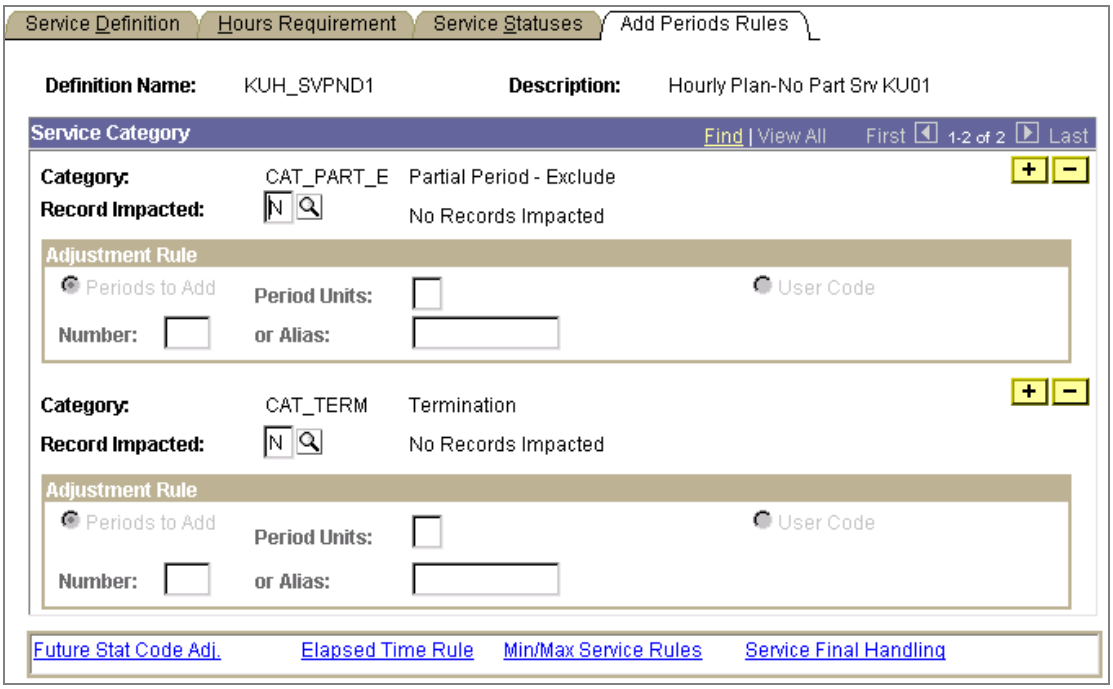
"Creating Action/Reason Categories"

"Using Date Aliases and Date Options"

Adding Periods Rules

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.

Access the Add Period Rules page



Service - Elapsed Time - Add Periods Rules page

Service Category

Category The scrolling region of the page shows each Action/Reason you entered in the Service Statuses page.

Record Impacted Indicate which instances of a new status receive the adjustment by selecting ***No Records Impacted, All, First Only, Last Only, All But First, All But Last,*** or ***All But First and Last.***

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.

For ***No Records Impacted*** you can make no further entries on this page.

Adjustment Rule

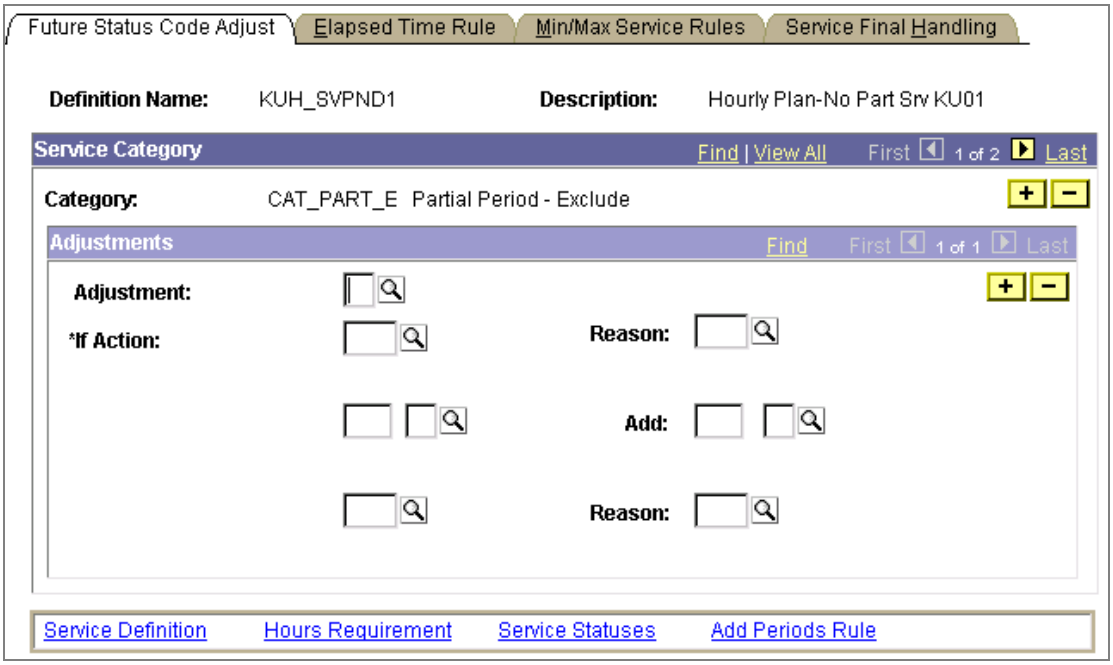
Periods to Add Either: Select this then indicate the type of **Period Units** of ***Days, Weeks, Months,*** or ***Years*** and enter a value in either the **Number** field or the **or Alias** field.

Or: Select a **User Code** and enter no more fields.

Setting Up Future Status Code Adjustments

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. 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.

Access the Future Status Code Adjustment page



Service - Elapsed Time - Future Status Code Adjust page

Category Scroll through each Action/Reason **Category** from the Service Statuses page and enter as many adjustments as necessary using the inside scroll bar.

Adjustment For each adjustment, select from ***Add, Ignore Current Action/Reason, Ignore Future Action/Reason,*** or ***Insert.***

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.

Indicate the Action/Reason code of the looked for future event in the **If Action/Reason** fields. Enter a numeric value in the **Occurs Within** field to indicate how far in the future to look for the Action/Reason code and a period type (of ***Days, Months, Years, Weeks,*** or ***User Code***). Enter a numeric value in the Add field for the amount of time to add to the effective date of the original status change, and enter a period type.

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.

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.

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.

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.

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.

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.

Viewing the Effects of Different Adjustments

Adding Time to the Effective Date of a Status Change

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 Current Status Change

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

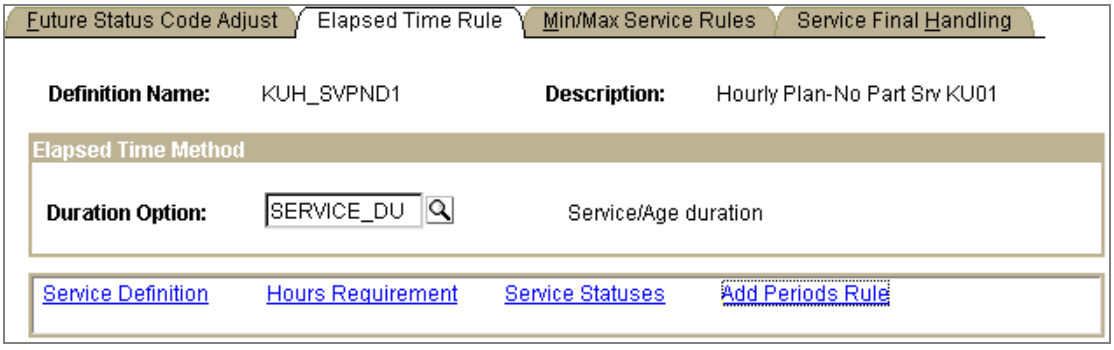
Actual History	*Adjusted History*
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	Leave 7/1/1978
Term 7/15/1978	[none]
Rehire 12/31/1978	Rehire 12/31/1978

Inserting an Additional Status Change

Actual History	*Adjusted History*
Hire 1/1/1974	Hire 1/1/1974
Leave 7/1/1978	Leave 7/1/1978
	Term 7/1/1978

Setting Up Elapsed Time Rules

Elapsed time methods calculate the difference between two dates. You need select the date math method for your service calculation result.



Service - Elapsed Time – Elapsed Time Rule page

Duration Option Enter the name of the method you've set up.

See Also

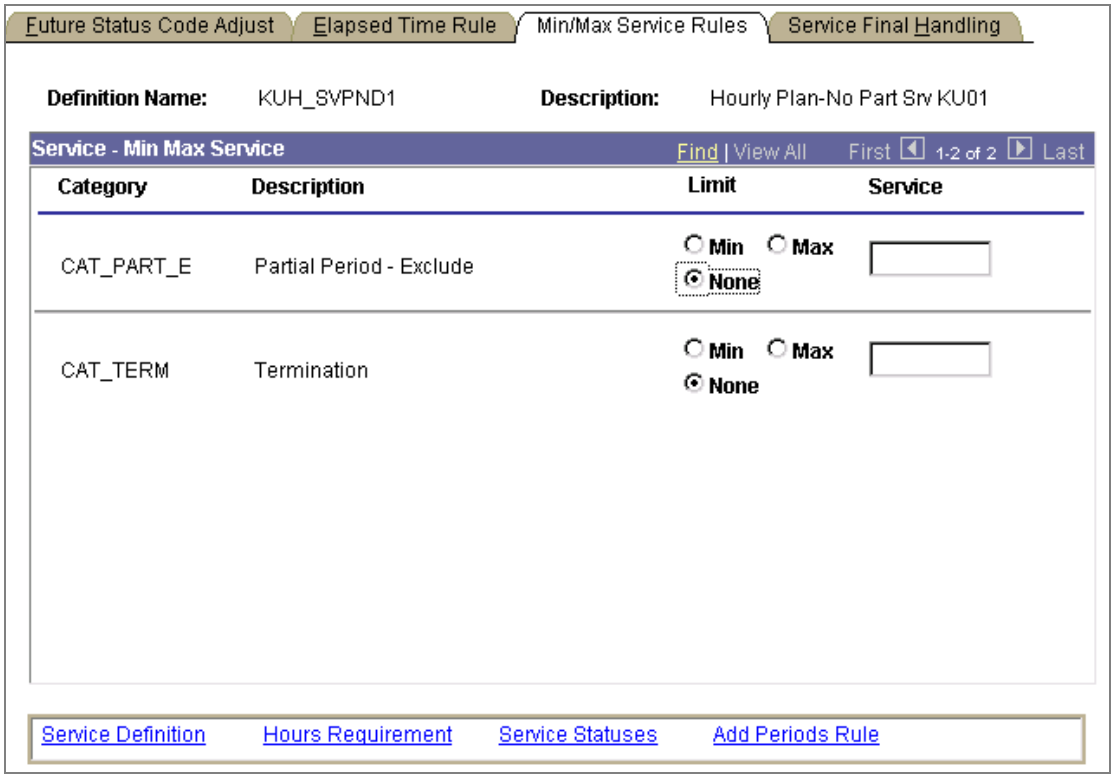
"Using Duration Aliases and Duration Options"

Setting Up Minimum and Maximum Service Rules

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. You need to set these limits.

Access the Min/Max Service Rules page



Service - Elapsed Time - Min/Max Service Rules page

Category The scrolling region of the page 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.

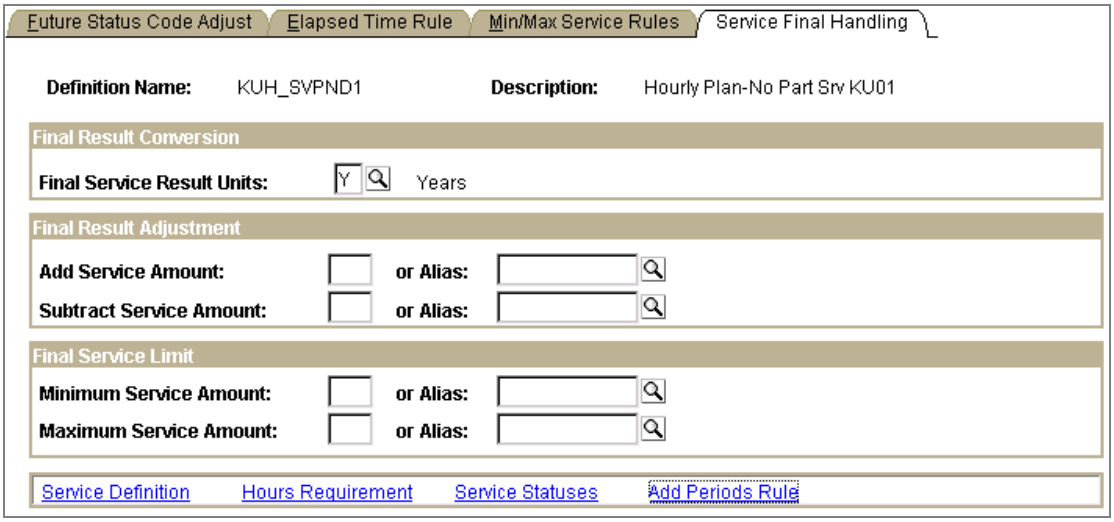
Limit Indicate if there is a **Limit** on service accrued during a particular status category.

None: Select if there are no limits on a particular status category, otherwise indicate whether to impose a ***Min*** or a ***Max*** limit and enter the amount of service.

Setting Up 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.

Access the Service Final Adjustments page.



Service - Elapsed Time - Service Final Handling page

Final Results Conversion

Final Service Result Units Select either ***Months*** or ***Years.***

Final Results Adjustment

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

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.

See Also

"Defining Service and Break Rules," Considering Multiple Jobs When Setting Up Service Function Results

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.

Pages Used in Hours Counting Service

Note. Page names in bold are common to Hours Counting and Hours Equivalence service period counting methods. Pages in the component that are not listed here are documented in Setting Up Elapsed Time Service.

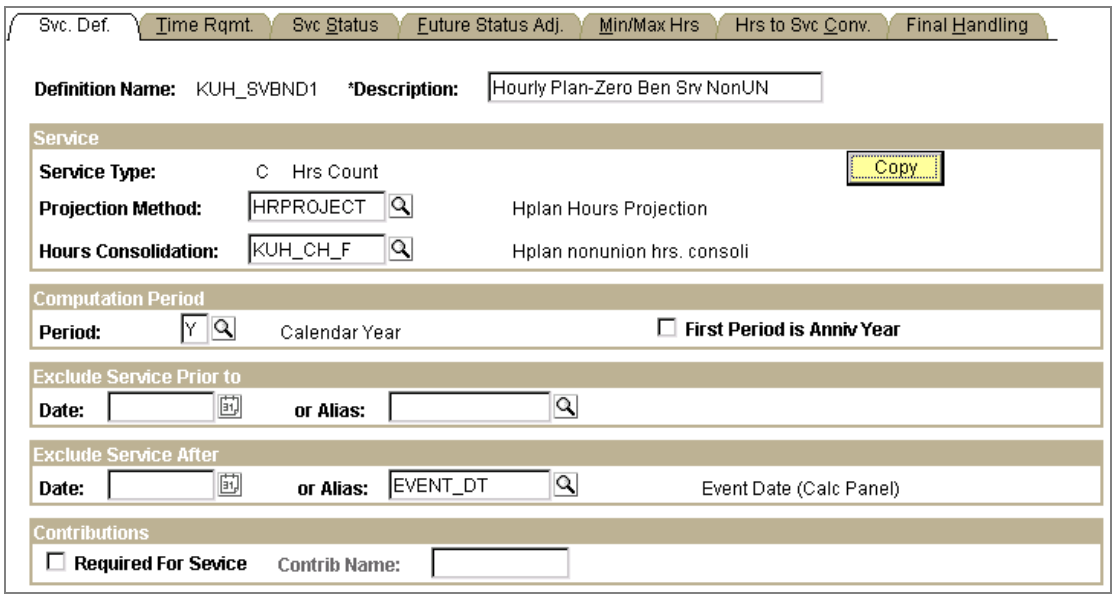
Page Name	*Object Name*	*Navigation*	*Usage*
Scv Def **Service Definition**	PA_SVC_DEFINITION	Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Svc. Def Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Service Definition	Set up basic service information.

Page Name	*Object Name*	*Navigation*	*Usage*
Time Rqmt **Time Requirement**	PA_SVC_HRS_TIME	Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Time Rqmt. Define Business Rules, Maintain Pension Plans, Define, Service - Hours Equivalence, Time Requirement	Set up service period thresholds that employees must meet before getting service credit for a computation period
Min/Max Hrs **Min/Max Hrs Rules**	PA_SVC_MIN_MAX_HRS	Define Business Rules, Maintain Pension Plans, Define, Service - Hours Counting, Min/Max Hrs	Break computation periods into segments based on HR status changes.
Hrs to Svc Conv	PA_SVC_HRS_CONVERT	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	Set up rules to convert hours to service.
Service Schedule	PA_TL_SVC_SCHD	Define Business Rules, Maintain Pension Parameters, Tables, Service Schedule	Shows the amount of service credited based on the number of hours worked.

Defining Your Hours Counting Service Counting Method

Access the Service Definition page.

Note. Most of the field information on this page is the same as for the elapsed time Service Definition page. Only the differences are documented here.



Service - Hours Counting - Service Definition page

Service

Service Type

When you access this page through the Service - Hours Counting component, the read-only type is always C for hours counting.

When you access this page through the Service - Hours Equivalence component, the read-only type is always H for hours equivalence.

Projection Method

Set up your projection method on the Projections page and enter the name of that method here.

When you estimate a benefit for a future retirement date, you need to be able to project hours data for future periods.

Note. The system displays this field and **Hours Consolidation** for the hours counting method only.

Hours Consolidation

Enter the name of your consolidation process here.

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.

Computation Period

Period

An hours counting service definition is based on the number of hours worked during a specific period.

Exclude Service Prior to/After

Date 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.

See Also

"Projecting Hours and Earnings"

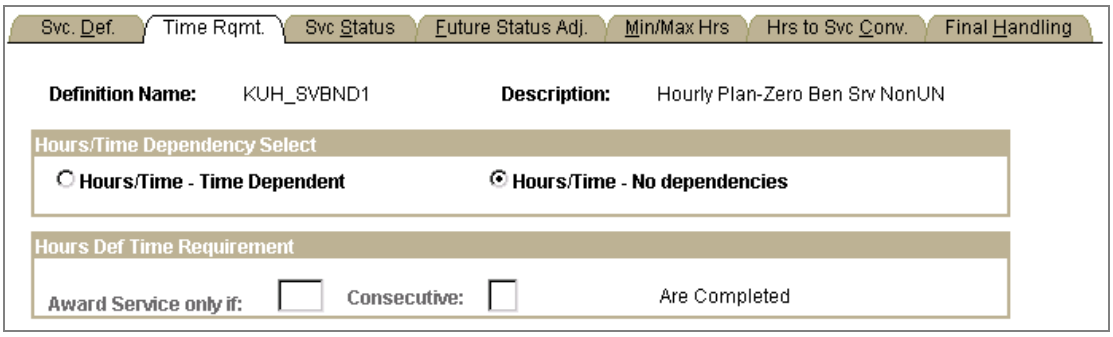
"Consolidating Payroll Data"

Setting Up Elapsed Time Service

Setting Up Hours Counting Time Requirements (Thresholds)

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.

Access the Time Requirement page.



Service - Hours Counting - Time Requirement page

Hours/Time Dependency Select

Hours/Time - Time Dependent Select to set a time threshold in the Hours Def Time Requirement group box

Hours/Time - No Dependencies Select if there is no time dependency.

Hours Def Time Requirement

Award Service only if	Enter the number of periods that employees must acquire.
Consecutive	Enter either ***Consecutive Months (M)*** or ***Consecutive Years (Y).*** that employees must acquire.

Setting Up Hours Counting Service Statuses

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.

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.

Note. To avoid crediting service during particular employee statuses, you must define your hours consolidation to exclude those hours.

Understanding Service Statuses and Hours Counting Service

In an hours counting definition, you 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, 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 covers 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.

See Also

Setting Up Service Statuses

Setting Up Hours Equivalence Service Statuses

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.

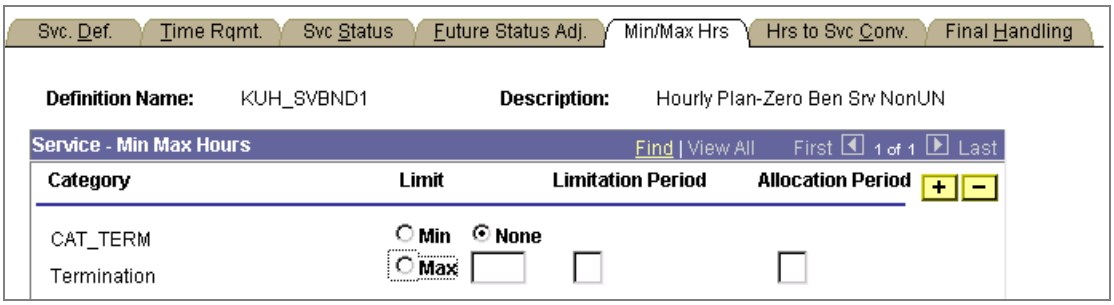
See Also

Setting Up Service Statuses

Setting Up Hours Counting Minimum and Maximum Service Rules

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.

Access the Min/Max Hrs page.



Hours Counting - Min/Max Hours Rules page

Service - Min Max Hours

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 either 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.

Allocation Period

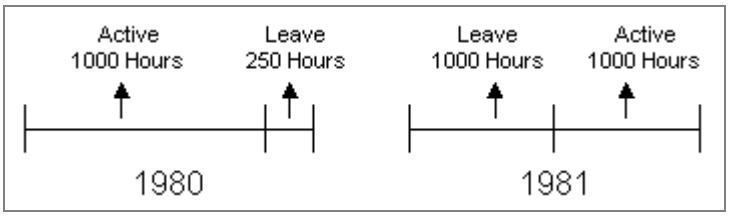
Miguel's 1250 total leave hours fall into two computation periods. You have to reduce the total leave hours to 1000 using one of two **Allocation Period** options: ***Cut Off at Limit*** and ***Spread Across Days.***

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.

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.

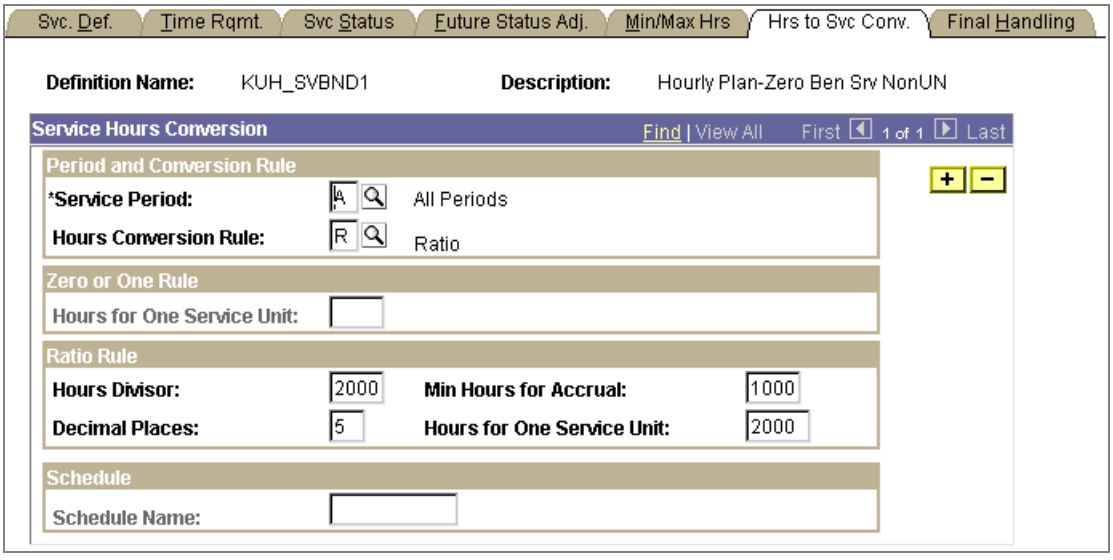
If you select ***Spread Across Days,*** the 1000 hours are evenly distributed across the days of leave, say 250 days, for an average of four hours per day. If the first portion of the leave has 60 days, then it has 240 hours; the second portion of the leave, with the remaining 190 days, has 760 hours.

For minimums, ***Cut Off at Limit*** adds any additional hours to the first segment. ***Spread Across Days*** increases the hours proportionally.

Converting Hours to Service

When you use an hours-based service definition, you need rules for converting the hours to service.

Access the Hrs to Svc Conv page.



Service - Hours Counting - Hours to Service Conversion page

Period and Conversion Rule

Service Period

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.

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. 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.

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.

- If you select ***Zero or One,*** enter the minimum number of hours required in the **Zero or One Rule** group box.
- If you select ***Ratio,*** you must complete the **Ratio Rule** group box.
- If you select ***Schedule,*** enter the schedule name in the **Schedule** group box.

Ratio Rule

Hours Divisor

Enter the denominator.

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 minimum 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.

See Also

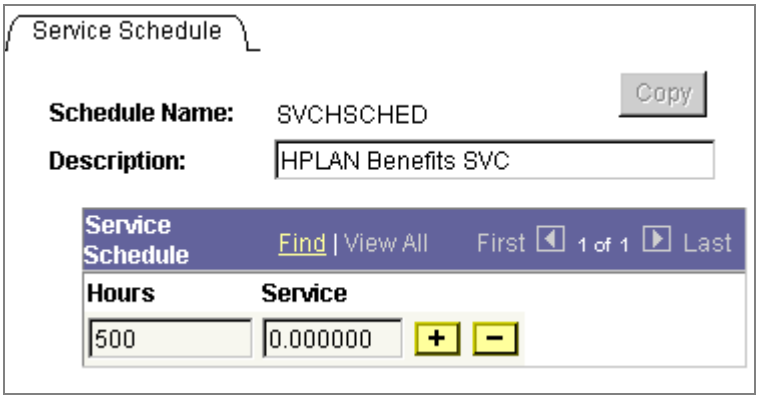
Service Schedule Page

Crediting Service Based on Hours Worked

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.

Access the Service Schedule page

Note. If two service definitions use an identical service schedule, you may still want to create separate copies of the schedule to isolate components.



Service Schedule page

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.

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.

Note. Pages in the component not listed here are documented in either Setting Up Elapsed Time Service or in Setting Up Hours Counting Service.

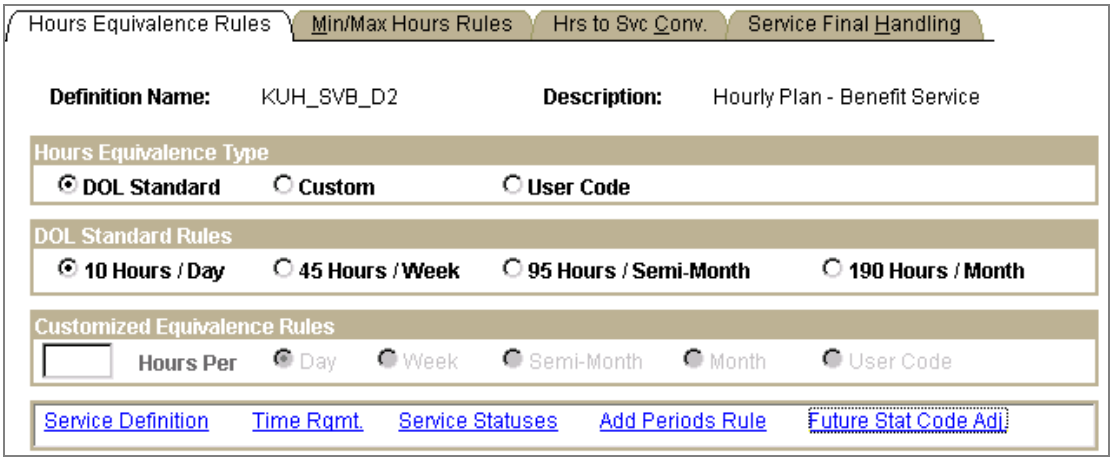
Pages Used in Hours Equivalence Service

Page Name	*Object Name*	*Navigation*	*Usage*
Hours Equivalence Rules	PA_SVC_HREQV	Define Business Rules, Maintain Pension Plans, Define, Service – Hours Equivalence	Specify how much credit to give for what time periods.

Setting Up Hours Equivalence Rules

Under an hours equivalence method of service calculation, you'll associate specific periods of "include service" time with specific amounts of hours.

Access the Equivalence Rules page.



Service – Hours Equivalence - Hours Equivalence Rules page

Hours Equivalence Type

DOL Standard — Select this if you use the Department of Labor (DOL) minimum requirements and select from the options in the **DOL Standard Rules** group box.

Custom — Select this if you want to enter some other number of hours per period then compete the **Customized Equivalence Rules** group box, by entering the number of hours before **Hours Per,** and select ***Day, Week, Semi-Month,*** or ***Month*** as the time period.

Day: 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.

Week: 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.

Month: 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.

Semi-Month: 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.

See Also

"Configuring Calculations"

CHAPTER 16

Defining Vesting Rules

This chapter provides an overview of vesting rules and tells you how to use vesting results.

Overview of Vesting Rules

An employee's vesting percentage determines the portion of a benefit that he owns no matter what, even if he leaves the company. Typically, vesting is based on years of service, although there can be age or other requirements.

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 it 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 .7 if an employee is 70% vested, because this is the factor that will reduce the benefit accordingly. You must enter the vesting overrides in this format.

You 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.

Note. For contributory plans, you don't apply the vesting to the initial benefit formula. Instead, you 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 set up a second benefit formula subtracting the employee-paid portion from the total benefit to arrive at the employer-paid portion. You use the vesting result within this second benefit formula. After the employer-paid portion is adjusted by applying vesting rules, you need to set up yet another benefit formula to add back the employee-paid portion.

Setting Up a Vesting Schedule and Conditions

When setting up a vesting schedule, depending on the initial definition, you specify a type and then, depending on the type, further define the parameters.

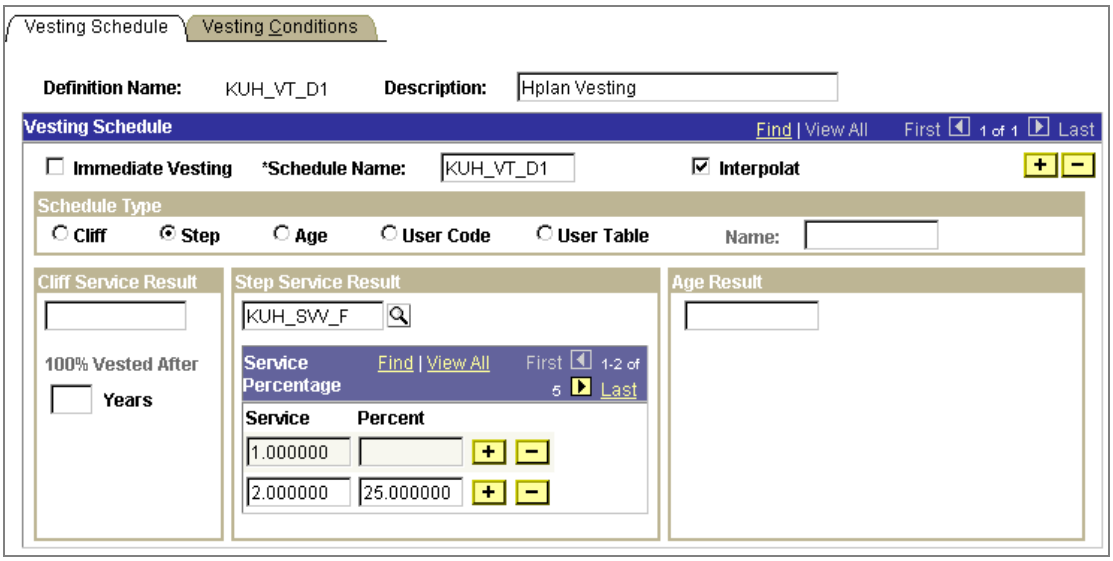
Conditions could include events such as death, disability, eligibility for early retirement or another type of benefit, or withdrawal of an employee's contributions.

Pages Used to Set Up a Vesting Schedule

Page Name	*Object Name*	*Navigation*	*Usage*
Vesting Schedule	PA_VEST_SCHEDULE	Define Business Rules, Maintain Pension Plans, Define, Vesting	Set up vesting schedules based on age, service, or any other requirement.
Vesting Conditions	PA_VEST_CONDITIONS	As above	Specify events or other conditions that override the vesting schedule and trigger either full vesting or forfeiture.

Setting Up a Vesting Schedule

Access the Vesting Schedule page.



Vesting - Vesting Schedule page

Immediate Vesting

Select this when employees are always fully vested in their accrued benefit. Don't complete any of the other parameters in this component.

Schedule Name

Name each schedule. Except for 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.

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 interpolation to define how to deal with employees who fall between the explicitly shown steps on a schedule.

When **Interpolate** is:

- Not selected, employees who fall in between steps on the schedule must use the lower amount.
- Selected, intermediate amounts will yield intermediate vesting percentages calculated by linear interpolation.

The system won't interpolate below the lowest step on the schedule.

Schedule Type

Cliff

One of two types of service-based vesting schedules, a *Cliff* schedule grants full vesting after a specified number of years of service.

Step

The second type of service-based vesting schedule; employees vest in increments.

For *Cliff* or *Step*, complete the parameters in the corresponding group box.

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. Remember that you may have different service function results for vesting service, participation service, and credited service.

For cliff vesting, specify the number of years required for vesting in the 100% Vested After **Years** field . Be sure your Service Function Result is set to measure service in years!

For step vesting, 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.

There is also a User Code option if you want to apply your own custom vesting rules.

Age

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.

User Table

Enter the alias for your Table Lookup in the **Name** field.

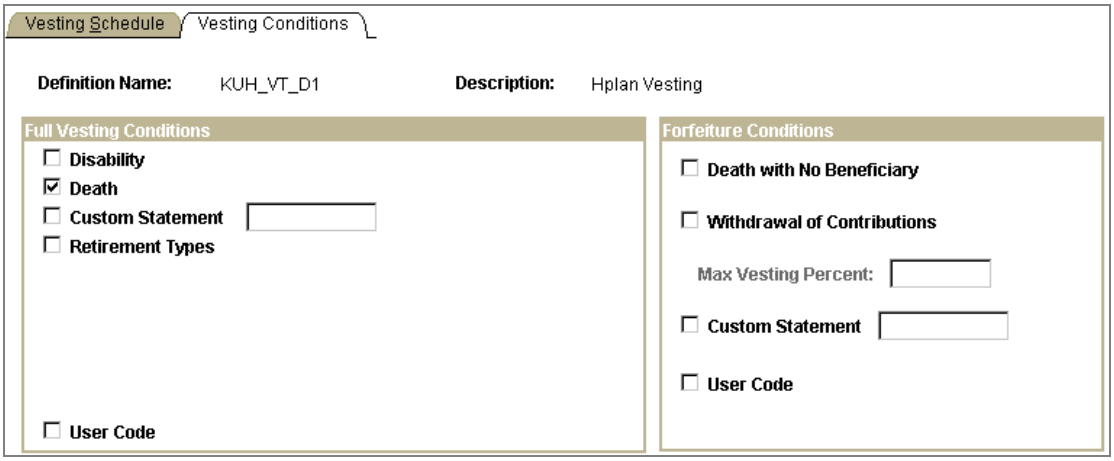
See Also

"Creating Table Lookup Aliases"

"Configuring Calculations"

Setting Up Vesting Conditions

Access the Vesting Conditions page.



Vesting - Vesting Conditions page

Note. 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.

Full Vesting Conditions

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.

Custom Statement

Enter the custom statement name.

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.

Retirement Types

Select this to grant full vesting to employees based on eligibility for specific retirement benefits such as early retirement. 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 enables 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.

Setting Triggers for Forfeiture

Forfeiture Conditions

Indicate any events that override any vesting schedule and cause employees to forfeit their right to an accrued pension benefit.

Death with No Beneficiary

Select this if an employee who dies without a beneficiary forfeits all right to a pension benefit. If the event type from the Calculation page is death, the vesting function first checks the plan beneficiary table where you record nonspouse beneficiaries. If no beneficiary is specified, the system selects the **Death with No Beneficiary** check box.

Withdrawal of Contributions

Select this if the plan can demand that the employee forfeit all right to the accrued benefit if, when terminated, the employee withdraws his contributions to the plan. The system checks the plan's employee contribution account specified in the Plan Aliases page to see if contributions were withdrawn.

Max Vesting Percent	Specify the break point for forfeiture. 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. If you don't indicate a maximum percentage, withdrawal of contributions always triggers forfeiture.
Custom Statement	Set up other forfeiture conditions by entering the custom statement name. 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 and forfeiture vesting conditions. Select these to evaluate vesting conditions with your custom code.

See Also

"Defining Benefit Eligibility"

"Creating the Plan Implementation and Plan Aliases"

CHAPTER 17

Defining Benefit Eligibility

This chapter provides an overview of benefit eligibility and tells you how to:

- Use benefit eligibility.
- Establish retirement types and eligibility conditions.

Overview of Benefit Eligibility

Pension plans typically define a number of different retirement types: reduced and unreduced early retirement, normal retirement, or others, and may 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.

- 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.
- 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 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 mostly use benefit eligibility results for reporting purposes and for grouping logic. For example, if you set up a group with only those employees eligible for early retirement, you could use this group when calculating early retirement factors or 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.

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.

The calculation worksheet 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 eligible or ineligible. An employee can be eligible for more than one benefit, for example normal retirement and early retirement.

If you want to ensure that employees are only eligible for one retirement type, for example, normal retirement but not 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 placed 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. But pay close attention to dependencies so that your function results are in the right order in the job stream. Also remember that when you enter your definitions, you 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 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 for normal retirement benefits at 65 regardless of when he separated from service.

For example, Jeremy and Kevin are twins working at your company. Jeremy terminates at age 40 while Kevin keeps working until he's 65. Both become eligible for normal retirement benefits on the same day.

If you're using benefit eligibility in your grouping for other functions, 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 choose to use the age at event date in determining eligibility. This way the calculation will tell you what benefits the employee was eligible for at the time of separation from service.

To set up the right definitions you must decide what information you want from the Benefit Eligibility function. Also remember that you can use different ages in different definitions.

Establishing Retirement Types and Eligibility Conditions

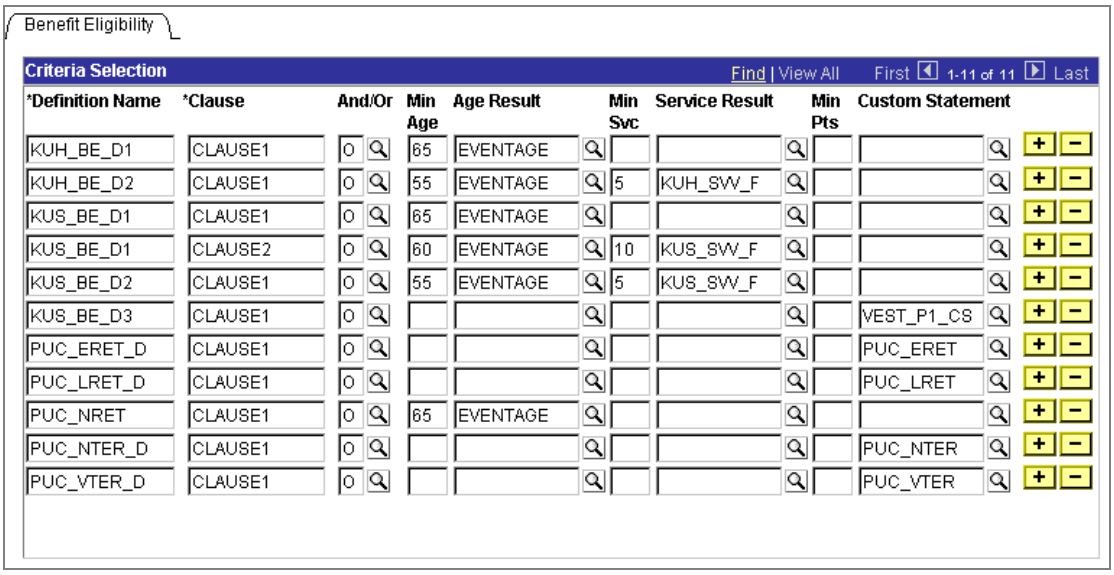
Your plans most likely provide for several different types of retirement benefits: retirement benefits such as early, normal, and late retirement, and ancillary benefits such as death or disability benefits. Employees are eligible for particular benefits according to criteria you define, typically age and service for retirement benefits.

Pages Used to Establish Retirement Types and Eligibility Conditions

Page Name	*Object Name*	*Navigation*	*Usage*
Benefit Eligibility	PA_BENELIG_EZ	Define Business Rules, Maintain Pension Plans, Define, Benefit Eligibility	Establish retirement types and eligibility criteria.

Establishing Benefit Eligibility

Access the Benefit Eligibility page.



Benefit Eligibility page

You'll see multiple definitions on this page and can create additional definitions or add clauses to existing definitions. This is different from other functions, where you create additional definitions by accessing the component with an Add action.

Note. If you want to see definitions in a particular order, for example grouped by plan, create a naming standard so that 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, choose whether to connect the clauses with "and" or "or" logic, represented respectively by values of *A* or *O*.

Definition Name	Name and identify definitions. Each row is a single clause in a definition.
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 easily see 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 is extremely important.
Min Age (minimum age)	Enter the minimum age and **Age Result,** the alias for the employee's age, which is a duration alias, typically for the employee's age at benefit commencement date.
Min Svc (minimum service)	Specify a minimum service requirement and the **Service** (function) **Result** that provides the employee service information.
Min Pts (minimum points)	Specify a minimum points (age + service) requirement.

See Also

Understanding Benefit Eligibility Age Requirements

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 handles 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 is implied.

See Also

"Using Custom Statements and Spouse Eligibility Statements"

CHAPTER 18

Defining Final Average Earnings

This chapter provides an overview of final average earnings and tell you how to:

- Use final average earnings results.
- Set up the final average earnings function.

Overview of Final Average Earnings

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 include parameters for handling different types of earnings periods such as partial, final, or zero earnings periods.

Using Final Average Earnings Results

Typically you 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 produces 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. 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 warns if there isn't one. We suggest you define the function result alias even if you're not going to use it.

See Also

"Using Function Result and Actuarial Factor Aliases," 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.

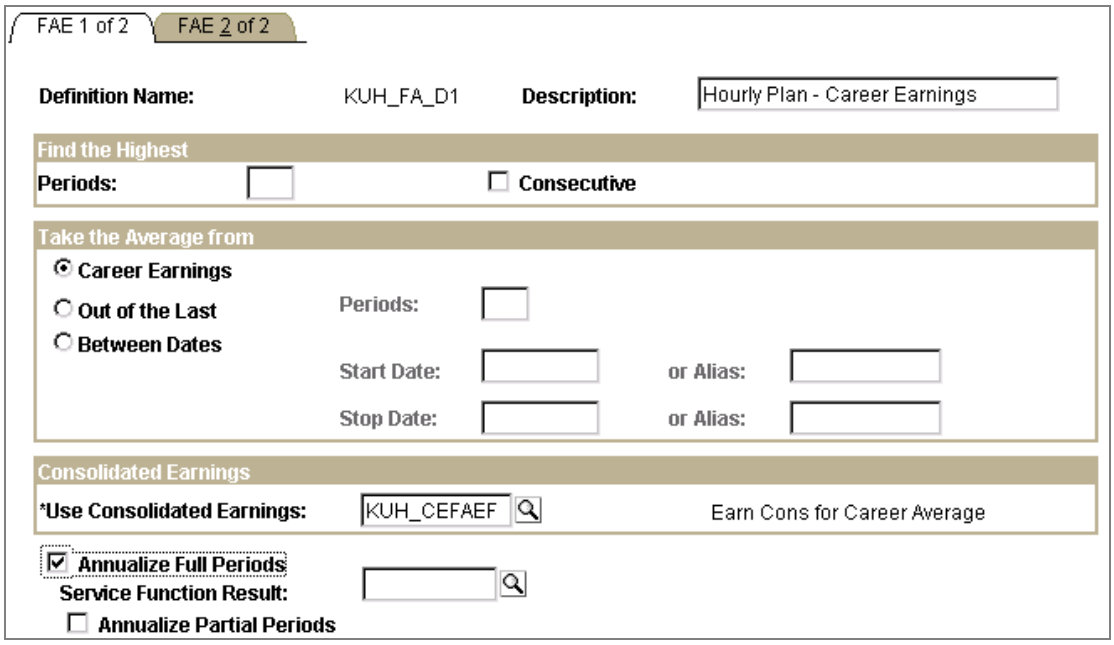
Note. The Final Average Earnings function calculates the average earnings element even when it's based on career pay rather than final pay.

Pages Used in to Set Up the Final Average Earnings Function

Page Name	*Object Name*	*Navigation*	*Usage*
FAE 1 of 2	PA_AVG_EARNS_PARMS	Define Business Rules, Maintain Pension Plans, Define, Final Average Earnings, FAE 1 of 2	Establish which consolidated earnings to use and which periods from the earnings history to use.
FAE 2 of 2	PA_AVG_EARNS_PARM2	Define Business Rules, Maintain Pension Plans, Define, Final Average Earnings, FAE 2 of 2	• Define adjustments to partial periods, final periods, and zero earnings periods. • Generate earnings • Adjust earnings according to 401(a)(17) limits or other earnings limits.

Using Consolidated Earnings and Earnings History Periods

Access the FAE 1 of 2 page.



Final Average Earnings - FAE 1 of 2 page

You can average earnings from every period in your averaging domain or pull out the highest earnings and average those. For example, average the highest ten years in an employee's career, or the highest five of the last ten years.

Find the Highest

Periods Specify the number of high periods.

Consecutive Select the highest consecutive earning periods.

Take the Average from

Career Earnings Whether you use all earnings periods or high earnings periods, you can limit your averaging to periods within a defined time period.

Career Earnings looks at all available earnings history.

Out of the Last This option looks back the number of periods you specify in the **Periods** field. For example, to find the average earnings during an employee's final five years, specify five periods.

On the next page you can direct the system to ignore periods with zero earnings or final periods. Ignored periods don't count when selecting the last periods. So if you ignore the final period, the last five periods would be the five periods before the final period.

Between Date 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. excluding earnings from periods before the employee meets the participation criteria.

Consolidated Earnings

Use Consolidated Earnings Indicate the source or your earnings data by entering a consolidated earnings function result.

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 to create the earnings data.

Annualize Full Periods Enter the corresponding service function result.

Earnings are annualized for full or non-partial service periods (partial period indicator is ‘N’).

For example, if actual earnings are $18,000.00 and accrued service for the period is 0.75 then the annualized amount will be $24,000.00.

Note. the FAE and Service Function Results must have the same computation period.

Service Function Result Select the name of the service function result to be used for annualized earnings.

Annualize Partial Periods Earnings are annualized for partial service periods

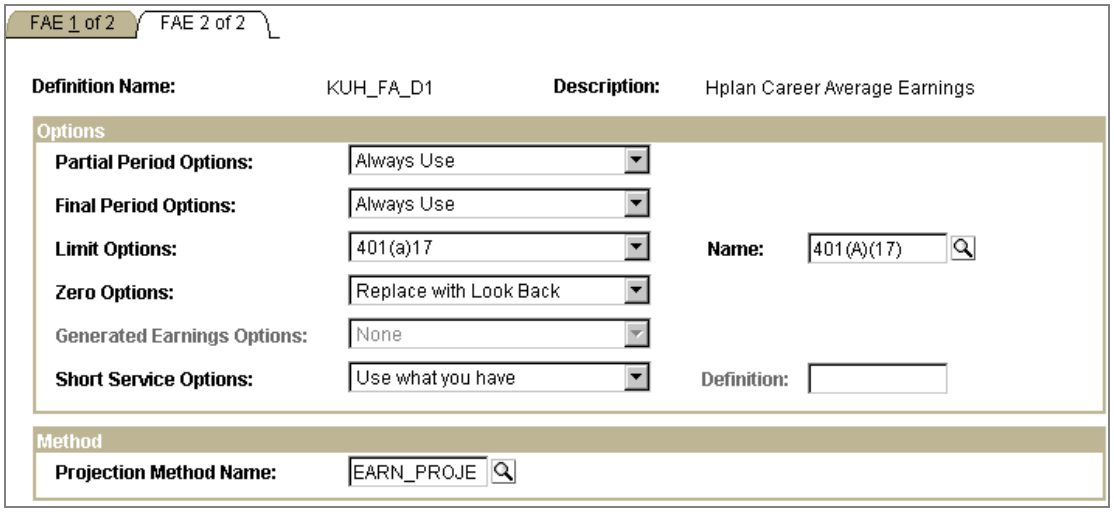
(partial period indicator is ‘Y’).

See Also

“Consolidating Payroll Data”

Defining Adjustments and Generating and Adjusting Earnings

Access the FAE of 2 page.



Final Average Earnings - FAE 2 of 2 page

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 set up in your consolidated earnings definition. Typically they are based on the occurrence of specified HR Actions such as leaves of absence, but may be based on other criteria you defined.

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.

With *Always Use*, 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.

Compare how *Always Use* and *Treat as Full* 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 is the sum of all the amounts: $143,000. With *Always Use,* the averaging denominator is the sum of all the period lengths: 4.5. The average, therefore, is $31,777.78. Using *Treat as Full,* the numerator is the same, but the denominator is 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.

Keep if Needed also ignores the partial period length.

Final Period Options

Final period options include all the partial period options plus two more.

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.

Limit Options

Use these 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.

Note. Both *401(a)(17)* and *Maximum Taxable Wage Base* 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 User Code *While Averaging*.

Zero Options

Includes *User Code.*

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.

When you set **Zero Options**, 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.

Note. 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.

Generated Earnings Options

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.

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.

Includes 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.

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.

"Projecting Hours and Earnings"

"Applying 401(a)(17) Earnings Limits"

CHAPTER 19

Defining Cash Balance Accounts

This chapter provides an overview of cash balance accounts and tells you how to:

- Use the cash balance function.
- Maintain cash balance accounts.
- Reference cash balance results at different dates.
- Set up cash balance parameters.

Overview of 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 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 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 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.

See Also

"Using Function Result and 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 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—the same monthly or yearly cycle as the consolidated earnings that provide the earnings data.

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. 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 system stores the results 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.

See Also

Referencing Cash Balance Results at Different Dates

"Maintaining Employee Pension Data"

"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.

See Also

"Using Function Result and Actuarial Factor Aliases"

Setting Up Cash Balance Parameters

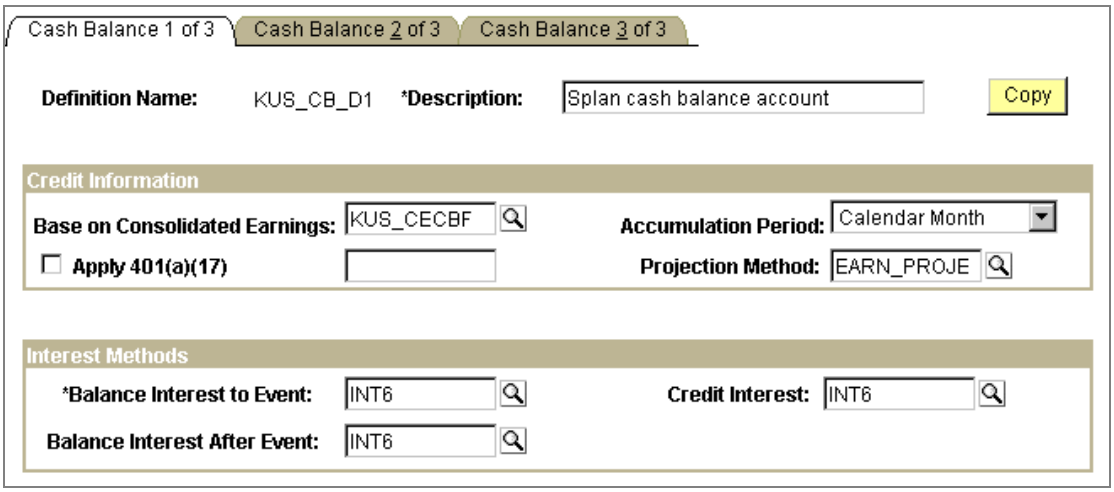
To maintain a cash balance plan, you track credits allocated to individual employee accounts. These credits are based on a percentage of earnings. The balance also includes interest on those credits.

Pages Used to Set Up Cash Balance Parameters

Page Name	*Object Name*	*Navigation*	*Usage*
Cash Balance 1 of 3	PA_CSHBAL_ACCT_C1	Define Business Rules, Maintain Pension Plans, Define, Cash Balance Accounts, Cash Balance 1 of 3	Establish the earnings basis used to calculate cash balance credits and to set the cash balance accumulation period.
Cash Balance 2 of 3	PA_CSHBAL_ACCT_C2	Define Business Rules, Maintain Pension Plans, Define, Cash Balance Accounts, Cash Balance 2 of 3	Specify a method for taking a percentage of earnings.
Cash Balance 3 of 3	PA_CSHBAL_ACCT_C3	Define Business Rules, Maintain Pension Plans, Define, Cash Balance Accounts, Cash Balance 3 of 3	Specify the rate(s) to use regardless of whether you use a level rate or different rates above and below a threshold.

Establishing the Earnings Basis and Accumulation Period

Access the Cash Balance 1 of 3 page.



Cash Balance Accounts - Cash Balance 1 of 3 page

Credit Information

Base on Consolidated Earnings

Indicate the consolidated earnings function result you're using as the source of your earnings data.

The cash balance function determines credits as a percentage of earnings. Consolidated earnings provides the earnings history.

Accumulation Period

Select the cash balance accumulation period from: ***Plan Year, Calendar Year,*** or ***Calendar Month.***

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.

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

Select this option to use the limits. If you use the limits, use the adjoining field to indicate the 401(a)(17) method to use. Qualified plans must observe Section 401(a)(17) limits.

Projection Method

Enter a **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. The final period earnings are prorated using rules from the projection method**.**

Interest Methods

Employees receive interest at the end of each accumulation period.

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

Enter a method for balances up to the event date.

Balance Interest After Event

Enter a method for balances after the event date.

Credit Interest Enter a method to use for credits made for the current period.

See Also

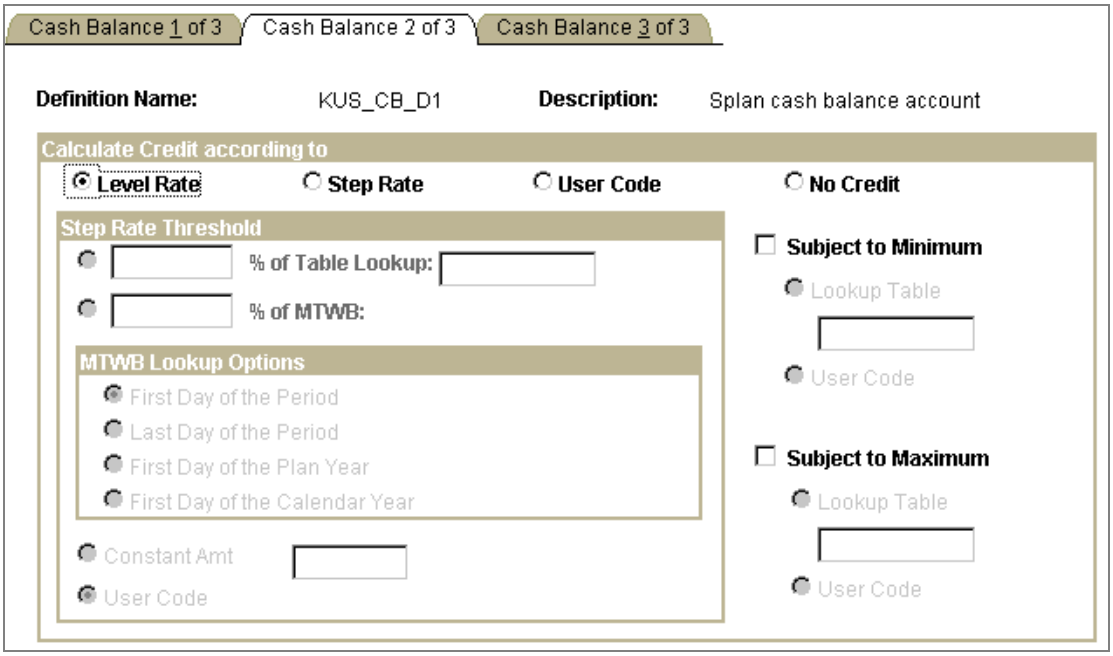
"Applying 401(a)(17) Earnings Limits"

"Projecting Hours and Earnings"

"Using Interest Methods"

Specifying a Percentage Of Earnings Take Method

Access the Cash Balance 2 of 3 page.



Cash Balance Accounts - Cash Balance 2 of 3 page

Calculate Credit according to

To accumulate credits based on earnings, you need to indicate a percentage of the earnings to use.

Level Rate Uses the same percentage for all earnings.

Set the rates used by either *Level Rate* or *Step Rate* on the Cash Balance 3 of 3 page.

Step Rate Uses one rate below a threshold amount and another rate above the threshold. For *Step Rate,* go to the **Step Rate Threshold** group box.

No Credit — Use if there are no continuing credits to your cash balances, that is, the only increases are due to interest.

You 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 use the system's grouping capabilities to apply the *No Credit* definition to the appropriate period of time.

Step Rate Thresholds

% of Table Lookup — Your first option is to vary the threshold by selecting this option, entering a fixed percent and indicating a table lookup alias. The cash balance function looks 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 — Select this if your lookup is based on the Maximum Taxable Wage Base**.** Because the Maximum Taxable Wage Base changes every year, the system looks up the value for each accumulation period. 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) — Set a constant amount threshold or use your own custom User Code to set the step rate threshold.

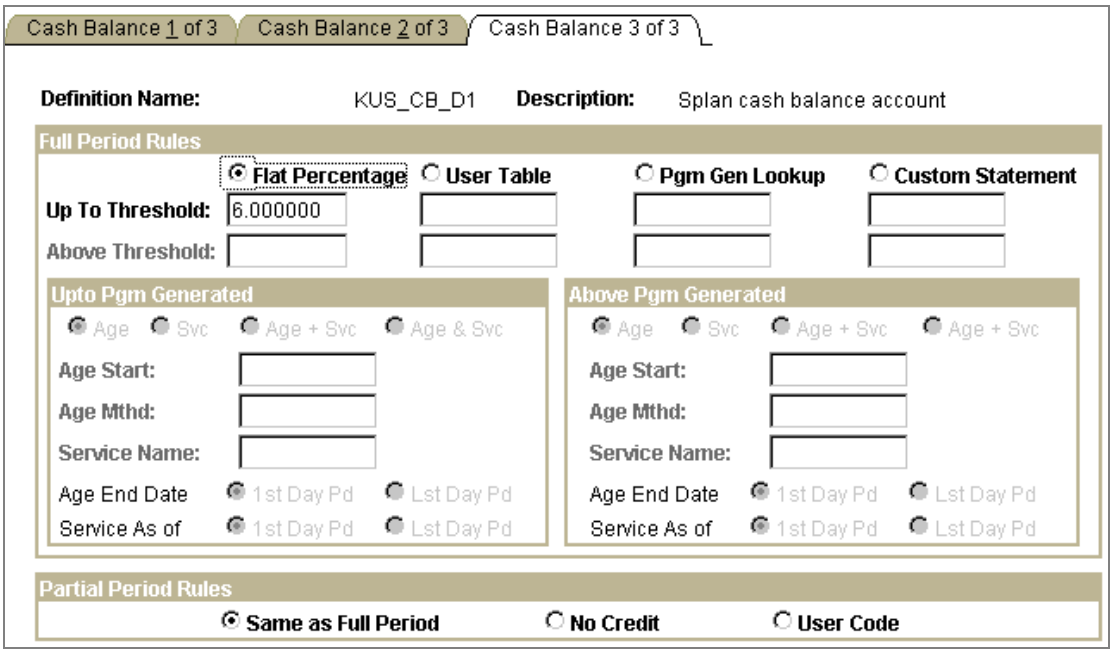
Subject to Minimum/Maximum — Set minimum and maximum credits per accumulation period. If your cash balance plan gives a fixed number of credits, say, 500 per year; rather than basing the credits on earnings, you can use the minimum and maximum earnings limits to force the correct amount of credits.

Table Lookup — If you do apply a limit, you'll reference that limit with either a **Table Lookup** or your own User Code.

Note. Remember, you can apply 401(a)(17) limits on the Cash Balance 1 of 3 page; so don't use **Subject to Maximum** for this purpose.

Specifying the Rate(s) to Use

Access Cash Balance 3 of 3 page.



Cash Balance Accounts - Cash Balance 3 of 3 page

Full Period Rules

The Full Period Rules options are the same a flat rate or a step rate.

Flat Percent, User Table, Pgm Gen Lookup, Custom Statement

For **Flat Percent**, enter a percentage.

For **User Table** or **Pgm Gen Lookup**, enter the table lookup alias.

For **Custom Statement**, enter the custom statement(s) that provide the percentage(s).

If you select **User Table** 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 **Pgm Gen Lookup** (program generated table oookup). "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 need to enter two conversion rates. Enter the first here**.** If you're using a level rate, you only enter a single rate here.

Above Threshold	Enter the second conversion rate here. These fields are not available for level rates.
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 & 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) here.
Age Mthd (age method)	Enter a duration option specifying the age calculation method.
Service Name	If your lookup includes a service component, enter a service function result.
Age End Date	For the age components, select either **1st Day Pd** (first day of the period) or the **Lst Day Pd** (last day of the period).
Service As Of	For the service component, select either the **1st Day Pd** (first day of the period) or the **Lst Day Pd** (last day of the period).

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). Select from **Same As Full Period, No Credit,** or your own custom **User Code.**

CHAPTER 20

Defining Employee Accounts

This chapter provides an overview of employee accounts and tell you how to:

- Use the employee accounts function results.
- Maintain employee accounts.
- Establish an interest-only definition.

Overview of Employee Accounts

Employee accounts tracks periodic, annual or monthly, contributions that employees contribute to their pension fund through paycheck deductions. They also track interest amounts and a running balance.

Sometimes activity in an employee account affects service, particularly for public plans. This can occur when:

- Employees withdraw contributions and forfeit the corresponding service—typically at termination.
- Employees repay the withdrawn contributions and "buy back" the service originally forfeited—typically after a rehire.
- Employees make contributions for times when they weren't accruing service and thus "purchase" service credit for that time—typically 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.

To link withdrawals, repayments, and service purchase contributions to both the employee account and the corresponding service accrual, you use subaccounts. Every transaction in a subaccount rolls up to the parent account (the plan's actual contributory account). Additionally, transactions in subaccounts trigger appropriate adjustments to the corresponding service.

See Also

"Setting Up Contributory Plans"

Using Employee Accounts Function Results

You need to keep track of employee contributions and the interest they earn. The Employee Accounts function keeps track of pre-tax 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* is 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 associated service accrual.
- The function result for a *purchase subaccount* tracks amounts that employees pay into the main contribution account 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.

Note. If you create subaccounts, put them before the main account when you set up the job stream in the Plan Implementation page.

See Also

"Creating The Plan Implementation and Plan Aliases," Adding Function Results to Your Plan Implementation

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. You therefore use the employee-paid benefit result to separate the employee-paid and employer-paid portions of the total benefit before you apply vesting and 415.

See Also

"Defining the Employee-Paid Benefit"

Using the Main Contributory Account When Paying Retirees

When employee contributions are post-tax, 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 determining 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 $1,400 is taxable.

The system ensures that you don't pay out more than $21,000 of non-taxable income by copying 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-tax 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.

See Also

"Preparing Pension Payments," Scheduling Payments

"Making Pension Payments"

Using Withdrawal and Purchase Subaccounts

Use withdrawal subaccounts to track amounts that employees withdraw from and repay to the plan contributory account. Use the withdrawal subaccount to make a simultaneous adjustment to the employee's service rather than making a manual adjustment to the main contributory account.. By using the withdrawal account, you prepare for administering repayment of the withdrawn contributions and the corresponding service buy-back.

If using withdrawal accounts, you can use the Payee Contribution Withdrawal page to pay out withdrawn contributions through the trustee extract.

Use purchase subaccounts to track additional contributions employees make to purchase service for time not worked. Use the purchase subaccount rather than making an adjustment to the main contributory account in order to associate the contributions with the corresponding amount of service.

See Also

"Administering Contributory Plans"

Maintaining Employee Accounts

When you run periodic processing the results are stored in a permanent employee account history. You use the history in multiple ways:

- For employee inquiry—look up information without having to run a calculation first.
- For calculations. When you run a calculation, the system copies 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. Control your periodic processing population to avoid processing employees after termination.

See Also

" Running Periodic Processes"

"Viewing Employee Data," Viewing Plan-Related Information

"Administering Contributory Plans"

Establishing an Interest-Only Definition

If an employee stops contributing to a plan because he becomes ineligible for the plan, or because the plan stopped requiring contributions, the account doesn't necessarily close. Interest continues to accrue even though there are no contributions.

To deal with this, create separate Employee Accounts definitions to use when there are no contributions. If the plan stopped requiring contributions, you create a new effective-dated rule in your function result. If the plan still requires contributions, you set up separate groups for employees who are contributing and those who are not contributing. For example:

Group Criteria	*Definition*
Pension status is active participant	Accrue contributions and interest
Pension status is anything else	Accrue interest only

The system can now to continue to process employees with no contributory information.

Defining an Employee Account

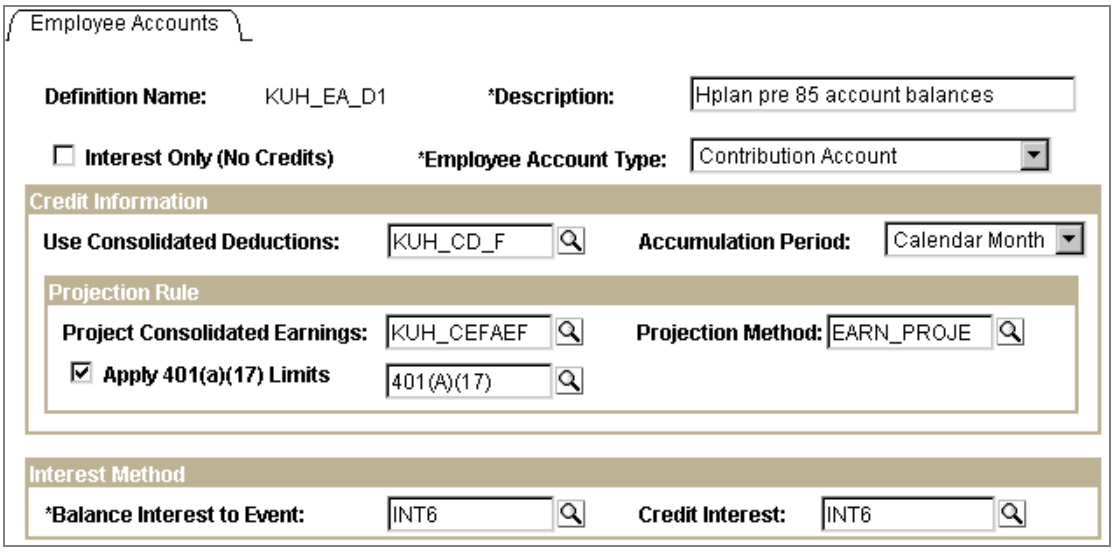
Use the Employee Accounts page to define employee account.

Pages Used to Set Up an Employee Account

Page Name	*Object Name*	*Navigation*	*Usage*
Employee Accounts	PA_CONTRIB_ACCT_C1	Define Business Rules, Maintain Pension Plans, Define, Employee Accounts	Set up Employee Accounts parameters.

Setting Up an Employee Accounts

Access the Employee Accounts page.



Employee Accounts page

Interest Only (No Credits) If you're creating a definition that tracks interest only, select **Interest Only (No Credits).**

Employee Account Type Select an account type.

Contribution Account: Every contributory plan has one contribution account to track the total contributions made to the plan.

Withdrawal Account: These track amounts that employees withdraw and repay from the plan contributory account and 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 need to track more that one repayment at a time, set up multiple withdrawal accounts.

Service Purchase: The function result for a this 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.

Credit Information

Use Consolidated Deductions — If you didn't select **Interest Only (No Credits)** enter the name of the consolidated contributions function result that accumulates payroll deduction information.

Note. 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 uses the interest-only definition, but also picks up contributions made while the employee was covered under the previous definition.

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 see the total for each period as well as the balance at the end of each period.

Select from: *Calendar Year, Calendar Month,* and *Plan Year*.

Note. 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.

Projection Rule

Project Consolidated Earnings — Entering a consolidated earnings function result to indicate the earnings basis, then enter the **Projection Method** you want to use

Apply 401(a)(17) Limits — Select to apply limits to the earnings amounts and enter the 401(a)(17) method to use.

See Also

"Projecting Hours and Earnings"

"Applying 401(a)(17) Earnings Limits"

Interest Methods

Use **Balance Interest to Event** and **Credit Interest** the same way you use them for cash balance accounts.

CHAPTER 21

Defining Social Security

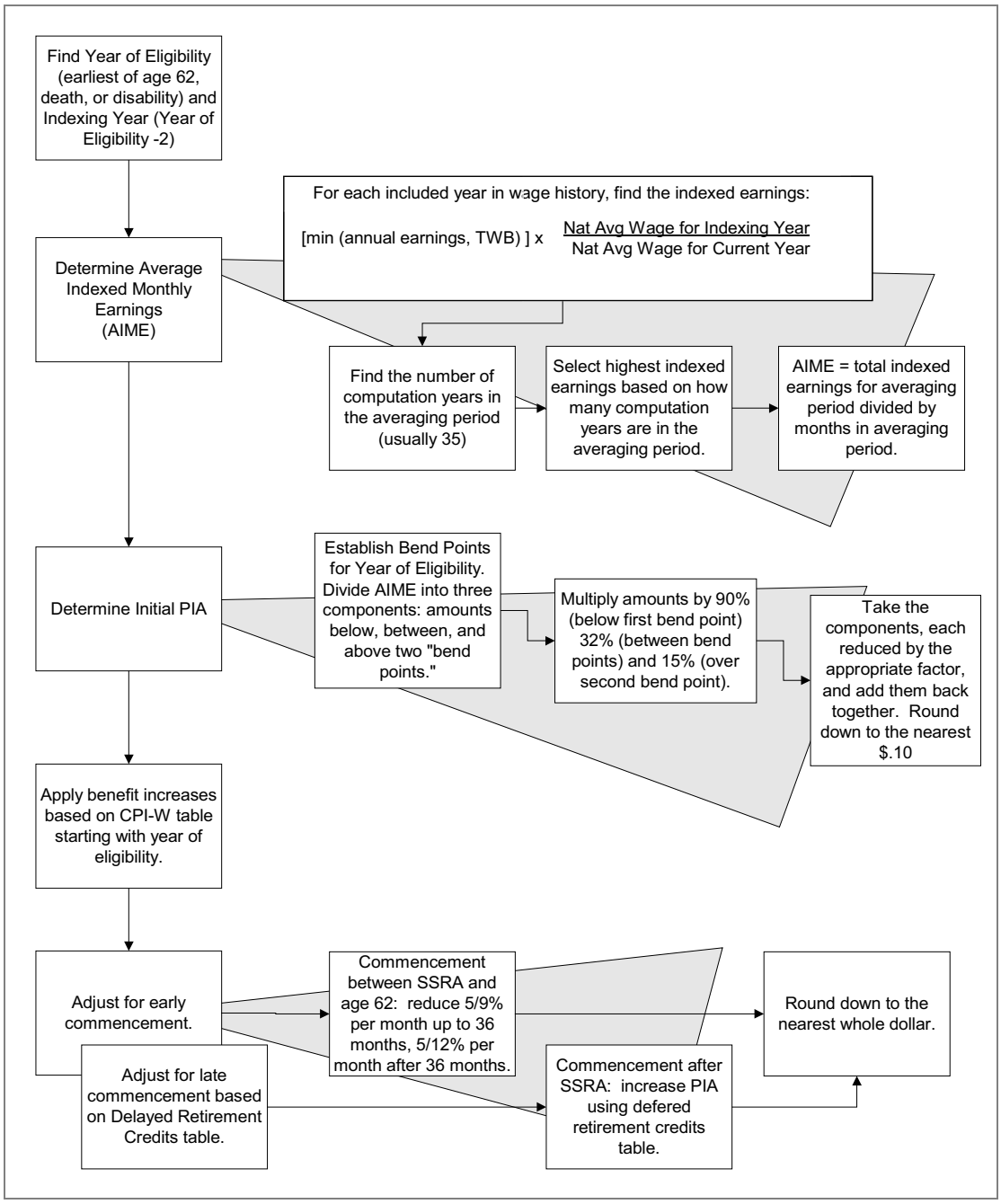
This chapter tells you how to:

- Calculate social security.
- Use social security results
- Set up a social security definition.

Calculating Social Security

The following diagram shows how that social security calculation works. 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.

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 uses the value from the year the employee turned 62.



Social Security Calculation Method

Using Social Security Results

The social security function provides a 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.

Note. Because the social security result is a *monthly* value, when you include social security in a benefit formula, 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, you could set up a Custom Statement, ANNUAL_SS, representing social security x 12 and use that Custom Statement in your benefit formula instead of the actual social security function result.

Setting Up a Social Security Definition

Although social security calculations mostly use fixed rules, there are choices for you to make when estimating PIA. These include assumptions about past and future earnings and about when social security benefits will begin.

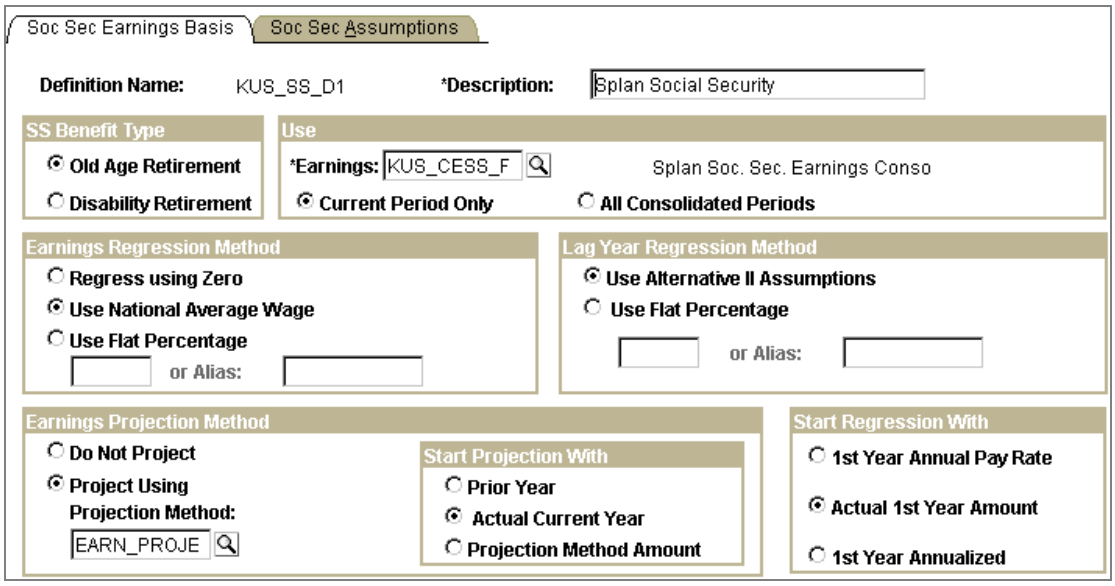
Pages Used to Set Up a Social Security Definition

Page Name	*Object Name*	*Navigation*	*Usage*
Soc Sec Earning Basis	PA_SOC_SEC_PIA1	Define Business Rules, Maintain Pension Plans, Define, Social Security	Establishes basic information needed for PIA calculations
Soc Sec Assumptions	PA_SOC_SEC_PIA2	As above	Sets the Taxable Wage Base, the early and deferred retirement adjustment amounts, and all the other tables used in Social Security calculations. s.

Establishing Basic PIA Calculation Information.

The information you establish includes 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.

Access the Soc Sec Earning Basis page



Social Security - Soc Sec Earnings Basis (social security earnings basis) page

Note. 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 enter the annual earnings data in the Employee Soc Sec Earnings page. When an employee has data in this page, the social security function uses that data. In this case, the system ignores all the earnings-related fields on this page and won't project or regress the earnings information.

SS Benefit Type

Old Age Retirement
Disability Retirement.

Indicate which type of benefit you will use to calculate PIA.

If you set up definitions for each type, use grouping logic to ensure that the function result produces the appropriate type of calculation.

See Also

"Grouping Employees"

Use

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 applies this limit.

Earnings

Entering either a consolidated earnings function result or a final average earnings function result (FAE) to indicate where to find the earnings data.

Note. If you use consolidated earnings, be sure you're using an *annual* consolidation method, one based on a calendar year.

Current Period Only
All Consolidated Periods

If you use consolidated earnings, indicate which data to use. If you use the current period only, data for all other periods is estimated using the projection and regression methods you set up on this page. If you use all consolidated periods, you 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.

For a FAE Function Result, **Current Period Only** and **All Consolidated Period** aren't applicable.

Earnings Regression Method

Regress using Zero

To estimate employees' previous earnings, select this option to assume zero earnings for all prior periods.

Use Flat Percentage

Select this option to regress by a fixed percentage per year and enter that percentage in the edit box below. Use either a constant percentage or an alias. To assume 5% less money per year, enter a regression percentage of 95%. Regressing at 100% uses the same earnings for all previous years.

Use National Average Wage

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

Use Alternative II Assumptions

Select this to use the government estimates in the NAW table.

Use a Flat Percentage

Select this to project values for those years based on the last nonestimate 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.

See Also

"Maintaining Public Tables," Maintaining Social Security Tables"

Start Regression With

All 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.

1st Year Annual Pay Rate — Select this to use the compensation rate as recorded in the employee's job record. The system will disregard actual earnings.

Actual 1st Year Amount — Select this 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.

1st Year Annualized — Select this 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.

Earnings Projection Method

Do Not Project — To estimate employees' future earnings, select this option to assume zero earnings for all future periods.

Project Using Projection Method — The projection method incorporates the wage escalation rate the pension administrator enters in the calculation page.

See Also

"Projecting Hours and Earnings"

Start Projection With

Prior Year — If you opt to project earnings, the projection can be based on any of the periods indicated.

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 — Select this to use the earnings-to-date in the 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.

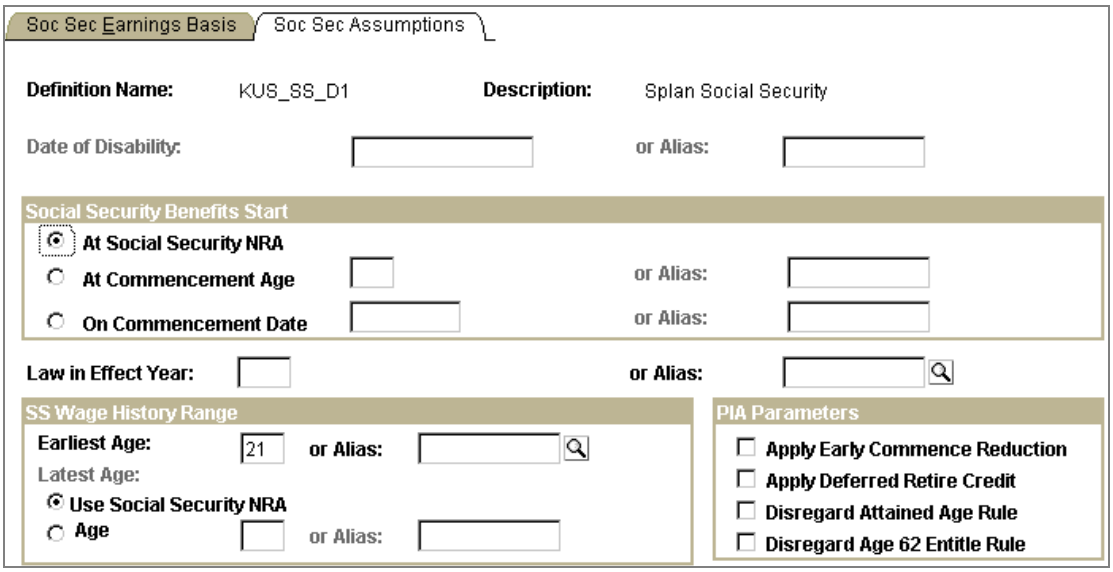
Projection Method Amount — The system annualizes earnings for the current year according to your projection method rules.

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.

Making Assumptions for Calculating Social Security Estimates

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.

Access the Soc Sec Assumptions page.



Social Security - Soc Sec Assumptions (social security assumptions) page

Date of Disability

Enter the assumed date of disability for social security disability calculation. This could be a date alias to a custom field you create for tracking an employee's disability date.

If you don't enter a date, the system uses 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.

Social Security Benefits Start

Social Security PIA amounts depend on the date when an employee begins receiving social security benefits. You must therefore make an assumption as to when social security benefits start.

At Social Security NRA

Social Security Retirement Age is the age at which individuals can begin receiving social security benefits without any reduction for early commencement. For this option the system checks the employee's birth date and calculates the NRA according to the schedule below.

At Commencement Age or **On Commencement Date**

Use these options for any other assumed commencement. Both fields accept 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

Year of Birth	*Social Security NRA*
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.

Law in Effect Year

Social Security calculations depend on many government tables which are updated yearly. If you are performing historical calculations, you 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 automatically uses 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.

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.

SS Wage History Range

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 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	Either **Use Social Security NRA** or enter a value in the **Age** field.

Note. 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.

PIA Parameters

The **PIA Parameters** group box contains options for adjusting Social Security PIA for early or late retirement.

Apply Early Commence Reduction	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.
Apply Deferred Retire Credit	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.
Disregard Attained Age Rule	Under the Attained Age Rule, employees are eligible for social security the day *after* they reach Social Security Retirement Age. Select this option to ignore this rule and use the *same* day employees reach SSRA.
Disregard Age 62 Entitle Rule	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. For this option the system will treat the birthday month as the first month of social security eligibility.

CHAPTER 22

Defining Covered Compensation

This chapter tells you how to:

- Use covered compensation results.
- Define covered compensation rules.

Understanding Covered Compensation

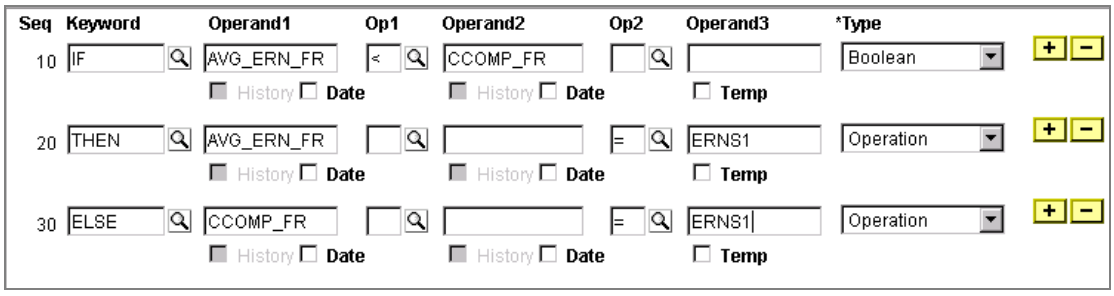
Covered Compensation is defined as the average of the Social Security Taxable Wages Bases over a period of 35 years up to and including the year in which an employee reaches Social Security Retirement Age (SSRA). Covered Compensation for workers with SSRAs in the future change every year when the new Taxable Wage Base (TWB) is published.

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.

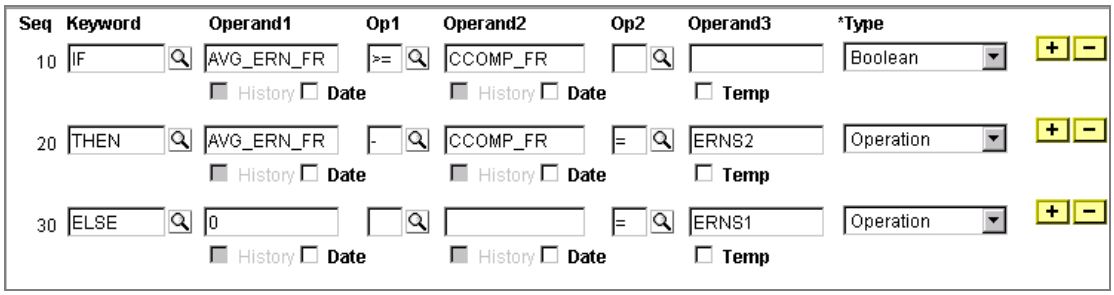
The Covered Compensation feature allows you to define rules that allow you to provide different levels of benefit for earnings above and below the Maximum Taxable Wage Base.

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

Defining Covered Compensation Rules

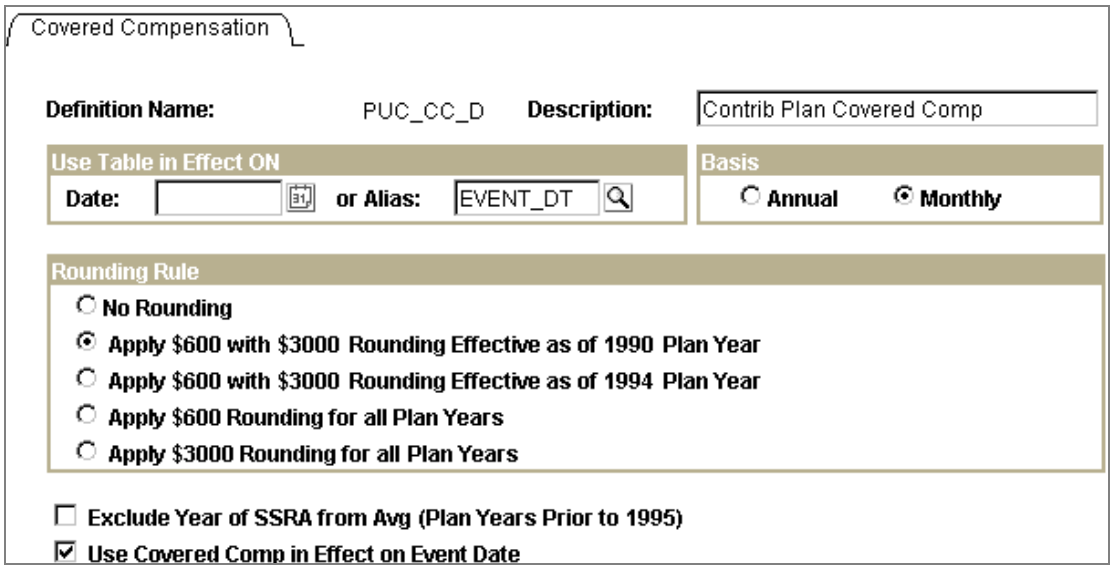
The definition comprises TWB table selection, period basis and rounding rules.

Pages Used to Define Compensation Rules

Page Name	*Object Name*	*Navigation*	*Usage*
Covered Compensation	PA_COVERED_COMP	Define Business Rules, Maintain Pension Plans, Define, Covered Compensation	Set up covered compensation rules.

Setting Up the Covered Compensaton Rules

Access the Covered Compensation page.



Covered Compensation page

Use Table in Effect ON

Date/or Alias — Enter a constant **Date** or **Alias.** You typically use the event date. When calculating covered compensation, the system uses the table you indicate in here.

Basis

Annual or **Monthly** — The normal covered compensation amount is an annual average. You can express this as a monthly amount.

Rounding Rule

Depending on when and if your plan adopted the various IRS 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 35 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.

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 (SSRA). Select this option to use that definition for those years. This option only affects historical calculations.

Use Covered Comp in Effect on Event Date — A plan may define covered compensation such that all employees who haven't yet attained SSRA, regardless of actual age, are assumed to reach SSRA on the event date. Thus all employees terminating in the same year have the same covered compensation, regardless of year of birth. Select this option to use this definition. This option doesn't effect employees who are older than SSRA on the event date.

CHAPTER 23

Defining Early and Late Retirement Factors

This chapter provides an overview of early and late retirement factors and covers:

- Use of early/late results.
- QDRO considerations for early/late adjustments.

Overview of Early and Late Retirement Factors

Early retirement often carries a reduced benefit. 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 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 incorporate the adjustment factor into your benefit formula.

You also use the early/late adjustments function to set up actuarial increase and decrease factors to apply to 415 limits. You reference these function results from your 415 limits definition.

Pages Used for Early and Late Retirements

Page Name	*Object Name*	*Navigation*	*Usage*
Define Adjustments	PA_AGE_ADJ_GENERAL	Define Business Rules, Maintain Pension Plans, Define, Early/Late Adjustments	Indicate the time span for which you are adjusting and to establish subadjustments that together will produce the final factor.

Page Name	Object Name	Navigation	Usage
Actuarial Equivalence Method	PA_AGE_ADJ_EQUIV	As above	Provide actuarial details.
Arithmetic Method 1 of 2	PA_AGE_ADJ_ARITH1	As above	Specify the reduction rates.
Arithmetic Method 2 of 2	PA_AGE_ADJ_ARITH2	As above	Specify the reduction for each period counted.

Defining Adjustments

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 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.

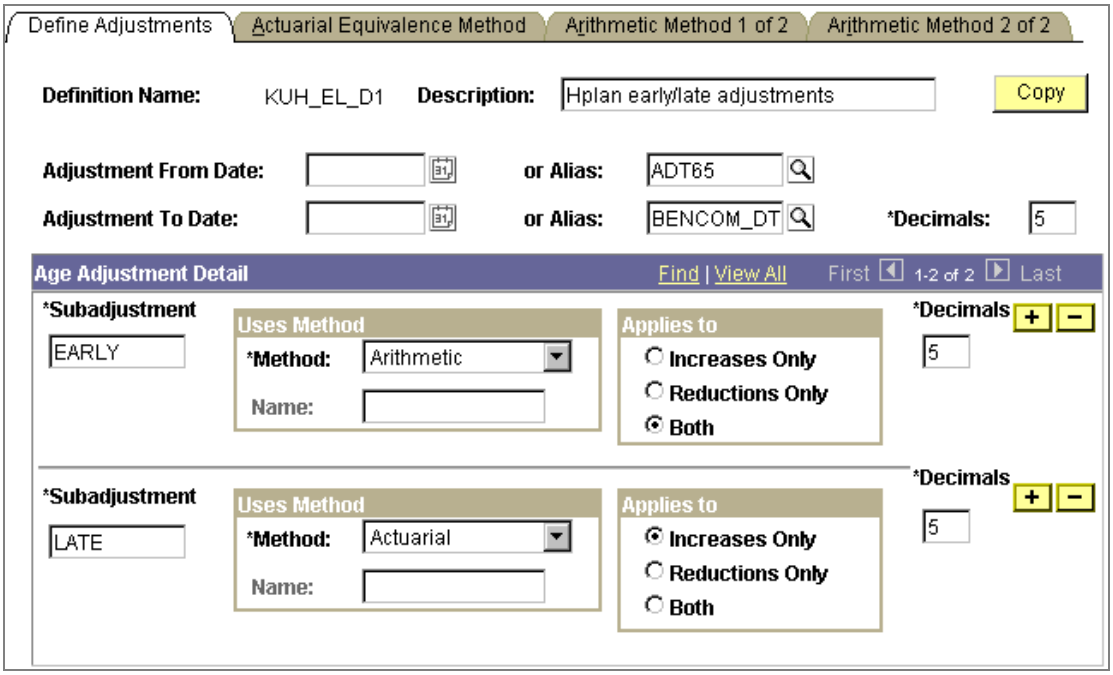
In the lower area of the page, you'll create one or more subadjustments and specify what adjustment method you'll use. These subadjustments apply to different segments within the total adjustment period. For actuarial and arithmetic methods, there are additionals where you provide more information, including 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

Access the Define Adjustment page.



Early/Late Adjustments – Define Adjustments page

Adjustment From/To Date

The **Adjustment From Date** and **Adjustment To Date** fields establish the total adjustment period and determine whether the benefit needs to be increased or reduced. If the "to date" is later or earlier, the benefit must be increased or reduced respectively. Because the factor depends on which date is earlier, these fields aren't interchangeable.

In most cases, you 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.

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

This determines how many decimal places your final factor includes. The system rounds the final result to the specified number of decimal places.

Age Adjustment Detail

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.

Uses Method

Method Select from *Actuarial, Arithmetic, Custom, Table,* and *User Code* to indicate the method you'll use to set up the factor.

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.

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	Indicate how many decimal places to include in the subadjustment factor.

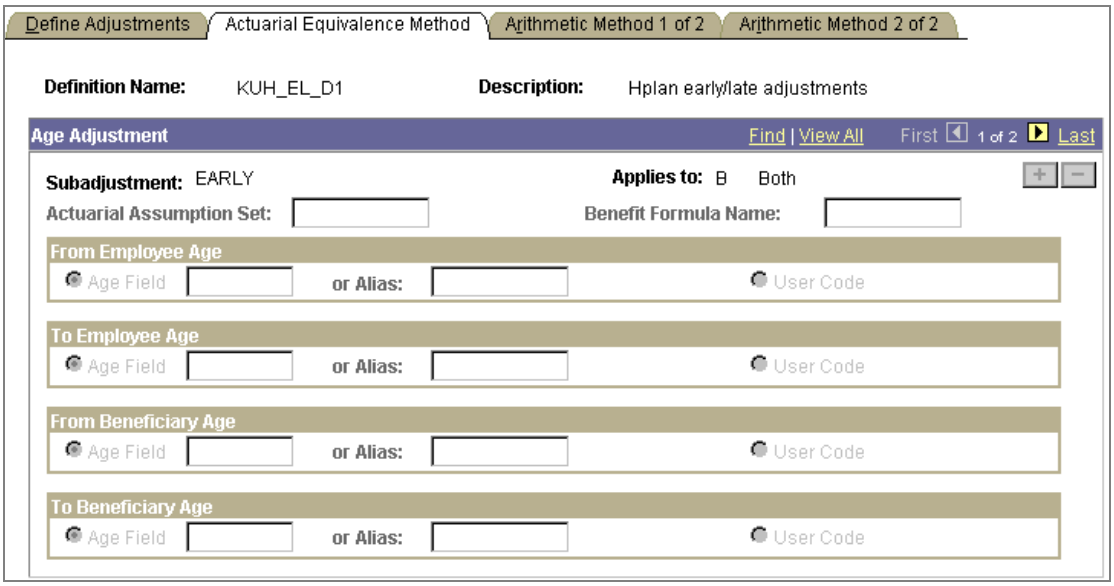
See Also

"Creating Table Lookup Aliases"

"Using Custom Statements and Spouse Eligibility Statements"

Providing Actuarial Details

Any subadjustments you create on the first page appear in the scrolling region of the Actuarial Equivalence Method page. If any subadjustments use an actuarial method, this is where you provide actuarial details. If you have more than one actuarial subadjustment, be sure to enter information for each one.



Early/Late Adjustments - Actuarial Equivalence Method page

Age Adjustment

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.
Benefit Formula Name	Because the actuarial adjustment depends on the form of payment, you 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	Specify the age range that the assumption set will be applied to.
Age Field	For both from and to ages, you can specify an age (constant) or an alias, or you can use your own **User Code**
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.

Warning! Be sure your subadjustment ranges coincide with the main adjustment range you entered on the Define Adjustments page.

See Also

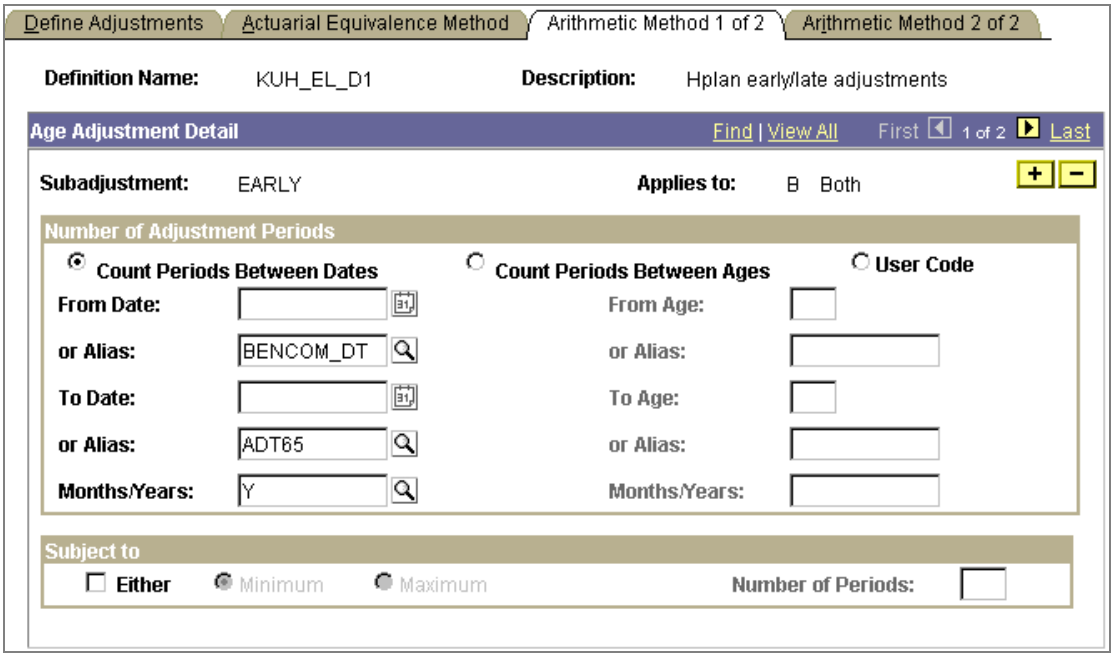
"Using Actuarial Assumptions"

Specifying Periods and Time Frames

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.

Access the Arithmetic Method 1 of 2 page.



Early/Late Adjustments – Arithmetic Method 1 of 2 page

Number of Adjustment Periods

Count Periods between Dates, or **Count Periods between Ages.** Specify the time span to which the adjustment applies by selecting to define this time frame in terms of dates or ages**.** You can also use your own **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 in these fields.

or Alias 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* to indicate how to measure the time between the dates or ages.

Subject to

Either Select this to then select a **Minimum** or **Maximum** number of periods to count.

Periods Enter the number of periods to count.

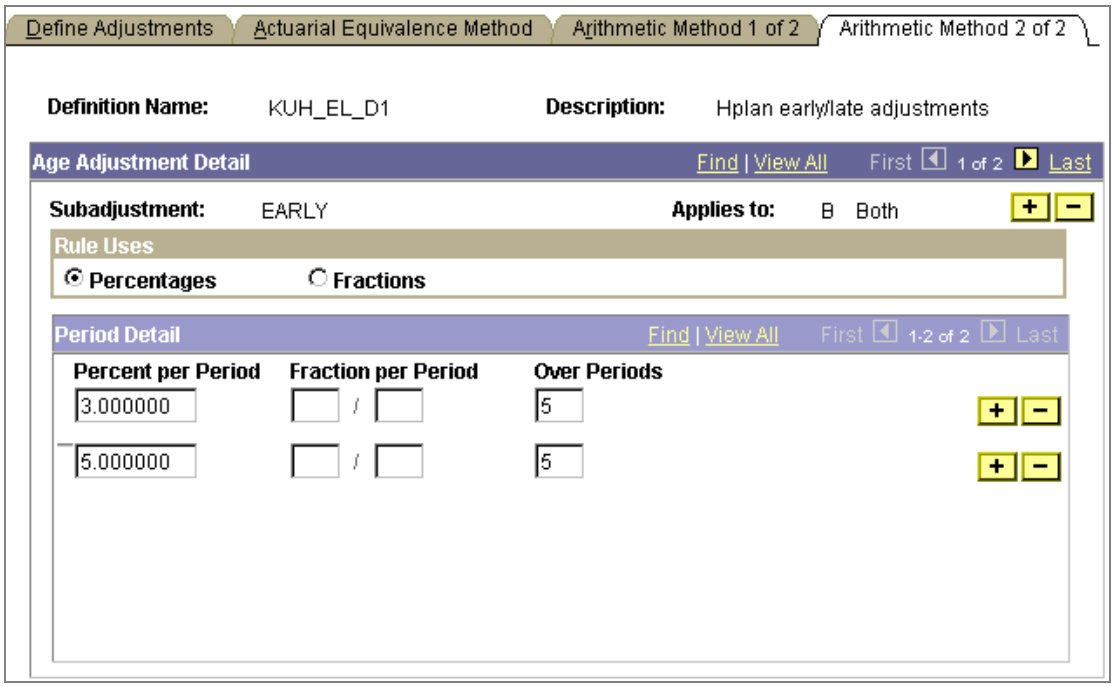
The total time span of all subadjustments must align exactly with the total adjustment period. If you use dates, use the same aliases used to define the total adjustment period.

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 almost always need to use aliases instead in order to round the dates appropriately so they 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 inaccurate.

Specifying the Reduction for Each Period Counted

Once you've determined the period of time to count, specify the reduction for each period counted.

Access the Arithmetic Method 2 of 2 page.



Early/Late Adjustments – Arithmetic Method 2 of 2 page

Rule Uses

Percentages or **Fractions** Select what your rule uses for your arithmetic method adjustment rates**.**

Period Detail

Percent per Period/Fraction per Period — Enter a percentage or a nominator and denominator. 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. 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

To perform calculations for QDRO alternate payees, the administrator first creates 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.

Note. 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, Paul and Mary got divorced and Mary 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 elects to begin benefits, Paul is 62 and Mary 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's calculation needs to reference Paul's age. In order to get to this information, you'll use QDRO_EE_BD.

See Also

"Using Database Aliases," Using QDRO Aliases

Creating QDRO-Specific Definitions

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 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 24

Defining Death Coverage Reductions

This chapter provides and overview of death coverage reductions and covers how to:

- Use death coverage results.
- Understand death coverage results.
- Define death coverage reductions.

Overview of 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 through a reduced benefit upon benefit commencement. The death coverage reduction 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 which you typically incorporate into your benefit formula. The result is the actual factor applied to the benefit, not the reduction amount. For example, the factor would be 98% or .98. for a 2% reduction.

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.

Note. 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. You should, therefore, record coverage as a workflow process that initiates 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: both the employee's group affiliation and the definition used for the employee's group can change. When either event occurs, the 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 where the definition for ineligible periods produces no reduction. You set this up in the Function Result page using the Definition Applies to parameters.

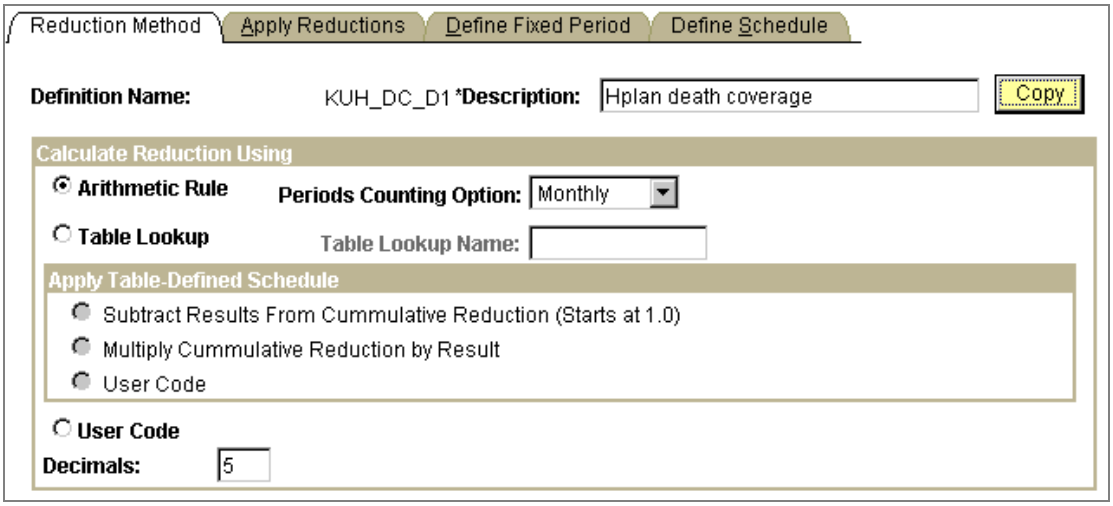
Defining Death Coverage Reductions

Pages Used to Define Death Coverage Reductions

Page Name	*Object Name*	*Navigation*	*Usage*
Reduction Method	PA_DEATH_ADJ_GEN	Define Business Rules, Maintain Pension Plans, Define, Death Coverage	Establish the method for calculating death coverage reduction factors.
Apply Restrictions	PA_DEATH_ADJ_GEN2	As above	Determine what time period to evaluate when determining the reduction factor.
Define Fixed Period	PA_DEATH_ADJ_ARITH	As above	Define the fixed period to apply the reduction to.
Define Schedule	PA_DEATH_ADJ_COV	As above	Set up an arithmetic rule.

Establishing the Method for Calculating Death Coverage Reduction Factors

Access the Reduction Method page.



Death Coverage - Reduction Method page

Calculate Reduction Using

Arithmetic Rule

An arithmetic method involves counting the covered periods from the election history and applying a specific factor (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.

Set the **Period Counting Option.** You'll find parameters for setting the reduction rate on the Define Schedule page. Here, you only specify units for measuring the covered period of time.

Select from *Monthly Periods* or *Yearly Periods.*

Table Lookup

If you use a table lookup, you create a custom table for your reduction factor. Reference your custom table in the **Table Lookup Name** field. The table lookup will return a single factor based on the criteria you specify.

See Also

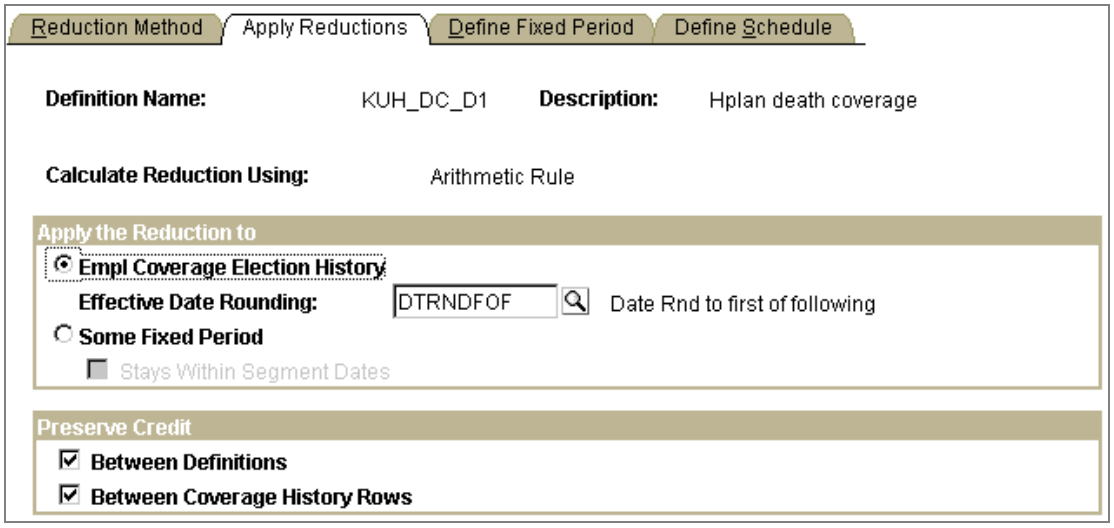
"Creating Table Lookup Aliases"

Apply Table-Defined Schedule

Subtract Result From Cumulative Reduction (Starts at 1.0)	Select this if the table returns the reduction amount, say, .02 for a 2% reduction**.** 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.
Multiply Cumulative Reduction By Result.	Select this if the table returns the reduction factor, say, .98 for a 2% reduction.
Decimal	Select the number of decimal places for your final reduction factor. The system rounds the final result to the specified decimal places.

Applying Reductions

Access the Apply Reductions page.



Death Coverage - Apply Reductions page

Apply the Reduction to

In this group box you can apply arithmetic reductions two ways. You can:

- Evaluate the employee's history of covered and noncovered time periods
- 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.

Empl Coverage Election History

The death coverage function breaks that history into covered and noncovered segments based on coverage changes.

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 always deal in full months.

Some Fixed Period

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 set the fixed period on the next page.

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 looks at the coverage history and adjusts 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.

Preserve 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.

Between Definitions

Select this to preserve credit when the definition changes, either because of a group change or a plan rule change, select the check box.

Between Coverage History Rows

Select this to preserve credit when an employee drops and then reelects coverage.

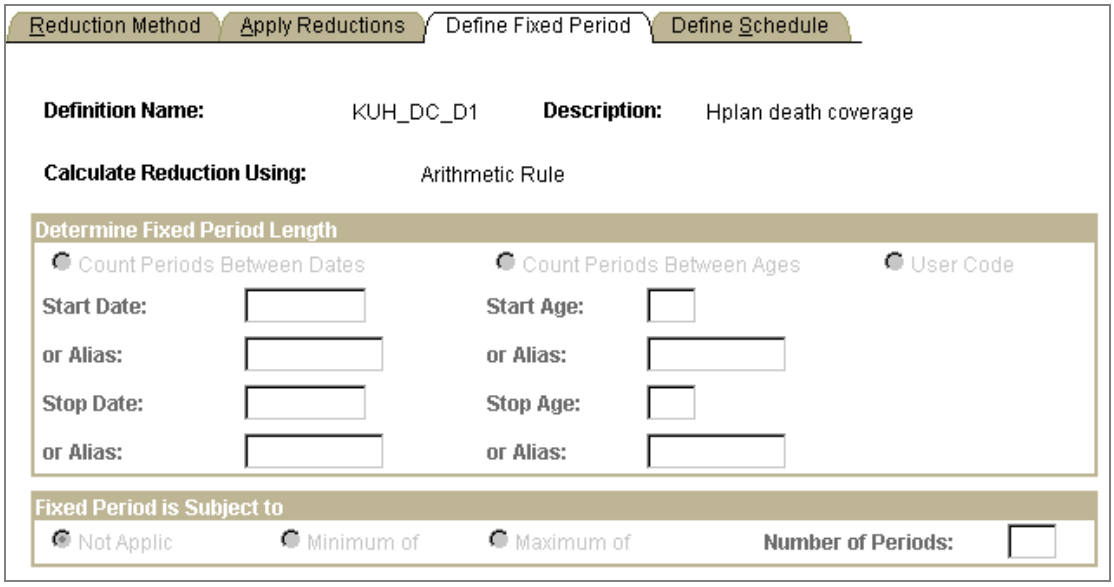
As the system counts coverage periods, it keeps separate accumulators based on each of these options. When you don't preserve coverage, the relevant accumulator is set to zero when there is a definition or coverage history break. In the end, the larger accumulator is used.

Note. If you preserve coverage between definitions, all definitions must have this option turned on.

Defining a Death Coverage Reduction Fixed Period

If, in the previous page, you selected to apply the reduction to a fixed period, set up that period here.

Access the Define Fixed Period page.



Death Coverage - Define Fixed Period page

Determine Fixed Period Length

Count Periods between Dates or **Count Periods between Ages** or **User Code**.

Express the fixed period in terms of either dates or ages.

Enter period beginning and ending points in either the **Start Date** and **Stop Date** fields or the **Start Age** and **Stop Age** fields. You can enter a constant or an alias.

Fixed Period is Subject to

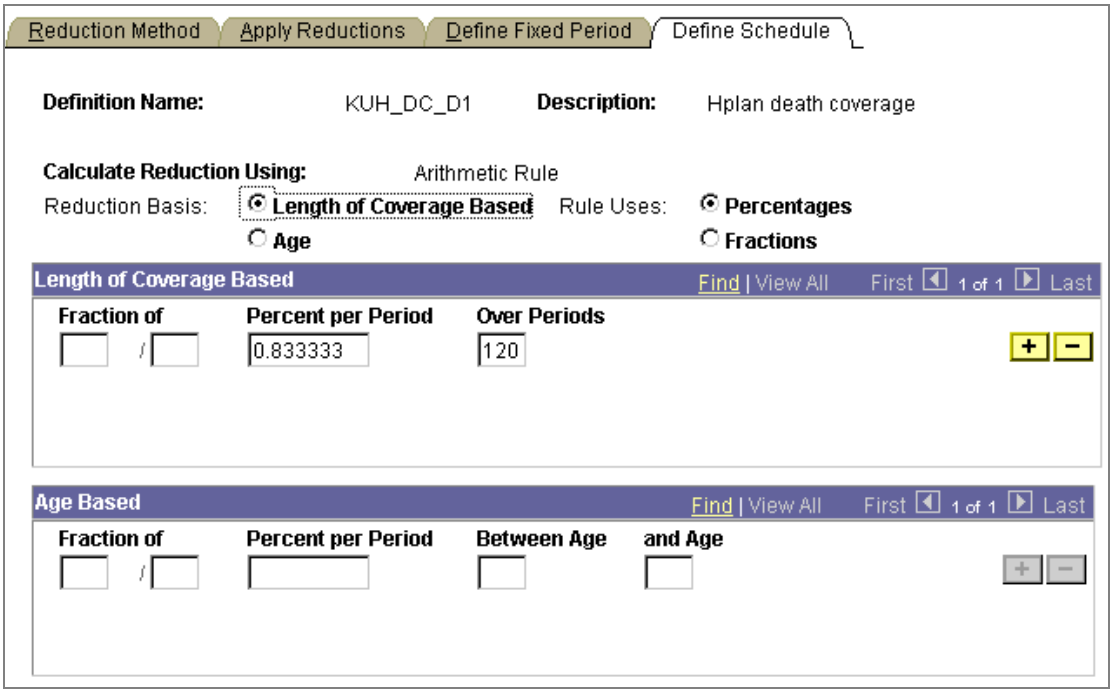
You can indicate a maximum or minimum number of periods within the fixed period. For example, you count the years between age 40 and the age at benefit commencement, but you always charge for a minimum of 60 months.

Not Applic (not applicable) Select this if you don't want to impose limits**.** Otherwise, indicate whether the limit is a **Minimum** or a **Maximum** and enter the limit in the **Number of Periods** field.

Defining a Death Coverage Reduction Schedule

If you are using an arithmetic rule for your death coverage reduction, set up the rule here.

Access the Define Schedule page.



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 Reduction Method page.

Select **Length of Coverage Based** or **Age** then complete either the **Length of Coverage Based** or **Age Base** group boxes.

- In both you can set a fraction (numerator and denominator) or a percentage depending on your **Rule Uses** selection.
- For **Length of Coverage Based** you set **Over Periods** to specify the periods to which each length of coverage reduction applies.
- For **Age Based** set the **Between Age** and **and Age** fields to specify the periods to which each age-based reduction applies.

Rule Uses

You can express the reductions as fractions such as a 1/600 reduction per period. Select **Percentages** or **Fractions.**

Length of Coverage Based

For reductions based on length of coverage, the system applies adjustments 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.

CHAPTER 25

Defining Benefit Formulas

This chapter tells you how to:

- Use benefit formula results.
- Create the benefit formula definition.
- Apply a QDRO offset.

Overview of 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 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 use the result for reporting, primarily within the benefit statements you give your employees. You 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 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.

See Also

"Defining Optional Forms"

"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 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

See Also

"Defining Benefit Eligibility"

"Grouping Employees"

Setting Up Multiple Function Results

All the reasons for setting up multiple benefit formula function results are about 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
- Early or late retirement factors
- A QDRO offset

Contributory plans offer another reason for setting up multiple benefit formula results. You 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 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).
- Feed through to optional forms so you can pay employees based on that amount.

Any time you use multiple function results, enter useful descriptions so that a user can distinguish what each value represents.

Creating the Benefit Formula Definition

You must explicitly state what that form is, for example, a single life annuity. Then you must create the mathematical equation that defines the formula because this formula yields the amount for the normal form of payment.

Pages Used to Define the Benefit Formula Definition

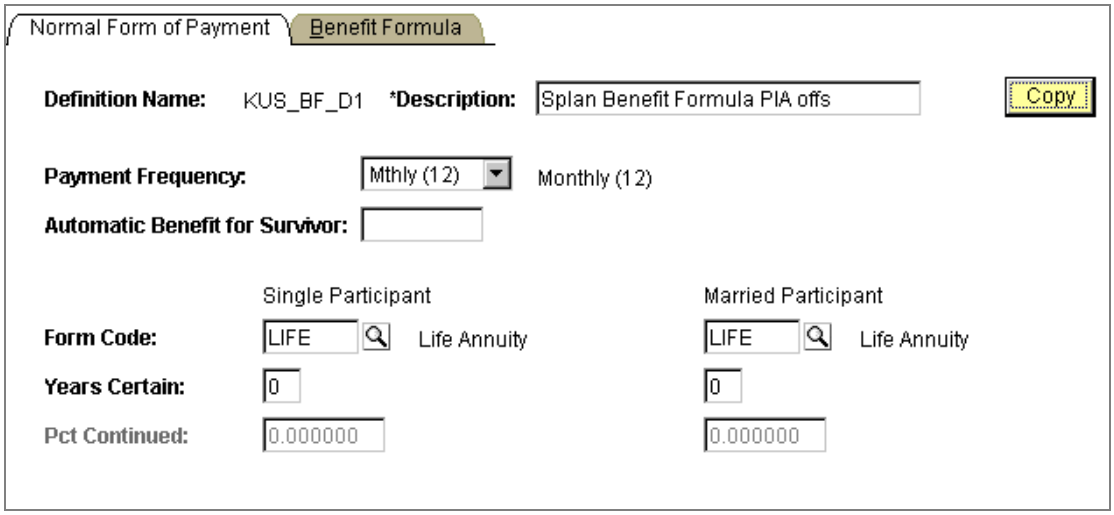
Page Name	*Object Name*	*Navigation*	*Usage*
Normal Form of Payment	PA_FORMULA_PNL	Define Business Rules, Maintain Pension Plans, Define, Benefit Formula	Explicitly define the normal form associated with a particular formula.

Note. The second page in this component, Benefit Formula, is PA_CUSTOM_PNL.

Defining the Normal Form Associated with a Benefit Formula

Access the Normal Form of Payment page.

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.



Benefit Formula - Normal Form of Payment page

Payment Frequency

Select from: *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 here. The benefit is only offered if the employee has a spouse and if spouse eligibility conditions specified in the plan aliases page are met.

Form Code	Regardless of whether there is an automatic continuation, enter information about the normal payment form for both a Single Participant and a Married Participant. Select from *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. **Note.** Don't select *Spouse J&S Demonstration* which is used for optional forms pages only. Use *Joint and Survivor Annuity*.
Years Certain	Enter the guaranteed number of years to set up a term certain or a certain and continuous form.
Pct Continued (percent continued)	If you chose a payment form that offers payments to a survivor, for example, *Joint and Survivor* or *Last to Survive*, use this field to indicate what percent of the initial payment the survivor will continue to receive after the death of the joint annuitant.

See Also

"Using Custom Statements and Spouse Eligibility Statements"

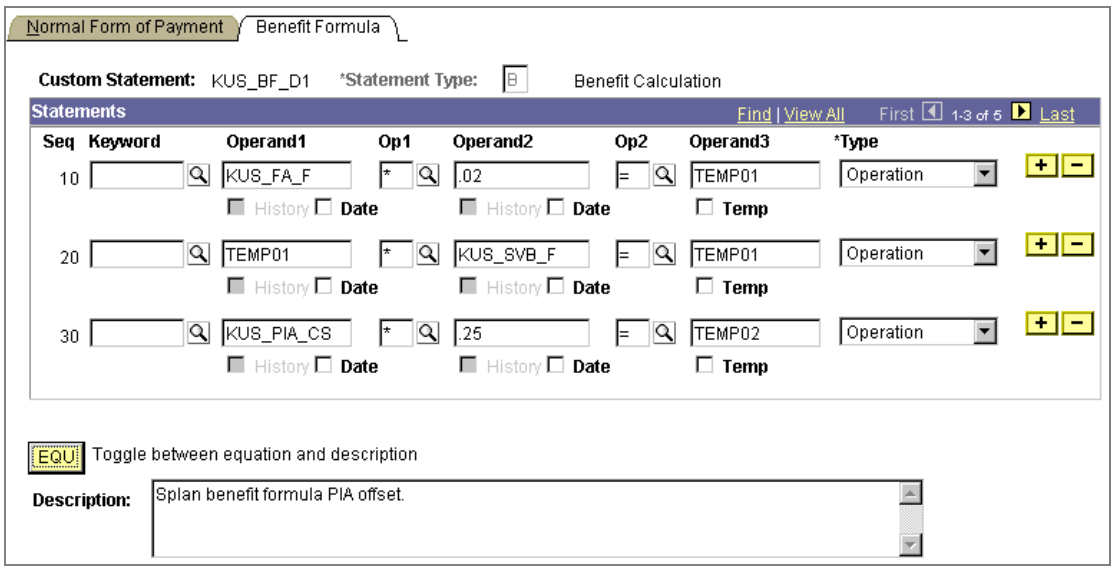
"Creating the Plan Implementation and Plan Aliases"

"Defining Optional Forms"

Defining Your Benefit By Mathematical Formula

Access the Benefit Formula page (Define Business Rules, Maintain Pension Plans, Define, Benefit Formula).

You create the mathematical formula that defines your benefit by creating a custom statement on PA_CUSTOM_PNL. Only information specific to benefit formulas is provided here.



Benefit Formula - Benefit Formula page

Statement Type When you access this page through Define, Benefit Formula, this will always be ***B - Benefit Calculation.***

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.

Note. 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.

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

Key	Operand1	Op1	Operand2	Op2	Operand3	Type
MAX	TEMP02		0	=	TEMP03	Function
	.02	X	TEMP01	·		Operation
	.03	X	TEMP03	x		Operation
	SERVICE	X	VESTING	=	BENEFIT	Operation

See Also

"Using Interest Methods"

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 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 the offsets together.

Typically you 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's QDRO entitles her to $1000 per month single life annuity also beginning at Paul's age 65, you can subtract the numbers directly.

Note. 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 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 26

Defining the Employee-Paid Benefit

This chapter provides an overview of employee-paid benefits and tells you how to:

- Use employee-paid benefit results.
- Create an employee-paid benefit definition

Overview of Employee-Paid Benefits

Contributory plans present special considerations that require you to separate the total benefit amount into employee-paid and employer-paid portions. The key points are:

- Employees are always 100% vested in their contributions, while the employer-paid portion of a benefit is subject to plan vesting rules.
- If employees are entitled to withdraw contributions as a lump sum at benefit commencement, you paying the employee-paid and employer-paid portions separately.
- 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.

Note. If you track multiple employee accounts, set up a separate employee-paid benefit function result for each account.

Using Employee-Paid Benefit Results

The employee-paid benefit function produces a dollar amount which 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.

See Also

"Setting Up Contributory Plans," Managing the Employee-Paid and Employer-Paid Benefits

Creating an Employee-Paid Benefit

In this section we explain how to define employee-paid benefits.

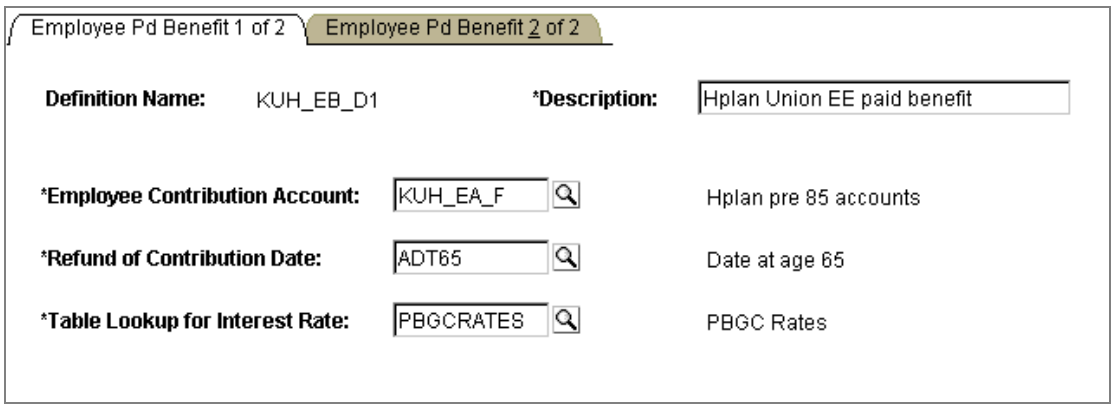
Pages Used to Create an Employee-Paid Benefit Definition

Page Name	*Object Name*	*Navigation*	*Usage*
Employee Pd Benefit 1 of 2	PA_EEBENEFIT_P1	Define Business Rules, Maintain Pension Plans, Define, Employee Paid Benefit.	Enter the parameters to calculate appreciated value of contributions.
Employee Pd Benefit 2 of 2	PA_EEBENEFIT_P2	As above	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.

Setting Up to Calculate Appreciated Value of Contributions

Access the Employee Pd Benefit 1 of 2

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.



Employee Paid Benefit - Employee Pd Benefit 1 of 2 page

Employee Contribution Account	Enter the name of an 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.
Table Lookup for Interest Rate	The interest rate is determined by a table lookup. You set up your lookup basis in the Table Lookup page. Here, just enter the name of your table lookup rule. 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).

See Also

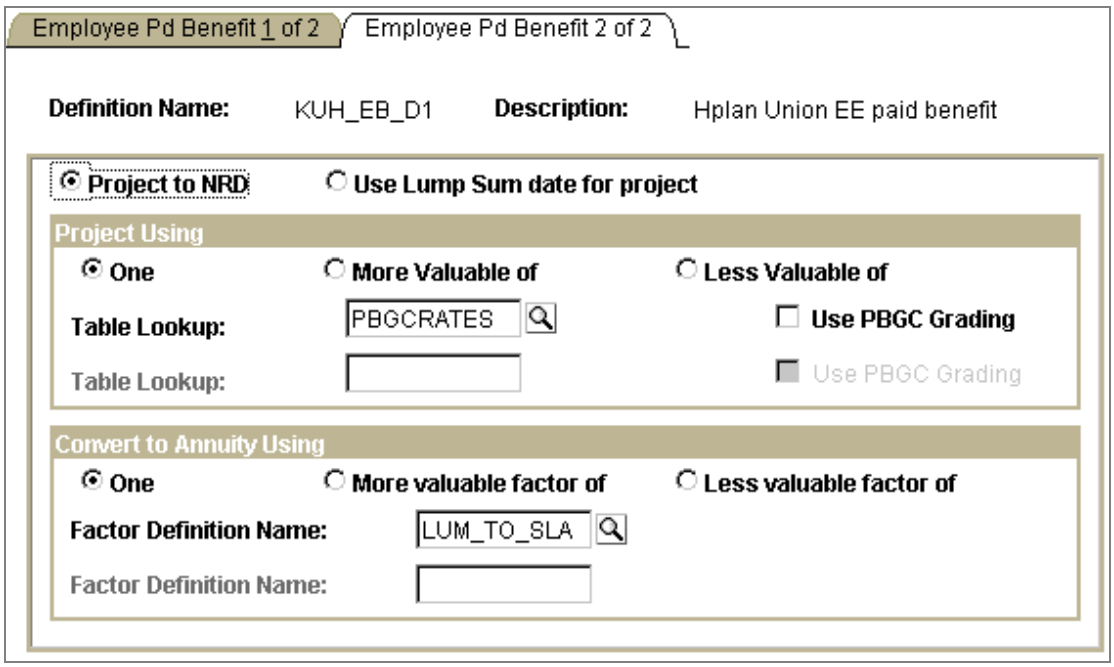
"Creating Table Lookup Aliases"

Setting Additional Employee-Paid Benefit Options

Access the Employee Pd Benefit 2 of 2 Page

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.

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.



Employee Paid Benefit - Employee Pd Benefit 2 of 2 page

Project to NRD Select this to project to the Normal Retirement Date (NRD) or **Use Lump Sum Date for project.** The NRD is established in the Plan Aliases page The lump sum date comes from the calculation page.

Note. 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. Also note that the system will only project when the selected date is later than the refund of contributions date on the previous page.

Projecting Using

Establish the projection rules for the projection in the Project Using group box.

One Select this option to use only one interest method or, to compare two methods, select either the **More Valuable of** or the **Less Valuable of** the two **Table Lookup** values you specify.

Table Lookup

On the previous page you used the Table Lookup to find a rate to use up to the refund of contributions date. Here, you use a Table Lookup to find the rate to use afterwards.

Enter one or two methods.

In addition to looking up a single rate, you can select 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.

Convert to Annuity Using

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.

Note. 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.

One

Select this option to use only one factor or, to compare two factors, select either the **More Valuable Factor of** or the **Less Valuable Factor of** the two **Factor Definition Name** values you specify.

Factor Definition Name

Enter one or two factor definition names.

See Also

"Creating the Plan Implementation and Plan Aliases"

"Maintaining Public Tables," Maintaining Interest Rate Tables

CHAPTER 27

Defining Optional Forms

This chapter provides overviews of optional forms, optional form results, form codes and payment types and tells you how to:

- Use optional forms results
- Create an optional forms definition.

Overview of Optional Forms

Once you've established an employee's normal form benefit, you 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 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.

Note. 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 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.

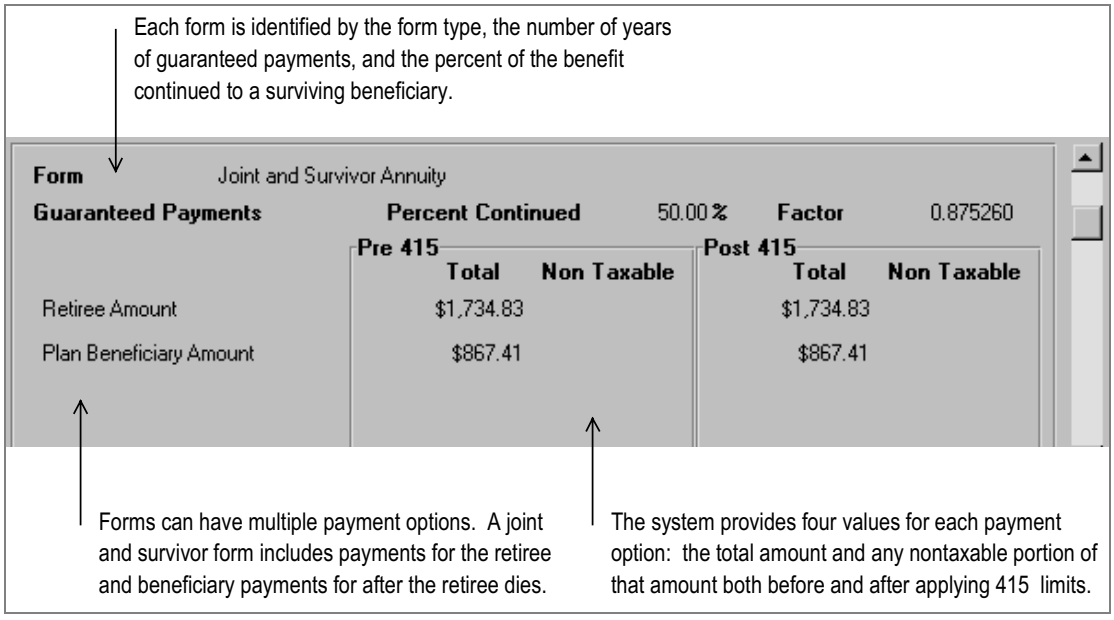
Because you can set up multiple optional forms function results for a single benefit, you always mark one form set in each qualified plan for use by the 415 function. Because 415 limits are based on the single life annuity (SLA) form, this form set must include an SLA regardless of whether you actually offer that form to employees.

Overview of Optional Forms Results

Optional forms results include quite a bit of information. Each form set includes several other forms, each of which has:

- Identifying information about the nature of the form.
- 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.
- Four dollar amounts for each payment type:
  - 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 diagram shows results for a single form in an optional form set.



Optional Forms Result

See Also

Overview of Form Codes

Overview of Payment Types

Creating an Optional Forms Definition

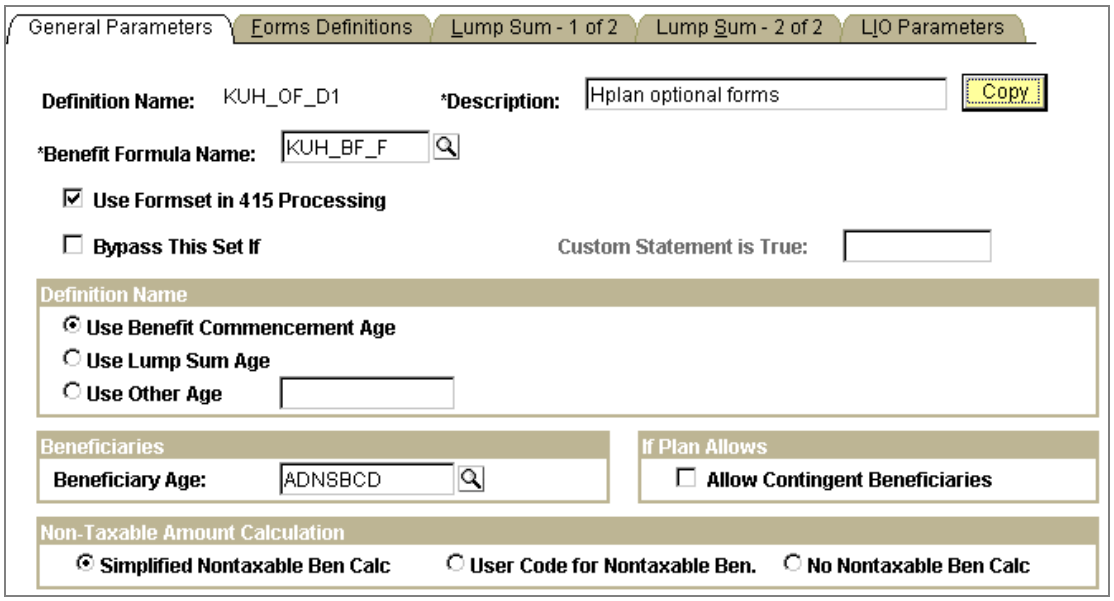
Use the optional forms pages to establish sets of payment options and to describe each option in the set.

Pages Used to Create an Optional Forms Definitions

Page Name	*Object Name*	*Navigation*	*Usage*
General Parameters	PA_OPT_FORMS1	Define Business Rules, Maintain Pension Plans, Define, Optional Forms	Describe the entire form set.
Forms Definition	PA_OPT_FORMS2	As above	Add options to an option set and define the conversion method and other characteristics of each option.
Lump Sum - 1 of 2	PA_OPT_FORMS3	As above	Enter additional information about lump sum forms.
Lump Sum - 2 of 2	PA_OPT_FORMS4	As above	Establish alternative lump sum actuarial assumptions and to set a threshold above which the lump sum won't be offered.
LIO Parameters	PA_OPT_FORMS5	As above	Enter additional information about level income option forms.

Defining General Parameters of a Form Set

Access the General Parameters page.



Optional Forms - General Parameters page

Benefit Formula Name Enter the name of the benefit formula function result. Each set of optional forms is linked to a single benefit formula.

Use Formset in 415 Processing Select this option if the benefit is subject to 415 limits and enter the name of your 415 Limits rule. The 415 function applies Internal Revenue Code limits across plans using results from optional forms processing as its benefit information source.

Bypass This Set If … Custom Statement is True Select this and enter custom statement with your criteria to bypass this set under certain conditions. For example, you can bypass a set of early retirement optional forms if the employee isn't eligible for early retirement.

Definition Name

Each set of forms is based on a particular benefit commencement date. This date is important when determining actuarially equivalent payment forms.

Use Benefit Commencement Age This value and the **Use Lump Sum Age** value comes from the calculation page where the plan administrator can enter appropriate values at the time the calculation runs.

Use Other Age Enter a duration alias to specify the age.

Beneficiaries

Beneficiary Age

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. 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

Allow Contingent Beneficiaries

Select this if the plan allows nonspouse beneficiaries. 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 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.

Non-Taxable Amount Calculation

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.

Simplified Nontaxable Ben Calc

If you select this option (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 select **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 system will determine if the simplified 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.

Note. 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:

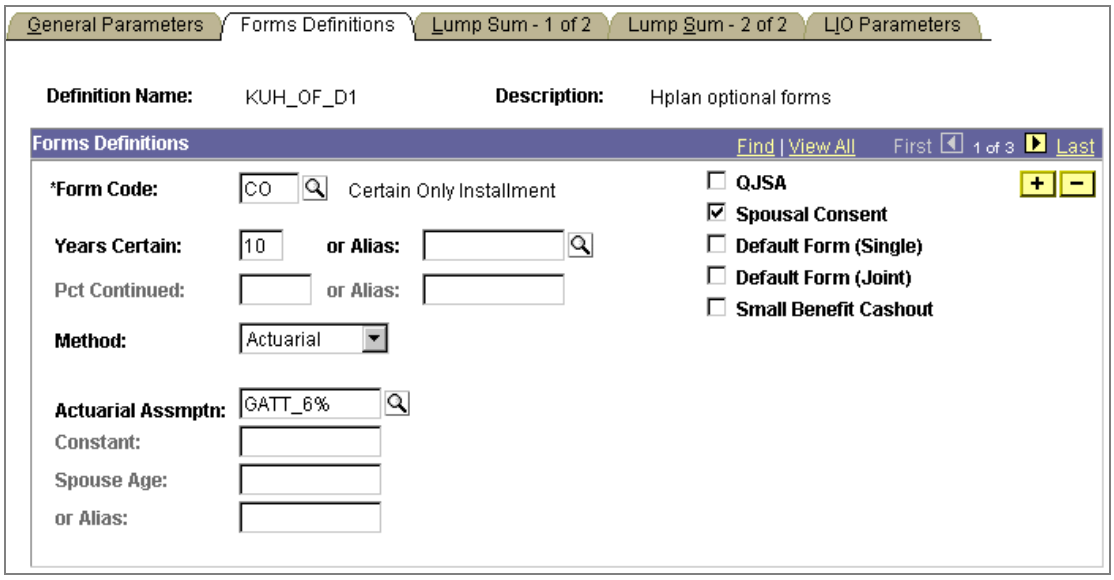
Combined Ages	*Expected Number of Monthly Payments*
110 or under	410
111 to 120	360
121 to 130	310
131 to 140	260
141 or over	210
71 or over	160

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.

Defining Forms

Access the Forms Definitions page.

The Forms Definitions page contains a list of all optional forms within the set. Add as many forms as you need, including your normal form.



Optional Forms - Forms Definitions page

Form Definitions

Form Code

Select from 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 a value 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 value here is applied to the post-SSRA amount.

See Also

Overview of Form Codes

Note. 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.

Method — For each form in the set, specify a method for determining the conversion factor. Select from *Arithmetic*, *Actuarial, Custom. Table, Statement, Constant,* and *User Code*.

The selection controls the fields below:

Actuarial - **Actuarial Assmptn**
Arithmetic **- Custom Statement**
Constant **- Constant** or **Alias**
Table **- Table Lookup**
User Code **- User Parameter Returned (group box)**

Actuarial Assmptn (actuarial assumption) — Enter the actuarial assumption if you selected *Actuarial* as the **Method.**

Spouse Age — If you use an actuarial method for a Spouse J&S Demonstration optional form, enter an alias for the spouse's age.

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.

Note. If you use *Table, Custom,* or *Constant,* you 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.

QJSA — Indicates a Qualified Joint & Survivor option.

Spousal Consent — Indicates forms that require spousal consent

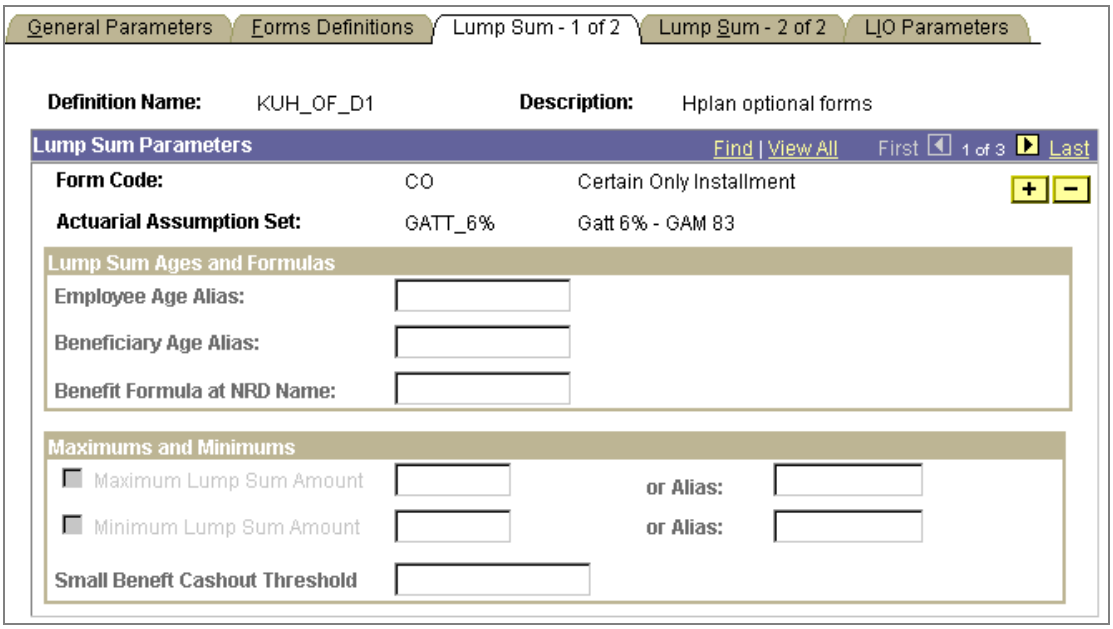
These first two indicators are for informational. PeopleSoft Pension Administration doesn't check that the option is qualified, determine whether a form requires spousal consent, or check that spousal consent has been received before making payments.

Default Form (Single)/(Joint)	Indicates the default forms. 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.
Small Benefit Cashout	Many form sets 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 this 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 Lump Sum - 1 of 2 page.
For 415 Only (Only visible when you're looking at an SLA form)	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.

Setting Up Lump Sum Parameters- 1 of 2 Page

Access the Lump Sum - 1 of 2 page.

Set alternative employee ages and 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.



Optional Forms - Lump Sum - 1 of 2 page

Lump Sum Ages and Formulas

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.

Employee Age Alias, Beneficiary Age Alias, and **Benefit Formula at NRD Name**

The fields are the same as those on the General Parameters page, but the values you enter here override the others for *this form only*. By entering overrides, you save yourself 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.

Maximums and Minimums

Maximum / Minimum Lump Sum Amount

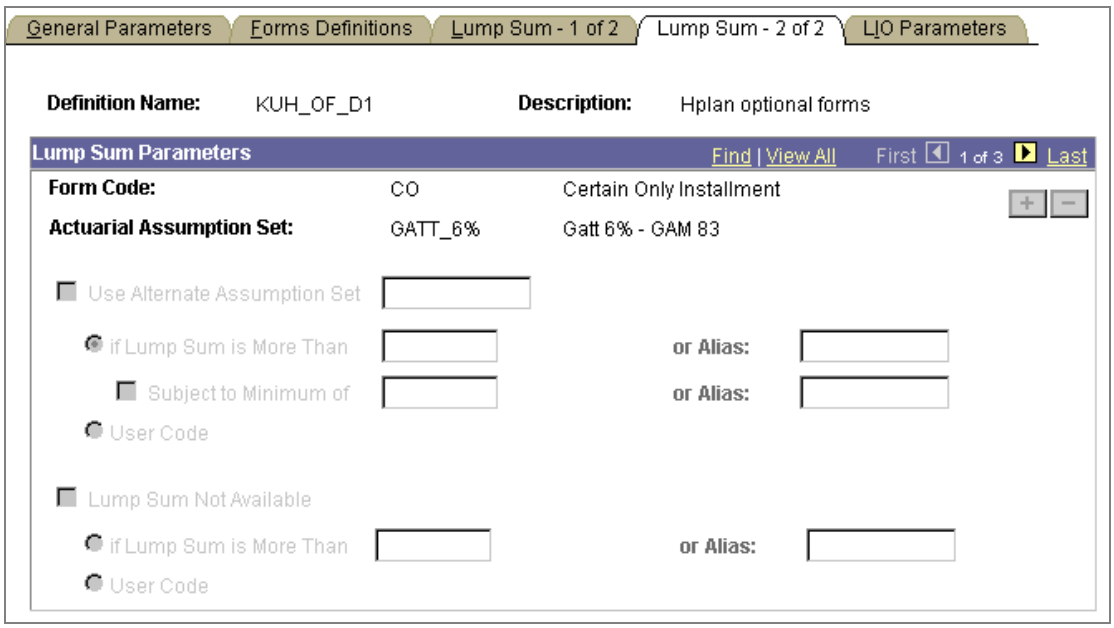
Set minimum and maximum values for the lump sum by selecting either or both of the check boxes and entering the limits. If the lump sum falls outside the range, the system still offers the form, but it adjusts the value to within the limits. You can also use an alias as your constant.

Small Benefit Cashout Threshold

On the Forms Definition 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, indicate the threshold amount—typically $5,000 for plan years starting after August 1997.

Setting Up Lump Sum Parameters - 2 of 2 Page

Access the Lump Sum - 2 of 2 page.



Optional Forms - Lump Sum - 2 of 2 page

Lump Sum Parameters

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 this check box, enter the name of the alternate assumption and set the threshold constant in the **if Lump Sum is More Than** field or enter and **Alias.**

To use an alternate assumption set under conditions other than a threshold value, select **User Code**.

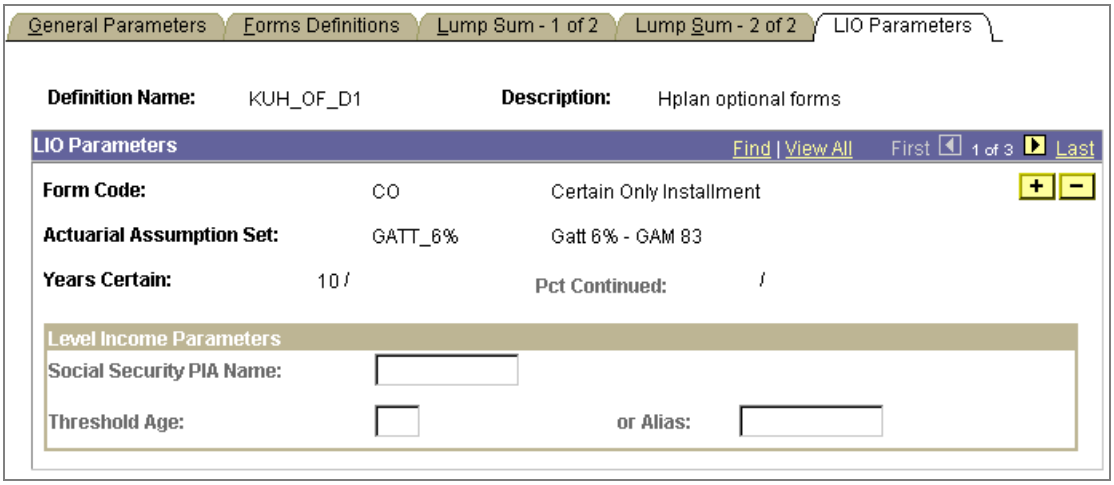
Subject to Minimum of To prevent the revised lump sum from falling below the original, or any other, threshold, select this option and enter the minimum amount or **Alias**

Lump Sum Not Available To make the lump sum option unavailable if it's above a specified threshold value, select this option, select **If Lump Sum Is More Than** and enter the threshold value or **Alias**. Or use a **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.

Entering Information About Level Income Option Forms

Access the LIO Parameters page.



Optional Forms – LIO Parameters page

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 Rretirement Age (SSRA) and a decreased benefit afterwards. Indicate the social security function result that provides the estimated monthly social security benefit.

Threshold Age 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. 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.

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 pre-SSRA amount is offset by the difference between a single life annuity and a n% J&S. The employee's post-SSRA amount is the difference between this pre-SSRA amount and the Social Security benefit.

3. The beneficiary amount is n% of the employee's single life annuity benefit. There are no separate pre-SSRA 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	$1,650 pre SSRA $650 post SSRA	$450	a) The employee's pre-SSRA benefit is reduced by the dollar cost of the J&S. b) The beneficiary amount is n% of the employee's single life annuity benefit.

These figures are obtained through the following calculation steps:

1. Calculate employee's LIO benefits without considering J&S component:
   Employee pre-SSRA = $1,750; Employee post-SSRA = $750
2. Compare Single Life Annuity to 50% J&S to find the dollar cost of the J&S:
   $1,000 - $900 = $100
3. Offset employee's pre-SSRA benefit by the J&S reduction.
   The new pre-SSRA amount is: $1,750 - $100 = $1,650
   The new post-SSRA amount is calculated by subtracting the PIA amount from the new pre-SSRA amount: $1,650 - $1,000 = $650
4. Beneficiary amount = 50% times employee post-SSRA amount:
   50% * $900 = $450

Note. 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.

Code	*Full Name*	*Description*
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 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.

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

To perform calculations for QDRO alternate payees, a pension administrator first creates an Employee ID—actually "non-employee" ID—for the alternate payee. This enables the administrator to run the QDRO calculation based on the alternate payee ID.

Note. 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 28

Applying 415 Limits

This chapter provides and overview of 415 limits and 415 processing and tells you how to:

- Use 415 limits.
- Incorporate limits into the job stream.
- Develop strategies for implementing limits.
- Create a limit definition.

Overview of 415 Limits

PeopleSoft Pension Administration deals with two aspects of the 415 limits regulation, 415(b) and 414(e)

Because 415 limits apply to multiple plans, the calculation handles this function somewhat differently than any other. You create a single 415 function result for all plans.

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.

To see 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, go to the Calculation Results Main – 415 Limits page.

See Also

"Viewing Calculation Results"

Incorporating 415 Limits into the Job Stream

Section 415 limits apply to multiple plans. Because the 415 Limits function must process all plans together, you 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.

Note. 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.

See Also

"Creating the Plan Implementation and Plan Aliases"

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 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:

- 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 because elements such as "participation service" are unambiguous for a single plan and you can 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. 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 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," (yes), "N," (no), or "P," (previously eligible). Your dummy plan eligibility should pick up "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 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 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-paid and employer-paid benefits isn't recalculated after 415 limits are applied, nor is any optional forms based on that total benefit amount.

Warning! The system doesn't support recombining employee-paid 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.

See Also

"Setting Up Contributory Plans," Managing the Employee-Paid 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.
- Applying the limits.

The first part 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 other two parts.

When benefits are reduced for 415, you see the reduced amounts in the associated optional forms function result. These are the only results that change due to 415 processing.

Note. 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 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, 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, 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.

See Also

"Defining Optional Forms"

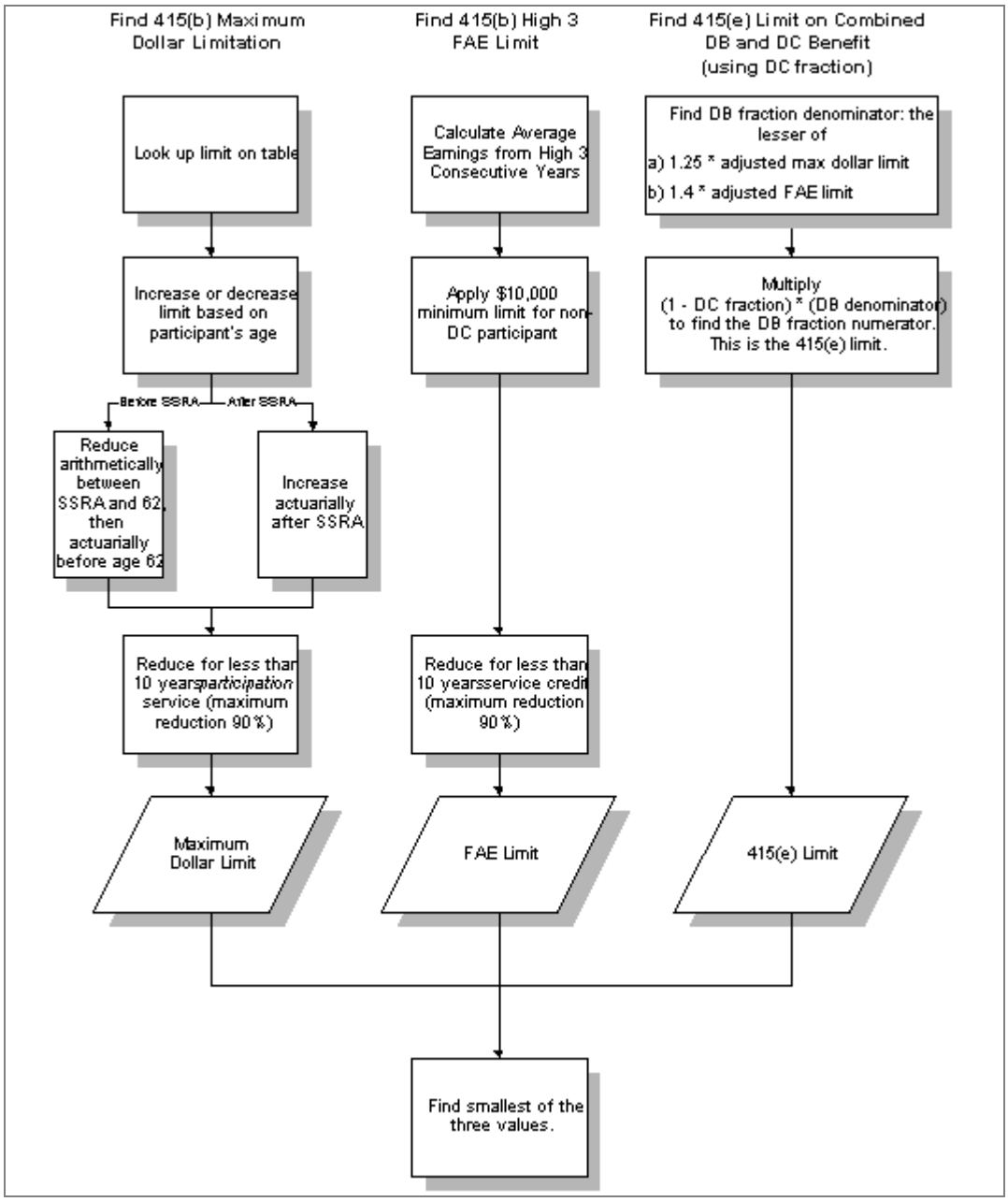
"Defining the Employee-Paid Benefit"

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.

Note. 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

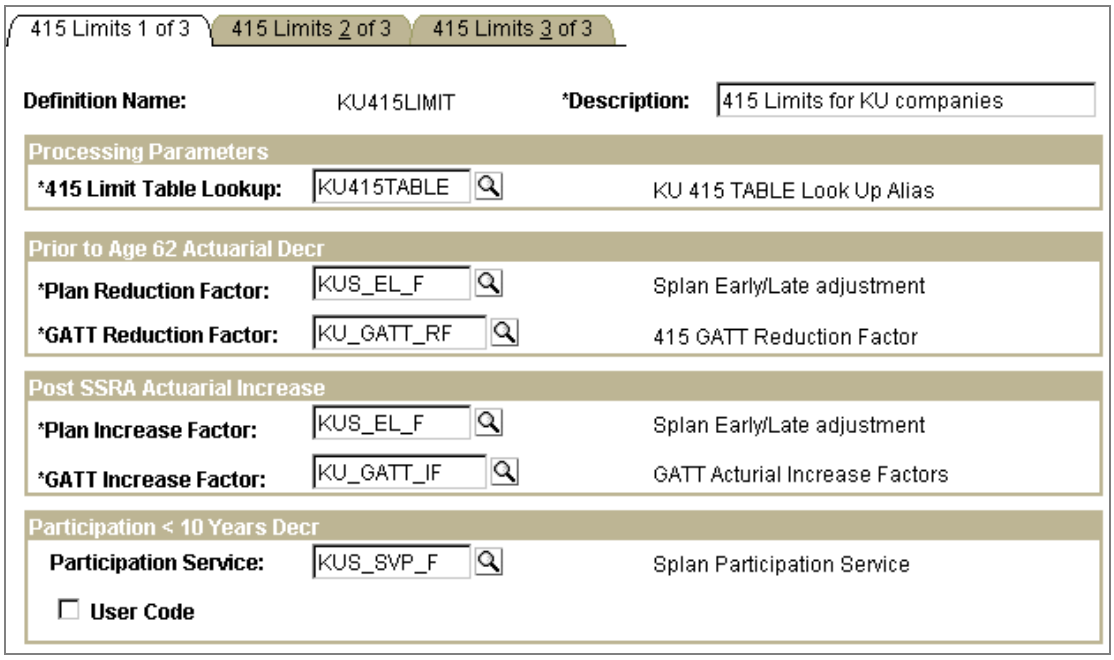
The following section explains how to create a 415 limits definition.

Pages Used to Create a 415 Limits Definition

Page Name	*Object Name*	*Navigation*	*Usage*
415 Limits 1 of 3	PA_415_PNL	Define Business Rules, Maintain Pension Plans, Define, 415 Limits Parameters, 415 Limits 1 of 3	Define the 415(b) maximum dollar limit. Set up the normal limit and conditions for increasing or reducing that limit.
415 Limits 2 of 3	PA_415_PNL2	Define Business Rules, Maintain Pension Plans, Define, 415 Limits Parameters, 415 Limits 2 of 3	Define the 415(b) average earnings limit for defined benefit plans and the 415(e) limits for combined defined benefit and defined contribution plans.
415 Limits 3 of 3	PA_415_PNL3	Define Business Rules, Maintain Pension Plans, Define, 415 Limits Parameters, 415 Limits 3 of 3	Establish the method to reduce the total benefit.

Setting the 415 Limits Parameters – 1 of 3

Access the 415 Limits 1 of 3 page.



415 Limits Parameters - 415 Limits 1 of 3 page

Processing Parameters

The system uses the table lookup utility to find the 415(b) dollar limit for the event year.

415 Limit Table Lookup

Under **Processing Parameters,** enter this table lookup.

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) 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.

See Also

"Creating Table Lookup Aliases"

"Maintaining Public Tables," Maintaining Internal Revenue Code Limit Tables

Prior to Age 62 Actuarial Decr (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.

Note. Even if you sponsor multiple qualified plans, you can only enter a single plan reduction factor. This is the same for the plan increase factor and the participation service function result.

Plan/GATT Reduction Factor

Specify both factors. The system uses the lesser of the two, thus providing the greater reduction. 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.

Post SSRA Actuarial Increase

Plan/GATT Increase Factor

Specify both factors. The system uses the lesser of the two, thus providing the smaller increase. 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.

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.

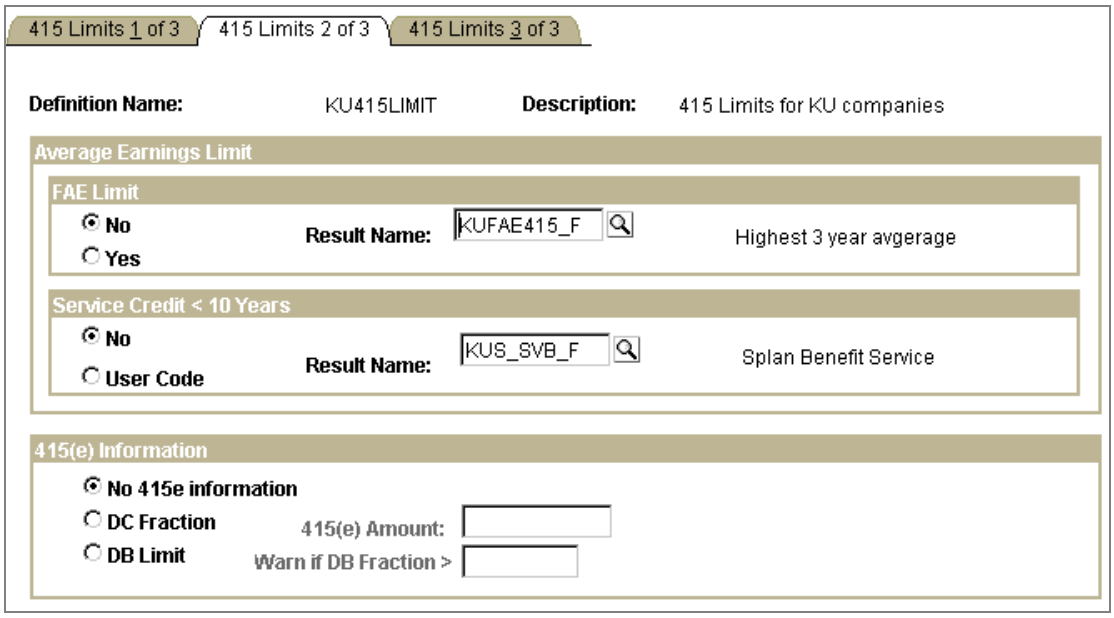
Participation Service

Enter a service function result representing the accrued participation service—you may need to create one just for your 415 calculations. Or enter a **User Code.**

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%.

Setting the 415 Limits Parameters –2 of 3

Access the 415 Limits 2 of 3 page.



415 Limits Parameters - 415 Limits 2 of 3 page

Average Earnings Limit - FAE Limit

Use this group box to find the 415 average earnings limit.

Result Name 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. Or enter a **User Code.**

See Also

"Defining Final Average Earnings"

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.

Average Earnings Limit - 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 This service may or may not be measured the same way as the participation service used to adjust the dollar limit.

Result Name 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. 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. Or enter a 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 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):

$$DBfraction + DCfraction <= 1$$

$$DBfraction <= 1 - DCfraction$$

$$\frac{\text{DB Benefit}}{\text{Min}[(1.25 * \$Limit), (1.4 * FAE_Limit)]} <= 1 - DC\ Fraction$$

$$DB\ Benefit <= (1 - DCfraction) * [Min[(1.25 * \$Limit), (1.4 * FAE_Limit)]]$$

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.

See Also

"Maintaining Employee Pension Data"

415(e) Information

Use these parameters to tell the system where to find the DC fraction.

No 415(e) information — Select this option if you don't want the system to calculate 415(e) limits. 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 this option 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 use the delivered alias DC_FRACTN.

DB Limit — Select this option 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.

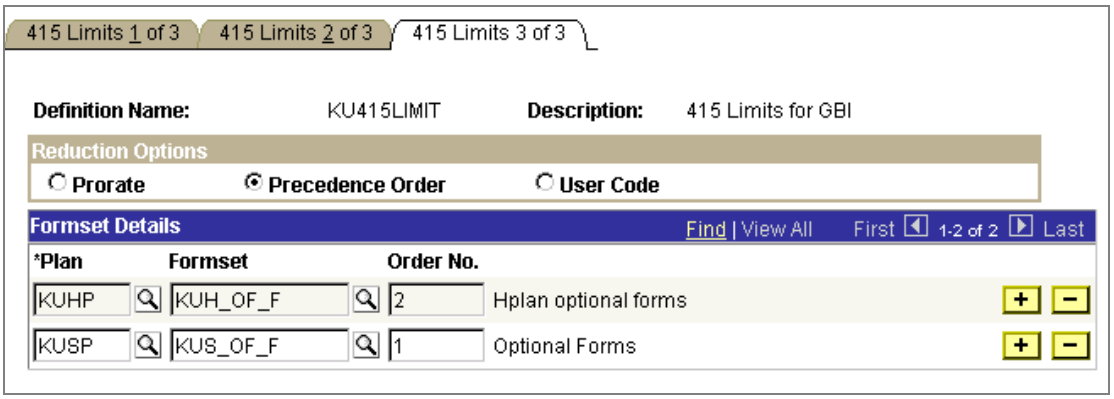
Note. You're choosing to always use the fraction or to always use the limit. Therefore, you should remove the unused field from the 415(e) Fraction page to ensure that your users don't enter information that the 415 Limits function won't recognize.

Warn if DB Fraction > — Enter a threshold. 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. The warning appears in the calculation messages and on the calculation worksheet.

Setting the 415 Limits Parameters – 3 of 3

Access the 415 Limits 3 of 3 page.

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.



415 Limits Parameters - 415 Limits 3 of 3 page

Reduction Options

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 this, you 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. To assign a precedence order, you first list the benefits which might be reduced. You identify a benefit by Plan and Formset, the optional forms function result.

Order No (order number) — The benefit with the first precedence number is reduced first. That is, a plan with precedence "1" is reduced before a plan with precedence "10."

CHAPTER 29

Using Database Aliases

This chapter provides an overview of database aliases and alias processing and tells you how to:

- Set up a database alias.
- Use predefined database aliases.

Overview of Database Aliases

Much of the information your pension calculation needs exists in your PeopleSoft Human Resources database. To reference this data, you 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.

Setting Up a Database Alias

In this section we explain how to set up a database alias.

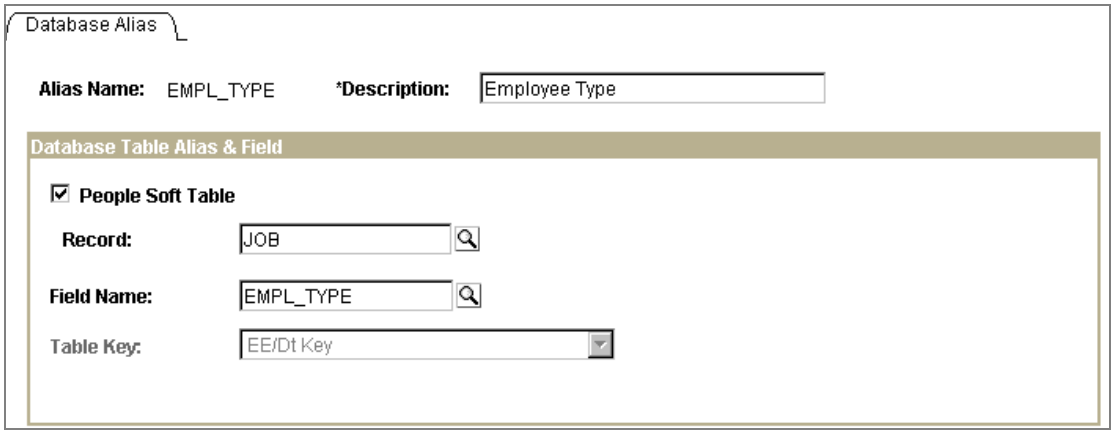
Pages Used to Set Up a Database Alias

Page Name	*Object Name*	*Navigation*	*Usage*
Database Alias	PA_ALIAS_ENTRY	Define Business Rules, Maintain Pension Parameters, Variables, Database Alias	Set up a database alias

Creating a Database Alias

Access the Database Alias page.

The database alias utility can fetch a value from any appropriately keyed table, that is, a table that's keyed by some combination of Employee ID, effective date, and plan.



Database Alias page

Database Table Alias & Field

PeopleSoft Table Indicate whether the field is on a **PeopleSoft Table.**

If selected, the **Table Name** field becomes **Record** and you don't need the PS_ prefix when referencing a PeopleSoft table/record.

If not selected, the **Record** field becomes **Table Name** and you do need the PS_ prefix when referncing a People table/record. Also, the **Table Key** field becomes unavailable for entry because the system will analyze the table's key structure and enter this information for you.

Record (or **Table Name)/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**.** **Record** (or **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 ***EE Keyed*** (Employee ID), ***EE/Dt Key*** (Employee Id & Effective Date), ***EE/FR/DT*** (EE/Function Result, Date), ***Empl Id P*** (Employee Id, Plan, & Effective Dt), ***Employee I*** (Employee Id & Benefit Plan).

Note. The Multiple Jobs group box appears when the record is PA_PEN_SVC_STAT. Select an **Associated Plan** and a **Service Function Result.**

Warning! 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 by looking up data on an appropriately keyed table. There are a few cases, however, where the processing is 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.

Because the JOB table uses a "sequence number" as an additional key field, you can enter multiple personnel actions on the same day, but 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 uses 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.

See Also

"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 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 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 completed 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 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 DATE	(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.

See Also

"Maintaining Employee Pension Data," Maintaining Pension Beneficiary Data

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 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.

Selecting **Eligible** or **Ineligible** automatically applies the appropriate Custom Statement to any existing grouping criteria.

See Also

"Setting Up Function Results"

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

The 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
1960 and later	67 years

CHAPTER 30

Creating Table Lookup Aliases

This chapter provides an overview of table lookup aliases and regular against program generated lookups and tell you how to:

- Create a physical table
- Search a specified table and to return the value(s) specified in the table.

Overview of Table Lookups

Pension 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.

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 is 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 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 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 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 against 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 Aliases 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 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 have to use a database tool such as SQLTalk to enter the data.

Lookup Table Requirements

As you create tables to be used by the table lookup utility, consider 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 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.

Warning! 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.

Note. 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. 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 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 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.

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.

Setting Up a Table Lookup Alias

Use the Table Lookup Alias page to search a specific table.

Pages Used to Set Up a Table Lookup Alias

Page Name	*Object Name*	*Navigation*	*Usage*
Table Lookup Alias	PA_TBL_LOOKUP	Define Business Rules, Maintain Pension Parameters, Variables, Table Lookup Alias	Search a specified table and to return the value(s) specified in the table.

Specifying Tables to Search and Returning Values

Access the Table Look Alias page.

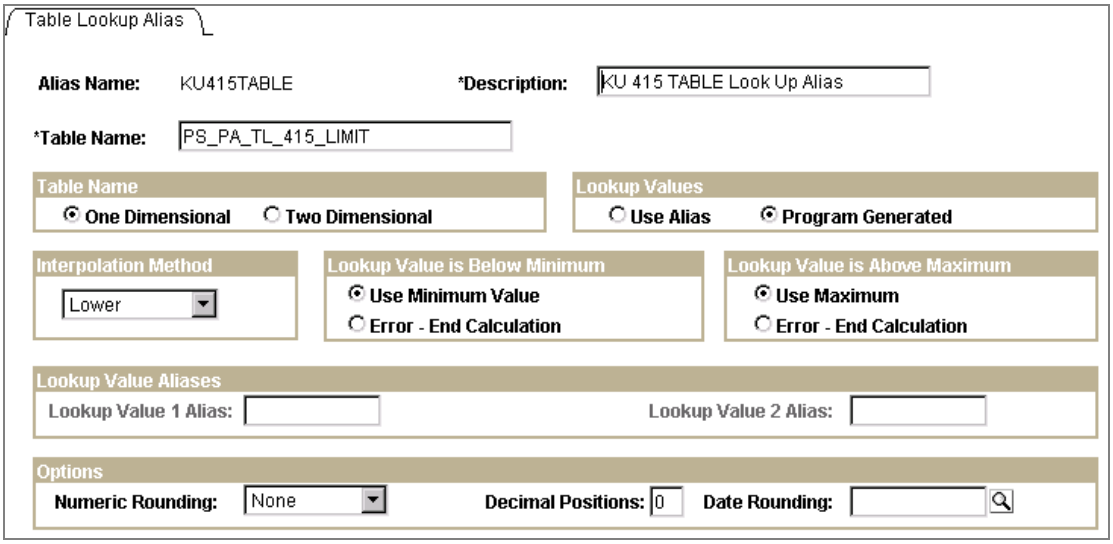


Table Lookup Alias page

Table Name Indicate where you've stored the lookup information. The table name must begin with PS_PA_TL_.

Table Name

One Dimensional 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 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.

Lookup Values

Use Alias Select to indicate a regular lookup that looks up information once.

Program Generated Select to Indicate the lookup is a program generated lookup that looks up information on a period-by-period basis.

Interpolation Method

Select *Higher*, *Linear, Lower,* or *Nearest* as the method for handling intermediate values on a table.

For example, consider the following Social Security Retirement Age (SSRA) table. How do you want to handle intermediate birth dates not in the table?

Birth Date	*SSRA*
12/31/1937	65

Birth Date	SSRA
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.

Lookup Value is Below Minimum/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 select **Use Minimum Value** and **Use Maximum Value,** but for other tables you might select **Error - End Calculation.**

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. 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.**

Options

Numeric Rounding

Select the rounding method the system is to use if the lookup produces a number.

None: numbers will be truncated after the specified number of decimals.

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 numeric rounding options require you to enter the desired number of decimal positions

Date Rounding Select a date rounding method if the lookup produces a date.

CHAPTER 31

Using Date Aliases and Date Options

This chapter provides an overview of date aliases and date options, and raw and decimal dates and tells you how to:

- Use date aliases.
- Manipulate dates on pension calculations.
- Set up date rounding rules.
- Convert dates between raw and decimal.

Overview of Using Date Aliases and 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 use.

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 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 either "raw" or "decimal" formats.

A raw date format expresses the date in 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 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 by:

- Adding a period of time to one date to calculate another.
- Applying date rounding options.
- Applying date conversion options.
- 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.

Using Dates in Pension Calculations

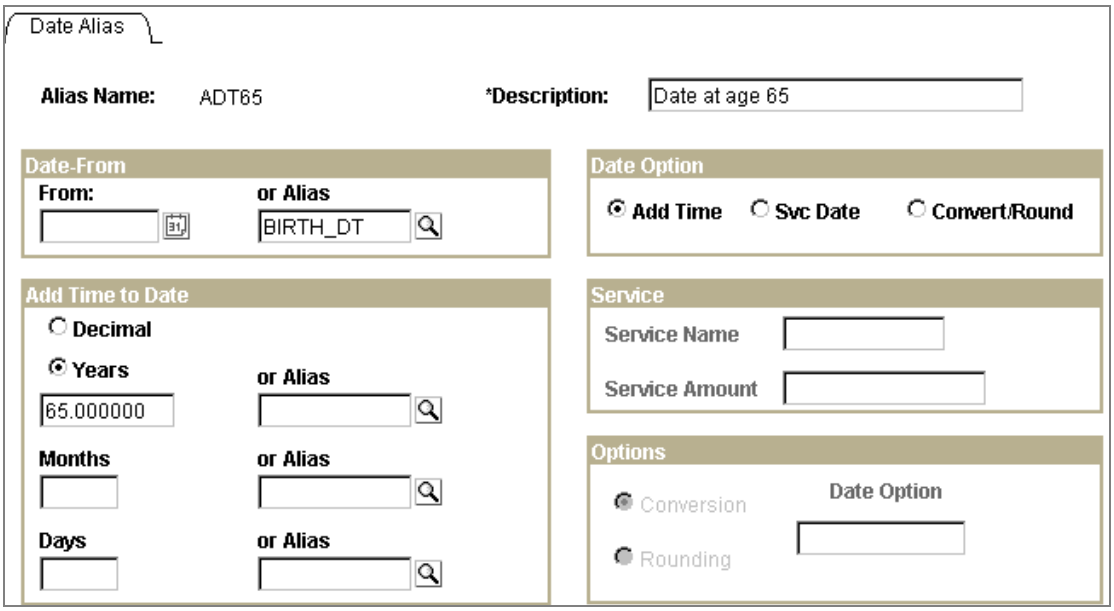
This section explains how to use dates in pension calculations.

Pages Used to Use Dates in Pension Calculations

Page Name	*Object Name*	*Navigation*	*Usage*
Date Alias	PA_DATE_CALC	Define Business Rules, Maintain Pension Parameters, Variables, Date Alias, Date Alias	Manipulate dates for use in pension calculations.
Date Round Option	PA_DATE_ROUND	Define Business Rules, Maintain Pension Parameters, Rules, Date Round Option, Date Round Option	Set up date rounding rules.
Date Conversion Option	PA_DATE_CONV	Define Business Rules, Maintain Pension Parameters, Rules, Date Conversion Option, Date Conversion Option	Establish a method for converting raw dates to decimal dates and vice versa, and for extracting data elements from raw dates.

Manipulating Dates

Access the Date Alias page.



Date Alias page

Date From

From — Enter the source date as a constant or an alias. For example, to reference an employee's date of birth, you would enter ***BIRTH_DT*** which is a database alias delivered with the system.

Date Option

Select the type of manipulation you want to perform. You can **Add Time** to a date, determine a **Service Date,** or **Convert/Round** a date. Which fields are and are not available for entry depends on your selection.

Add Time to Date

Decimal or **Years** — Enter the period of time in the same format as the base date where **Years** = raw. Normally you 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. You can enter a constant or an **or Alias** in any of these fields. If you're using decimal dates specify only the decimal number of **Years** to add.

Service

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.
Service Amount	Enter the required amount of service.

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.

Note. Service dates aren't necessarily exact.

Options

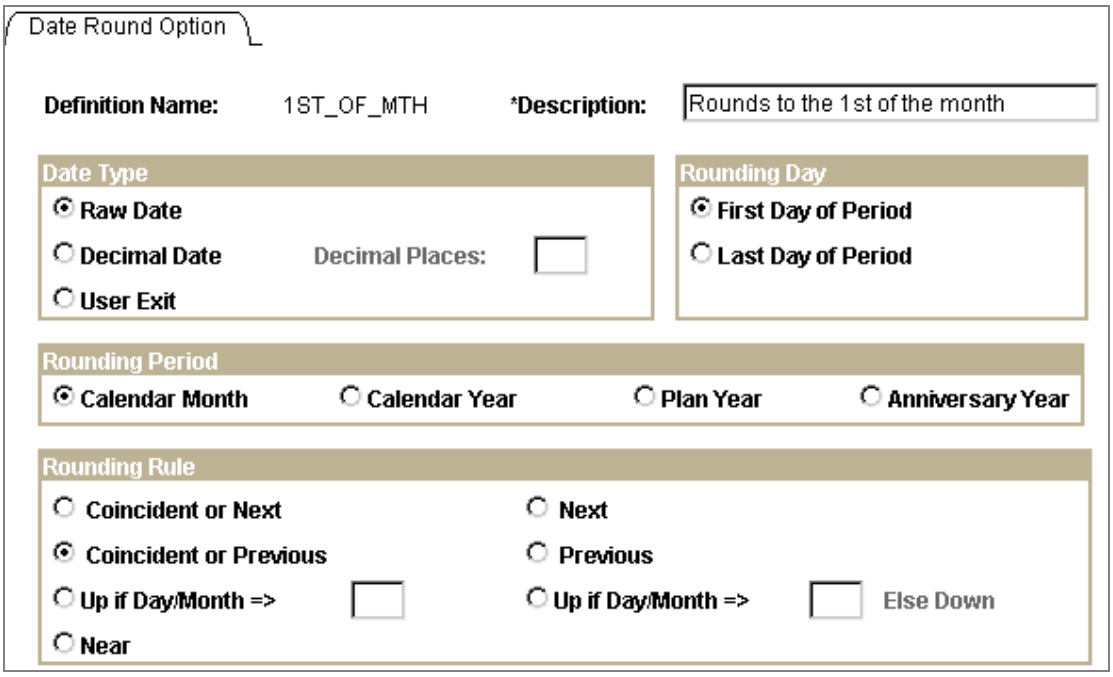
To apply conversion or rounding options to your base date, choose the desired manipulation by selecting either **Conversion** or **Rounding** then entering the **Date Option** with the specific conversion or rounding instructions.

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.

Setting the Date Round Option

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.

Access the Date Round Option page.



Date Round Option page

Date Type

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.

You can also select User Code to set up your own date rounding method.

Decimal Date

This rounding doesn't permit rounding thresholds such as "Round up to the next month *if* more than 25 days." Enter the number of decimal places if using this option.

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

Select a rounding day and rounding period.

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. If, however, you're rounding to the first day of a period, you must select a rounding rule**.**

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 =>** and entering a value or **Up if Day/Month =>** (enter a value) **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.

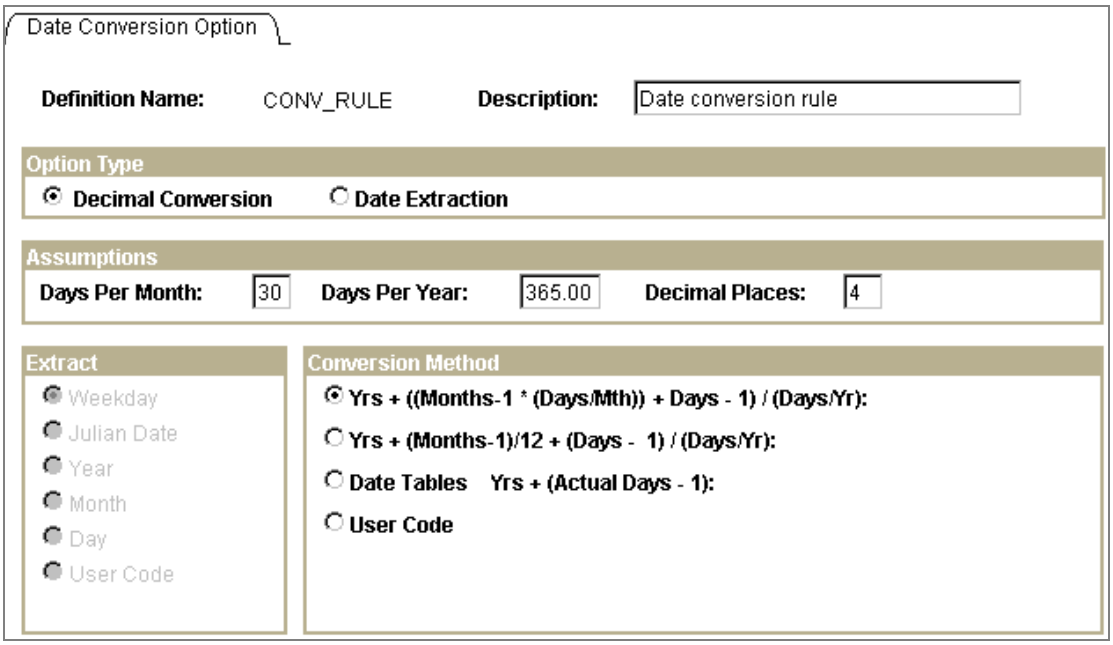
The following tables illustrate how each of these options work. In all cases, assume you're rounding to the first of the month.

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

Converting Dates

Access the Date Conversion Option page.



Date Conversion Option page

Option Type

Decimal Conversion For this option complete the parameters in Assumptions and Conversion Method group boxes.

Date Extraction For this option complete the Extract parameters only.

Extract

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 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**.**

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.

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.**

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, look at the conversion method 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.

*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
```

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
```

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
```

CHAPTER 32

Using Duration Aliases and Duration Options

This chapter provides an overview of duration aliases, options and formats and tells you how to:

- Create a duration alias.
- Configure duration options.

Overview of Duration Aliases, Options and Formats

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
- Select a calculation method.

You define calculation methods in a separate component using Duration Option pages.

Duration aliases always produce decimal results. That is, a duration of six years and three months is expressed as 6.25 years. When you create a duration option you establish 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 six other secondary results.

See Also

Setting Up a Raw Date

Defining a Duration Alias

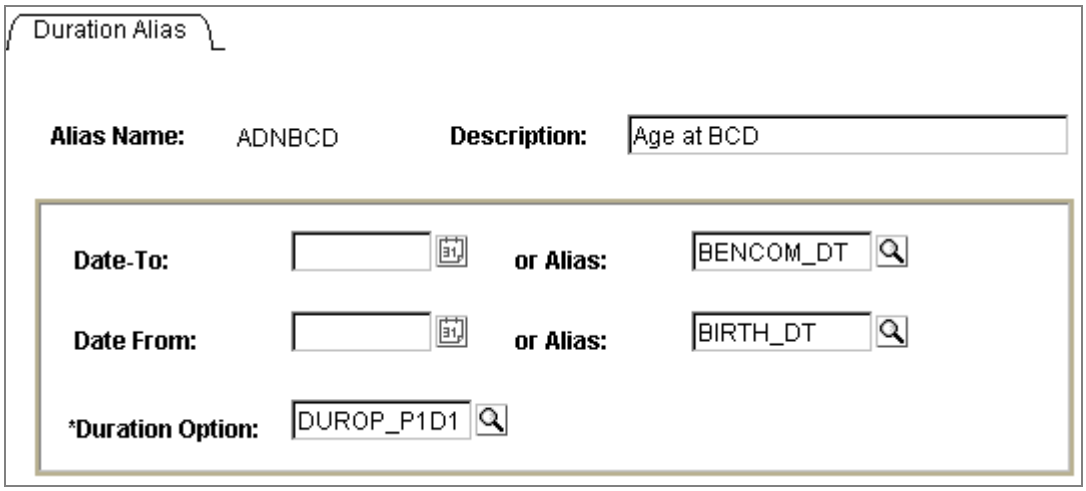
This section explains how to define a duration alias.

Pages Used to Define a Duration Alias

Page Name	Object Name	Navigation	Usage
Duration Alias	PA_DATE_DURATION	Define Business Rules, Maintain Pension Parameters, Variables, Duration Alias, Duration Alias	Create a duration alias.

Setting Up a Duration Alias

Access the Duration Alias page.



Duration Alias page

Date - To/Date From Enter the boundary dates for the period you want to measure. 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 Enter 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.

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. 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 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 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 still have to convert one year to months to complete the subtraction, but you know there are always 12 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 12 years, 10 months, and 24 days.
```

If you assume 30 days per month, 90/11/06 becomes 90/10/36, and after you again convert 1 year to 12 months, you end up with 89/22/36. Your equation is now:

```
1989/22/36
1977/12/13
0012/10/23 or 12 years, 10 months, and 23 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 choose which period(s) to count.

You'll likely use period counting durations to measure the difference between the normal and actual retirement dates. You use this information to determine early retirement penalties. For example, if your plan's early retirement reduction is 3% per year, you 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 count years, months, and days. Period counting methods always start with the later date and count backwards.

First you count years, and you find 12 complete years in the interval. This brings you from 1990/11/06 back to 1978/11/06. When you count months, you find 10 complete months in the interval. This brings you to 1978/01/06. When you count the days, you 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 it looks like period counting subtraction will always be the same as raw date subtraction with actual dates, there is a 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 5 full months from August 10 back to March 10, plus *23* additional days between February 15 and March 10. If you use raw date subtraction, you end up with 5 full months between February 15 and July 15, plus *26* days between July 15 and August 10. The difference occurs because February only has 28 days whereas July has 31 days.

Selecting and Setting Up a Calculation Method

This section explains how to select and set up a calculation method.

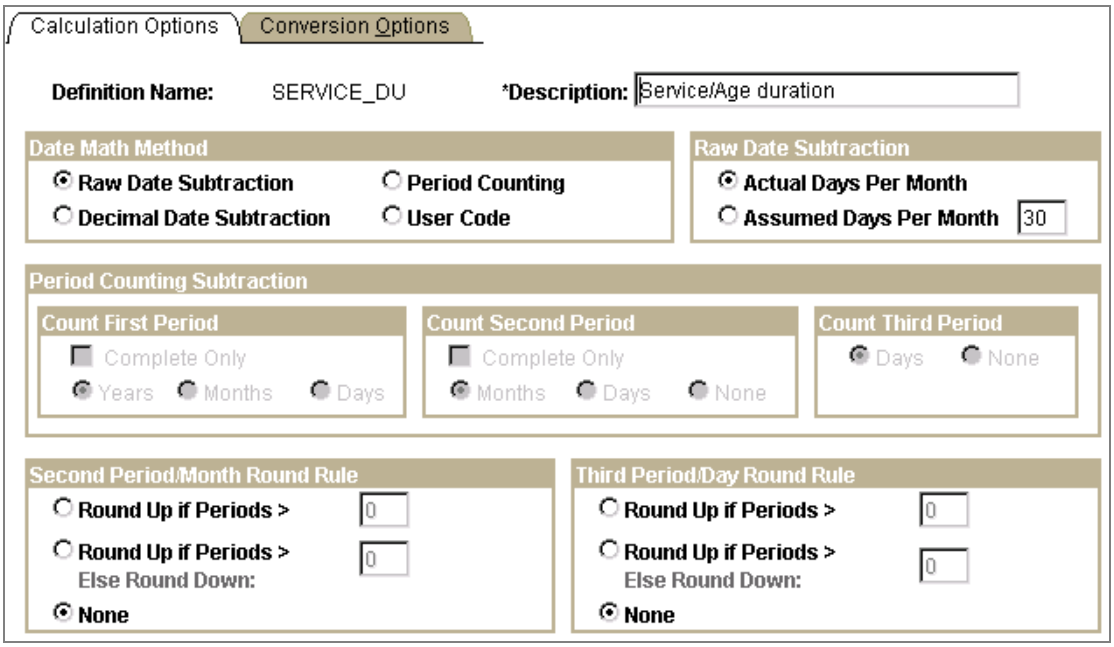
Pages Used in Selecting and Setting Up a Calculation Method

Page Name	*Object Name*	*Navigation*	*Usage*
Calculation Options	PA_AGECALC_PERIOD	Define Business Rules, Maintain Pension Parameters, Rules, Duration Option, Calculation Options	Choose a calculation method and set parameters associated with the method.

Page Name	Object Name	Navigation	Usage
Conversion Options	PA_AGECALC_PARMS	Define Business Rules, Maintain Pension Parameters, Rules, Duration Option, Conversion Options	Set up a raw date to decimal date conversion method.

Selecting Calculation Options

Access the Calculation Options page.



Duration Option - Calculation Options page

Date Math Method

Select from **Raw Date Subtraction, Period Counting, Decimal Date Subtraction**, or your own custom **User Code.**

Raw Date Subtraction

As discussed in Raw Date Subtractions, you 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
```

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	Enter a fixed number of days in the adjacent field. The system uses this number regardless of the month in question.

Period Counting Subtraction

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.
Count Second Period	Indicate the next largest period.
Count Third Period	Indicate the last largest period. If you aren't using all three periods, select ***None*** for the unused period(s).
Complete Only	When selected, the system doesn't count any smaller periods. If you don't use all three counting periods, select this check box in the last (smallest) period you do count.

Second Period/Month Round Rule/ Third Period/Day Round Rule

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.

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."

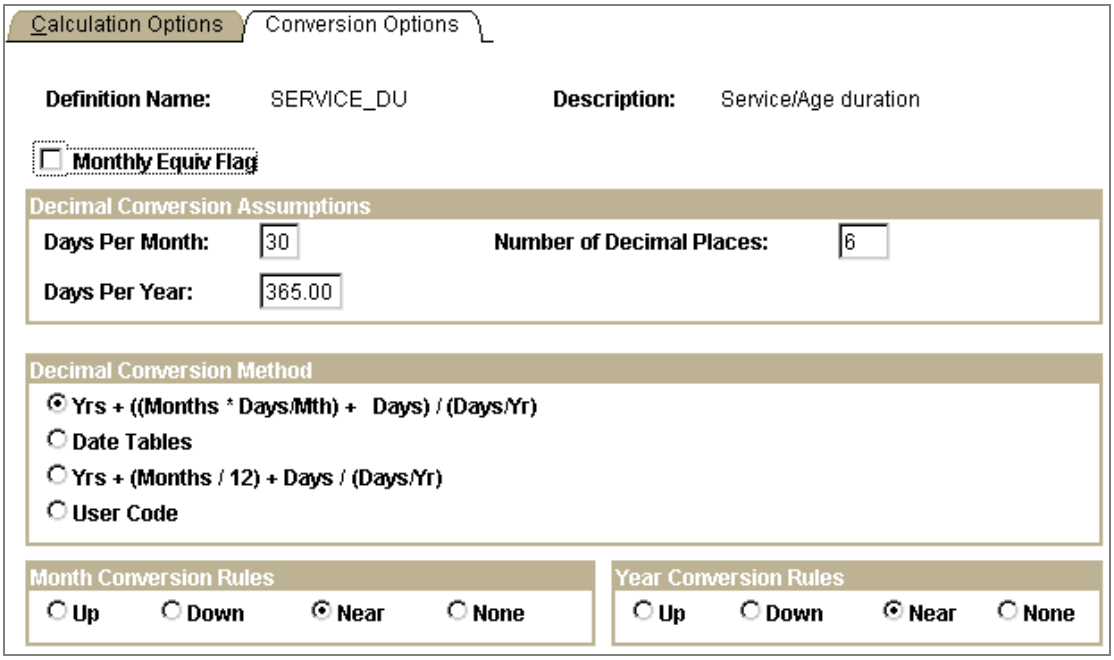
To round up only, select **Round Up if Periods >** and enter the threshold. For example, you could round days up to a full month after 25 days. To round up or down, choose **Round Up if Periods >** (enter value) **Else Round Down** and again enter the number of periods. If you don't want to round the duration at all, select **None.**

Note. 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.

Setting Up a Raw Date

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.

Access the Conversions Options page.



Duration Option - Conversion Options page

Decimal Conversion Assumptions

Unless your source dates are decimals, the system at some point converts 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 and a User Code option of converting dates into decimal values.

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
```

Month/Year Conversion Rules

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.

Note. 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 call results 2-7. 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.

Note. 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
AGE2	Round AGE to the nearest whole month.	No (always rounded)	65.500 years
AGE3	Round AGE or AGE2 to whole years.	Yes Flag off: round AGE. Flag on: round AGE2.	 65 years 66 years
AGE4	Express AGE2 in months.	No (always rounded)	65.500 * 12 = 786 months
AGE5	Extract decimal from AGE or AGE2.	Yes Flag off: AGE decimal. Flag on: AGE2 decimal.	 .497 years remainder .500 years remainder
AGE6	Extract decimal from AGE2 and express as months.	No (always rounded)	.500 * 12 = 6 months remainder
AGE7	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 33

Using Function Result and Actuarial Factor Aliases

This chapter provides an overview of function result and actuarial factor aliases and tells you how to:

- Use function result aliases.
- Create function result and factor aliases
- Understand form codes.

Overview of Function Result Aliases

Certain function results can produce multiple results. Because the function result name always references the "main" result, you need a way to reference any secondary results.

The Average Earnings and Cash Balance functions both let you specify whether to apply limits. If you apply limits, as you will in all your qualified plans, the function produces limited and unlimited results. The function result name references the result according to how you 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 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 those referenced by the function result name. These are the results you reference with function result aliases.

Typically you 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.

Overview of Actuarial Factor Aliases

You 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
- The ages of the participant and the beneficiary (because annuities are paid over the recipient's lifetime). Typically this is the ages at benefit commencement.

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 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.

Creating Function Result and Actuarial Factor Aliases

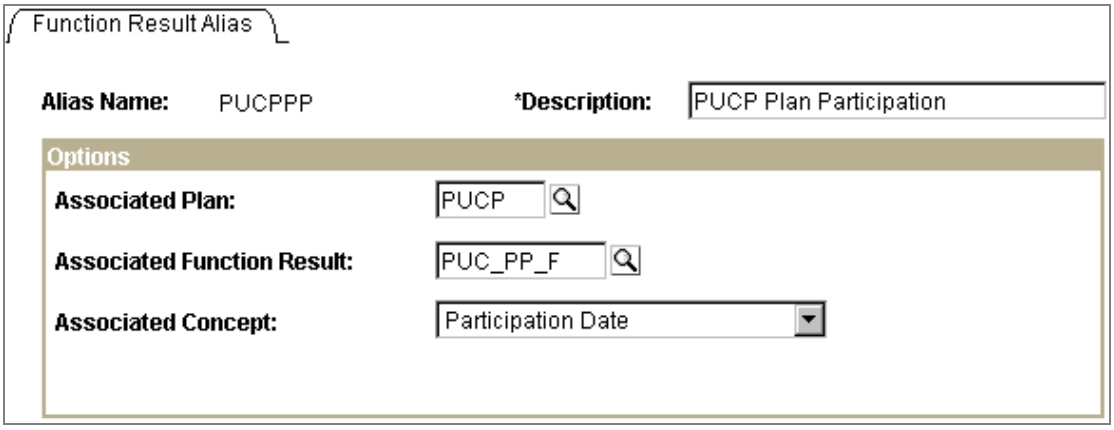
This section explains how to create function result and actuarial factor aliases.

Pages Used to Create Function Result and Actuarial Factor Aliases

Page Name	*Object Name*	*Navigation*	*Usage*
Function Result Alias	PA_ALIAS_AUTO_ASGN	Define Business Rules, Maintain Pension Parameters, Variables, Function Result Alias	Create a function result alias.
Factor Alias	PA_FACTOR_SETUP	Define Business Rules, Maintain Pension Parameters, Variables, Factor Alias, Factor Alias	Set up your factor parameters.

Setting Function Result Alias Options

Access the Function Result Alias page.



Function Result Alias page

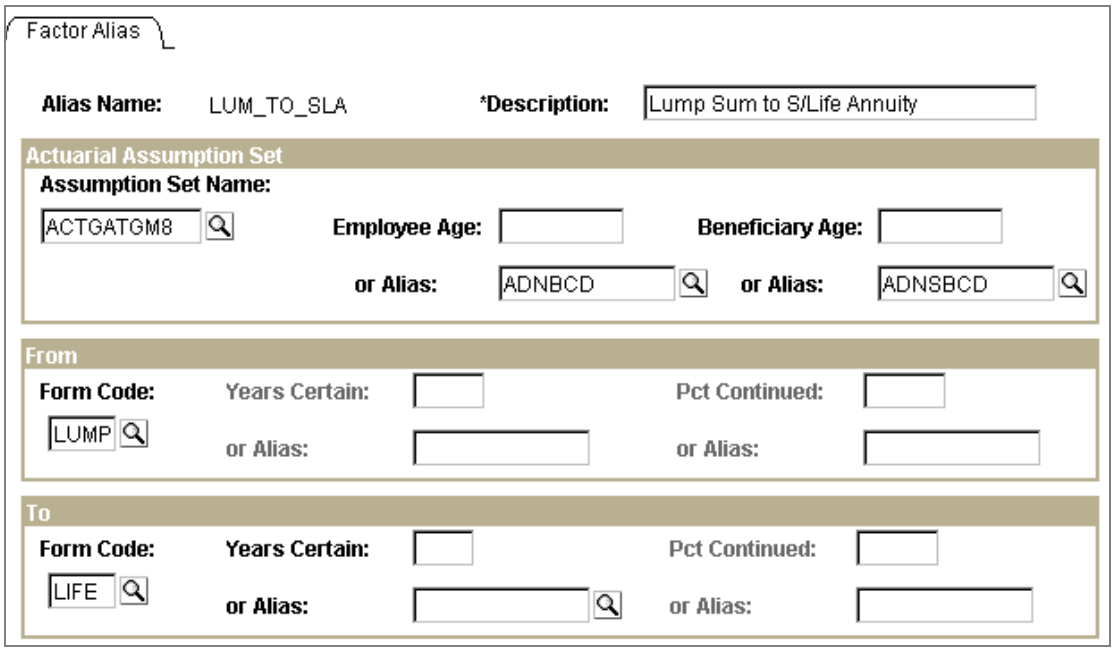
Associated Function Result Select the function result producing the extra value.

Associated Concept Select which of the results you want to reference: ***Participation Date, Unlimited Average Earnings*** or ***Limited Average Earnings, Unlimited Cash Balance at Lump Sum Date*** or ***Limited Cash Balance at Lump Sum Date, Unlimited Cash Balance at NRD*** or ***Limited Cash Balance at NRD, Unlimited Cash Balance at BCD Date*** or ***Limited Cash Balance at BCD Date.***

Setting Factor Alias Options

The factor utility calculates actuarial factors that convert payment amounts from one optional form of payment to another.

Access the Factor Alias page.



Factor Alias page

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.

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 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.** Select from: *Certain Only Installment, Joint and Survivor Annuity, Life Annuity, Level Income Option, Last to Survive Annuity, Pop Up Annuity, Reversionary Annuity.*

There is also a *Spouse J&S Demonstration* option. 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*.

Certain forms incorporate additional parameters. If you select *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.

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.

See Also

"Using Actuarial Assumptions"

Understanding Form Codes

When you deal with forms of payment, whether in the factor utility or the optional forms function, you 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.

Code	*Full Name*	*Description*
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 create these forms by adding **Years Certain** criteria to other forms. Typically you add to a single life annuity (LIFE), but possibly also to joint and survivor or other forms. For example, a 10 year certain and continuous with no joint and survivor criteria would be:

Form Code: LIFE, **Years Certain:** 10

CHAPTER 34

Using Custom Statements and Spouse Eligibility Statements

This chapter provides an overview of custom statements and tell you how to:

- Use the custom statement page.
- Understand custom statement types.
- Set up mathematical operations.
- Set up group definitions.
- Assign final and temporary variables.
- Use the three types of clauses.
- Configure operands.
- Set up a spouse eligibility statement.

Overview of 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.

Note. 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 custom statements which is why they all use the generic PA_CUSTOM_PNL page.

See Also

"Defining Plan Eligibility"

"Defining Benefit Formulas"

"Grouping Employees"

"Using Pension Statuses"

Using the Custom Statement Page

You 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, 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.

Pages Used to Create Custom Statements

Page Name	*Object Name*	*Navigation*	*Usage*
Custom Statement	PA_CUSTOM_PNL	Define Business Rules, Maintain Pension Parameters, Variables, Custom Statement	Define variables that the other PeopleSoft Pension Administration utilities can't accommodate.

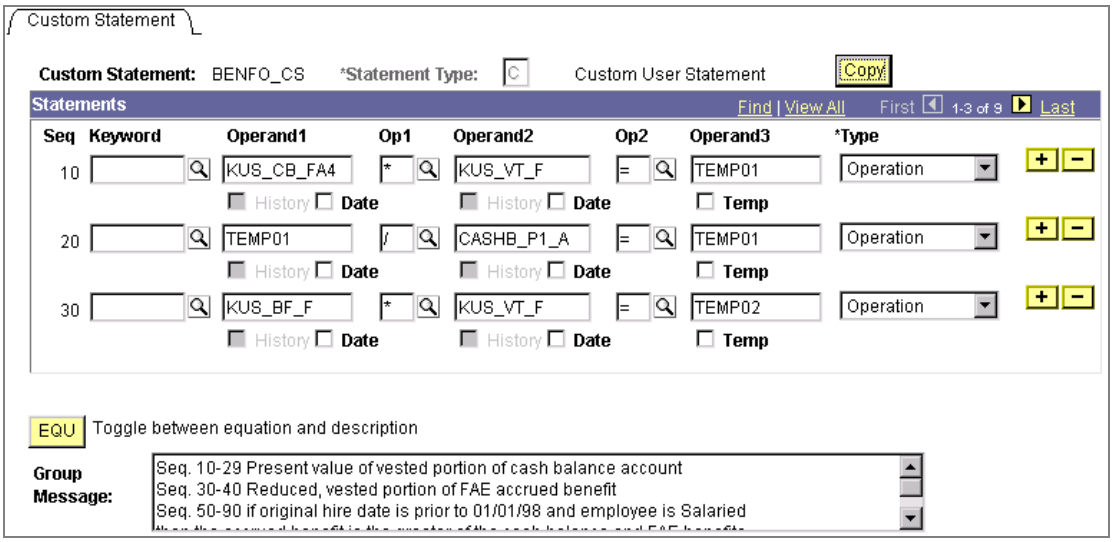
Note. This page appears in several components and the navigation varies by component.

See Also

Understanding Group Statements

Creating Custom Statements

Access the Custom Statements page.



Custom Statement page.

Custom Statement page

Custom Statement — Name the custom statement when you add it to the system.

Statement Type — The statement type is based on how you accessed 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.***

Statements

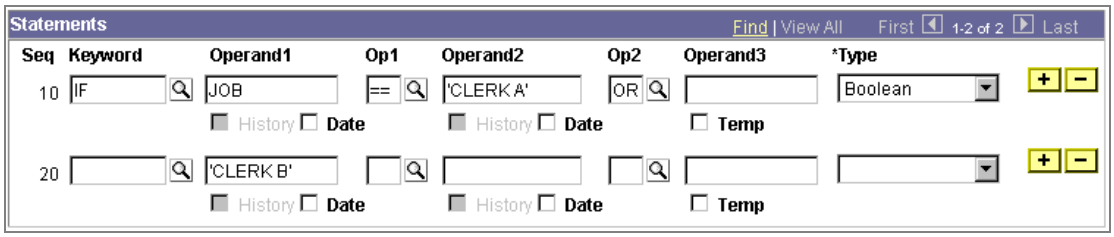
Seq (sequence) — The heart of the custom statement is a series of clauses that together produce a result. Each row in the Custom Statement page constitutes such a clause. The clauses (rows) are ordered by sequence numbers. The system assigns a unique sequence number when you create a clause. You can't 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 — Identifies whether the clause is a *Boolean, Function,* or (mathematical) *Operation* clause. These are discussed towards the end of this chapter.

Keyword There are logical operators that can be associated with each type of clause. 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 enter the type manually. Clauses without keywords include arithmetic operation clauses and continuations of boolean or function phrases. For example, the boolean phrase following encompasses two clauses, but only the first has a keyword:



Boolean Phrase with Two Clauses

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 These fields prompt against existing variables.

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 always reference at least one variable from within a custom statement.

Warning! 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 These 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.
Equ (equation)	Click this 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

In the Custom Statement page, the default for the **Statement Type** field is based on how you accessed the page.

The five possible statement types 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.

Understanding Mathematical Statements

When you use the custom statement to create your plan benefit formulas, you 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 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.

See Also

Setting Up Mathematical Operations

"Defining Benefit Formulas"

Understanding Group Statements

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 assigns a *Y* (yes) value when the employee meets the criteria.

Statement Type	*Description*
Group Function Definition	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.
Plan Eligibility	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
Spouse Eligibility	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
Status Code Definition	Another specialized application of the grouping logic, this time to determine criteria for pension status assignment.

See Also

Setting Up Group Definitions

"Defining Plan Eligibility"

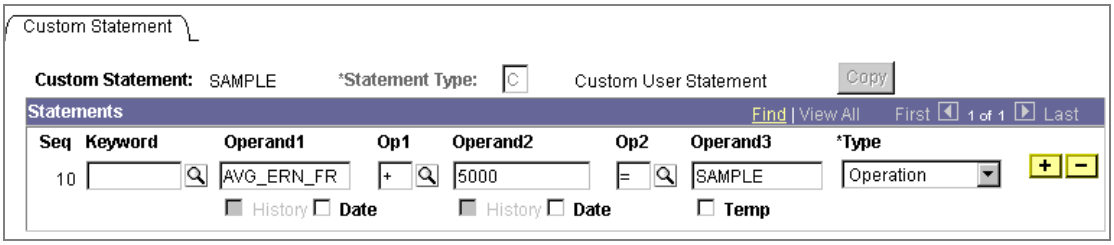
"Grouping Employees"

Setting Up a Spouse Eligibility Statement

"Using Pension Statuses"

Setting Up Mathematical Operations

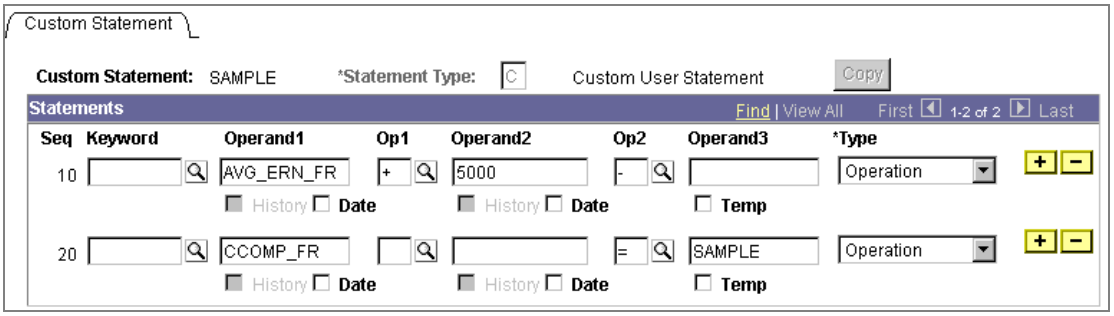
Perhaps the simplest use of the custom statement is for mathematical operations. Let's look at a couple of sample clauses:



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 ***Operation*** 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:



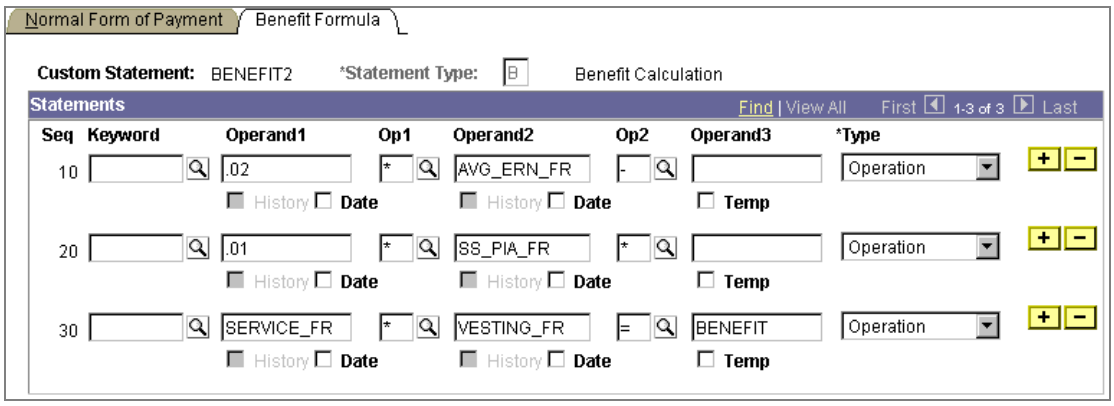
Extended Mathematical Operation

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 simpler 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.

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:

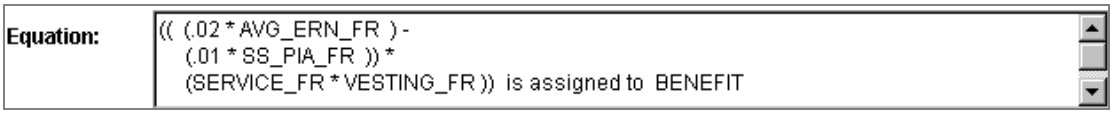
```
(.02 x AVG_ERN_FR) - (.01 x SS_PIA_FR) * (SERVICE_FR x VESTING_FR)
```

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

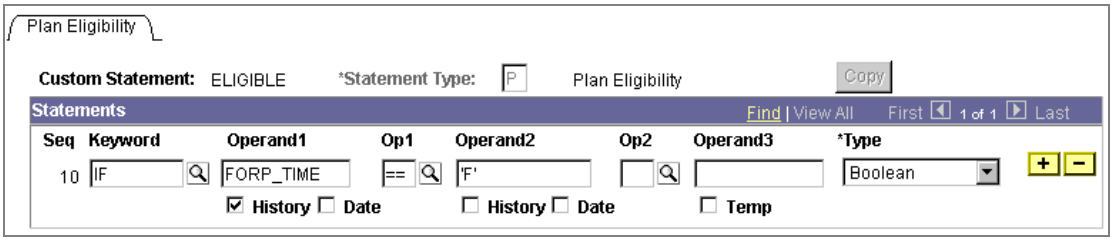
Always check your equation to see that the operation calculates as you intended. Remember, the precedence is determined strictly by the order of the clauses. Each clause is evaluated and compared to the cumulative result of all preceding operations.

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 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.



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.

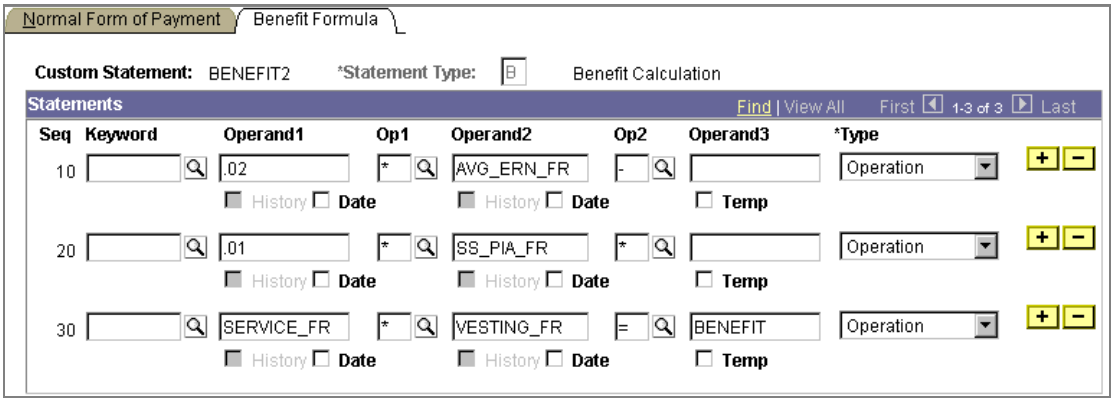
For mathematical equations, the variable name that you assign to the final result must be the custom statement name. For group statements, the final result is always an implied yes or no, so you won't make an explicit final assignment.

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
```

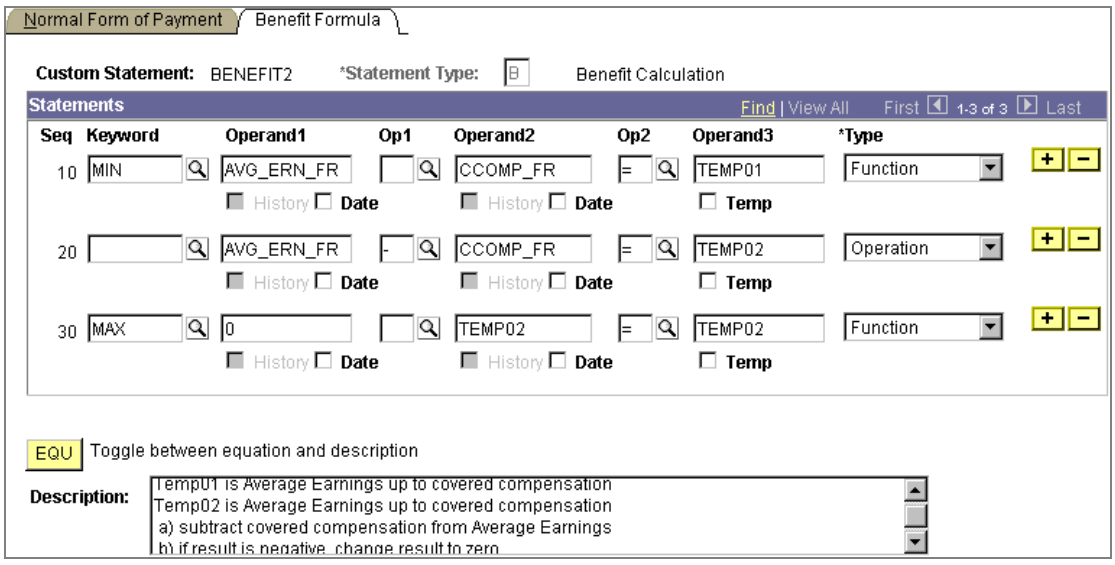
with the caveats that:

- 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.

Warning! 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 just type it in. Because this is just a data entry aid, the mark in the check box isn't preserved when you close and open the page.

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.

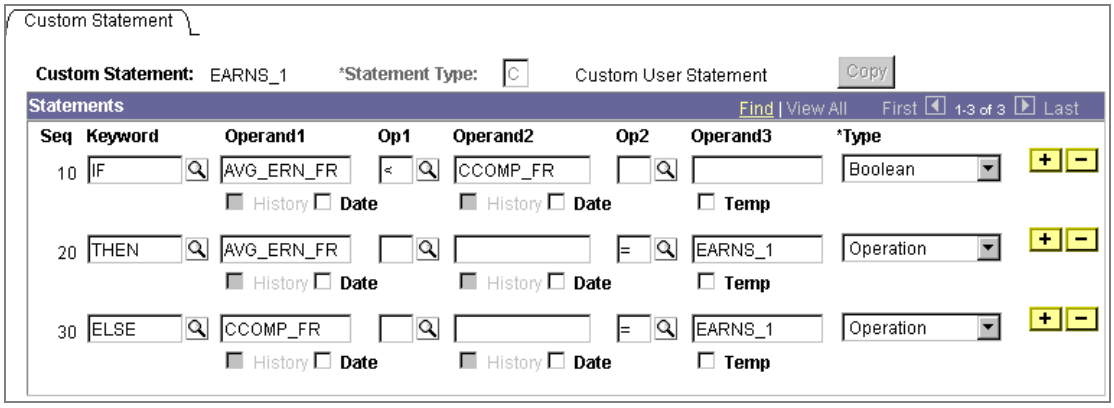
In an "if-then" statement, the "then" portion of the statement is an operation clause. The "if" portion is a boolean clause.

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) 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.

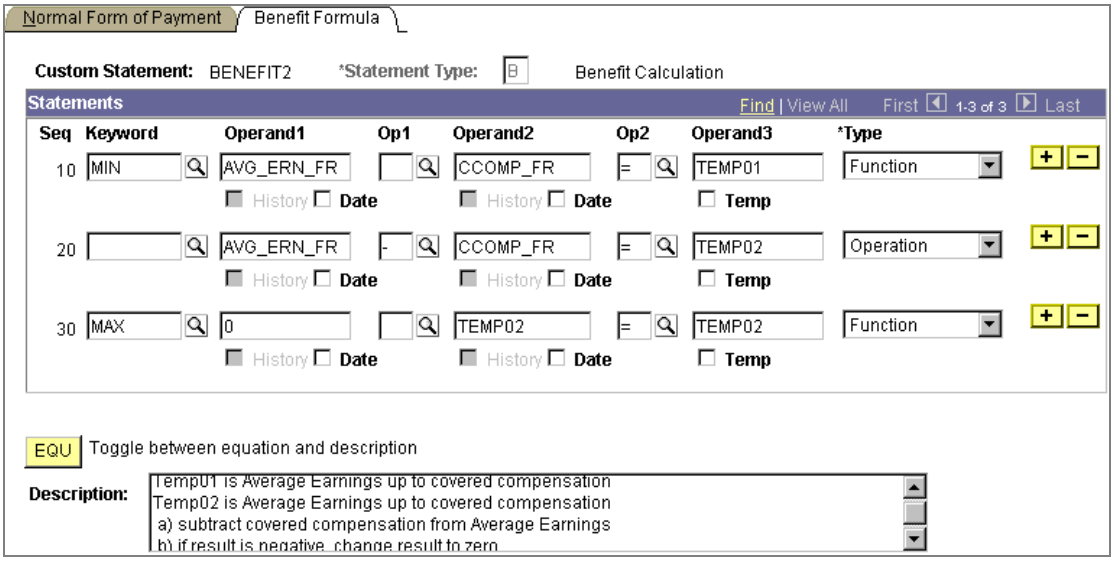
Function Clauses

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

Key	Operand1	Op1	Operand2	Op2	Operand3	Type
	.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.

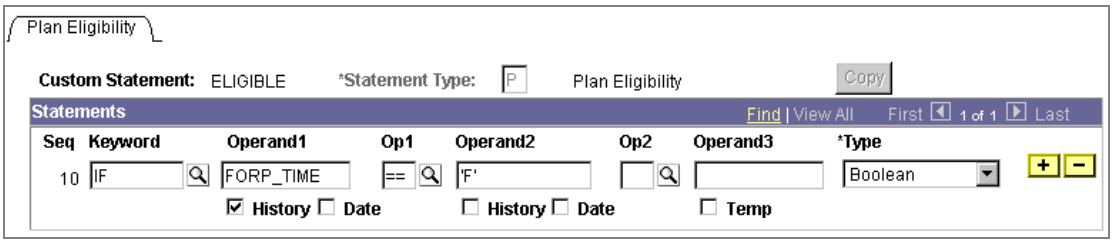
Using History

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.

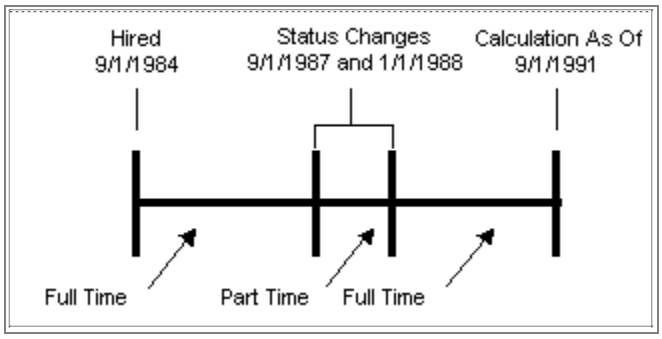
Note. You should always use the **History** check box for aliases to effective-dated fields. You can't use it with fields that aren't effective-dated because there is no history to reference.

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:



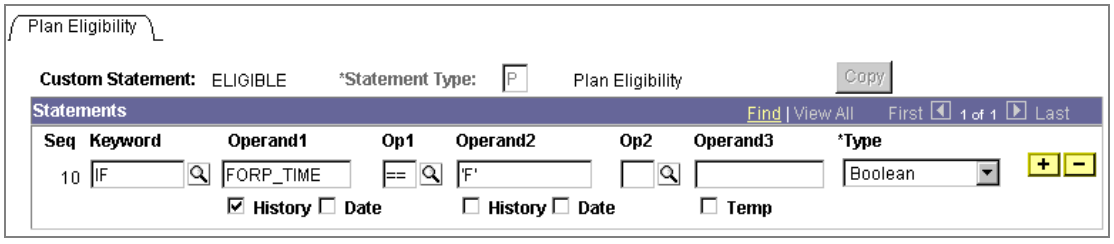
Work History

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.

Setting Up a Spouse Eligibility Statement

This represents a typical use of the PA_CUSTOM_PNL for a specific statement.

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.

Note. 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.

When you set up Spouse Eligibility Custom Statements, you enter your requirements in Boolean "If" clauses.

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."

To apply the Spouse Eligibility statement to a plan, enter the name of the statement in the Surviving Spouse Eligibility field on the Plan Aliases page.

See Also

"Creating the Plan Implementation and Plan Aliases"

CHAPTER 35

Creating Action/Reason Categories

This chapter provides an overview of creating action/reason categories and tells you how to:

- Reference action/reason codes.
- Use action/reason codes.
- Understand the job stack.
- Create action/reason categories.

Overview of 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.

Incorporate these requirements into your plan rules by referencing the Action and Reason fields from employees' job histories.

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.

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, indicate which categories of Actions/Reasons start and stop service. You can 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 itself significant but the new location or job may be.

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.

Setting Up HR Action/Reason Categories

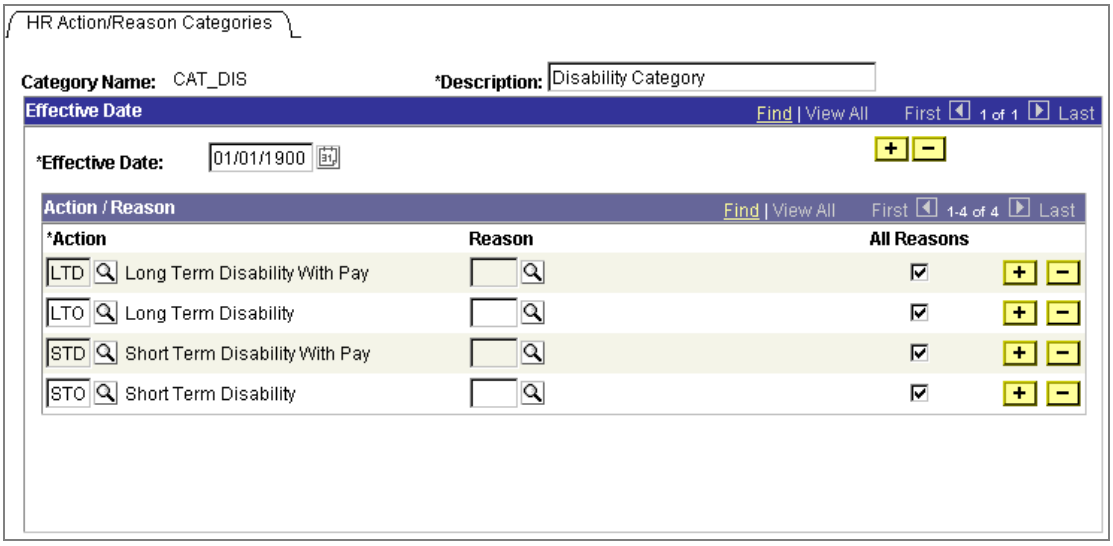
You can only reference Action/Reason codes through categories. Even if a category consists of just a single action or action/reason combination, to reference that code in your service and consolidation rules, you must create the category.

Pages Used to Set Up Action/Reason Categories

Page Name	*Object Name*	*Navigation*	*Usage*
HR Action/Reason Categories	PA_HR_CATEGORY	Define Business Rules, Maintain Pension Parameters, Rules, HR Action/Reason Categories, HR Action/Reason Categories	Create a category and add HR action and reason combinations.

Creating Action Reason Categories

Access the HR Action/Reason Categories page.



HR Action/Reason Categories page

Action List all HR action codes to be included in the category.

Reason Select specific reasons to include in the category or select **All Reasons** to include all in the category.

CHAPTER 36

Using Actuarial Assumptions

This chapter provides an overview of using actuarial assumptions and tells you how to:

- Apply actuarial assumptions.
- Establish actuarial assumption sets.
- Set up mortality rates.
- Determining actuarial factors at non-integer ages.

Overview of 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.

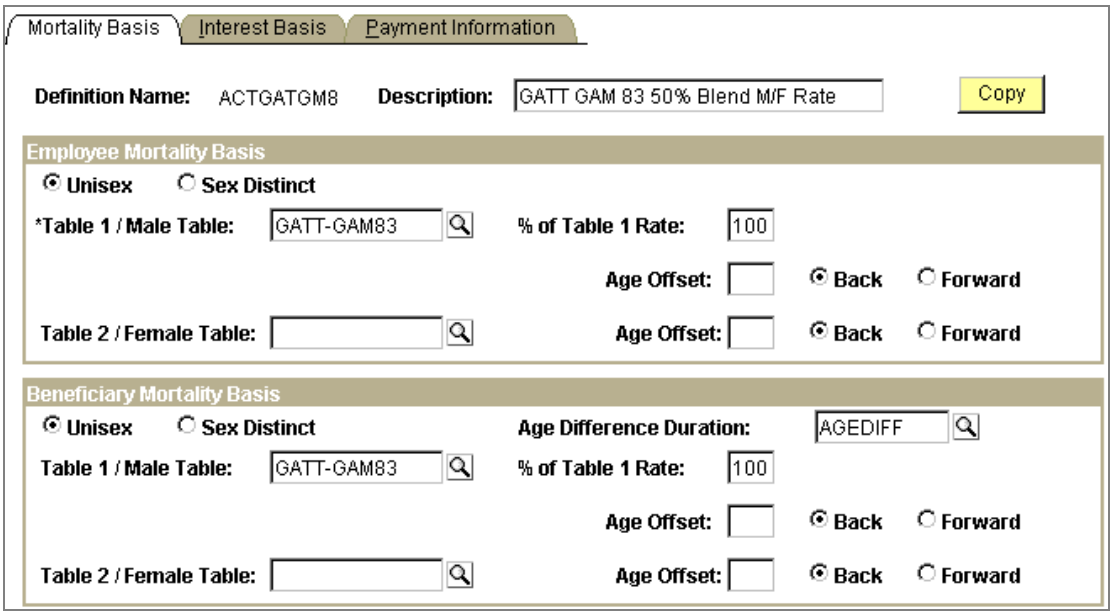
Pages Used in Establishing Actuarial Assumption Sets

Page Name	*Object Name*	*Navigation*	*Usage*
Mortality Basis	PA_FACTORS_MORT	Define Business Rules, Maintain Pension Parameters, Rules, Actuarial Assumptions, Mortality Basis	Establish which table you use and any adjustments you make.
Interest Basis	PA_FACTORS_INT	Define Business Rules, Maintain Pension Parameters, Rules, Actuarial Assumptions, Interest Basis	Set up an interest rate assumption.
Payment Information	PA_FACTORS_PAYMT	Define Business Rules, Maintain Pension Parameters, Rules, Actuarial Assumptions, Payment Information	Configure the third element in your actuarial assumption set: your payment timing assumptions.
Mortality Rates	PA_MORT_RATES	Define Business Rules, Maintain Pension Parameters, Tables, Mortality Rates, Mortality Rates	Set up a table that provides assumed death rates according to age. Enter rows comprising an age and a rate.

Actuarial Assumptions - Mortality Basis Page

Mortality tables determine how long annuitants are expected to live. Set up your mortality tables before you establish your assumption sets.

Access the Mortality Basis page.



Actuarial Assumptions - Mortality Basis page

Employee/Beneficiary Mortality Bases

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

Enter a duration that measures the difference between the employee and beneficiaries ages. This enables the system to more efficiently access appropriate mortality information.

You don't need the actual employee and beneficiary ages at this point. You put those in the definitions of the functions that use actuarial assumptions.

Sex Distinct

You can either use one table for both men and women, or you can use two different tables. Select this to use separate tables

If you select **Sex Distinct,** you 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 only use sex distinct tables for reproducing historical calculations, as it is currently illegal to use sex distinct mortality tables.

Unisex

Make this choice for both the employee and beneficiary mortality basis.

You can either use one table, which you 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.

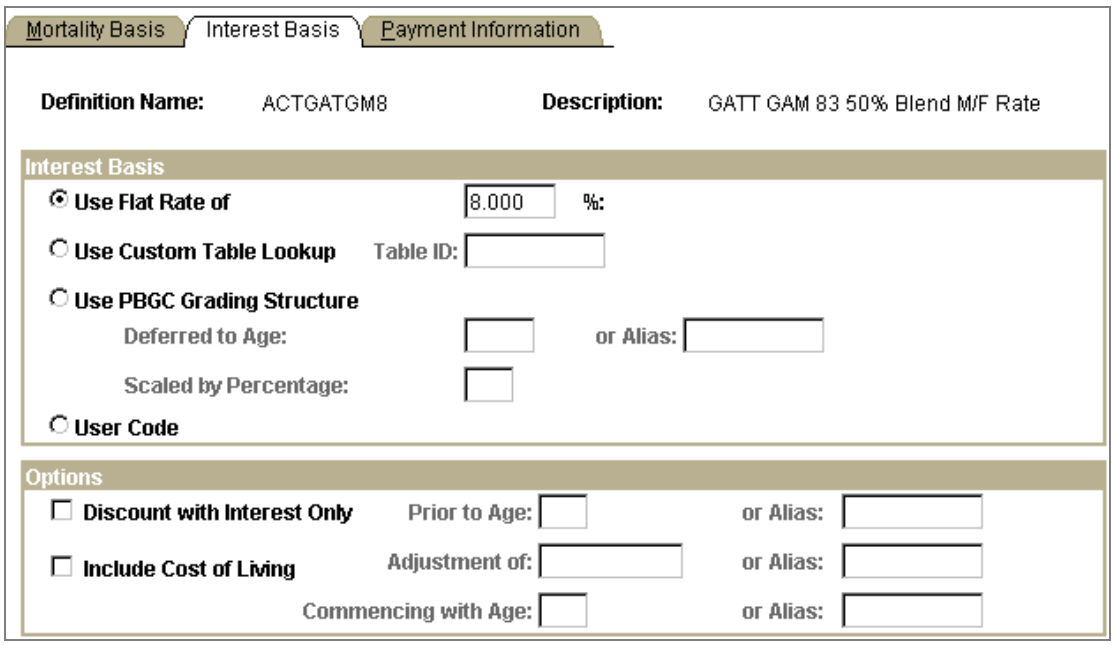
Age Offset

Select this 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. 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.

Setting Up an Interest Rate Assumption

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.

Access the Interest Basis page.



Actuarial Assumptions - Interest Basis page

Interest Basis

Use Flat Rate of	Select this then enter your own assumed interest rate.
Use Custom Table Lookup	Select this to use a table of rates then enter the **Table ID.** 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	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. 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. The immediate rate will then grow at that rate. Enter 100% to keep the same rate after the deferred age.

See Also

"Maintaining Public Tables," Looking Up PBGC Interest Rates

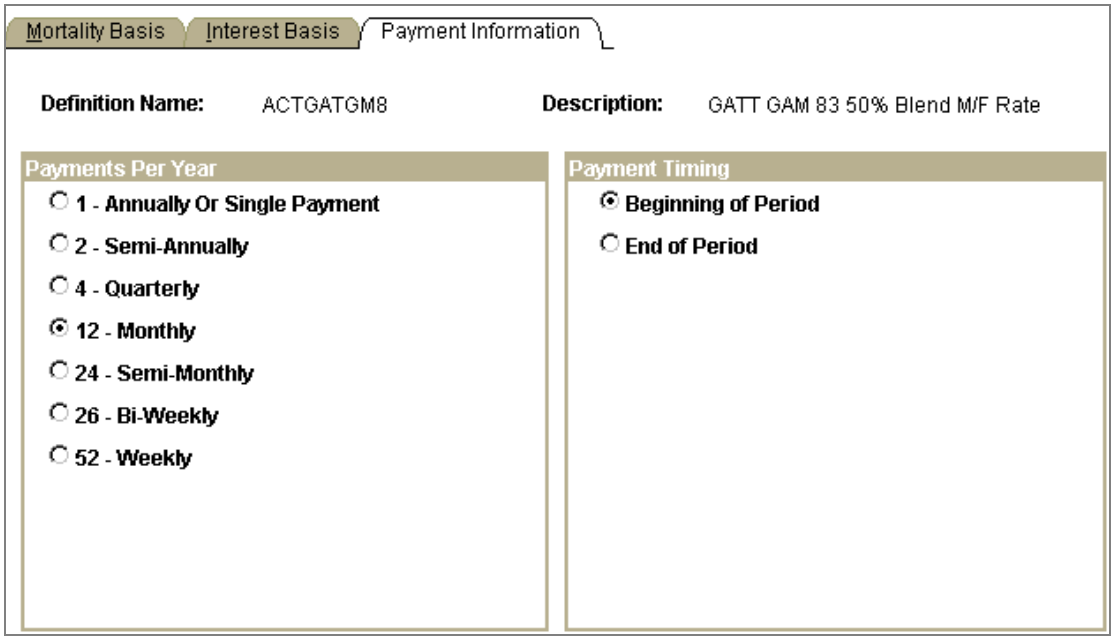
Options

Discount with Interest Only	Select this to disregard the mortality rates for employees under a certain age and only use the interest assumptions.
Prior to Age	Specify the cutoff age.
Include Cost of Living	Select this if you want your assumption set to take into account an assumed cost of living adjustment (COLA).

Adjustment of	Indicate the adjustment percentage.
Commencing with Age	Enter the age when the adjustment is assumed to occur.

Entering Payment Information

Access the Payment Information page.



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

Select either **Beginning of Period** or **End of Period** to Indicate the payment timing, or when the period payments occur.

Setting Up Mortality Rates

When you create an actuarial assumption set in the PeopleSoft Pension Administration system, you'll specify your mortality assumptions by referencing a mortality table.

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

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 37

Using Interest Methods

This chapter provides an overview of using interest methods and tells you how to set up interest methods.

Overview of Interest Methods

Interest methods are used with accounts that accrue interest over time: cash balance accounts and employee accounts.

- Cash balance accounts method applies interest to an employee's hypothetical pension account.
- Employee accounts method applies interest to an employee's actual contributions.

You don't use interest methods with the functions that use actuarial assumption sets because assumption sets already incorporate interest rules.

Setting Up Interest Methods

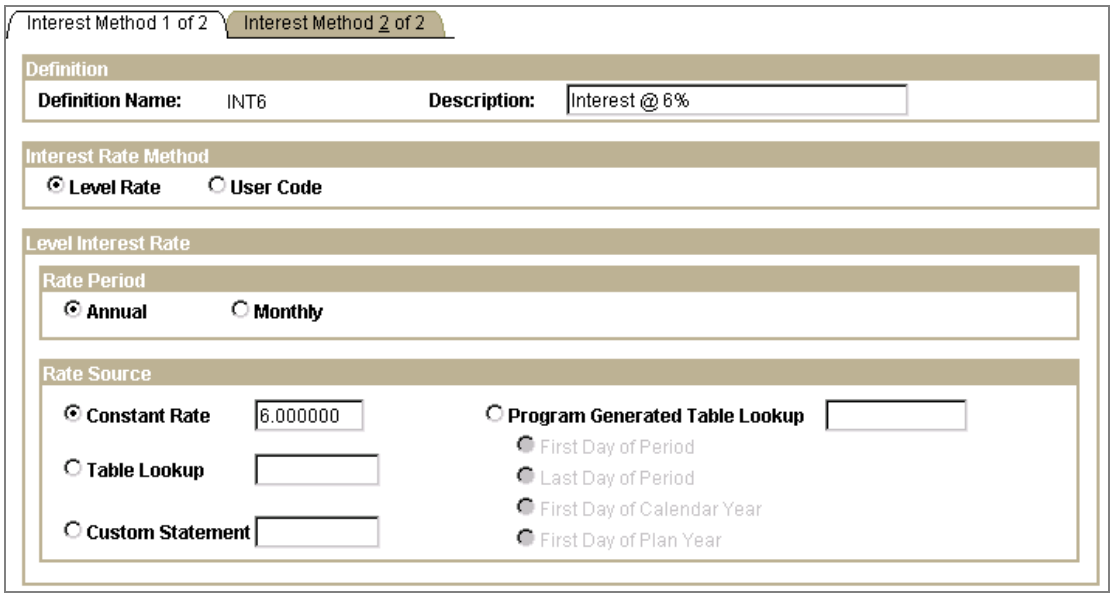
Pension functions involving employee accounts or cash balance accounts must track interest credited to the accounts. Once you have established an interest method, you can reference these rules from the cash balance accounts and employee accounts pages.

Pages Used to Set Up Interest Methods

Page Name	*Object Name*	*Navigation*	*Usage*
Interest Method 1 of 2	PA_INTEREST_P1	Define Business Rules, Maintain Pension Parameters, Rules, Interest Method, Interest Method 1 of 2	Set the actual interest rate.
Interest Method 2 of 2	PA_INTEREST_P2	Define Business Rules, Maintain Pension Parameters, Rules, Interest Method, Interest Method 2 of 2	Set rules for applying the interest rate over full periods and partial periods.

Setting the Interest Rate

Access the Interest Method 1 of 2 page.



Interest Method - Interest Method 1 of 2 page

Interest Rate Method

Level Rate — Select this unless you're using your own **User Code.**

Level Interest Rate - Source

Constant Rate — Specify the annual or monthly constant rate.

Table Lookup — This provides a single rate to use at all times. This option isn't commonly used. More likely you 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.

Custom Statement — Enter an alias.

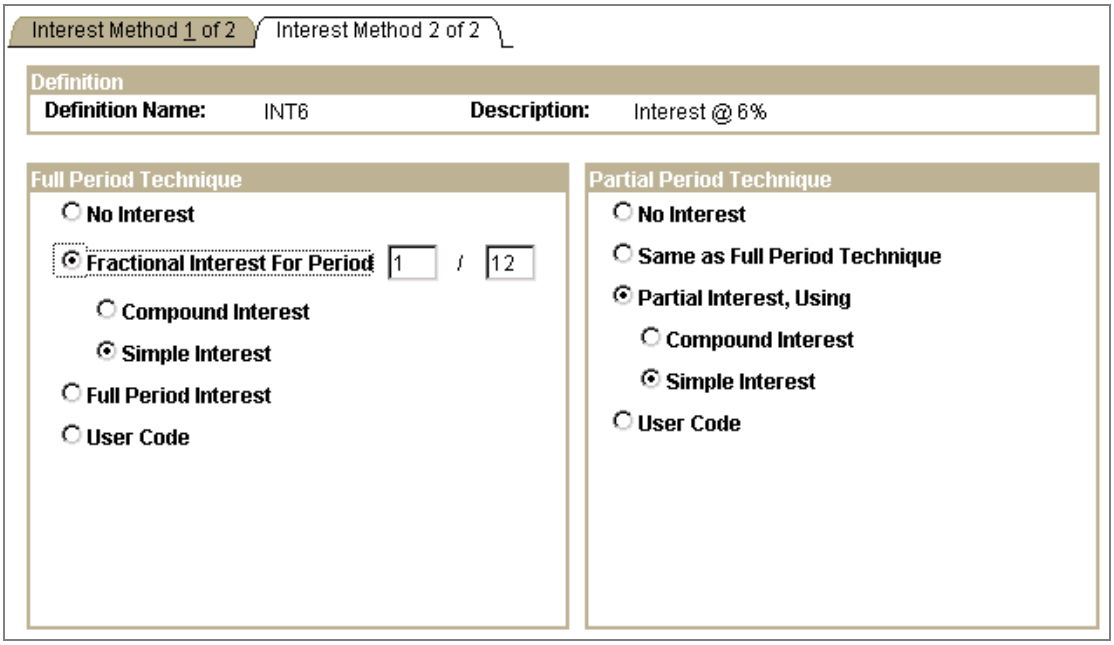
Program Generated Table Lookup — The option enables you to look up interest rates that vary over time. For example, if you apply interest based on the Federal Mid-Term rates that are in effect on the first day of the month, you are varying the rate and you'll use a program generated lookup.

For this method, your lookup is always based on a date. The term "program generated" refers to the fact that the function using this interest rule has to provide the date for each period.

Note. The edit box for program generated lookups prompts against this type of table lookup. If you don't see the alias you're looking for, check that you've identified the lookup as a program generated lookup on the Table Lookup Alias page.

Setting Rules for Applying the Interest Rate over Periods

Access the Interest Method 2 of 2 page.



Interest Method - Interest Method 2 of 2 page

Full Period Technique

No Interest

You can give this technique to both full and partial periods.

Fractional Interest for Period

This 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:

$$\text{Amount} \times \text{Rate} \times \text{Period Fraction}$$

When you select **Compound Interest,** the interest formula is:

$$[\text{Amount} \times (1 + \text{Rate})^{\text{Period Fraction}}] - \text{Amount}$$

Partial 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:

$$\text{Amount} \times \text{Rate} \times \text{Period Fraction}$$

When you select **Compound Interest,** the interest formula is:

$$[\text{Amount} \times (1 + \text{Rate})^{\text{Period Fraction}}] - \text{Amount}$$

CHAPTER 38

Applying 401(a)(17) Earnings Limits

This chapter tells you how to:

- Use 401(a)(17) limits.
- Set up 401(a)(17) parameters.

Using 401(a)(17) Limits

There are a number of way to apply the limits the IRS sets for the amount of annual earnings that can be used in pension benefits these limits, there are a number of ways to apply them. You set up 401(a)(17) parameters to reflect your plan's interpretation of how these limits will be used.

Three of the PeopleSoft Pension Administration core functions incorporate earnings data and thus may need to apply 401(a)(17) limits:

- 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 applies 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.

Establishing 401(a)(17) Parameters

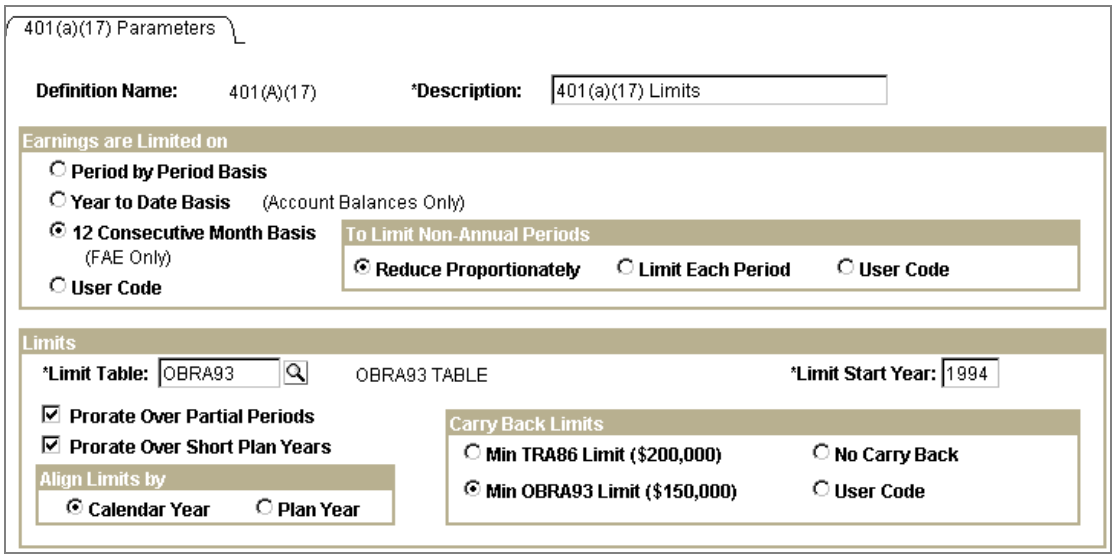
There are several considerations when applying 401(a)(17) limits. To start with, your earnings periods may be periods other than calendar years, in which case you need to determine the appropriate limits to apply. If the limit applies to earnings from more than one period, either because you're using monthly periods or because your limit periods are made up of portions of separate consolidation periods, you have to determine how much to reduce each consolidation period.

Pages Used to Set Up 401(a)(17) Parameters

Page Name	*Object Name*	*Navigation*	*Usage*
401(a)(17) Parameters	PA_401A17_PARMS	Define Business Rules, Maintain Pension Parameters, Rules, 401(a)(17) Parameters, 401(a)(17) Parameters	Set up 401(a)(17) parameters

Setting Up 401(a)(17) Parameters

Access the 401(a)(17) Parameters page.



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.

Earnings are Limited on

Besides identifying the limit that goes with each earnings period, you need a method for applying the limit.

Period by Period Basis	With this 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.
Year to Date Basis User Code	This option is used only for cash balance accounts. For annual periods, this 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

12 Consecutive Month Basis (FAE only)

This method is used only for final average earnings.

It 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..

See Also

Limiting on a Period by Period Basis against a Year to Date Basis

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.

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.

See Also

Using a 12 Consecutive Month Basis with Annual Consolidations

Limits

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 Table

The system looks up the limit for each year using the Table Lookup utility. The table used associates calendar years with limits.

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.

Prorate Over Partial Periods

Select this to prorate the limits for short periods when you limit on a period by period basis, including the final period.

During partial periods, employees frequently have lower earnings and therefore are less likely to reach the 401(a)(17) limit.

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.

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. Enter a limit start year then select a carry back option.

See Also

"Establishing Pension Plans"

Carry Back Limits

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

Years prior to the specified threshold aren't limited.

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. This setting also determines the limit for the event date, which is used as a final limit for the final average earnings result.

Calendar Year	The system uses the limit for the year containing the first day of the consolidation period.
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.

Aligning by Plan Year against 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 against a Year to Date Basis

For annual earnings consolidation periods, you 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

Monthly Earnings	*Reduce Proportionately*	*Limit Each Period*
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
250,000	150,000	145,500

CHAPTER 39

Projecting Hours and Earnings

This chapter provides an overview of projection methods and tells you how to set them up.

Overview of Projection Methods

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.

You can 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.

Understanding Projections

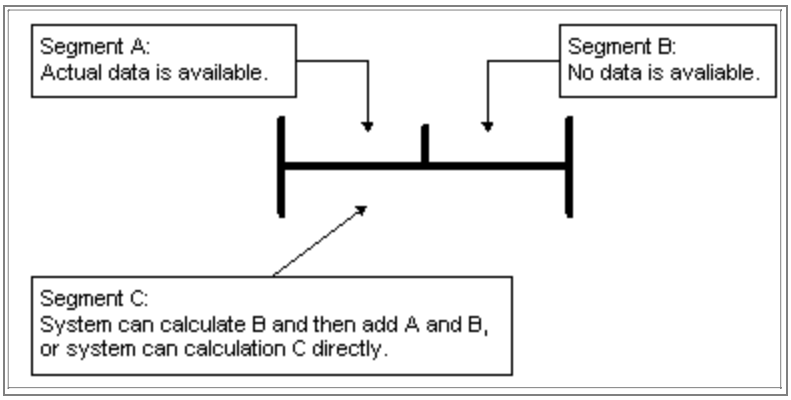
There are multiple steps to projecting earnings and hours.

1. The system looks for the most recent consolidation period with data. This is the base period for the projection.

2. If the base period is incomplete (for example, if the consolidation period is annual, but you've only processed consolidations through September), the system calculates what the earnings or hours for the entire base period should be.

   You 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.

   There are several methods for determining the hours or earnings, either for segment B or segment C, as illustrated in the following diagram:



Determining Total Hours or Earnings for the Base Period

3. 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.

4. The system prorates the final period data if the final period (the period containing the event date) isn't a full period.

Setting Up Projection Methods

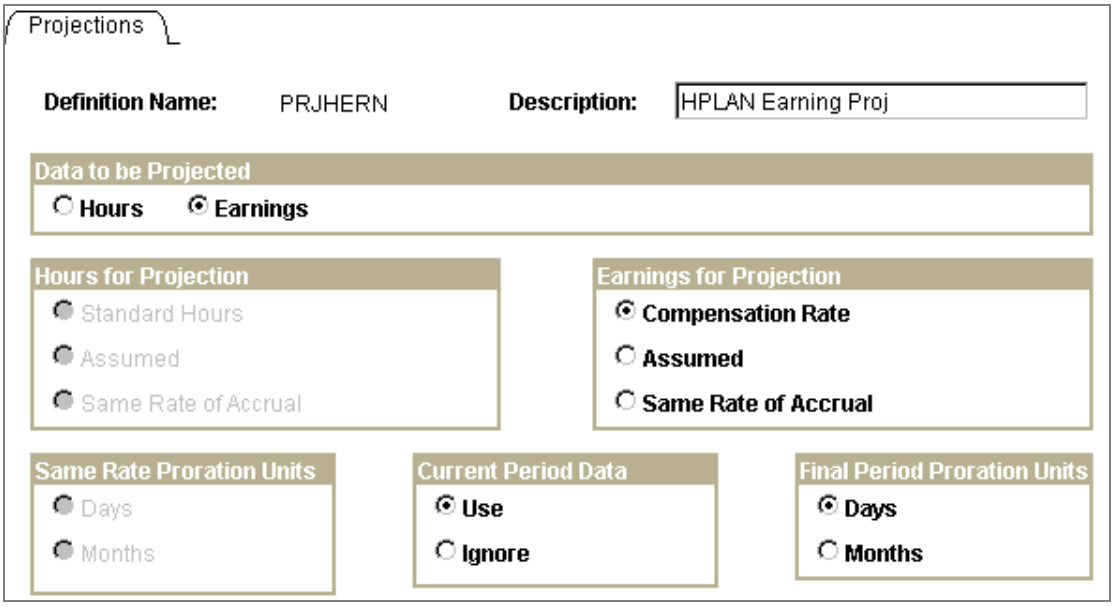
Setup differs according to whether you're projecting hours or earnings.

Page Used to Set Up Projection Methods

Page Name	*Object Name*	*Navigation*	*Usage*
Projections	PA_PROJECTIONS	Define Business Rules, Maintain Pension Parameters, Rules, Projections, Projections	Set up projection methods.

Defining Projection Methods

Access the Projections page.



Projections page

Establish whether the method will project **Hours** or **Earnings**.

Hours for Projection

Standard Hours — Annualizes the standard weekly hours for the employee's job as established in PeopleSoft Human Resources.

Assumed — Uses an annual hours 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 Projection

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.

Finding the Base Period Data

Note. If you set up a projection method using assumed hours or earnings, you should make the corresponding fields on the Setup Pesnion 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.

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.

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.

Note. If the projection method will be applied to a monthly consolidation, you must annualize using **Days.**

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).

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
```

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 — 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 — The system will use your chosen method to calculate data for the entire period.

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.

Days — As with the proration units for the **Same Rate of Accrual** option, **Days** will give a more precise proration.

Months — Don't prorate using **Months** for monthly consolidation periods.

CHAPTER 40

Grouping Employees

This chapter provides an overview of grouping and covers:

- Time-sensitive grouping based on eligibility.
- Use of groups for periodic processing.
- Group setup.
- Group affiliation precedences.

Overview of Grouping

A pension plan can include unique provisions for different subsets of your employee population. There might be different rules for:

- Salaried and hourly employees.
- Employees in different unions.
- 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. Use custom statements to specify criteria to define each group. The group definitions can be shared among plans and function results.

You can 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.

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 illustrate some of the power of this feature.

Time-Based Grouping

When you grandfather rules, you 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

Note. 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

Note. 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.

See Also

"Setting Up Function Results"

Note. 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 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.
- Individual employees.
- Employees identified by employee ID on a predefined list.
- 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.

Note. 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.

Defining a Group

You define your groups on the custom statement page, but when you access it through Define Business Rules, Maintain Pension Plans, Implement, Group Definition, Group Definition, the statement type is always ***Group Function Definition.***

When you set up group custom statements, you 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."

See Also

"Using Custom Statements and Spouse Eligibility Statements"

Setting Up Group Precedence

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.

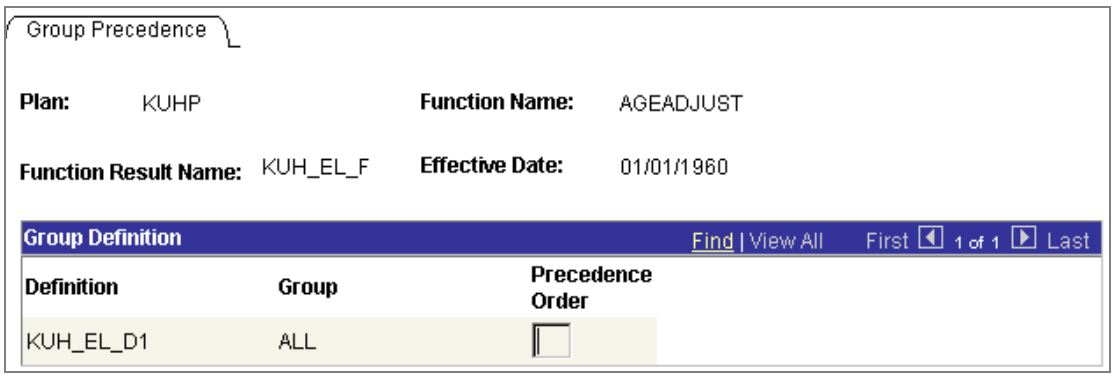
A more convenient way to set your precedence order is to use the Group Precedence page. This page displays all the groups used in a function result in a convenient summary format that allows you to easily review all the groups and their precedence. This page is always keyed to a specific effective-dated row within a Function Result.

Page Used to Set Up Group Precedence

Page Name	*Object Name*	*Navigation*	*Usage*
Group Precedence	PA_GROUP_PRECEDNCE	Define Business Rules, Maintain Pension Plans, Implement, Group Precedence, Group Precedence	Set which group affiliation takes precedence.

Defining Group Precedence

Access the Group Precedence page.



Group Precedence page

Group The page displays the group information from the Function Result page.

Precedence Order This establishes which group to use for an employee who meets the conditions for multiple groups.

Groups with an earlier number have precedence over groups with a later number. That is, employees who simultaneously fall into the groups with precedence orders 1 and 2 will use the definitions for the precedence 1 group.

CHAPTER 41

Setting Up Function Results

This chapter provides an overview of function results and tells you how to add a function result.

Overview of Function Results

PeopleSoft Pension Administration uses 19 core functions, including three consolidation processes, to determine benefits. Using the various core function pages, you set up methods, also called "definitions", for calculating particular portions of a benefit.

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

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

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

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 eight functions that use time segments:

- consolidations (earnings, hours, and contributions)
- service
- cash balance accounts
- employee accounts
- death coverage
- participation

See Also

"Setting Up the Calculation Rules"

Adding a Function Result

After creating the definitions, apply them to the right people at the right time.

Pages Used to Add a Function Result

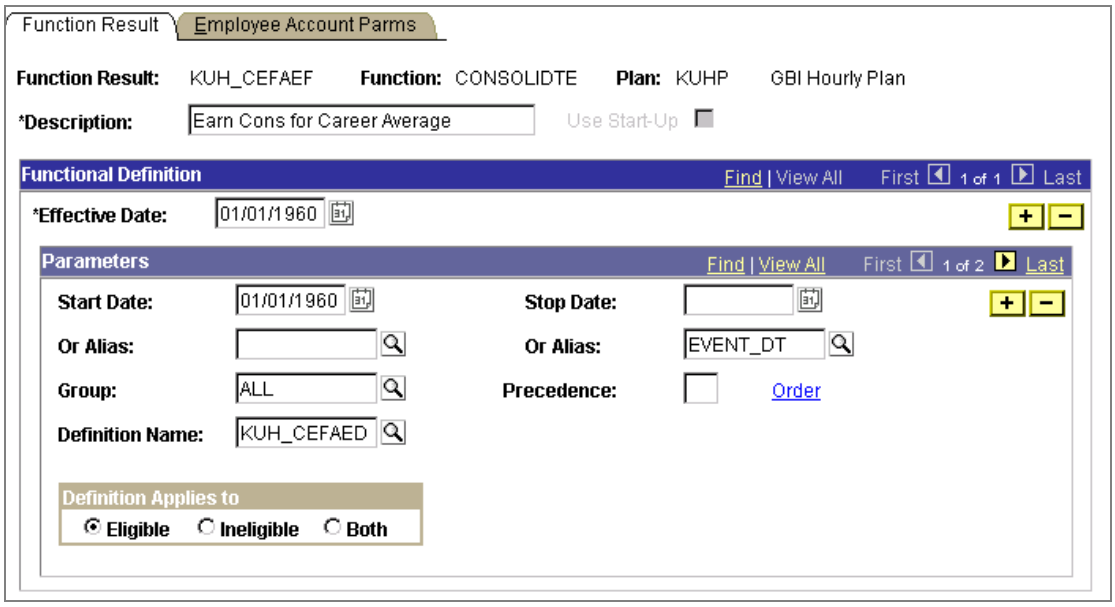
Page Name	*Object Name*	*Navigation*	*Usage*
Function Result	PA_FUNCDEF_MAIN	Define Business Rules, Maintain Pension Plans, Implement, Function Result, Function Result	Associate your definitions with effective dates, groups, and (for some functions) time segments.
Employee Account Parms	PA_FUNCDEF_EACCT	Define Business Rules, Maintain Pension Plans, Implement, Function Result, Employee Account Parms	Enter additional function result parameters used only for employee accounts function results.

Setting Up the Function Result

Access the Function Result page.

When you Add a function result, identify both the plan and the function in question. 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

Description

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.

Use Startup

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.

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.

For Pension Status Codes (Multiple job processing only)

Enables the system to read additional information from the Service function result, used in the custom statements

(Only shows for Service function results.)

See Also

"Using Pension Statuses"

Functional Definition

Effective Date

Effective dates always correspond to the date of some change in plan rule.

When you run a calculation, you 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.

Parameters

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
- Participation

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

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.

Group

Specify the group name.

Note. 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 the **Group** field is made unavailable.

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 need a way to determine which group affiliation takes precedence.

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.

Note. 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 To set your precedence order, click the **Order** button, which transfers you to the Group Precedence page**.** Manually save before transferring so that any new data will appear in the Group Precedence page.

Warning! 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.

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.

See Also

"Grouping Employees"

Definition Applies to

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.

Eligible Adds an "and employee is eligible" clause to your group statement.

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.

Both

If you select **,** your group statement remains untouched. It won't have any eligibility criteria unless you've explicitly put such criteria in.

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.

Break Definition

Break Definition Name

When you create a function result for the Service function, you 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.

The break definition parameters are only shown for Service function results.

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.

Use All Jobs

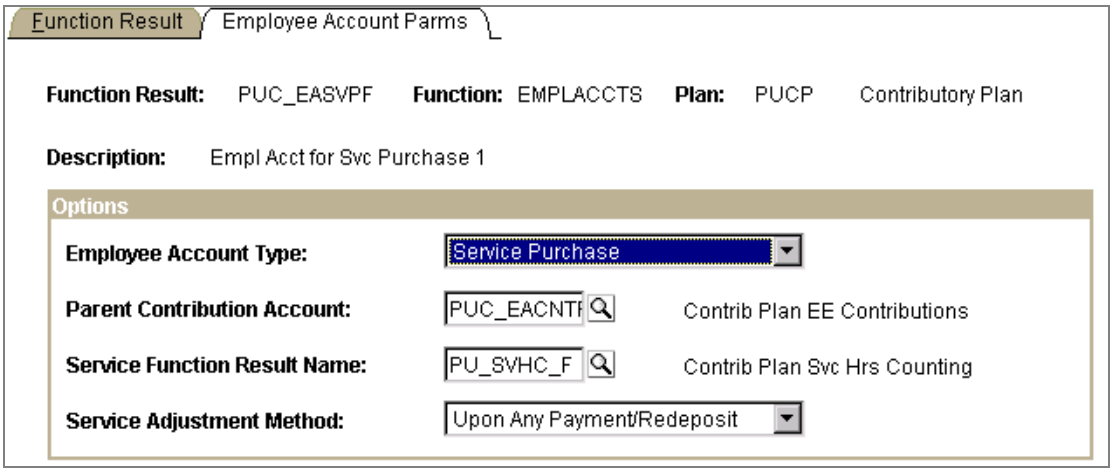
Select this if you want to include all jobs, eligible and ineligible, select the radio button. If you want to include only eligible jobs, select the **Use Eligible Jobs Only**.

See Also

"Defining Service and Break Rules"

Entering Function Result Parameters for Employee Accounts

Access the Employee Account Parms page.



Function Result - Employee Account Parms page

Options

PeopleSoft Pension Administration supports three different types of employee account. You 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.

If you identify an account as 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.

Note. The function result and all of the definitions that it references must all have the same employee account type.

Defining Employee Accounts (chapter 21)

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 Specify whether employees receive credit for that service *Upon Any Payment/Redeposit, Upon Full Payment/Redeposit***,** or *On a Prorated Basis.*

When you establish a withdrawal account or a service purchase account for an employee, you establish the total amount of service available to be bought.

See Also

"Setting Up Contributory Plans," Implementing Service Buy Back

CHAPTER 42

Creating the Plan Implementation and Plan Aliases

This chapter provides an overview of plan implementation and plan aliases and tells you how to:

- Complete the implementation process.
- Order plans
- Set up plan aliases.

Overview of Plan Implementation and Plan Aliases

The final product of your calculation—a benefit amount in all its optional forms—depends on several components, such as service, final average earnings, vesting, early retirement factors. The rules you define for individual functions provide values for these components. These rules are heavily interdependent, for example vesting may depend on service, the benefit formula may depend on both vesting and service.

To ensure results are available when needed, a calculation must process the benefit components in the proper order. For example, if vesting is dependent on service, then you 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 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 Plan 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.

Creating a Plan Implementation

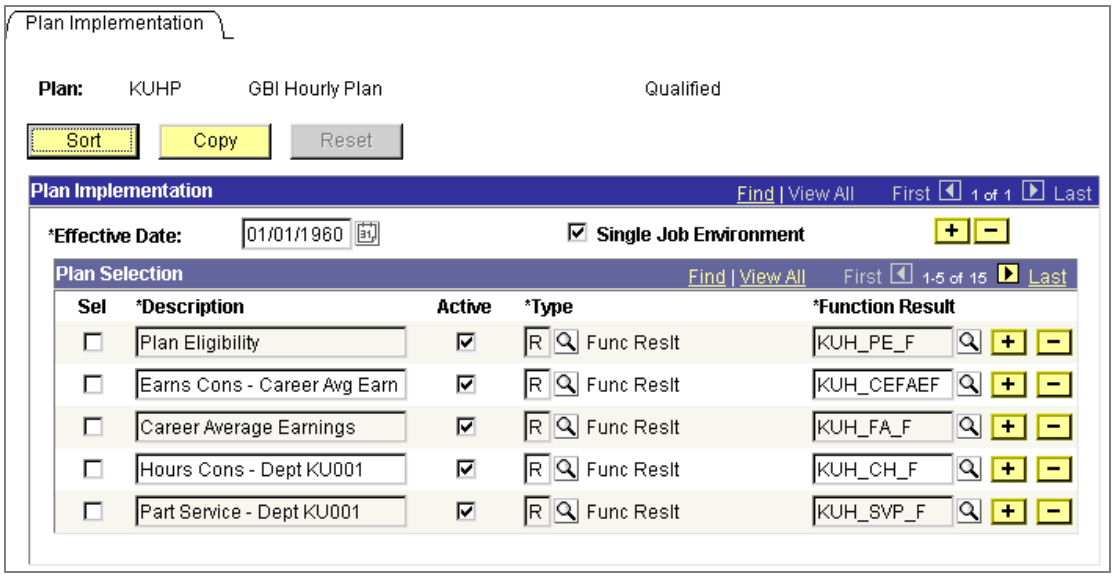
Just as you created function results to deploy your plan definitions, you create a plan implementation to deploy your function results. .

Pages Used to Create a Plan Implementation

Page Name	*Object Name*	*Navigation*	*Usage*
Plan Implementation	PA_IMPLEMENT_PLAN	Define Business Rules, Maintain Pension Plans, Implement, Plan Implementation, Plan Implementation	Place all the Function Results for a plan in the correct processing order.

Adding Function Results to Your Plan Implementation

Access the Plan Implementation page.



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 on this 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, you 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

Clear to use the Multiple Jobs functionality.

Sel (select)

Select to select a module.

Description and **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 add all custom statements and user code modules manually. Function results appear in the system's default order: you need to rearrange them.

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: you must add the processes manually.

Check the order of the function results, both automatically and manually entered.

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. 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 have to type the name of your COBOL module in .

Active

Although you can remove any process by deleting a row, we recommend that, instead, you deactivate the process by clearing the **Active** check box and move the process to the end of the job stream. This 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, *C* (Custom Statement) and *R (*Function Result) and are processes you build within the PeopleSoft Pension Administration system. The third, *U (*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 produce an error.

Custom statements can go directly into the job stream, but don't have to if another process references them. If the custom statement isn't in the job stream, the first process within the job stream that references that custom statement will initiate a subprocess to resolve the custom statement.

Ordering Processes

Plan Eligibility should always be the first process you run. This enables both periodic processes and calculations to filter out ineligible employees immediately. 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 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	This button moves inactive processes to the end of the job stream. It doesn't rearrange any other processes. To rearrange other modules, select a row, copy it, paste it into the right position, then delete the original.
Sel (select)	Select a module.
Copy	To copy the module, click the **Copy** button which becomes a **Paste** button. If you decide not to paste, click the **Reset** button (available only after a copy action) to change **Paste** back to **Copy.**

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; but asks 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 pasting.

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 bypass this process.

The check box thus enables you to remove processes from the job stream without deleting them from your list.

Ordering Your Plans

When you run a calculation for multiple plans, the system will process plans in the order you specify.

Pages Used to Order Your Plans

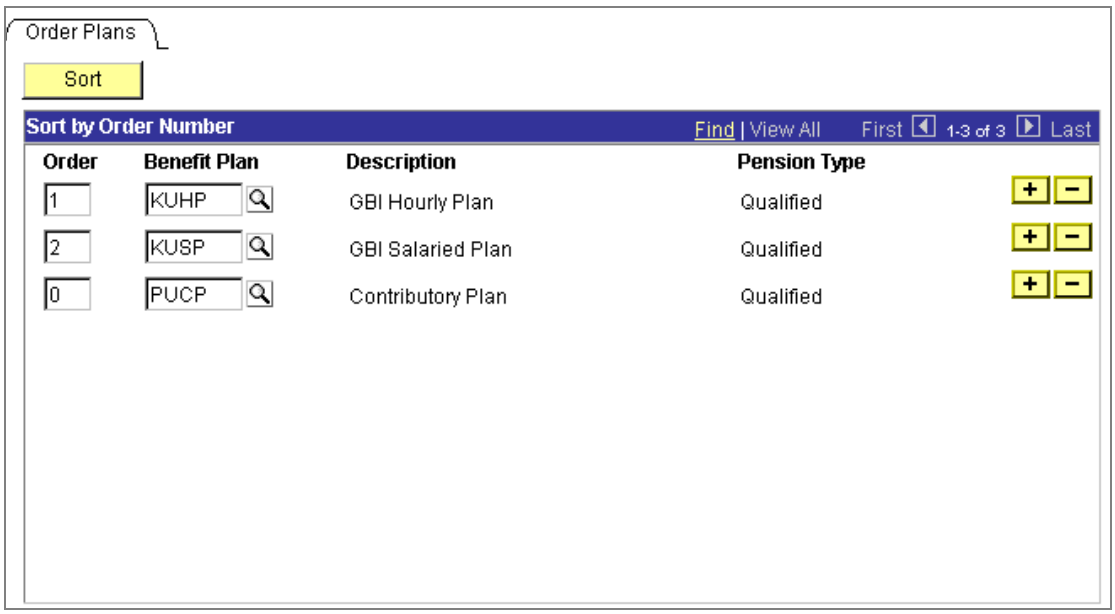
Page Name	*Object Name*	*Navigation*	*Usage*
Order Plans	PA_PLAN_ORDER	Define Business Rules, Maintain Pension Plans, Implement, Order Plans, Order Plans	Set the order of your plans.

Setting the Order of Your Plans

Placing a plan in the Order Plans 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.

Access the Order Plans page.



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 rows later in the right place.

Sort Updates the page to show plans in the order you've assigned.

As you enter plans, you 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 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.

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.

See Also

"Applying 415 Limits"

Adding Miscellaneous Plan Specification Information

Some of the information you add may be needed in the calculation; other information is used for retirement counseling and to track repayment of employee contributions.

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.

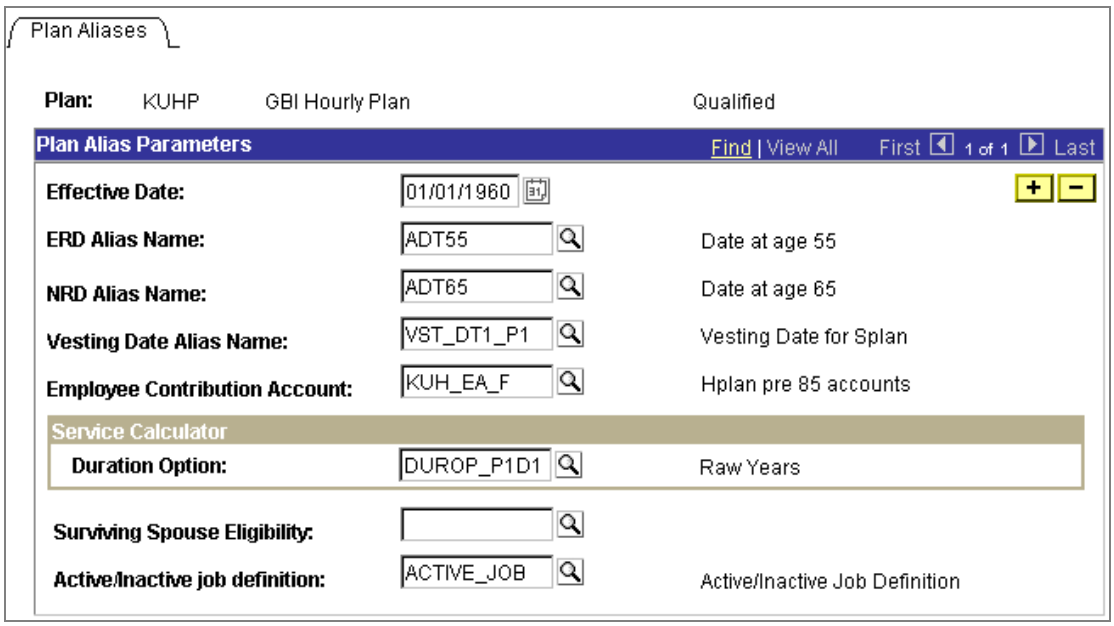
Another significant date for a plan participant is the date of first vesting. Although this isn't directly referenced in the calculation, it is relevant for retirement counseling.

Pages Used to Add Miscellaneous Plan Specification Information

Page Name	*Object Name*	*Navigation*	*Usage*
Plan Aliases	PA_PLAN_ALIASES	Define Business Rules, Maintain Pension Plans, Implement, Plan Aliases, Plan Aliases.	Add miscellaneous plan specific information.

Adding Plan Alias Parameters

Access the Plan Aliases page.



Plan Aliases page

Plan Alias Parameters

ERD and **NRD Alias Name** — Enter date aliases to specify the plan's ERD and NRD.

Vesting Date Alias Name — Periodic processing resolves 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 can't use the Vesting function to determine the vesting date; you 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.

Employee Contribution Account — 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.

Service Calculator

Duration Options — Specify the duration option for the service calculator to use.

Surviving Spouse Eligibility Enter the name of the eligibility statement.

Note. 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.

See Also

"Administering Contributory Plans," Ensuring Retirees Recover Their Contributions

"Making Pension Payments," Tracking the Payee Summary

"Maintaining Employee Pension Data," Maintaining Employee Plan Data

"Defining Benefit Formulas," Creating the Benefit Formula Definition

"Using Custom Statements and Spouse Eligibility Statements," Setting Up a Spouse Eligibility Statement

CHAPTER 43

Examining Plan Rules

This chapter provides an overview of examining plan rules and tells you how to:

- View function results within a plan and navigate to the components.
- View "where used" information for all definitions.

Overview of 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.

Examining Your Plan Rules

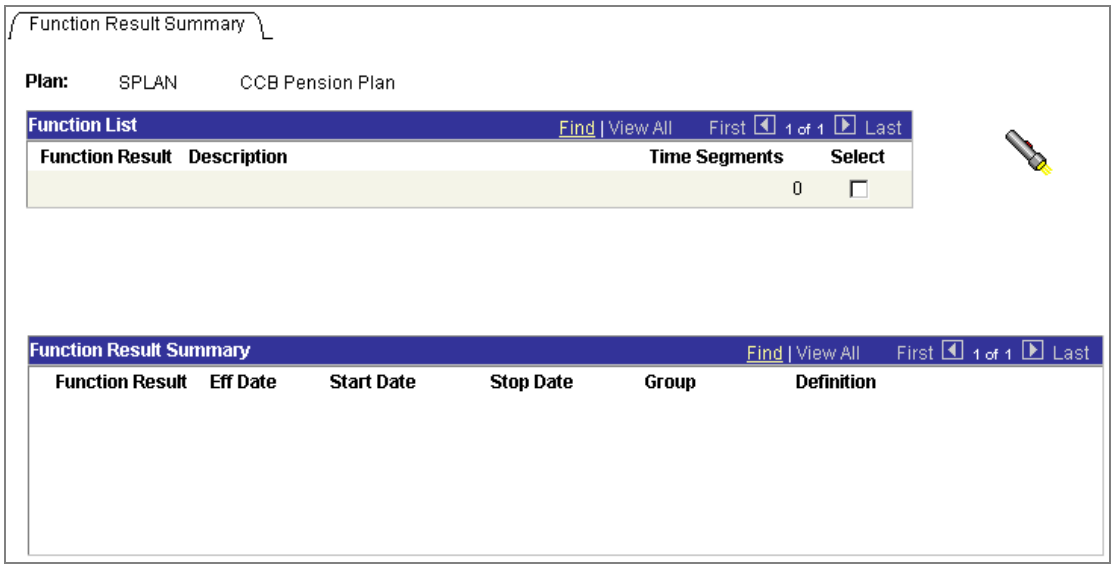
PeopleSoft Pension Administration provides some tools to help you with this tracking. There are two pages that show Summary Information about your Function Results. There's also a report to give you detailed information about all the modules included in the plan.

Pages Used to Examine Your Plan Rules

Page Name	*Object Name*	*Navigation*	*Usage*
Result Summary	PA_FNC_RSLT_SUMMRY	Define Business Rules, Maintain Pension Plans, Inquire, Function Result Summary, Function Result Summary	View all the function results within a plan and navigate to see the components of each Function Result.
Definition Summary	PA_DFN_SUMMARY	Define Business Rules, Maintain Pension Plans, Inquire, Definition Summary, Definition Summary	View *where used* information for all the definitions in the system.

View Function Results and Components

Access the Function Result Summary page.



Function Result Summary page

Time Segments This 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 Select to see detailed information about any function results.

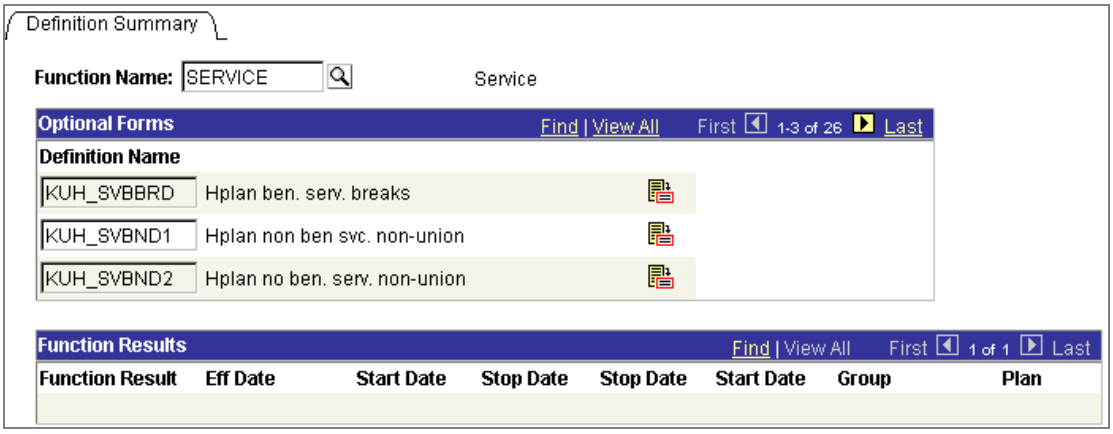


Click to fill the lower portion of the screen with the detail for the various segments.

To look at detailed information for a different function result, select a new one. This automatically deselects the previous one. Click the flashlight button again.

Viewing the Definition Summary

Access the Definition Summary page.



Definition Summary page

Function Name Definitions always belong to a specific function. To list the definitions for a particular function, first select a function.

 Click to view the results of a definition.

Function Result, Eff Date (effective date)**, Start Date, Stop Date, Group, Plan** List of all uses of the definition.

See Also

"Appendix: PeopleSoft Pension Administration Reports"

CHAPTER 44

Using Pension Statuses

This chapter provides an overview of pension statuses and periodic processing and tells you how to:

- Define status criteria for active and terminated employees.
- Set up actuarial valuation.
- Produce Form 5500 participant counts.

Understanding Pension Status

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.

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 that you define. These criteria typically come from the participant's personal data, job data, employment data, and pension calculation results.	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.	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 or beneficiary.

Status Types	*How Maintained*	*Included Statuses*
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 grouped into two categories. 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 reassigns the deferred benefit status.

At implementation time, you perform three tasks related to pension status codes:

- Set up criteria for the first group of status codes.
- Match all possible pension statuses to actuarial valuation categories.
- Choose how to report on employees based on their changing valuation category over the year.

Defining Status Criteria for Active and Terminated Employees

This section provides an overview of multiple jobs considerations and discuss how to:

- Create a definition to establish the criteria.
- Assign that definition to the appropriate pension status code.

Understanding 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), you don't need to

specify whether an employee is active or inactive in the criteria. This is because you defined what an active participant is on the Active/Inactive Job page and Plan Aliases page.

For these seven pension codes (ANP, APR, AVS, ANS, A70, TNV, and TDF), you designate the active and inactive status when you assign status codes to custom statements. The active statuses (ANP, APR, AVS, ANS, and A70) apply only to active employees defined on the Active/Inactive Job page. The inactive statuses, TNV and TDF, apply only to inactive employees.

Multiple jobs processing provides access to additional information for the service status. This enables you to determine whether a participant is in an eligible period of service credits.

See Also

"Defining the Primary Job Record and Multiple Jobs Considerations," Modifying Definitions for Making Jobs Active or Inactive

"Using Database Aliases," Multiple Jobs Considerations for Database Aliases

"Defining Service and Break Rules," Considering Multiple Jobs When Setting Up Service Function Results

Pages Used to Define Status Criteria

Page Name	*Object Name*	*Navigation*	*Usage*
Status Codes - Status Code Assignment	PA_STAT_ASSGNMT	Define Business Rules, Maintain Pension Parameters, Rules, Status Codes, Status Code Assignment	Assign a status code definition to a pension status code. You must create this map for each plan; you can reuse definitions, if appropriate. You must first create a status code definition on the Status Code Definition page.

Creating Status Code Definitions

To create status code definitions access the Status Code Definition page by navigating to Define Business Rules, Maintain Pension Parameters, Rules, Status Code Definition, Status Code Definition. This page is identical to the Custom Statement page.

Note. You don't need to use all of the valid pension status codes, but make sure that all participants belong to only one of the categories that you use. The Statement Type is always ***Status Code Definition***.

Because status code definitions can be complex, PeopleSoft Pension Administration provides a shortcut if you have multiple similar statements.

1. Establish the first statement.
2. Click the **Copy** button.
3. Enter a new name and description.

The system clones the original statement using the new name. You can then make whatever minor adjustments to the new statement. If you must make major adjustments, consider creating the new definition from the beginning instead. The definition consists of an IF statement identifying the criteria.

Note. Because the pension status codes determine how participants are categorized for Form 5500 participant counts, be sure that 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 determine whether the employee status has a value of Active, Leave, or Leave With Pay. When you use IN clauses, you 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, check the various temporary variables:

Key	*Operand1*	*Op1*	*Operand2*	*Op2*	*Operand3*	*Type*
IF	TEMPC01	==	"Y"	AND		Boolean
	TEMPC02	==	"Y"			Boolean

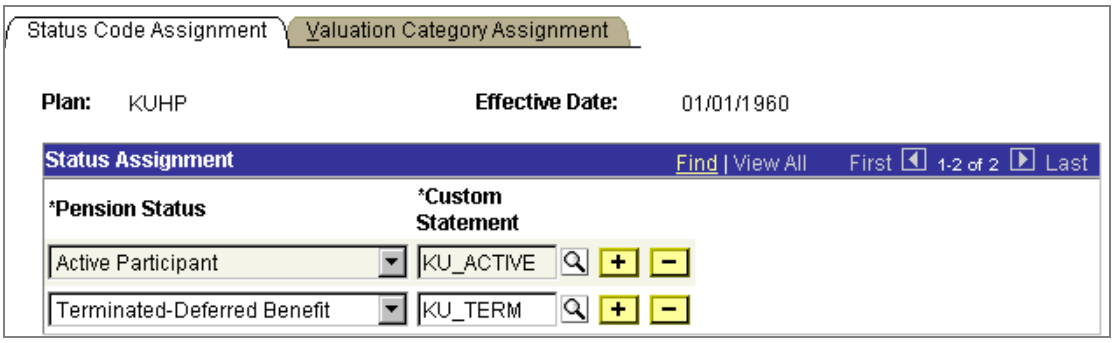
This technique is useful when you're checking a large set of valid values. Because the IN statement uses an implied OR condition, it separates all of the OR clauses from the AND clauses of the final IF statement.

See Also

"Using Custom Statement and Spouse Eligibility Statements," Using the Custom Statement Page

Assigning a Status Code Definition to a Pension Status Code

Access the Status Code Assignment page.



Status Codes - Status Code Assignment page

Pension Status Select a pension status code.

Custom Statement Enter the status code definition.

Map real definitions only for the seven statuses that are set by periodic processing (A70, ANP, ANS, APR, AVS, TDF, and TNV).

Setting Up Actuarial Valuation

This section provides an overview of actuarial valuation and discusses how to:

- Map valuation categories to a participant's pension statuses.
- Specify how to treat combinations of valuation categories.

Understanding Actuarial Valuation

Pension plans are subject to an annual actuarial valuation so that an actuary can determine plan liabilities. PeopleSoft Pension Administration produces the Actuarial Valuation Extract with the data necessary for the valuation.

Note. The Actuarial Valuation Extract doesn't analyze the data or offer conclusions about the plan's liabilities. It presents only the relevant data that a qualified actuary can use to perform the valuation.

The extract consists of two separate data files:

- *Active* extract—for those whose benefits are still accruing.
- *Inactive* extract—for those whose benefits are no longer accruing and haven't yet been paid.

For example, current employees covered under the plan, whether or not they have begun to participate, are typically active. Employees who have separated from service, whether

receiving benefits or awaiting deferred benefits, are typically inactive. Beneficiaries and QDRO alternate payees are also typically inactive.

The employee's valuation category indicates to 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 appears in the active or inactive valuation file. For example:

- An employee who was previously *Active* but who is now *Done* (for example, an employee who terminated at some point during the year with a small benefit cash-out) appears 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 must determine which pension status codes to associate with which valuation categories. You must also determine which extract files include which employees, based on every possible combination of the prior year's valuation category and the current valuation category.

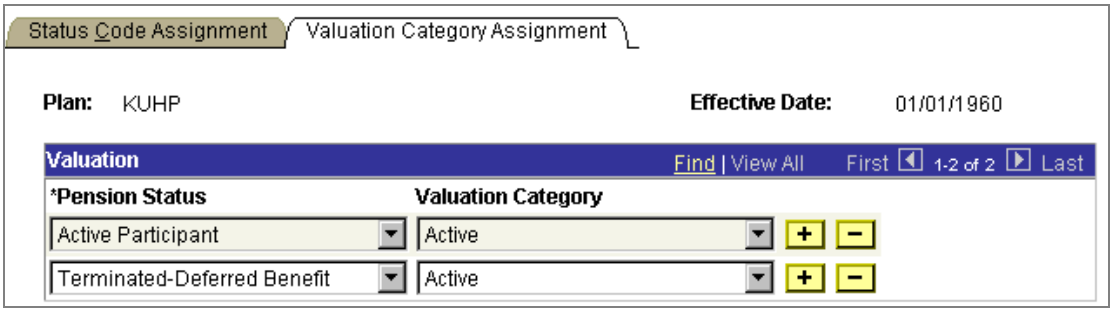
Pages Used to Set Up Actuarial Valuation

Page Name	*Object Name*	*Navigation*	*Usage*
Status Codes - Valuation Category Assignment	PA_PEN_VAL	Define Business Rules, Maintain Pension Parameters, Rules, Status Codes, Valuation Category Assignment	Map appropriate valuation categories to a participant's pension statuses. You must first assign status codes on the Status Codes - Status Codes Assignment page.

Page Name	Object Name	Navigation	Usage
Actuarial Valuation Matrix	PA_PEN_VAL_MTX	Define Business Rules, Maintain Pension Parameters, Rules, Actuarial Valuation Matrix, Actuarial Valuation Matrix	Specify how to treat combinations of valuation categories. The Actuarial Valuation Extract determines which extract files to use for an 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.

Mapping Valuation Categories to a Participant's Pension Statuses

Access the Valuation Category Assignment page.



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. The valuation codes correspond to the two different parts of the extract.

Active: Participants still accrue a benefit

Inactive: Participants are no longer accruing a benefit, but haven't yet been completely paid.

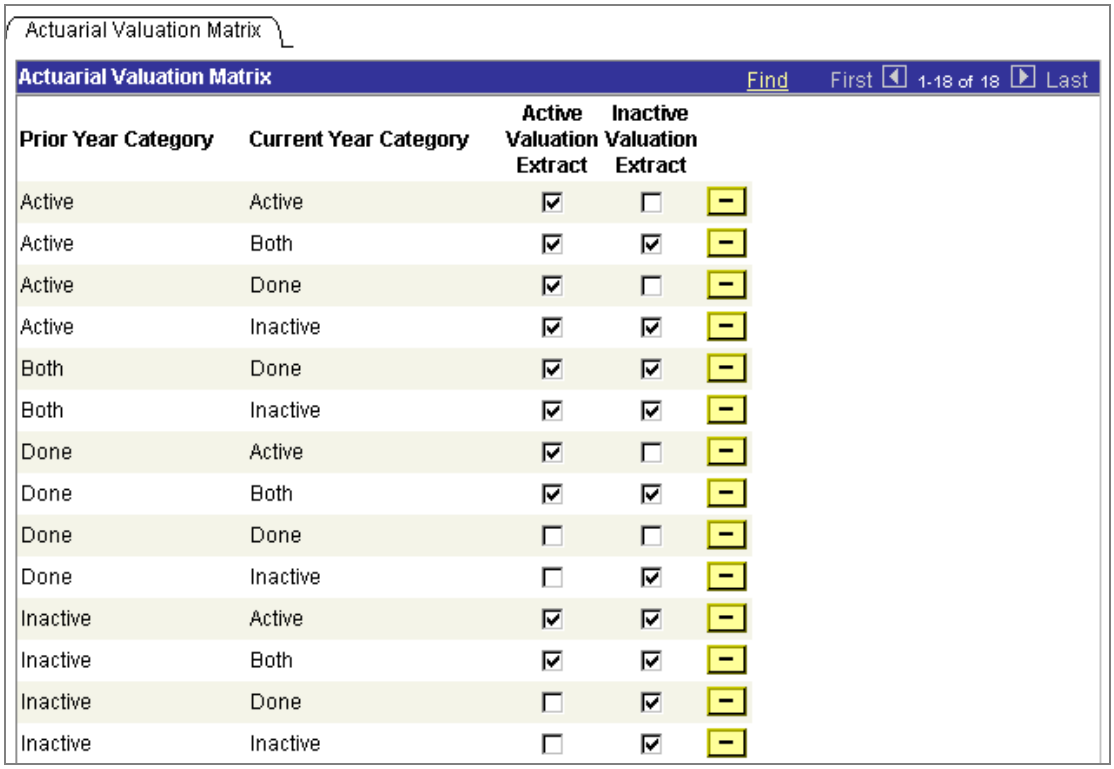
Both (active and inactive): For example, a rehired retiree is receiving pension payments and is also continuing to accrue additional benefits.

Done (no liability remaining): Participants have received their entire benefit—the plan no longer owes them anything.

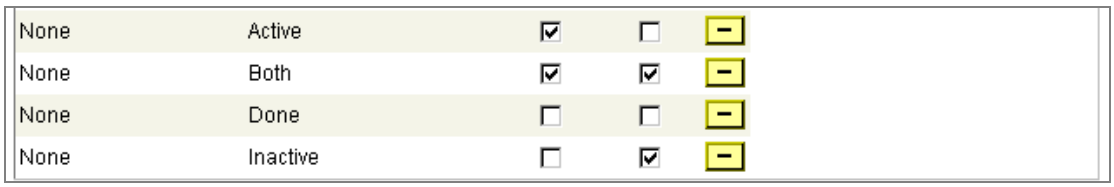
No Record Exists: You don't assign this value; the system sets this as the prior-year valuation category when an employee appears in the system for the first time.

Specifying How to Treat Combinations of Valuation Categories

Access the Actuarial Valuation Matrix page.



Actuarial Valuation Matrix page (1 of 2)



Actuarial Valuation Matrix page (2 of 2)

Prior/Current Year Category

For each combination of prior and current year category, specify 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 must 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. Run periodic processing to update both pension status and vesting before running the Form 5500 participant count report.

The following table indicates 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 during the reporting year
TDF	(c)	
TDF, TST, TPY, RDF, RPY	(h)	If terminated during 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 indicates 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 during the reporting year If terminated during the reporting year and vested percent < 100

Participants who terminated or retired during the reporting year with a vested percent of less than 100 might be counted twice. The second occurrence is on line (h). This is acceptable because this line item isn't part of the total participant count—it warns the IRS 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 (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 percent vested. They are counted as active (and not receiving payments) for 5500 reporting purposes to avoid counting them twice.

Understanding Periodic Processing for Pension Status Codes

Periodic processes are processes that 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 employees that meet the criteria that you define 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 maintained through periodic processing (that is, *active* or *terminated*). The periodic process evaluates each employee according to the status code definitions that you 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, run the relevant calculation in the same periodic processing job that determines pension statuses. Otherwise, the needed values (in this case, service values) aren't available.

It's important to run this process regularly—at least monthly—to keep the pension status code current.

Note. Periodic processing updates status codes only 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 doesn't change the status.

CHAPTER 45

Running Periodic Processes

This chapter provides an overview of periodic processes and tells you how to:

- Run a periodic process.
- View process results.
- Review processing statistics.
- View processing errors.
- Use the Error Table.

Understanding Periodic Processes

Periodic processing encompasses several different processes that you 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.

This section discusses:

- Calculation processes.
- Noncalculation processes.
- Housekeeping processes.

See Also

Running a Periodic Process

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.
- Employee Accounts.

During a periodic processing job, these run in the same order that they do during a calculation. This usually means that the Eligibility process runs first, enabling the system to filter out employees who have never been eligible.

Periodic processing creates a plan history that is independent of a particular calculation or termination date. Unlike calculations, periodic processing doesn't project into the future.

Depending on which function you use and whether you are running periodic processes or a calculation, you sometimes add onto the existing history or sometimes discard it and start a new one.

Function	*Periodic Mode*	*Calculation Mode*
Eligibility and Participation	Adds onto existing history.	Disregards history; calculates from the beginning.
Service and Vesting	Rebuilds entire history each time.	Disregards history; calculates from the beginning.
Cash Balance Accounts and Employee Accounts	Adds onto existing history. **Note.** In periodic mode, these functions don't process partial periods—only completed periods.	Uses existing history for complete periods before 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; you cannot select whether 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 checked on the Batch Periodic Process page run.

The Eligibility process builds a timeline with the employee's eligible and ineligible status. Periodic processing adds onto the existing history. The only way to rebuild eligibility history from the beginning is by selecting the Delete and Rebuild Processing mode.

Warning! If you decide to delete and rebuild your eligibility history, do not run any of the other processes affected by processing mode at the same time, unless you want to delete and rebuild those histories, too.

Other periodic processes use eligibility history. For example, if your service rules do not award service credit during periods of plan ineligibility, then the Service process uses the eligibility history to determine when employees are eligible and ineligible.

The calculation process does not use the stored eligibility history is not used in calculations, because it recreates the eligibility history from the beginning.

View eligibility history on the Plan History – Eligibility and Participation page.

Participation

The Participation process evaluates employees according to your participation criteria, typically age and service. After 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 on 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, the history still consists of only a single participation date (as if the earlier participation date never existed).

The stored participation history can be used if it is referenced by another periodic process. For example, the service rules can exclude time before the participation date. The calculation process never uses the stored history, because it recalculates the date from the beginning.

View participation history on the Plan History – Eligibility and Participation page.

Service

The Service process calculates service according to your plan rules. If you have different service rules in a plan (participation service, vesting service, or service credit), the system processes each of the different service components. Running the Service process also automatically runs the Vesting process.

The Service process results are stored as history. The stored history can be used in other periodic processes. For example, cash balance credits can be based on service. The calculation process never uses the stored history, because it recalculates the entire history from the beginning.

The Service process always runs in Delete and Rebuild mode, so each time you run the Service process, the system deletes prior service histories and recalculates the entire history from the beginning. This enables the system to adjust prior periods if subsequent actions have affected the service amount.

You normally update the service history at the end of each service period. You can calculate service more often; the system includes service as of the process-through date that you select.

View service history data on the Plan History – Service History page.

Vesting

Whenever you run the Service process, the system automatically runs the Vesting process.

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 run the Vesting process (and therefore the Service process) immediately beforehand.

View vesting result on 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, periods completed before the event date) and calculates accrual only for subsequent periods. The history never has gaps. Each time that 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 must run the Cash Balance Accounts process four separate times to update the history.

Note. Periodic processing handles only 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 processes only complete periods.

Cash balance credits are based on consolidated earnings. Always run consolidated earnings for the period before running cash balances. Define your plan rules so that consolidated earnings appear earlier in the calculation job flow. If you do this correctly, you can run both processes in the same job and consolidations run first.

View cash balance history data on 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, periods completed before the event date) and calculates accrual only for subsequent periods. The history never has gaps. Each time that you run the process, it calculates the next period in the employee's account history. If you miss periodic processing for four periods, you must run four separate periodic processing jobs to update the history.

Note. Periodic processing handles only 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 processes only complete periods.

Employee accounts are based on consolidated contributions. Always run consolidated contributions for the period before running the Employee Accounts process. Define your plan rules so that consolidated contributions appear earlier in the calculation job flow. If you do this correctly, you can run both processes in the same job and consolidations run first.

View employee accounts history data on the Plan History – Employee Account History page.

See Also

"Viewing Employee Data," Viewing Plan Information and Viewing Eligibility and Participation Information and Viewing Service History and Viewing Cash Balance History and Viewing Employee Account History

Noncalculation Processes

Three processes calculate plan-specific data that isn't part of the normal calculation job flow.

Plan dates are aliases that are resolved during the calculation, but by running them through periodic processing, you populate inquiry pages to access the results even without a calculation.

Pension statuses and consolidations aren't processed during a calculation; therefore, it is important to run these processes regularly so that the results, which the calculation uses, remain current.

Plan Dates

The Plan Dates process always runs; you cannot select whether to run this process.

Your plan implementation includes aliases that establish the dates on which employees reach:

- Normal retirement age.
- Early retirement age.
- First vesting.

Define these on the Plan Aliases page.

Updating plan dates determines the appropriate dates based on your definitions. Those dates are displayed on 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.

Use periodic processing to maintain statuses for active and terminated employees. Manually update the status when you prepare payments. After 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 evaluates the pension status only for employees with one of these statuses or with no recorded status. Individuals who receive, are about to receive, or have finished receiving pension payments aren't affected by status code periodic processing.

If pension statuses are based on the results of service or participation, run those processes during the same job.

Run pension statuses before producing your actuarial valuation extract or your Form 5500 participant count report. The Form 5500 report relies on vesting information and pension status. Vesting runs automatically during periodic service processing; therefore, service processing is the other prerequisite for Form 5500 reporting.

View service pension status data on the Employee Pension Status page.

Consolidations

A pension calculation uses vast amounts of historical data. Earnings histories, for example, can cover 20 years and more. If every calculation involved looking up each paycheck that an employee received during that period, 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 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, run ad hoc consolidations beforehand so that the very latest payroll information is included. If you run calculation estimates based on projected hours and earnings, it isn't as important to consolidate first; the system starts the projection with the last available data. However, still use as much actual data as is available.

Managing the Final Consolidation Period

Calculations 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 November 12, 1996, his calculation has access to consolidated data up to December 31, 1996.

If Gilbert's final paycheck is dated November 30, 1996, 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 fourth quarter commission is dated January 15, 1997 and if you consolidate based on the check date, that final paycheck data is stored in the 1997 consolidation period. Because Gilbert terminated during the 1996 period, that data isn't considered in the calculation. In this case, you might want to manually override the consolidation history.

If you allocate earnings based on the earned date, then the bonus check data goes into the 1996 consolidation and you don't have to use a manual override. However, you must still 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, you can rerun consolidations without overwriting existing results. This is useful if, for example, you corrected or otherwise altered an employee's payroll data or your calculation rules, but you want to keep the prior consolidation results because you distributed benefit statements based on those results.

Alternatively, you can reconsolidate and remove the earlier results if you don't need the earlier results.

Periodic processing's *normal* mode is to continue to add segments to the existing effective-dated history. Use either a Delete and Rebuild mode or a Create New Consolidations mode when you set up a periodic job.

See Also

"Viewing Employee Data," Viewing Plan Information

"Maintaining Employee Pension Data," Maintaining Pension Status Codes

"Creating the Plan Implementation and Plan Aliases," Adding Plan Alias Parameters

"Running Periodic Processes"

"Maintaining Employee Pension Data," Maintaining Consolidated Payroll Data

Housekeeping Processes

The Payroll History and Delete Calc Results (delete calculation results) processes don't impact calculation results—they 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 keep the data available

for future consolidations or reconsolidations. Only data that is more than one year old is 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 Calc Results process permanently deletes results for 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.

See Also

"Calculating Pension Benefits," Setting Up Employee Information and Processing Parameters

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 comes from the plan implementation).
2. Pension status codes.
3. Plan dates.
4. Payroll history.
5. Calculation deletion.

Note. You cannot run a periodic process if you just deleted calculation results; you can run the delete process only if you also run other processes in the same run.

Looking Up the Processing Rules

Periodic processes rely on plan rules that you create. Rules for calculation functions, consolidations, and pension status codes are set up in definition pages and applied on 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

Note. All of the previous processes use rules defined on 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

See Also

"Setting Up Function Results"

"Consolidating Payroll Data," Setting Up Earnings Consolidations and Setting Up Hours Consolidations and Consolidating Contributions

Calculation Processes

"Using Pension Statuses"

Selecting Employees to Process

Use periodic processes to maintain data about your active employees:

- Pension statuses.
- Consolidated payroll information.
- Service accruals.
- Balances for cash balance accounts and employee contributory accounts.

Your processing population should always include all of the active employees currently participating in a plan.

You might 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 must continue processing consolidated hours for employees who transferred out of the plan due to a job change. Conversely, if an employee transfers into the plan, you must retroactively process consolidated hours for the time spent at your organization before the transfer.

Sometimes you must also 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 must ensure that additional earnings, hours, and contributions are included in the consolidation history. Then, ensure that the consolidated information is included in service, cash balance, and employee contributory accounts. Therefore, you might 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 must recalculate the benefit, adjust the pension payments accordingly, and make retroactive payments for previous underpayment.

Running a Periodic Process

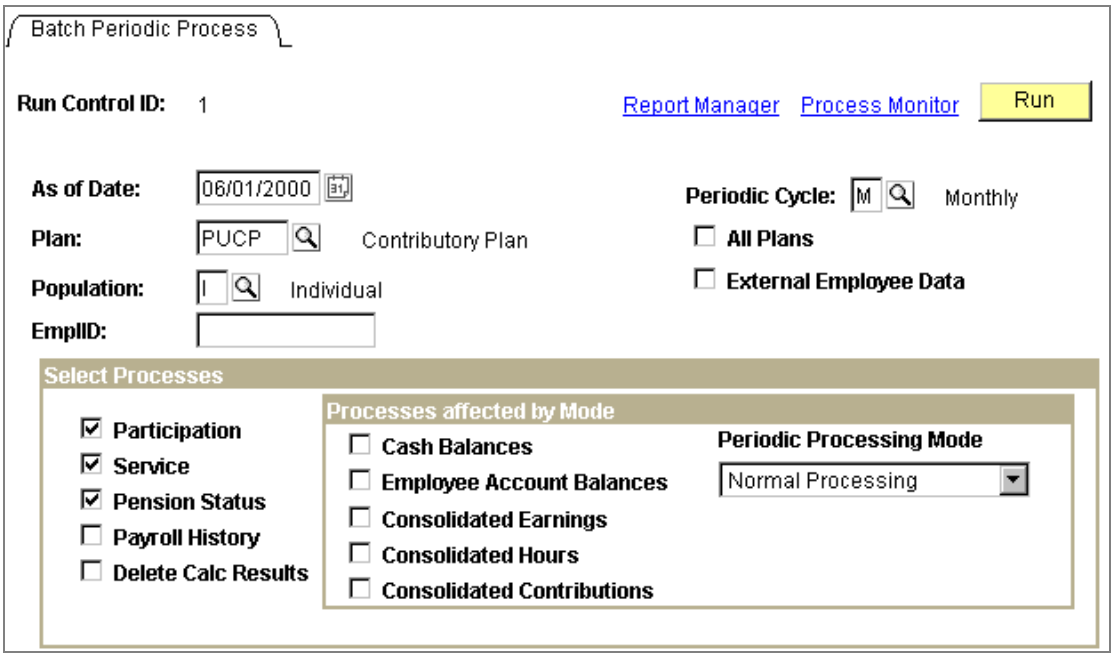
This section discusses how to run a periodic process.

Page Used to Run a Periodic Process

Page Name	*Object Name*	*Navigation*	*Usage*
Batch Periodic Process	RUNCTL_PAPP01	Compensate Employees, Administer Pension Plan, Process, Periodic Processes, Batch Periodic Process	Run a periodic process.

Running a Periodic Process

Access the Batch Periodic Process page.



Batch Periodic Process page

Batch Periodic Processes page

As of Date Because plan rules are effective-dated, the as of date identifies the appropriate plan rules to use. Typically, this is the system date, but if you rebuild the history using past plan rules, you can 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 Select ***Annual Cycle, Monthly Cycle,*** or ***Quarterly Cycle.*** The system compares this date to the system date to determine the last complete period that it can process. Some processes produce results only for complete periods; other processes produce results for partial periods.

Plan Select the plans to run.

All Plans Select to indicate that the system should complete processing for all plans. When you enter an individual plan, you can no longer select this check box.

Population Select the employees to include in the process:

All Employees

Individual: An **Empl ID** (employee ID) field appears, in which you identify the individual.

Pre-defined Employee List: A **List Name** field appears, in which you enter the name of the list to process. A list is a set of employees identified by their employee IDs. Create employee lists online by selecting Calculation Group List. However, if you have large populations of employees, populate this page using an SQR or other batch process, rather than manually entering individual employee names and IDs.

Pre-defined Group: A **Group Name** field appears, in which you enter the name of the group that you want to process. A *group* is a set of employees identified by criteria that they must meet. Create groups for periodic processing by selecting the Group Definition page. Construct group definitions through custom statements. These can become complex, so read about custom statements before attempting to create a group.

When you use a group, the system evaluates each employee in the system against the criteria to determine whom to process. This is a very slow process, and PeopleSoft doesn't recommend that you use it on a regular basis. Instead, use predefined employee lists, which process employees on the list without evaluating other employees.

Note. List processing is much more efficient than group processing. A group defined as *all employees belonging to Plan A* takes exponentially longer to process than a list consisting of the exact same employees. It is worthwhile 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. 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.

External Employee Data Select this check box to load data from an external human resources system using your own user-coded data transfer. Use this option if you have a standalone system. If you check this option, the system executes your data-loading module before running individual processes.

Select Processes

This group box lists the processes that you can run. Three periodic processes don't have check boxes: Plan Eligibility and Plan Dates, which always run; and Vesting, which runs whenever you run the Service process.

Processes available through periodic processing are as follows:

Processes affected by Mode

Periodic Processing Mode

The periodic processing mode that you select affects only the processes displayed in this group box.

Normal Processing: Adds new rows to the current history.

Delete and Rebuild: Deletes existing history and builds new rows, 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 if you made corrections to the employee's personal or payroll data, causing the old history to be invalid.

Warning! Do not 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: Applies only to the three consolidation processes. You typically don't run other processes when you select this option, but if you do, they 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 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 permanent overrides are present in the current consolidations, you cannot use Delete and Rebuild or Create New Consolidations mode. You must first remove the overrides.

Cash Balances and **Employee Account Balances**

Process full periods only. These functions process only 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 is processed. You must run the process three more times to bring the history up to date.

Consolidated Earnings, Consolidated Hours, and **Consolidated Contributions**	Process full and partial periods. These functions can process multiple periods during a single periodic processing job. They 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 automatically runs consolidations for January, February, and March in the same job.

Click the **Run** button to run this request. Process Scheduler runs the Periodic Processing process at user-defined intervals. Periodic processing typically runs on the server. Select Batch Periodic Process Program and click **OK** to put the job into the Process Scheduler queue.

Use the Run Recurrence parameters to schedule regular recurrences of your periodic processing.

See Also

"Using Custom Statements and Spouse Eligibility Statements"

Understanding Periodic Processes

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 (to which you might not have access) and rerunning the process.

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.

See Also

"Maintaining Employee Pension Data," Maintaining Consolidated Payroll Data and Maintaining Employee Plan Data

"Viewing Employee Data," Viewing Plan-Related Information

Reviewing Processing Statistics

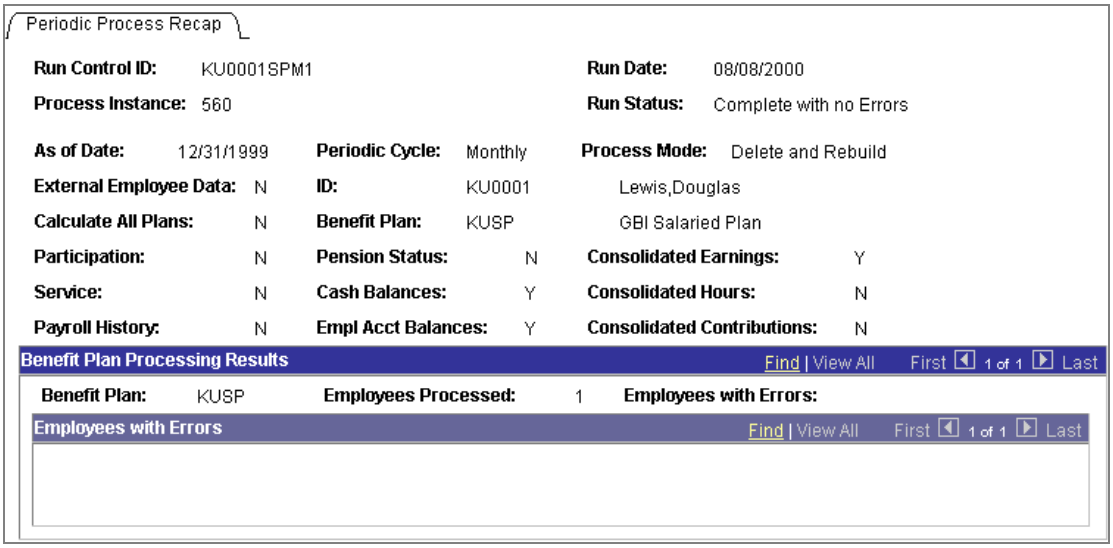
This section discusses how to review processing statistics.

Page Used to Review Processing Statistics

Page Name	Object Name	Navigation	Usage
Periodic Process Recap	PA_PRDIC_RSLTS	Compensate Employees, Administer Pension Plan, Inquire, Periodic Process Recap, Periodic Process Recap	Review processing statistics after running periodic processes.

Reviewing Processing Statistics

Access the Periodic Process Recap page.



Periodic Process Recap page

Run Date and **Run Status** — Indicates whether the job ran and whether it was completed successfully.

ID — Displays an employee ID and name, a group name, a list name, or an indicator that you processed all employees.

Employees with Errors — If this field is empty, then there were no errors.

If there are employees with errors, research those errors on the Message Log page.

Next to each of the individual processes that are available during periodic processing, the system displays a ***Y*** (yes) or ***N*** (no), indicating whether you ran that process.

Note. The process instance appears at the bottom of the Periodic Process page while the process is running.

Viewing Processing Errors

This section discusses how to view processing errors. You enter the process instance displayed at the top of the Periodic Process Recap page. Then click the Search button.

Viewing Processing Error Messages

When you click the **Search** button, all processing errors for the selected job appear in this group box. The **DateTime / Program Name** field Includes the name of the COBOL program (displayed only if you select the Show Program Names check box).

Each row also includes a text box with the error message. The employee ID and other identifying information appear at the end of the message. Click the **Show Detail Entry** button next to the message to view additional explanatory text.

See Also

Reviewing Processing Statistics

"Calculating Pension Benefits," Viewing Calculation Messages

Using the Error Table

When periodic processing encounters erroneous or missing employee data, it stops processing for that employee and continues with the next available employee. Examples of data errors include:

- Missing date of birth.
- Missing date of hire.
- Unresolved date alias.

When data errors are encountered, a row of data is written to a table called, PS_PA_EE_ERR_TBL. The table contains seven fields, including:

- EMPLID
- BENEFIT_PLAN
- ASOFDATE
- RUN_CNTL_ID
- PGM_NAME
- PARA_NAME
- ERR_MSG

Use this information to troubleshoot and correct the data error. After the data has been corrected, you can delete the rows in PS_PA_EE_ERR_TBL and rerun periodic processing for the affected individuals.

CHAPTER 46

Calculating Pension Benefits

This chapter provides an overview of pension benefit calculations and tells you how to:

- Run calculations for multiple employees.
- Set up benefit calculations.
- Run calculations.
- Access calculation results.
- View calculation messages.
- Review processing results.
- Protect a calculation.
- Run Qualified Domestic Relations Order (QDRO) calculations.
- Calculate social security.

Understanding Pension Benefit Calculations

PeopleSoft Pension Administration uses the plan rules that 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 normally control. For example, you can override the calculated vesting percentage with a 100 percent 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 end when the calculation determines that an employee is ineligible or not participating.

Running Calculations for Multiple Employees

You can run calculations for multiple employees at the same time in two ways:

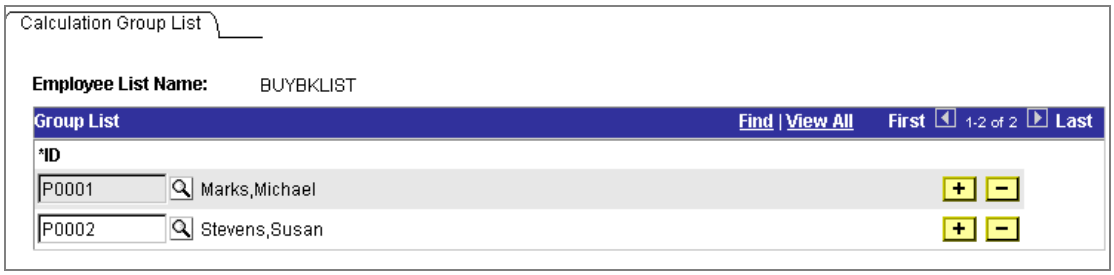
- Using a predefined list of individually selected employees.
- Using a group defined by a custom statement.

Page Used to Run Calculations for Multiple Employees

Page Name	*Object Name*	*Navigation*	*Usage*
Calculation Group List	PA_CLC_GROUP	Compensate Employees, Administer Pension Plan, Setup, Calculation Group List, Calculation Group List	Create a list to use when running a calculation on a predefined list of employees.

Creating a Predefined List of Individually Selected Employees

Access the Calculation Group List page.



Calculation Group List page

Add employees to the list by inserting rows and entering 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 division, you probably don't want to enter every employee's ID on this page. It's 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 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 must maintain the list as employee data changes. In this situation, 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 predefined calculation group that is based on custom statements, rather than specific, hand-picked employees. Although calculations for predefined groups take longer than those for predefined 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 employees who meet your criteria at any given point.

See Also

"Grouping Employees"

Setting Up Benefit Calculations

This section discusses how to:

- Create a calculation naming standard.
- Set up employee information and processing parameters.
- Enter plan-specific information.
- Enter override values.
- Isolating individual calculation components.
- Adjust amounts for individual components.

Pages Used to Set Up Benefit Calculations

Page Name	*Object Name*	*Navigation*	*Usage*
Setup Pension Calculation - Main Panel	PA_CALCULATION_2	Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Main Panel	Set up employee information and processing parameters. Enter assumptions for employee hours, earnings, and beneficiaries. Request that detailed values be stored with the results, run custom code to access employee data from another system, assume full service credit, and establish when to delete results from the system.

Page Name	*Object Name*	*Navigation*	*Usage*
Setup Pension Calculation - Plan Inputs	PA_CALCULATION_3	Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Plan Inputs	Enter plan-specific information about ages, dates, and overrides.
Function Overrides	PA_CALCULATION_5	Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Function Overrides	Enter override values for calculation components. **Note.** The processes listed on this page are brought in when you identify a plan and an as of date on the Setup Pension Calculation - 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.
Setup Pension Calculation - Process Selection	PA_CALCULATION_4	Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Process Selection	Isolate individual calculation components to calculate those results without running through an entire calculation. For example, if you enter an override for the benefit formula result, you can process only the optional forms function, bypassing service, final average earnings, and all other functions that you already ignore by entering the benefit amount override. You must first enter a plan and as of date on the Setup Pension Calculation - Main Panel page.

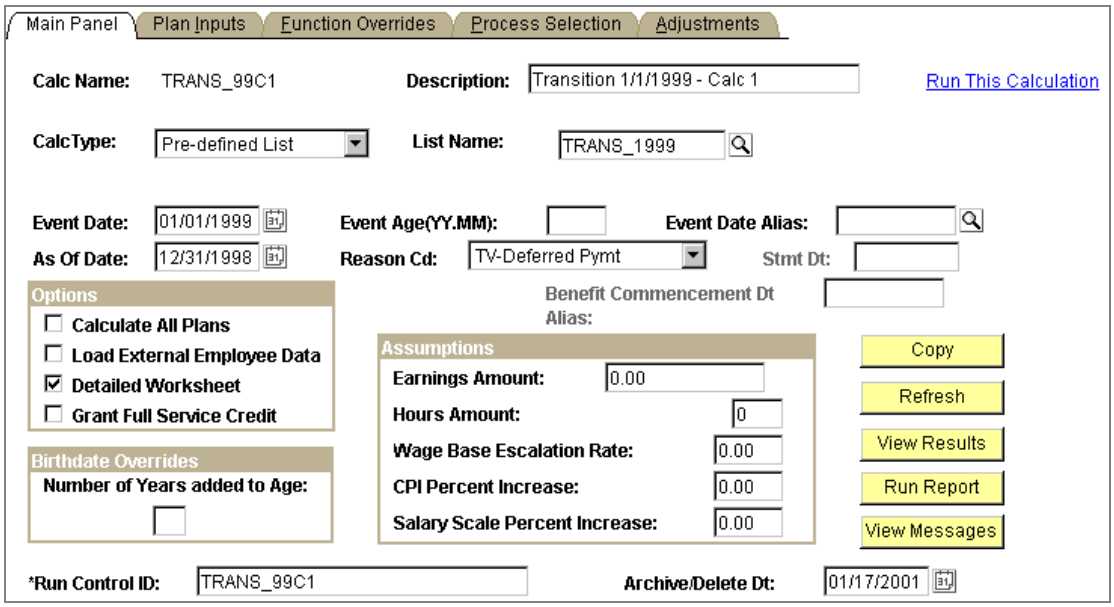
Page Name	Object Name	Navigation	Usage
Setup Pension Calculation - Adjustments	PA_CALCULATION_6	Compensate Employees, Administer Pension Plan, Process, Setup Pension Calculation, Adjustments	Adjust amounts for individual components, such as participation service and vested benefit. Add to or subtract numerical values from function results. You must first identify a plan and as of date on the Setup Pension Calculation - Main page of the Calculate Pension component.

Creating a Calculation Naming Standard

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. For this reason, assign meaningful calculation names. The Calculation Name field is 20 characters long, so you have room to incorporate an employee's social security number. 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.

Setting Up Employee Information and Processing Parameters

Access the Main Panel page.



Setup Pension Calculation – Main Panel page

Calc Type (calculation type)

You can run a calculation for a single employee or for a group of employees.

Individual: When you select this value, an **ID** field appears. Enter the ID of the employee for whom you are running the calculation.

Pre-defined List: When you select this value, an **Empl List** (employee list) field appears. Enter the name of the calculation group. 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.

Pre-defined Group: When you select this value, a **Group Name** field appears. Enter the name of a predefined 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.

Event Date, Event Age (YY.MM), and **Event Date Alias**

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 configure your calculation rules. There are three ways to set the event date.

The default value for the **Event Date** field is the current (system) date, but you can enter other dates to perform historical calculation or estimates for the future.

To define the event date by a specific age, use the **Event Age** field to enter an age in YY.MM format.

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 considering other factors, such as the number of years an employee has been with the company.

As Of Date

Because your plan rules are effective-dated, you must 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 this is the same as the event date.

Note. The system brings the plan rules onto 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 must reenter one of these values, usually the as of date, to pick up the changes. This reloads all of the data on the Function Overrides and Process Selection pages, so you also must reenter data on those pages. To change the as of date, you must be in Correction mode.

Reason Cd (reason code)

Enter the reason for the event: ***Benefit Statement, Death, Disability, QDRO Alternate Payee, Retirement, TV - Deferred Payment*** (term vested - deferred payment), ***TV - Immediate Payment*** (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 on how your company sets up calculation rules. You can leave this field blank.

Options

You can 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** check box in this group box.

Calculate All Plans

If you select this option, the system runs the calculation on all plans associated with your employee or group.

If you select this check box, the system uses the plan normal retirement date (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 clear this check box, the system displays 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. 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.*

Load External Employee Data

PeopleSoft Pension Administration normally receives employee data from the PeopleSoft HRMS tables. Users of a standalone system might not have this data available. If you select this check box, the system runs your own custom process to bring relevant employee data into the calculation linkage, where it is then available to all of the pension functions.

This option doesn't populate the relevant PeopleSoft HRMS tables.

Detailed Worksheet

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 view basic information used to determine the benefit.

In calculating each component, the system also produces intermediate results. For example, to calculate total service, the system calculates service for each annual period during the participant's employment.

If you select this check box, the system preserves these intermediate results for reporting purposes. The system already has fields to hold the results; selecting this option just captures the data.

Grant Full Service Credit

Contributory plans frequently associate contributions with service. Terminating employees who withdraw their contributions forfeit the corresponding service, and rehired employees who repay their contributions (with interest) can have that service credit restored.

You might run calculations for a rehired employee who is considering buying back service or who is in the process of buying back the service.

If you select this check box, the calculation gives the employee full credit for all of the service that was forfeited because of a withdrawal of contributions.

This option doesn't affect the employee account balance, which still includes only money that was actually paid into the account.

Birthdate Overrides

Number of Years added to Age

For list or group calculations, the field changes so that 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 Setup Pension Calculation - Plan Inputs page doesn't change for group calculations; it is therefore inappropriate to enter beneficiary birth date overrides when running group calculations.

Assumptions

To estimate a benefit for a future event date, you must usually estimate future earnings, hours, and contributions. To calculate social security for a future retirement, you must make assumptions about annually published government tables, such as the Taxable Wage Base.

You can enter different assumptions for each plan. If you selected the **Calculate All Plans** check box, you can enter only assumptions for plans that you specifically add to the list of included plans.

Functions or utilities that use this information (Social Security, Projections, or others) automatically have access to your parameters.

Earning Amount and **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

Displays the assumed rate of increase in the Taxable Wage Base. This is used for social security calculations and can also affect other calculation components, depending on plan rules.

CPI Percent Increase (Consumer Price Index percent increase)

Displays the assumed rate of increase in the CPI-W Table. This is used for social security benefit increases.

Salary Scale Percent Increase

Displays the assumed rate of increase in periodic earnings. This is used when projecting earnings. Enter a rate that is consistent with the type of earnings period (annual, monthly, or other).

Archive/Delete Dt (archive or delete date)

To have periodic processing delete the calculation and its results at a certain point, enter an expiration date.

If you 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, do not run the Delete Calculations periodic process.

Periodic processing deletes calculation results in the following circumstances:

- The **Archive/Delete Dt** field on the calculation page is in the past.
- The calculation isn't explicitly protected on the Protect Calculation page.

Copy

To run calculations for several retirement scenarios (for example, different event dates or retirement dates for an employee's retirement counseling), you must run multiple calculations. Most of the data in these calculations are the same. Use this button to clones the current calculation parameters in a new calculation. After you clone an existing calculation, you can make minor modifications to set up the alternative retirement scenario.

When you click this button, the system automatically saves changes to the current calculation.

Note. This button is available only in Correction mode.

Warning! When you click this button, 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.

See Also

Protecting a Calculation

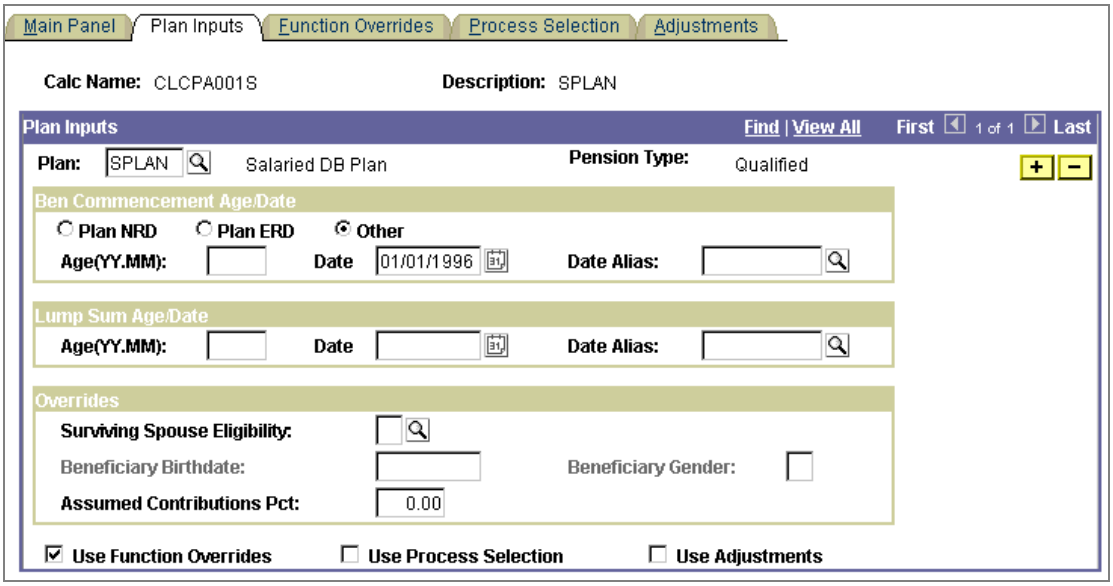
Accessing Calculation Results

"Maintaining Employee Pension Data"

"Running Periodic Processes"

Entering Plan-Specific Information

Access the Plan Inputs page.



Setup Pension Calculation - Plan Inputs page

Plan Inputs

Plan and **Pension Type**

When you enter a plan name, the system displays the pension type: ***Qualified*** or ***Nonqualified.***

By inserting a new row in this section, you can calculate multiple plans at once.

Ben Commencement Age/Date

Because many aspects of the calculation depend on when benefits begin, specify the benefit commencement age and date for calculating benefits from that plan.

Plan NRD, Plan ERD (plan early retirement date), and **Other**

Select the plan NRD, early retirement date (ERD), or other option, as defined in the plan rules.

Lump Sum Age/Date

If your plan rules reference a lump sum date that is distinct from the benefit commencement date, use this group box.

For group calculations, you usually use the **Plan NRD** or **Plan ERD** options, 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. For example, perhaps the employee and spouse must be married for a full year before being eligible for this benefit.

Surviving Spouse Eligibility — Override the eligibility criteria by entering:

N - Override to Ineligible.

Y - Override to Eligible.

Beneficiary Birthdate and **Beneficiary Gender** — If the employee has a nonspouse beneficiary on record, you can override information about the beneficiary in these fields. Because this information is highly individual, do not use these fields for group calculations.

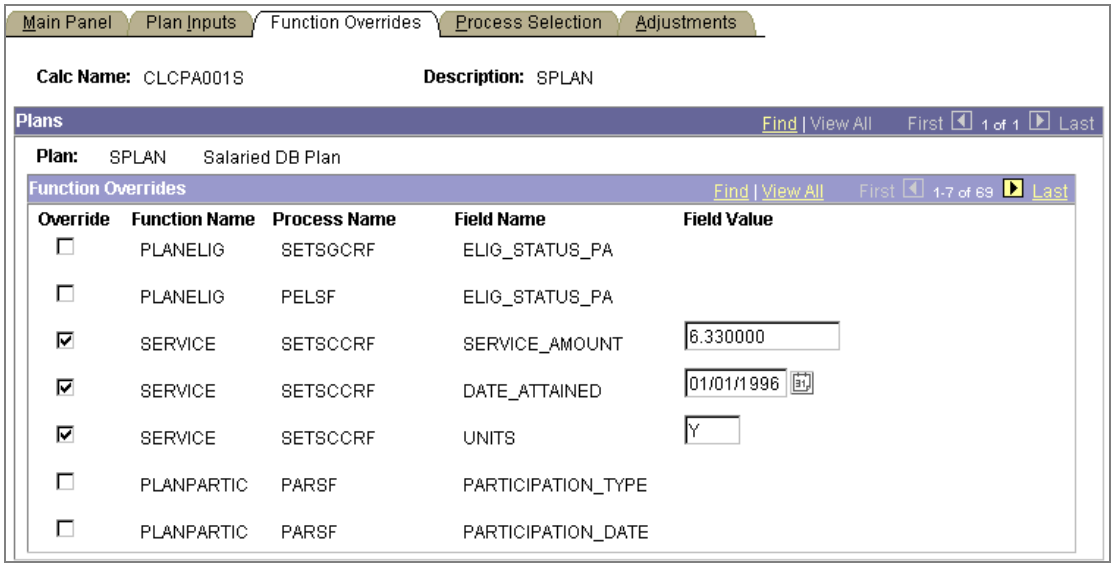
Assumed Contributions Pct (assumed contributions percent) — To calculate possible future contributions, enter a percentage. When the calculation projects contributions, the system applies this percentage to projected earnings to arrive at future contribution amounts.

Use Function Overrides — Select to enter overrides for a plan. Enter the actual overrides on the Function Overrides page.

Use Process Selection — Select to single out processes to run on the Process Selection page.

Entering Override Values

Access the Function Overrides page.



Setup Pension Calculation - Function Overrides page

Override — If you selected the Use Function Overrides check box on the Setup Pension Calculation - Plan Inputs page, select this check box for each value to override.

Function Name — Displays the pension function that controls the processing.

Process Name — Displays the name your organization assigned to the process—the function result name.

Field Name and **Field Value** — Displays the fields to override. Enter the override value in the **Field Value** field.

Subsequent processes in the job flow 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 that you entered, rather than actual earnings data.

Many functions have only a single value, for example, the Final Average Earnings and Vesting processes both produce a single result. Conversely, some functions produce multiple (or compound) values. For example, the Service process produces service amount, service units (years or months), and date attained.

Although you don't have to enter overrides for all of the values, enter overrides for values that are necessary for the calculation. For example, there's no need to enter 10 fields of intermediate information for social security results, but enter the PIA_AMT_ADJ, which is the final adjusted social security benefit.

Warning! If you enter overrides for the benefit amount (shown on the page as BENCALC), enter overrides for all four of the benefit amount fields:

- Amount.
- Form code.
- Payment frequency.
- Automatic spousal benefit.

The first three fields are required for optional forms conversions. The automatic spousal benefit override default is zero.

Note. If you enter an override for one of a function result's values, that function result doesn't produce results, other than what you enter. Therefore, there are no detailed results.

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 rules that you set up. Instead, however, you can bypass the calculation process and enter override

values for calculation components. Use the Function Overrides page to enter these override values.

As an example of when you might 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 and survivor factors must be recalculated. Instead of running a new calculation from the beginning, 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 that you calculated at the time of termination.

Overrides also enable you to set up what-if scenarios by manipulating a portion of the calculation.

Override Considerations

- Don't enter overrides for the Plan Eligibility process, 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 percent vested, enter 60—not 0.6.
- Social security has 10 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 percent, the factor is 0.8. If the employee's benefit is to be increased by 5 percent, 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 percent, the factor is 0.98.

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 (participating). N (not participating).
	PARTICIPATION_DATE	Participation date.	01/31/1999

Function	Field	Description	Example
Service (SERVICE)	SERVICE_AMOUNT	Service amount.	10.50
	DATE_ATTAINED	Date on which 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 the 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

Function	*Field*	*Description*	*Example*
	AIME	Average indexed monthly earnings.	1920.00
	AVGWAGES_INDEX_YR	National average wage for the index year.	23132.67
	BIRTHDATE	Employee's birth date.	12/01/1939
	COMPUTATION_YRS	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.	0.8
	PRD_OF_ADJ	Number of periods (months or years) used to arrive at the factor.	4
Death Coverage Reductions (DEATHCVRG)	ADJ_FACTOR	Final death coverage adjustment factor.	0.98
	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 plan's normal form of payment.	3404.32
	PYMT_FREQ	Payment frequency of the normal form of the benefit. (Valid values appear on the Benefit Formula – Normal Form of Payment page.	M (Monthly)
	FORM_CODE	Optional form code. (Form codes appear on the Benefit Formula – Normal Form of Payment page)..	LIFE
	AUTO_AMT	Dollar amount of the benefit automatically available to an eligible spouse, regardless of the employee's optional form selection.	25

Function	Field	Description	Example
Employee-Paid Benefit (CONTSBEN)	ACCT_BAL_EVENT	Account balance as of the event date.	10543.89
	ACCT_BAL_DOD	Account balance at the date of determination.	13276.18
	ACCT_BAL_NRD	Account balance as of the normal retirement date.	13276.18
	EE_BEN_AMT	Annuity value of the employee account at the 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 the event date to the date of determination.	5
	INT_RT_2	Interest rated used to project from the date of determination to the normal retirement date.	5
	FACTOR	Factor used to convert the balance as of the normal retirement date to annuity.	0.004167
	DT_OF_DET	Date of the determination.	12/31/1998
Optional Forms (OPTFORMS)	No overrides available.	N/A	N/A
415 Limits (LIMIT415)	No overrides available.	N/A	N/A

Note. When you apply 401(a)(17) limits (or other limits) to 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.

See Also

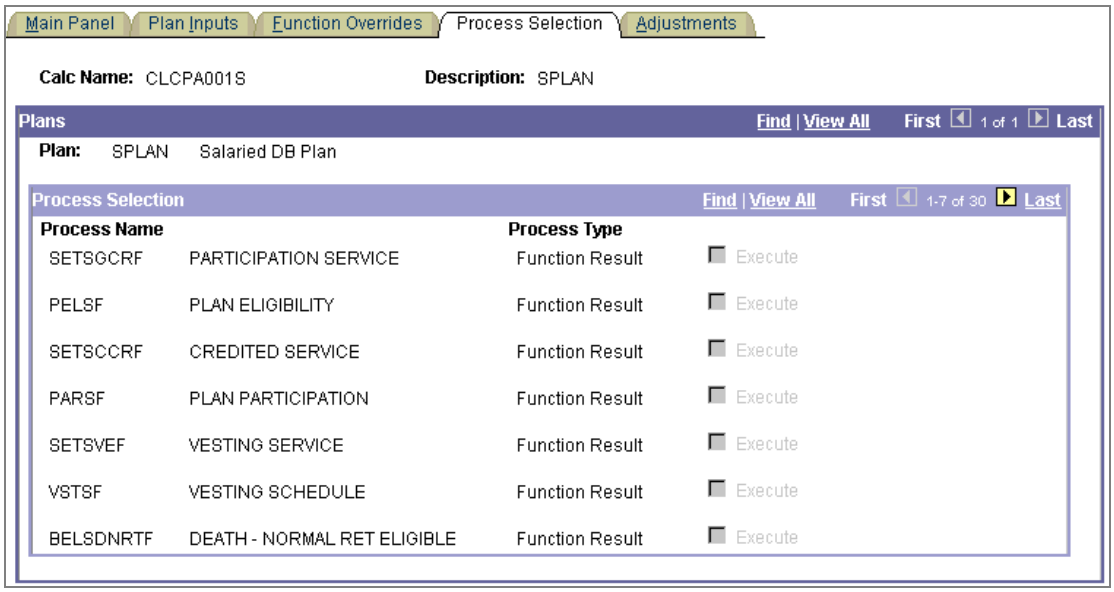
"Defining Benefit Formulas"

"Viewing Calculation Results," Viewing Social Security Results

"Using Function Result and Actuarial Factor Aliases"

Isolating Individual Calculation Components

Access the Setup Pension Calculation - Process Selection page.



Setup Pension Calculation - Process Selection page

Note. The processes listed on this page are brought in when you identify a plan and an as of date on the Setup Pension Calculation - 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 Displays the name that your organization has assigned to the process—the Function Result name.

Process Type Indicates how your organization defines the processing rules; disregard this field.

Execute If you select the Use Process Selection check box on the Setup Pension Calculation - Plan Inputs page, select this check box for each process to run. If you select a process that depends on values obtained from previous processes, either run those previous processes or enter overrides for them.

Running Calculations

Process Scheduler manages all PeopleSoft processes. To access Process Scheduler, you need a run control ID, which provides Process Scheduler with information 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 access the parameters page with a run control ID. Pension calculations are somewhat different. Because you save the calculation parameters in the system, you identify calculations by a calculation name rather than by the run control ID used to process the calculation. Therefore, you enter run control IDs on the first parameter page, not on the search page.

This section discusses how to enter the calculation name.

Page Used to Run Calculations

Page Name	*Object Name*	*Navigation*	*Usage*
Calculate Pension	PA_CALCULATION_RUN	Compensate Employees, Administer Pension Plan, Process, Run Pension Calculation, Calculate Pension	Enter the calculation name to run the Report Manager, Process Monitor, or Run Processes pages.

Entering the Calculation Name

Access the Calculate Pension page.



Calculate Pension page

Calculation Name If you are accessing this page from the Calculate Pension component, the default is the calculation name from the Calculate Pension component.

Accessing Calculation Results

When a calculation finishes and you refresh the Main Panel page, *Results Exist* appears. You have two options for viewing your calculation results: online pages or a calculation report.

To view the results online on the Calculation Summary page:

- Select Compensate Employees, Administer Pension Plan, Inquire, Calculation Results Main.
- Click the View Results button on the Main Panel page.

To generate a calculation worksheet report:

- Select Report, Calculation Worksheet.
- Click the Run Report button on the Main Panel page.

See Also

Setting Up Employee Information and Processing Parameters

"Viewing Calculation Results"

"Appendix: PeopleSoft Pension Administration Reports"

Viewing Calculation Messages

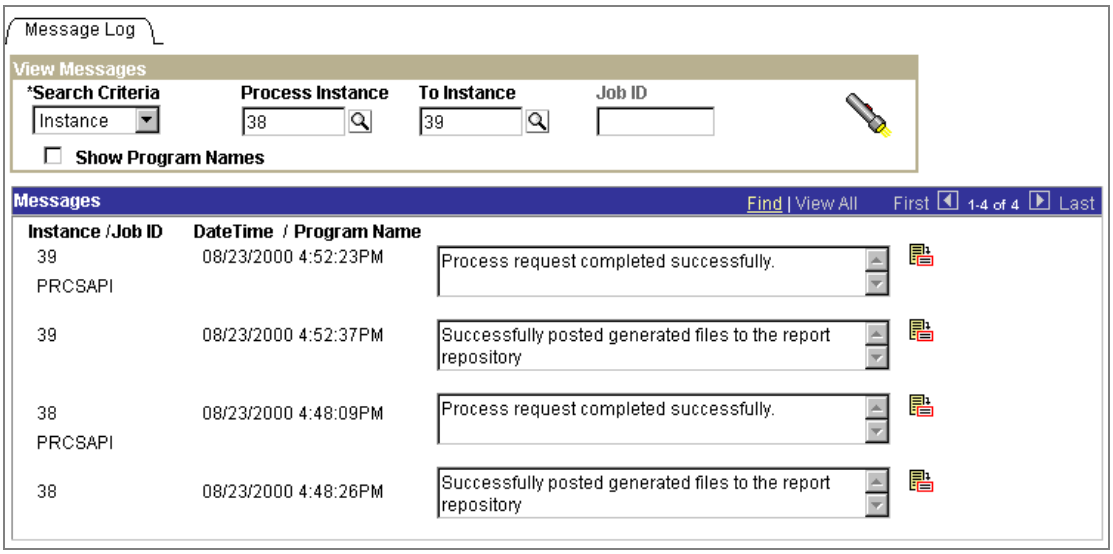
This section discusses how to view calculation messages.

Page Used to View Calculation Messages

Page Name	*Object Name*	*Navigation*	*Usage*
Message Log	PA_MESSAGE_LOG	Compensate Employees, Administer Pension Plan, Inquire, Message Log, Message Log	View warnings or errors generated during the calculation (or during periodic processing.)

Viewing Calculation Messages

Access the Message Log page.



Message Log page

Search Criteria — To view messages from a calculation, select ***Instance.*** Look up the instance associated with a calculation on the Calculation Summary page or on the Calculation Recap page.

Process Instance and **To Instance** — After you know the instance, enter it in these fields.

 — Click the **Search** button to display the processing errors in the Messages group box.

Show Program Names — If you select the Show Program Names page, the **Instance, Job ID, DateTime** and **Program Name** fields appear.

Instance, Job ID, DateTime, and **Program Name** — These fields identify where the error occurred.

Each row also includes the error message. The calculation name, employee ID ,and plan appear at the end of the message.

 — Click the **Show Detail Entry** button next to the message to view additional explanatory text.

See Also

"Running Periodic Processes," Viewing Processing Errors

Reviewing Processing Results

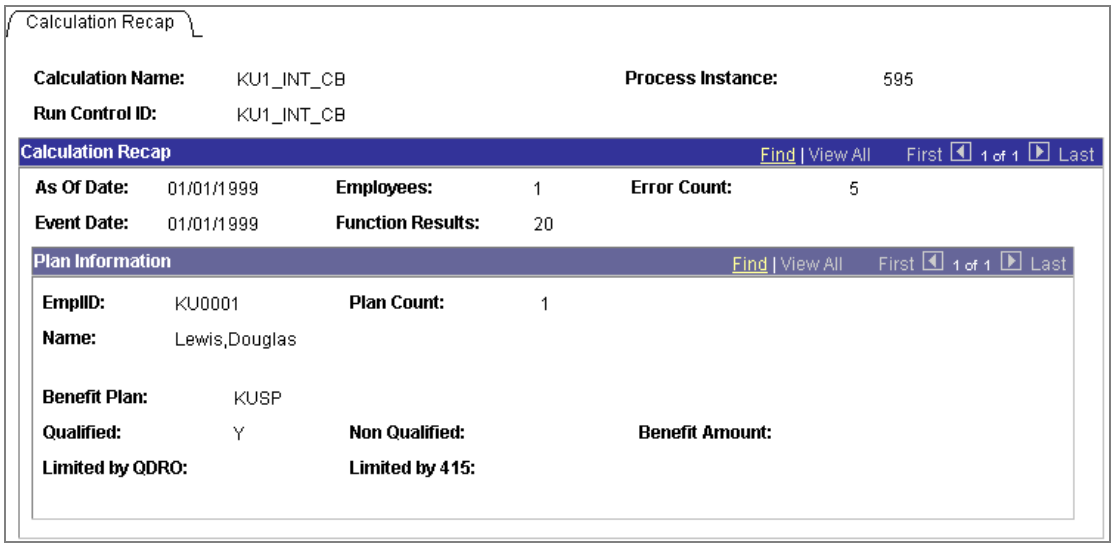
This section discusses how to review processing results.

Page Used to Review Processing Results

Page Name	Object Name	Navigation	Usage
Calculation Recap	PA_SUMMARY_STAT	Compensate Employees, Administer Pension Plan, Inquire, Calculation Recap, Calculation Recap	Review the processing results after you run a calculation.

Reviewing Processing Results

Access the Calculation Recap page.



Calculation Recap page

Calculation Name, Run Control ID, and **Process Instance** — Identify the calculation. You must know the process instance to review messages (errors or warnings) generated during processing.

Event Date and **As of Date** — Display the critical inputs from your calculation.

Employees — Displays how many are included in the calculation.

Function Results — Displays how many function results are processed.

Plan Count — Displays how many plans you ran for the listed employee.

Benefit Amount — Disregard this field.

Protecting a Calculation

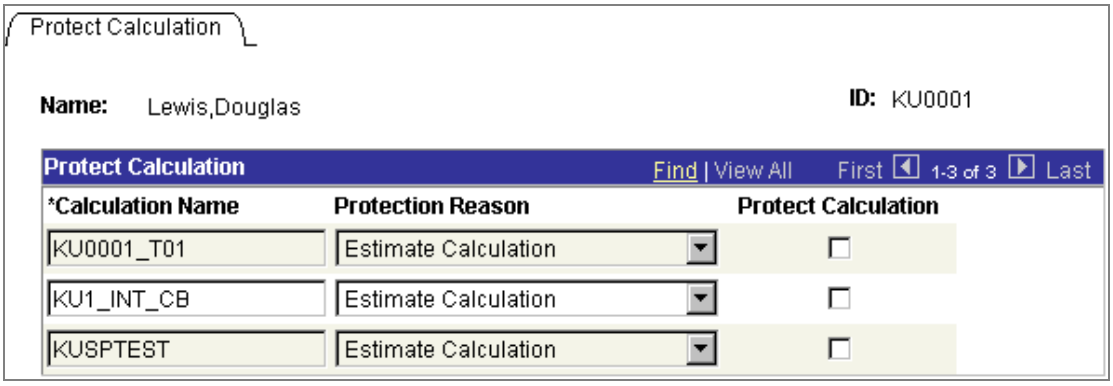
This section discusses how to protect a calculation.

Page Used to Protect a Calculation

Page Name	Object Name	Navigation	Usage
Protect Calculation	PA_CLC_PROTECT	Compensate Employees, Administer Pension Plan, Use, Protect Calculation, Protect Calculation	Protect a calculation from deletion or modification.

Protecting a Calculation

Access the Protect Calculation page.



Protect Calculation page

Protect Calculation Select to protect a calculation.

Protection Reason Initially, all calculations are labeled ***Estimate Calculation*** and are not protected. Select a reason: ***Final Calculation, Final Calculation Candidate, QDRO Recipient Candidate, Related Primary Calculation*** (for example, a calculation that establishes a minimum benefit), or ***Other.***

Because you can quickly accumulate huge amounts of calculation information, it's important to regularly delete calculations that you no longer need. Periodic processing includes a Delete process for this purpose.

Because of this regular deletion process, you must take measures to protect calculations that you do need. This includes estimates that you provide to employees, final calculations, or calculations used in a divorce settlement to establish the amount granted to the former spouse.

Protecting a calculation prevents someone from deleting the results, modifying the calculation parameters, or rerunning the calculation.

Running QDRO Calculations

When a former spouse gains a share in an employee's pension benefit through a 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 might 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, run a calculation under the QDRO alternate payee's employee ID.

When you do this, use the Process Selection page to limit the calculation, so that you only run the following factors:

- Early or late retirement factors.
- Alternate payee's benefit formula, which typically just uses the QDRO amount that you enter on the QDRO Process page.
- 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 other plan components that aren't applicable to an alternate payee.

Note. 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 are 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.

See Also

Isolating Individual Calculation Components

Calculating Social Security

Even if your plans don't incorporate social security integration, you might provide your employees with social security estimates to use during retirement counseling.

If your organization defined social security calculation rules, either embedded in an actual plan or in a dummy plan for this explicit purpose, you can produce these estimates. 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 47

Viewing Calculation Results

This chapter tells you how to:

- Access calculation results.
- View the Calculation Results Main component pages.
- View detailed plan results.
- View action and reason history information.

Accessing Calculation Results

A benefit calculation consists of a series of pennant processes that together produce a benefit in all of its optional forms. In addition to this end result, each component process generates its own results, which are frequently of interest to the participant and plan administrator.

Use the Calculation Results Main component to view summary information about the employee and the calculation. The Calculation Results Main - Calculation Summary page in this component provides links that transfer you directly to the other Calculation Results pages.

On the Calculation Results Main search page, the calculation results are keyed by both the calculation name and employee identification (EmplID). Neither piece of information by itself is sufficient, because you can run a calculation for multiple employees, or for a single employee.

View the 17 detailed results pages for a single pension plan in either of the following locations:

- Calculation Results Main component.
- Inquire2 menu.

Note. It takes longer to load the information in the Calculation Results Main component, because all of the pages are in a single component and the system receives the data for *all* of the pages when you first enter the component. However, after 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 that you access it. Instead of one long wait for the pages, you experience several short waits.

One of the pages in the Calculation Results Main component has links that transfer you to the plan-specific pages. These links always take you to the single-page instance of the page (that is, the instance in the Inquire2 menu).

The 17 plan-specific pages provide detailed information about the calculation parameters and results for the specified plan. One page displays the calculation inputs, another displays beneficiary information, and the other 15 correspond to 15 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 with the employee's action and reason history and the calculation inputs.

When you access the plan-specific results (under either the Inquire or Inquire2 menu), you further narrow your search by entering a plan name.

When you view the plan-specific pages, the amount of detail displayed depends on whether you selected the detailed results option on the calculation page.

See Also

Viewing Detailed Plan Results

Viewing the Calculation Results Main Component Pages

The Calculation Results Main component contains three pages, which display calculation information that isn't specific to any one plan.

This section discusses how to view:

- Calculation summary information.
- 415 processing results.

Pages Used in the Calculation Results Main Component

Page Name	*Object Name*	*Navigation*	*Usage*
Calculation Results Main - Calculation Summary	PA_CALCULATION_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results Main, Calculation Summary	View information about the calculation and personal data about the employee. Access the detailed calculation results pages.

Page Name	Object Name	Navigation	Usage
Calculation Results Main - 415 Limits	PA_CLC_415_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results Main, 415 Limits	View results produced by 415 processing. Processing for 415 limits applies Internal Revenue Code section 415 limits to an employee's combined pension benefits from all plans.
Calculation Results Main - Action/Reason History	PA_CLC_EMP_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results Main, Action/Reason History	View employee information that might have affected the calculation.

Viewing Calculation Summary Information

Access the Calculation Results Main - Calculation Summary page.



Calculation Results Main - Calculation Summary page

Executed Displays the date and time of the calculation.

Instance Displays the instance assigned by PeopleSoft Process Scheduler when the calculation ran.

Note. Use the instance to access calculation error messages in the message log.

ID	Identifies the employee whose results you're viewing. Although a calculation can process more than one employee, you can view results for only one employee at a time.
Benefit Plan	Select the plan to view when you click the links in the View group box.
Event Date and **Reason**	Displays the termination information entered for the calculation.
Marital Status, Spouse Name, Gender, Spouse Birthdate, and **Date of Birth**	If you entered overrides for the employee or spouse birth date, those overrides appear on this page with an *override value* notation.

View

The links in this group box take you to the detailed results pages.

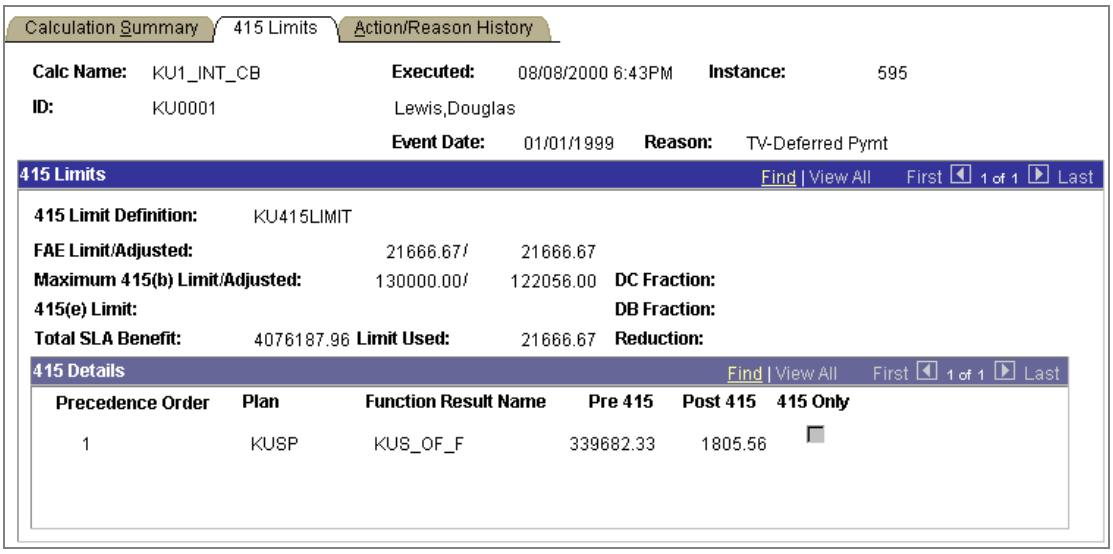
Note. The detailed results pages occur in two locations: all together in the Calculation Results component and individually under the Inquire2 menu. The links in the View group box always take you to the page under the Inquire2 menu.

Other links 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 links in the View group box open another instance of the Administer Pension Plan menu. Don't open too many menus. Either close new menus when you're done or, after you open the new menu, click the page tabs to move around in the component.

Viewing 415 Processing Results

Access the Results Calculation Results Main - 415 Limits page.



Calculation Results Main - 415 Limits page

415 Limit Definition

Displays the name of your 415 processing rules.

The actual 415 limit is the smallest of three separately calculated amounts in the following fields: **FAE Limit/Adjusted, Maximum 415(b) Limit/Adjusted,** or **415(e) Limit.**

FAE Limit/Adjusted

Displays the FAE limit—100 percent of the employee's high three consecutive years' average earnings. This can be adjusted for short service; the page displays both the unadjusted and adjusted amounts.

Maximum 415(b) Limit/Adjusted

Displays 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 displays both the unadjusted and adjusted amounts.

415(e) Limit, DC Fraction (defined contribution fraction), and **DB Fraction** (defined benefit fraction)

Displays the 415(e) limit—an amount based on the relative values of the participant's defined contribution (DC) fraction and defined benefit (DB) fraction. These are values calculated according to IRS rules. This information is present only if defined contribution information was available for the employee.

Total SLA Benefit (total single life annuity)

Displays 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** field, the benefit was not reduced.

Limit Used Displays the lowest of the three possible limits; this is the limit that actually applies.

Reduction If the total SLA benefit is higher, then this field displays the difference between the two.

415 Details

This group box lists all benefits that are subject to 415 limits.

Function Result Name Displays the name that your organization assigned to the specific benefit in the plan.

Reduced by User The first column of this section displays 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 Displays the SLA amount of the benefit before limits were applied.

Post 415 Displays the reduced benefit after limits were applied. These amounts are the same when the combined benefit didn't exceed the limit.

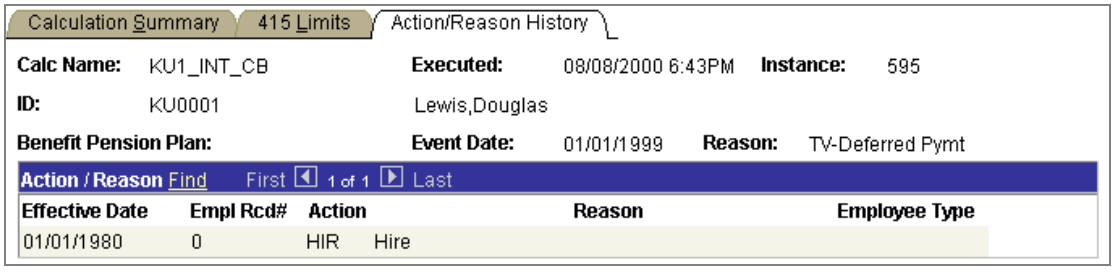
415 Only If this check box is selected, then the plan doesn't actually offer a single life annuity and you should not quote the displayed SLA amount to employees except to explain the 415 limits reduction.

See Also

"Applying 415 Limits"

Viewing Action and Reason History Information

Access the Calculation Results Main - Action/Reason History page.



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 on the Calculation Results Main - Action/Reason History page, only those specified as relevant to your pension rules.

Typically, Service is the only calculation function impacted by action and 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 Displays a history of the employee's changing employee type: ***Hourly, Salaried,*** or ***Exception Hourly.***

Viewing Detailed Plan Results

The detailed plan results display both the final benefit (though not adjusted for 415 limits across multiple plans) and the various components used to determine that final benefit.

To access these detailed plan results, either select Calculation Results or find the specific page under the Inquire2 menu.

Note. It takes longer to load the information in Administer Pension Plan, Inquire, and Calculation Results, because all of the pages are in a single component and the system receives the data for all of the pages when you first enter the component. However, after 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 that you access it. Instead of one long wait for the pages, you experience several short waits.

Although these pages display results from all of the calculation functions (except 415 limits), your plan might not use all the functions. Therefore, you might not actually see results on every page.

Pages Used to View Detailed Plan Results

Page Name	*Object Name*	*Navigation*	*Usage*
Calculation Results - Inputs	PA_CLC_INPT_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Inputs Compensate Employees, Administer Pension Plan, Inquire2, Calculation Inputs, Inputs	View information that you entered when processing a calculation.

Page Name	Object Name	Navigation	Usage
Calculation Results - Benefit Calculation	PA_CLC_CLC_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Benefit Calc Compensate Employees, Administer Pension Plan, Inquire2, Benefit Calculation, Benefit Calculation	Displays results from the Benefit Formula function, which produces the normal form benefit.
Calculation Results - Optional Forms	PA_CLC_OFRM_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Optional Forms	Displays results from the Optional Forms function, which converts the normal form of the benefit into all optional forms that the plan offers.
Calculation Results - Service	PA_CLC_SVC_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Service Compensate Employees, Administer Pension Plan, Inquire2, Service Results, Service	Displays results from the Service function, which provides a final service amount.
Calculation Results - Final Average Earnings	PA_CLC_FAE_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Final Ave Earnings Compensate Employees, Administer Pension Plan, Inquire2, Final Average Earnings, Final Average Earnings	Displays results from the Final Average Earnings function, which provides the amount calculated according to the plan's averaging rules.
Calculation Results - Vesting	PA_CLC_VST_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Vesting Compensate Employees, Administer Pension Plan, Inquire2, Vesting, Vesting	Displays results from the Vesting function, which provides the employee's vesting percentage.

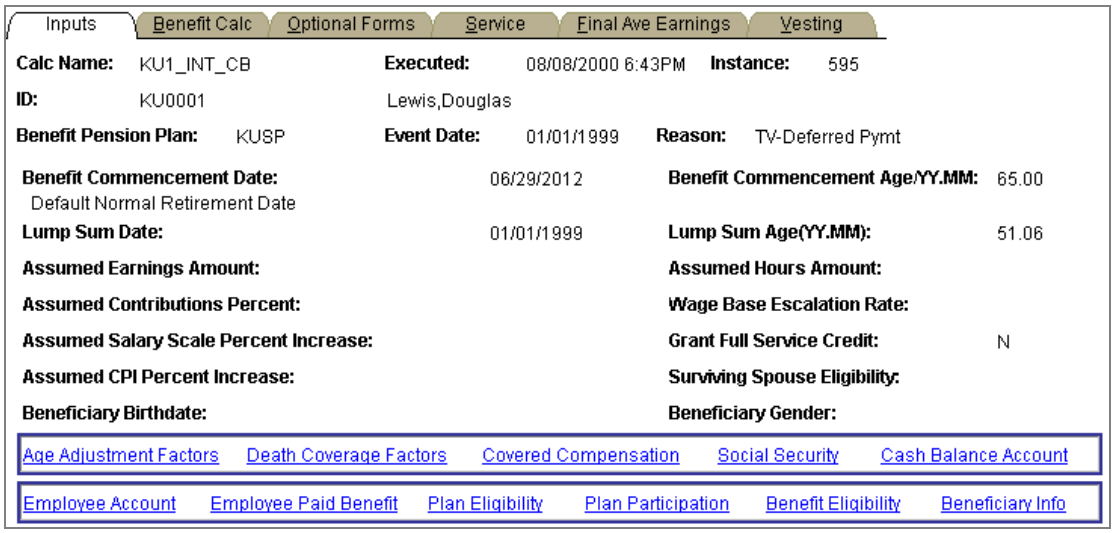
Page Name	*Object Name*	*Navigation*	*Usage*
Calculation Results - Age Adjustment Factors	PA_CLC_AGE_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Age Adjustment Factors Compensate Employees, Administer Pension Plan, Inquire2, Age Adjustment Factors, Age Adjustment Factors	Displays results from the Age Adjustment function (also called the Early/Late Adjustment function), which produces a factor used to adjust a benefit when an employee retires before or after the normal retirement date.
Calculation Results - Death Coverage	PA_CLC_DTH_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Inputs Compensate Employees, Administer Pension Plan, Inquire2, Calculation Inputs, Inputs	Displays results from the Death Coverage function, which produces a factor used to reduce a benefit when an employee elects optional death coverage.
Calculation Results - Covered Compensation	PA_CLC_CMP_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Covered Comp Compensate Employees, Administer Pension Plan, Inquire2, Covered Compensation, Covered Compensation	Displays results from the Covered Compensation function, which calculates covered compensation for the employee by averaging the Taxable Wage Base for the 35 years up to, and including, the year in which the employee reaches social security retirement age.
Calculation Results - Social Security	PA_CLC_SOC_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Social Security Compensate Employees, Administer Pension Plan, Inquire2, Social Security, Social Security	Displays results from the Social Security function, which estimates an employee's social security primary insurance amount (PIA).

Page Name	Object Name	Navigation	Usage
Calculation Results - Cash Balance Account	PA_CLC_CASH_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Cash Balance Acct Compensate Employees, Administer Pension Plan, Inquire2, Cash Balance Account, Cash Balance Account	Displays results from the Cash Balance Account function, which provides an employee's periodic accumulation and final balance under a cash balance plan.
Employee Account	PA_CLC_ACCT_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Emp Acct Compensate Employees, Administer Pension Plan, Inquire2, Employee Account, Employee Account	Displays results from the Employee Account function, which tracks the accumulation of contributions and interest for an employee in a contributory plan.
Calculation Results - Employee-Paid Benefit	PA_CLC_CONT_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Emp Paid Benefit Compensate Employees, Administer Pension Plan, Inquire2, Employee Paid Benefit, Employee Paid Benefit	Displays results from the Employee-Paid Benefit function, which determines what portion of a total benefit, expressed in its normal form, is attributable to employee contributions.
Calculation Results - Plan Eligibility	PA_CLC_PEL_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Plan Eligibility Compensate Employees, Administer Pension Plan, Inquire2, Plan Eligibility, Plan Eligibility	Displays results from the Plan Eligibility function, which determines whether an employee is eligible to participate in a plan.

Page Name	*Object Name*	*Navigation*	*Usage*
Calculation Results - Participation	PA_CLC_PRT_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Plan Participation Compensate Employees, Administer Pension Plan, Inquire2, Plan Participation, Plan Participation	Displays results from the Participation function, which determines whether an employee meets plan participation requirements.
Benefit Eligibility	PA_CLC_BEL_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Benefit Eligibility Compensate Employees, Administer Pension Plan, Inquire2, Benefit Eligibility, Benefit Eligibility	Displays results from the Benefit Eligibility function, which identifies whether an employee is eligible for a retirement type.
Calculation Results - Beneficiary Info (beneficiary information)	PA_CLC_BENEF_SUM	Compensate Employees, Administer Pension Plan, Inquire, Calculation Results, Beneficiary Info Compensate Employees, Administer Pension Plan, Inquire2, Beneficiary Info, Beneficiary Info	Displays beneficiary data used in calculating the employee's benefit.

Viewing Processing Input Information

Access the Calculation Results - Inputs page.



Calculation Results - Inputs page

Benefit Commencement Date, Benefit Commencement Age/YY.MM, Lump Sum Date, and **Lump Sum Age(YY.MM)**

A message indicates whether these dates are based on the ***Normal Retirement Date, Early Retirement Date,*** or a ***User Specified Date.***

The remaining fields display inputs used for projecting payroll information and Social Security Tables.

Assumed Earnings and **Assumed Hours Amount**

Displays the amounts used to determine the current period earnings and hours amounts for certain types of projection methods. The plan rules specify either that this amount replaces the entire period, or that it is prorated and used only for the incomplete portion of the current period.

Assumed Contributions Percent

Displays the percentage of projected earnings used to estimate future contributions.

Wage Base Escalation Rate

Displays the assumed rate of increase in the Taxable Wage Base.

Assumed Salary Scale Percent Increase

Displays the assumed rate of salary increase rate.

Grant Full Service Credit

Indicates whether you assumed that service forfeited due to a withdrawal of contributions would be fully restored.

Y (yes): Service is restored.

N (no): Service isn't restored.

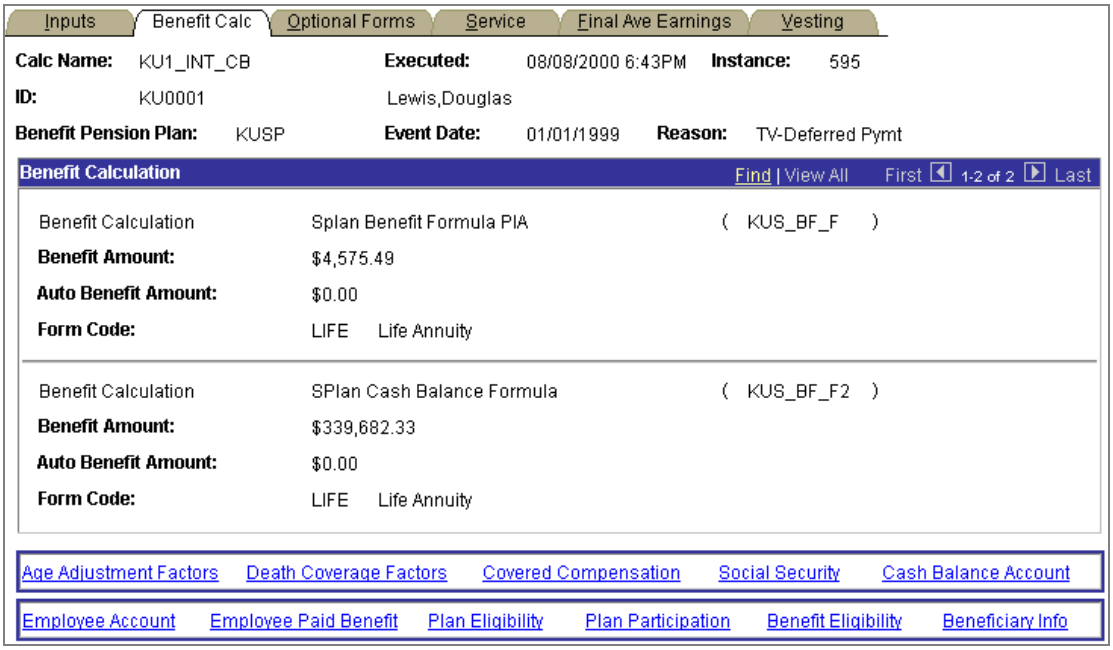
Assumed CPI Percent Increase (assumed consumer price index percent increase) — Displays the assumed rate of increase in the CPI-W, the Consumer Price Index (CPI) for urban wage earners and clerical workers. This table is used for social security general benefit increases.

Surviving Spouse Eligibility — Indicates overrides 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 and **Beneficiary Gender** — Display overrides for nonspouse beneficiary data.

Viewing Benefit Calculation Results

Access the Calculation Results - Benefit Calc page.



Calculation Results - Benefit Calculation page

Note. Typically a plan has multiple benefit formulas: normal retirement benefit, normal retirement benefit offset by any Qualified Domestic Relations Order (QDRO) amount, early retirement benefit, and so on.

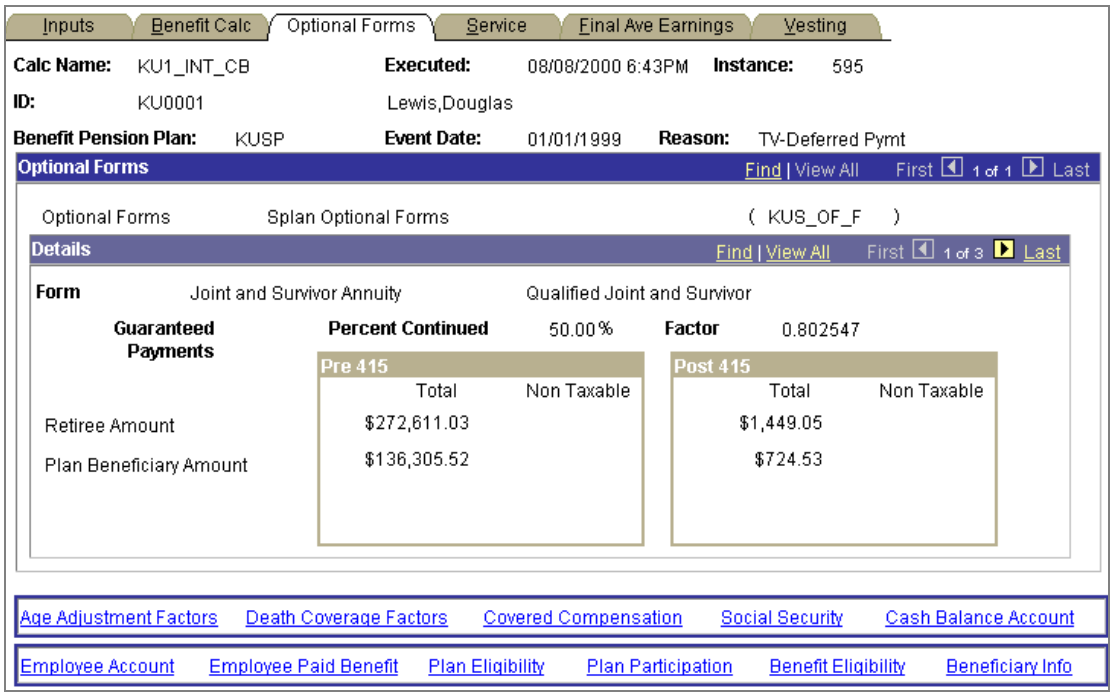
Benefit Amount — Displays the dollar amount of the employee's benefit in the plan's normal form of payment.

Auto Benefit Amount Displays 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 Displays the normal form of the benefit.

Viewing Optional Forms Results

Access the Calculation Results - Optional Forms page.



Calculation Results - Optional Forms page

Form Displays each allowable payment form offered by the plan. Single participants are ineligible for joint and 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 lump sums that you define as small benefit cashouts.

Guaranteed Payments Displays the number of years of guaranteed payments (for example, ***5*** means five years—not five monthly payments).

Percent Continued Displays the percent that is continued to the designated spouse beneficiary when the retiree dies.

Factor — Displays the factor used to convert the benefit from its normal form to this form.

Retiree Amount and **Plan Beneficiary Amount** — A form can have multiple payment types. Certain payment types are payable to a retiree, and others are payable to a beneficiary. Depending on the form and the number of beneficiaries, a single form can have multiple retiree payment types and multiple beneficiary payment types.

Pre 415 and Post 415

For each payment type, this group box displays the amounts before and after 415 limits are applied. For all but your most highly compensated employees, the pre-415 and post-415 amounts are the same. The *real* amounts that are used for payments are the post-415 amounts; the pre-415 amounts are for your information only.

Total and **Non Taxable** — The system 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.

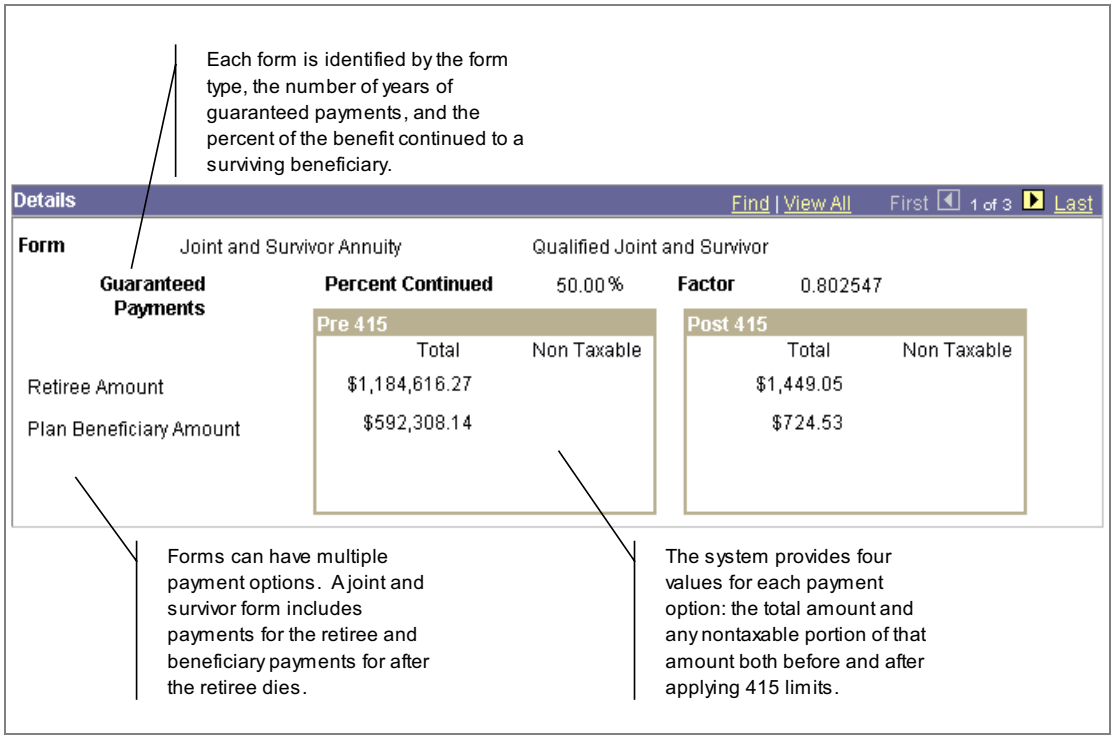
Retiree Payment Types

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 pre-social security retirement age) Retiree Post-SSRA Amount (retiree post-social security retirement age)	For a level income option (LIO), the retiree's benefit is higher before the retiree reaches social security retirement age (SSRA) and lower afterwards, when the retiree has presumably started receiving social security benefit. Therefore, LIO forms produce two separate retiree amounts identified as the pre-SSRA and post-SSRA amount.
Pop Up Amount	For 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.

Plan Beneficiary Payment Types

Payment Type	*Description*
Plan Beneficiary Amount	Amount payable to a spouse beneficiary at the retiree's death. This can come from two different sources: a joint and survivor form (or any form that includes a percent continued) elected by the retiree, and an automatic plan benefit for which there is no actuarial reduction.

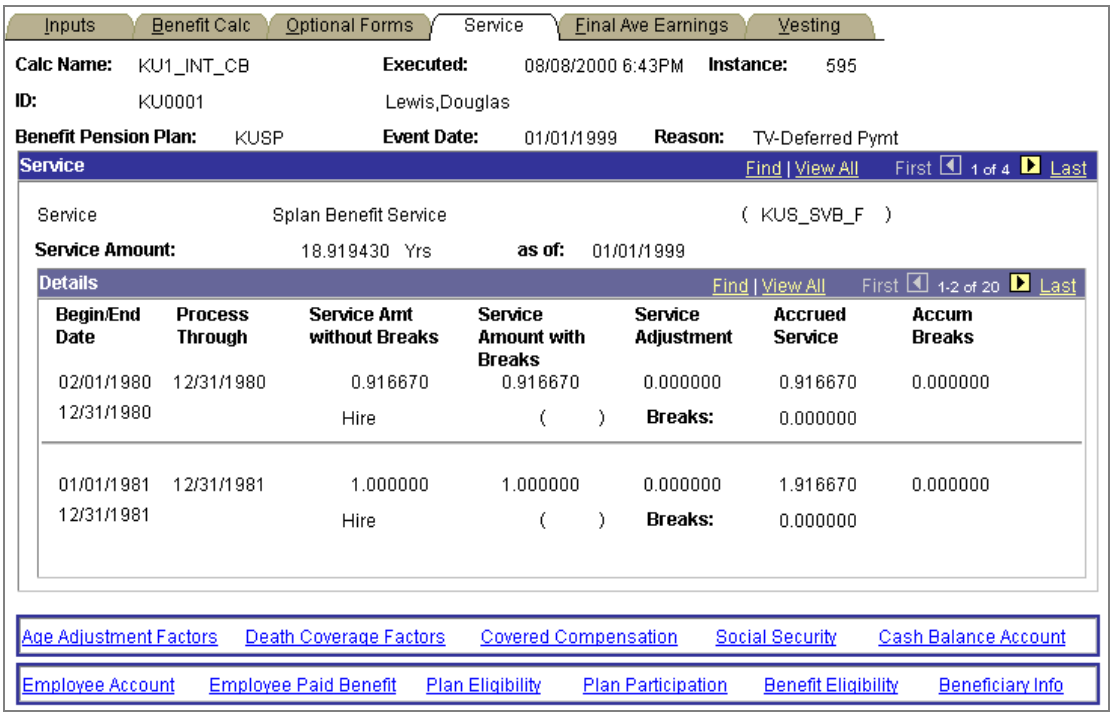
Payment Type	*Description*
Nonspouse Beneficiary Amount	Amount payable to a nonspouse beneficiary after the retiree's death under a joint and survivor form of payment.
Spouse Demonstration J&S (spouse demonstration joint and survivor)	If a married retiree selects a nonspouse beneficiary, the retiree's 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	For a last to survive form, the amount due to the retiree or spouse after the other one has died.



Optional forms results detail

Viewing Service Results

Access the Calculation Results - Service page.



Calculation Results - Service page

Note. If you produced detailed results for the calculation, this page displays the periodic service history used to produce the final amount.

Service Amount — You might 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.

Process Through — This 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 amount without breaks) — Indicates how much service the employee earned during the period based only on the service definition.

Service Amount with Breaks — Indicates how much of the original service for the period is used after considering break rules and other reasons for forfeiture.

Service Adjustment — Indicates adjustments on 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.

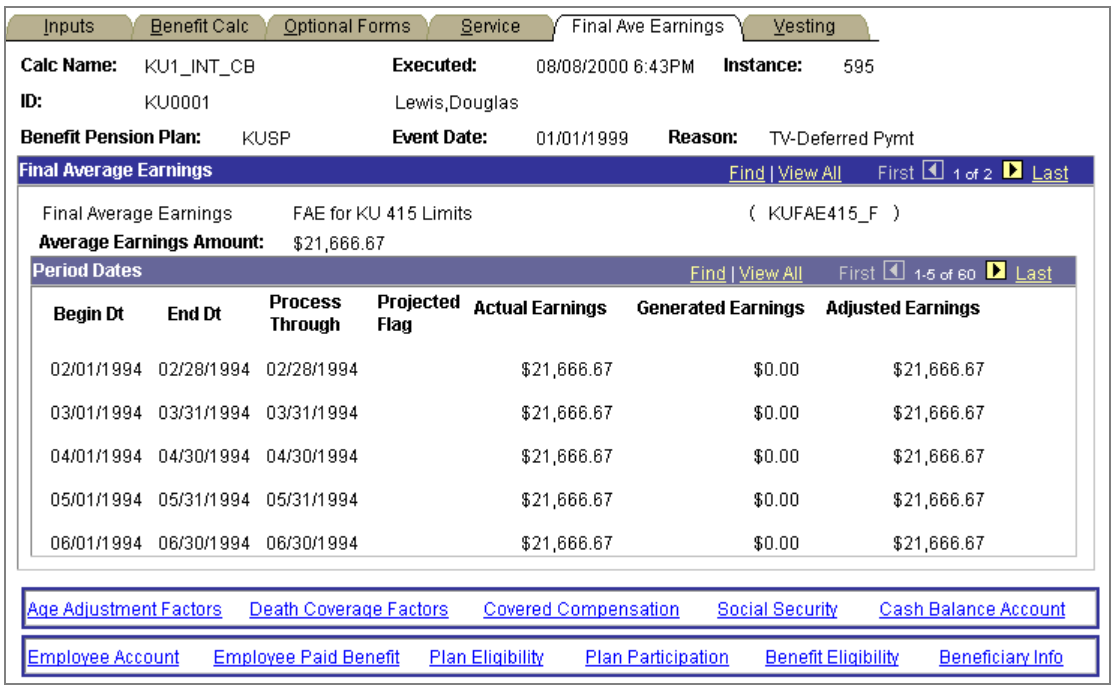
Accrued Service	Indicates how much service the employee accumulated as of the end of the period based on the previous accrued service amount and the activity for the current period.
Breaks	Indicates whether the period counted toward a break in service.
Accum Breaks (accumulated breaks)	Indicates how many consecutive breaks the employee has up to, and including, the period.
Action (Reason)	For elapsed time definitions, which base service accrual on the employee's action and reason history from the Job record, this field displays the most recent action and reason.
Hours	Indicates how many hours the employee accrued during the period.

See Also

"Administering Contributory Plans"

Viewing Final Average Earnings Results

Access the Calculation Results - Final Ave Earnings page.



Calculation Results - Final Average Earnings page

Note. If you produced detailed results for the calculation, this page displays the earnings history used to produce the amount.

Process Through — Displays the latest date that was included in the calculations for that period, which is the end date for past periods.

Projected Flag — Indicates whether the earnings are projected. This occurs only for future-dated calculations.

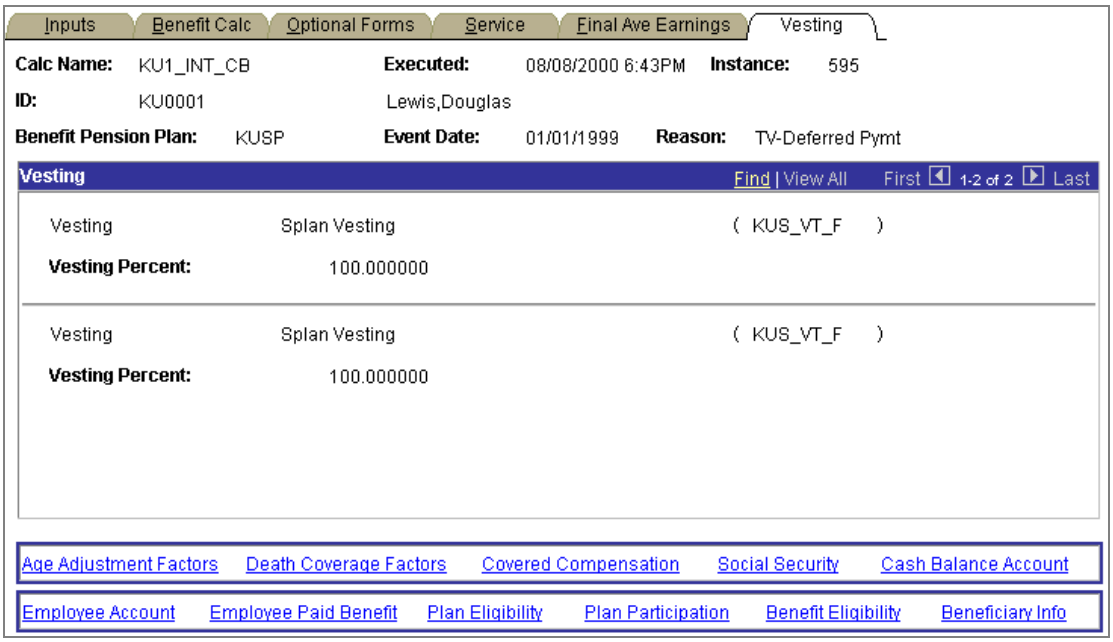
Generated Earnings — Displays the earnings after applying your plan's generation rules.

Adjusted Earnings — Displays the final earnings used in the calculation, which reflect minimums and maximums specified in the plan rules.

Adjusted earnings that appear black on this page were included in the averaging period; gray amounts were disregarded. For example, in the page illustration, the earnings definition uses the high 60 consecutive months, which ended for this employee in September 1968.

Viewing Vesting Results

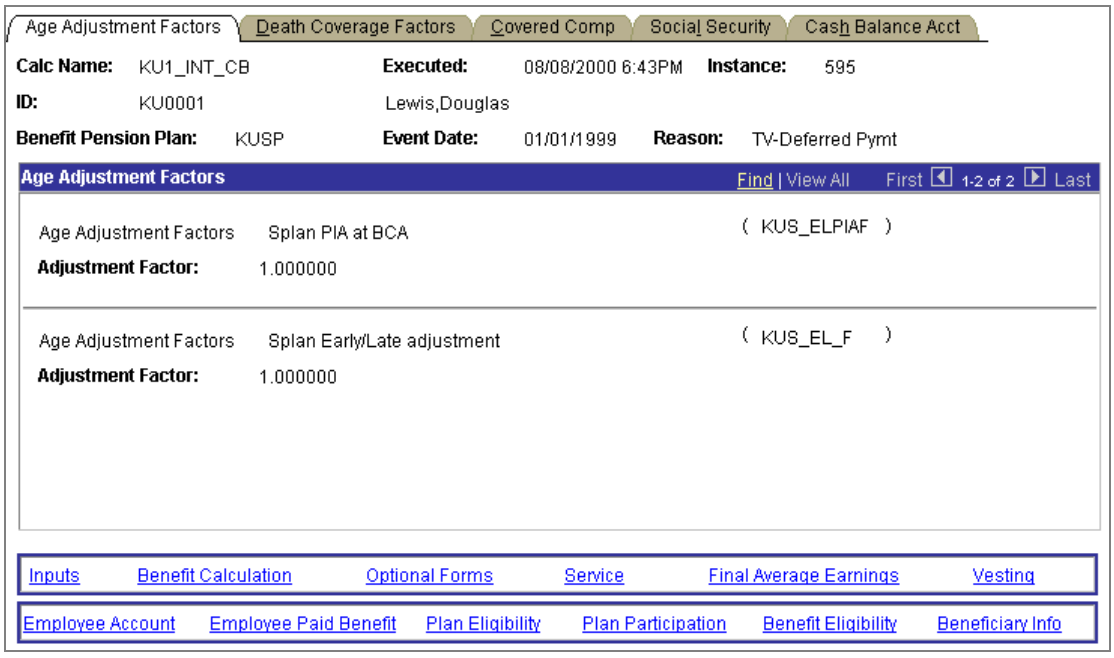
Access the Calculation Results – Vesting page.



Calculation Results - Vesting page

Viewing Age Adjustment Results

Access the Calculation Results - Age Adjustment Factors page.



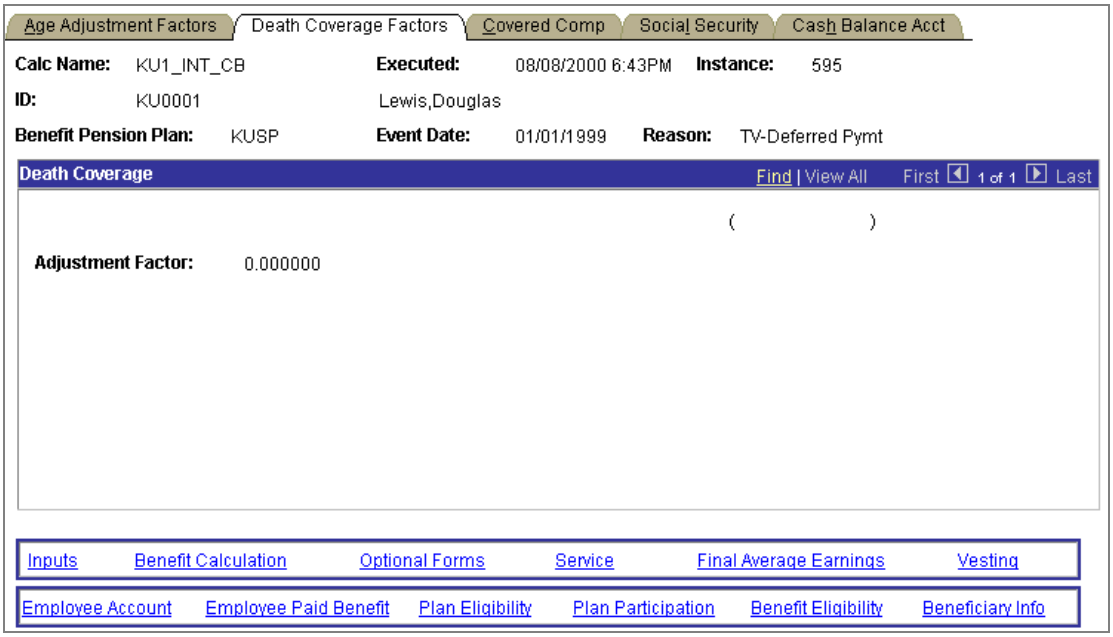
Calculation Results - Age Adjustment Factors page

Adjustment Factor Displays the factor used to reduce or increase the benefit due to early or late benefit commencement. If there was no adjustment, the factor is one.

In the page illustration, the age adjustment function is used to calculate several factors needed for processing 415 limitations. These factors are applied in your 415 limit rules to adjust the limit rather than to adjust the benefit.

Viewing Death Coverage Results

Access the Calculation Results - Death Coverage Factors page.

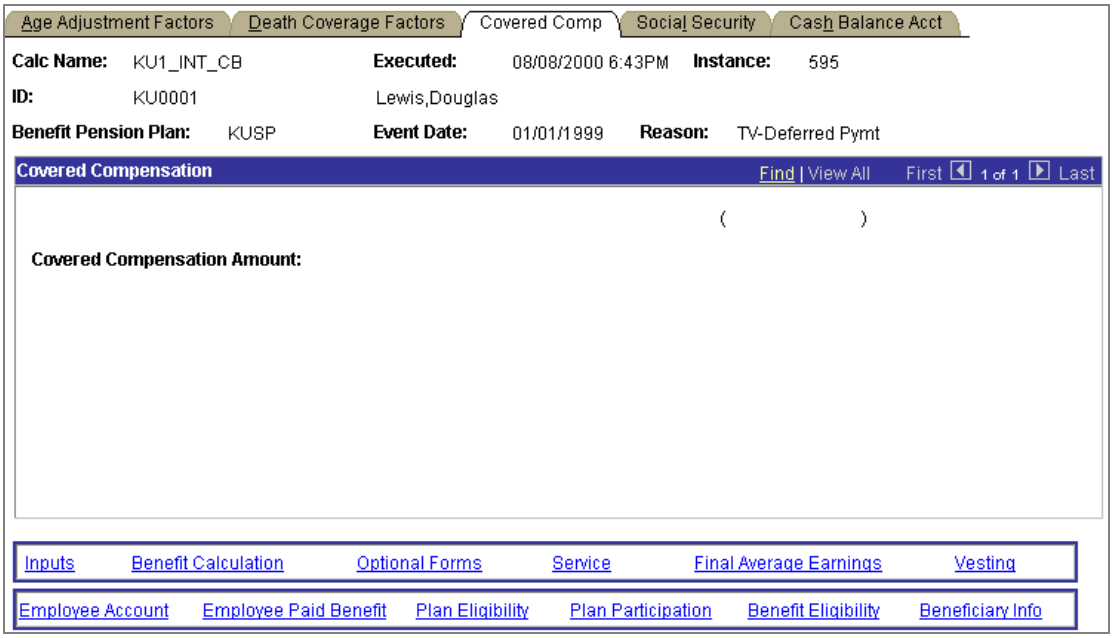


Calculation Results - Death Coverage Factors page

Adjustment Factor Displays the factor used to reduce the benefit due to the employee's Preretirement Survivor Annuity (PRSA) coverage.

Viewing Covered Compensation Results

Access the Calculation Results - Covered Comp page.

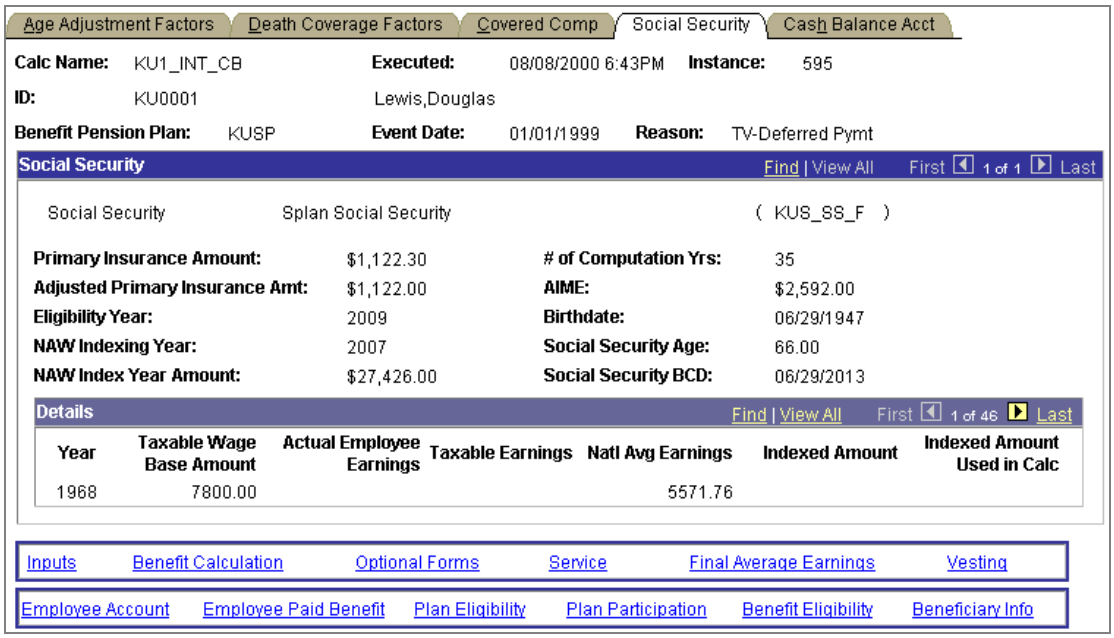


Calculation Results - Covered Compensation page

Covered Compensation Amount — Displays the result of the covered compensation calculation. This might be a monthly or annual amount, depending on how you set up your covered compensation calculation.

Viewing Social Security Results

Access the Calculation Results - Social Security page.



Calculation Results - Social Security page

Primary Insurance Amount — Displays the initial social security PIA.

Adjusted Primary Insurance Amt (adjusted primary insurance amount) — Displays the final PIA after both general increases and increases or reductions based on commencement date.

Eligibility Year — Displays the year in which the employee reaches age 62 or the year of death or disability.

NAW Indexing Year (national average wage indexing year) — This is two years before the year of eligibility.

NAW Index Year Amount (national average wage indexing index year amount) — Displays the national average wage (NAW) for the indexing year.

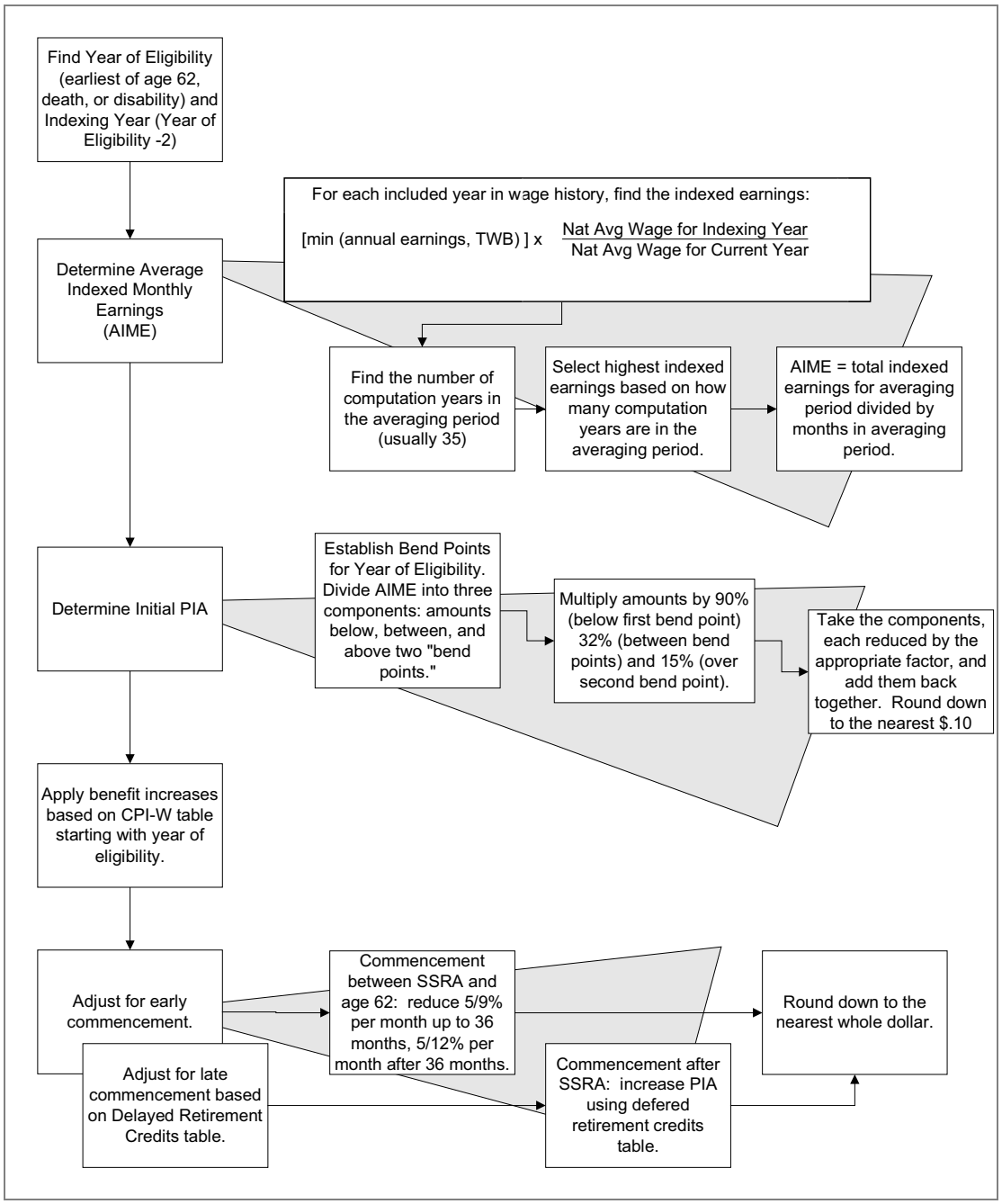
# of Computation Yrs (number of computation years) — Indicates how many years of the employee's earnings history are used in social security determination. Some years might be estimates based on your projection and regression rules.

AIME (average indexed monthly earnings)	To produce the average indexed monthly earnings (AIME), the system: 1. Takes the lesser of the employee's earnings and the Taxable Wage Base for each computation year. 2. *Indexes* it with a factor representing the growth in the national average wage. 3. Divides the total by the number of months in the computation period. 4. Adjusts this value further by *bend point* factors to produce the initial PIA.
Birthdate and **Social Security Age**	The birth date determines the social security age.
Social Security BCD (social security benefit commencement date)	This is the assumed benefit commencement date for social security benefits, which is important because benefits are reduced or increased for early or late commencement.
Taxable Earnings	Displays the lesser of the taxable wage base amount and the actual employee earnings.
Natl Avg Earnings (national average earnings)	Because indexing is based on NAW growth, this displays the national average earnings for each year.
Indexed Amount	The indexed amount is determined by multiplying the taxable earnings by a factor in which 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 (indexed amount used in calculation)	Displays the final indexed amount used to determine the AIME.

The earnings can come from two sources:

- System's consolidated earnings history, regressed and projected according to your plan assumptions.
- Employee Soc Sec Earnings page, where you can override the employee's earnings history.

Calculating Social Security



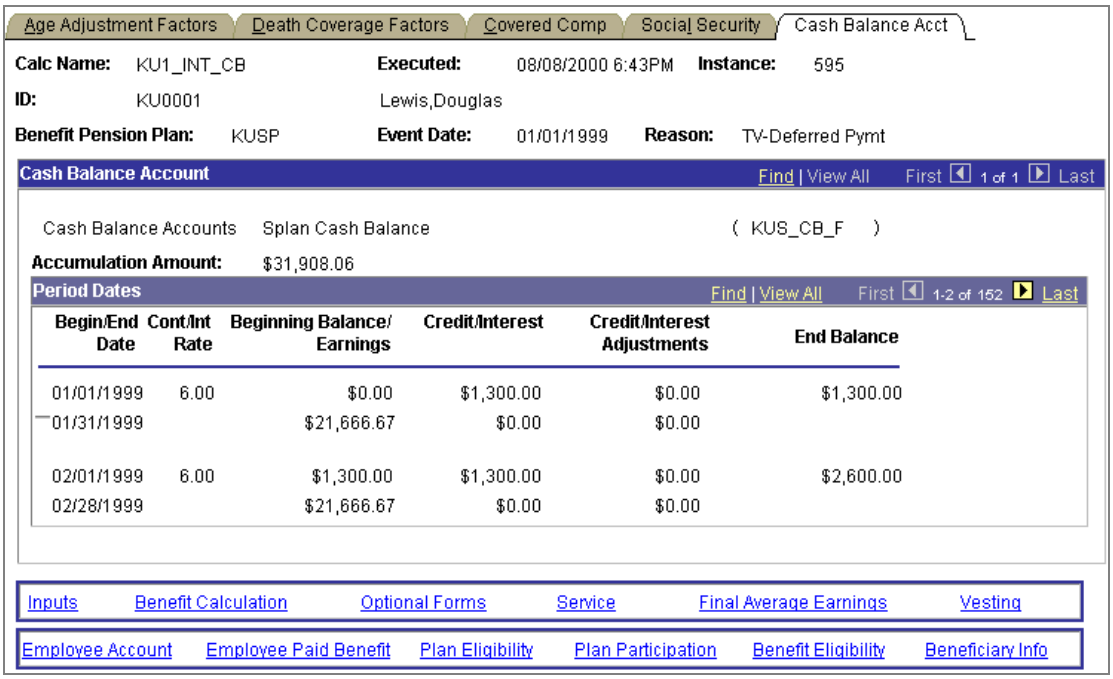
Calculating Social Security

See Also

"Maintaining Employee Pension Data," Entering an Employee's Actual Social Security Earnings History

Viewing Cash Balance Account Results

Access the Calculation Results - Cash Balance Acct page.



Calculation Results - Cash Balance Account page

Note. If you produced detailed results for the calculation, this page displays the periodic accumulations.

Begin/End Date

If the employee had a startup balance from the time that you loaded data into PeopleSoft Pension Administration, the first period begins and ends on the startup *as of* date. This startup period has an ending balance, but no other supporting detail.

Cont/Int Rate (contribution or interest rate)

The contribution rate displays the percentage of earnings for the period that was credited to the account.

The interest rate displays the interest rate used on the beginning balance.

Beginning Balance/Earnings

Displays the accumulation amount at the beginning of the period and the total earnings for the period.

Credit/Interest

Credit is the noninterest amount credited to the account during the period. The credit is a percentage of earnings based on the contribution rate and earnings amounts.

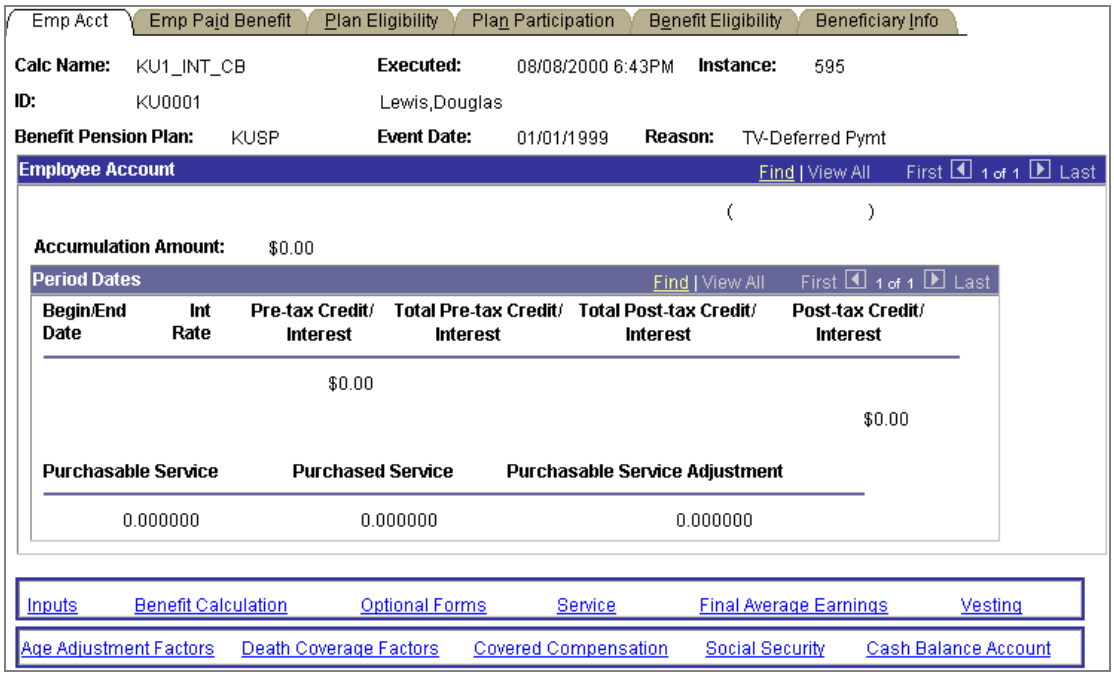
Interest is the amount of interest credited to the account during the period.

Credit/Interest Adjustments If there were manual adjustments to the credit or interest during a period, the displayed amounts reflect those adjustments. These fields also indicate what portion of the credit or interest was due to an adjustment.

End Balance Displays the accumulation as of the end of the period.

Viewing Employee Account Results

Access the Calculation Results - Emp Acct Results page.



Calculation Results - Employee Account page

Note. If you produced detailed results for the calculation, this page displays the periodic accumulations.

Employee Account

Accumulation Amount Displays the final value for the account as of the event date.

Reviewing Period-by-Period Activity

Begin/End Date	If the employee had a startup balance from the time that you loaded data into PeopleSoft Pension Administration, the first period begins and ends on the startup *as of* date. This period has no current period data, only ending balances in the total columns.
Int Rate (interest rate)	Displays the interest rate applied to the prior period balance.
Pre-tax Credit/Interest and **Post-tax Credit/Interest**	Display the pre-tax and post-tax credits applied to the account during the current period and the interest earned by each. The first value in each column is the credit; the second is the interest. *Post-tax interest* is just interest on post-tax contributions; the interest itself hasn't yet been taxed. If there were manual adjustments during a period, the current period data displayed reflects those adjustments.
Total Pre-tax Credit/Interest and **Total Post-tax Credit/Interest**	Displays the same information as the **Pre-tax Credit/Interest** and **Post-tax Credit/Interest** fields, but rather than displaying only credits and interest for current period, these fields display the running balances.
Purchasable Service	Displays the service that an employee can receive if the employee repays previously withdrawn contributions or sets up a service purchase arrangement. The value is zero until either a contribution withdrawal or service purchase arrangement establishes an initial amount of purchasable service. As the service is restored, which can be all at once or gradually, the purchasable service amount is reduced. For example, if Lucia withdraws $2000 of contributions and thus forfeits three years of service, the withdrawal account has 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 displays zero purchasable service. For a service purchase arrangement, a plan administrator must establish the initial amount of purchasable service and enter it (and the dollar amount necessary to purchase the service) in Employee Account Adjustments.
Purchased Service	Displays service that was restored during the period, as defined by the **Begin/End Date** field.

Purchasable Service Adjustment

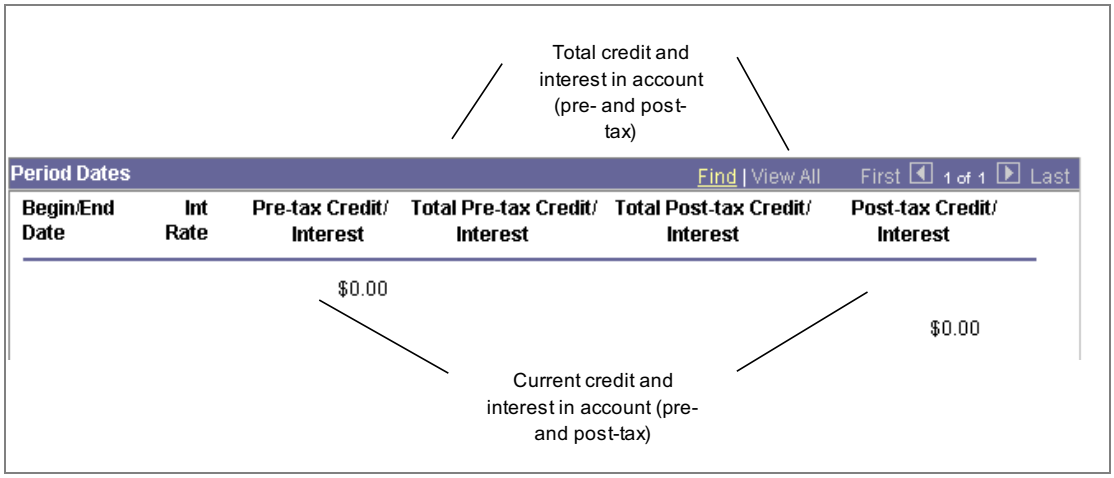
Displays manual adjustments to purchasable service *during the period.* For example, if you set up a service purchase process incorrectly and have to change the amount of purchasable service, you enter a manual adjustment on the Employee Account Adjustments page. During the next periodic processing, the purchasable service is adjusted by that amount, and the results for the period include both the adjustment amount in this field and the adjusted amount in the **Purchasable Service** field.

Note. The service fields on this page apply only 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.

Reviewing Service Buy Back and Purchase Activity

Sometimes activity in an employee account affects service. This happens in one of three ways:

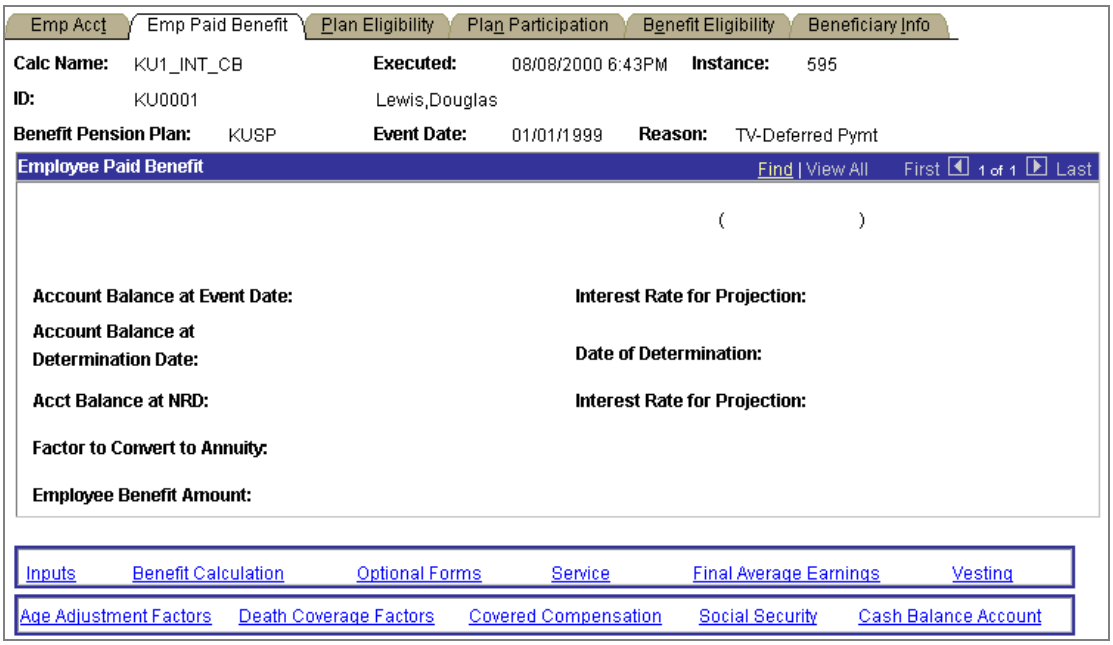
- Employees withdraw contributions and forfeit the corresponding service. This typically occurs at termination.
- Employees repay the withdrawn contributions and *buy back* the service originally forfeited. This typically occurs after a rehire.
- Employees make contributions for times when they weren't 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 might also allow service purchase for time spent on military leave or other qualified leaves.



Current period activity and up-to-date account balances

Viewing Employee-Paid Benefit Results

Access the Calculation Results - Emp Paid Benefit page.



Calculation Results - Employee Paid Benefit page

Account Balance at Event Date Displays the value of the contributions, plus interest, as of the event date.

Interest Rate for Projection Indicates how the employee contributory balance was projected from the event date to the determination date.

Account Balance at Determination Date Displays the value as of the date for refunding contributions—typically, the benefit commencement date or the lump sum date from the calculation inputs.

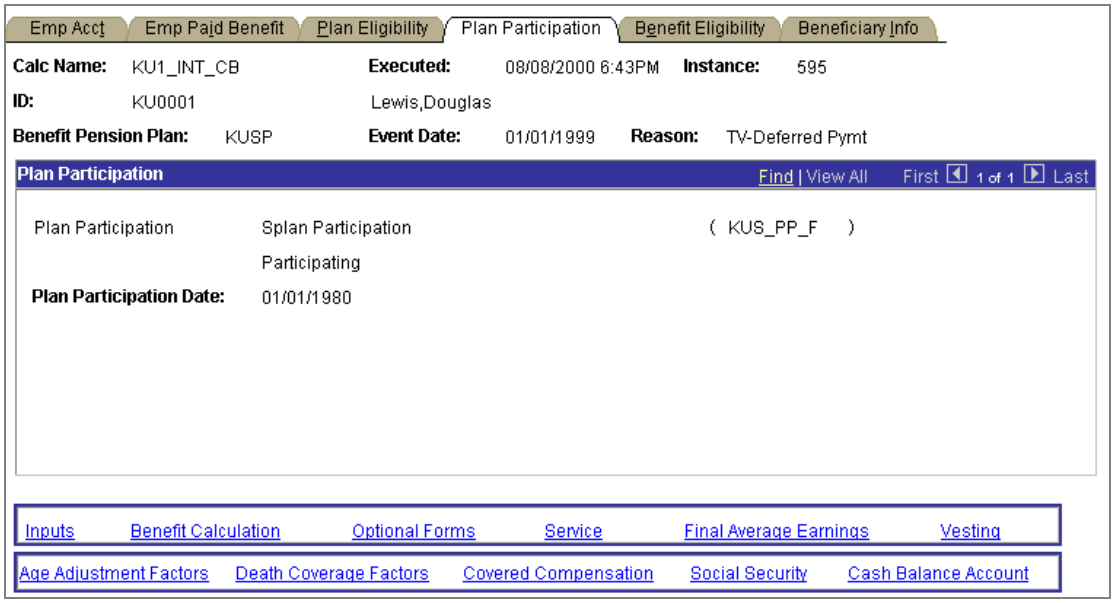
Interest Rate for Projection Displays the rate used to project the account balance from the date of determination to normal retirement date.

Factor to Convert to Annuity Displays 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 Displays 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.

Viewing Plan Participation Results

Access the Calculation Results - Plan Participation page.



Calculation Results - Plan Participation page

Note. If the employee isn't participating in the plan, the calculation stops after running the participation calculation.

Plan Participation Date

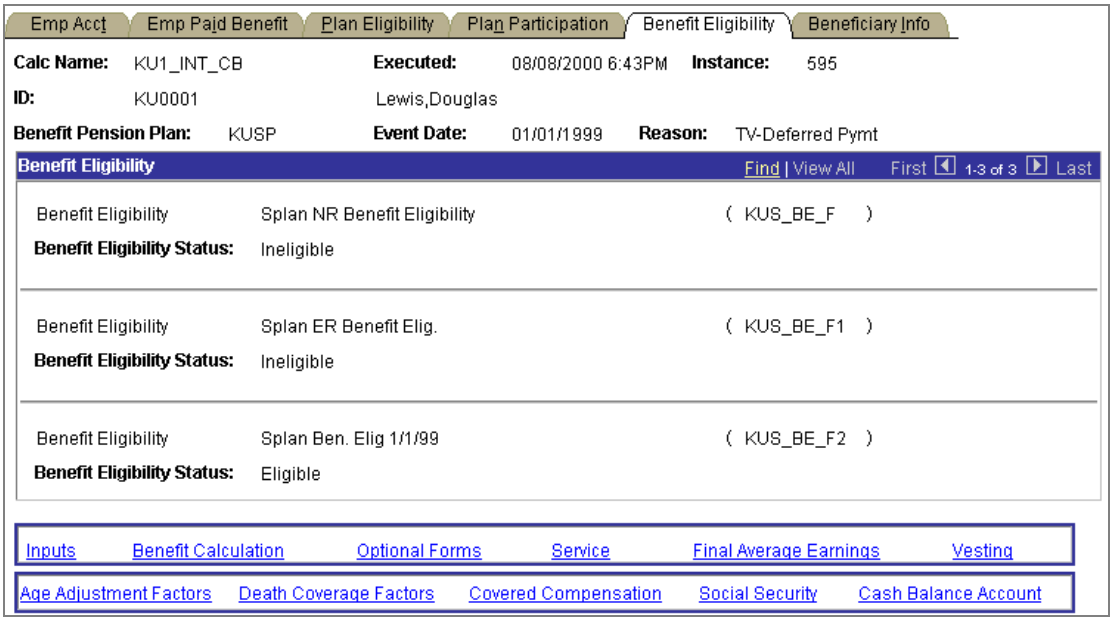
Indicates when the employee became a participant or, for calculations with projections, when the employee is expected to become a participant.

When participation is based on age, the participation date is the same day the employee attains the specified age, subject to date adjustments that 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 checks the service history, finds the period when the employee attained the specified service amount, then uses *the first day of the next period.* The accuracy of this date depends on how you set up your service requirement.

Viewing Benefit Eligibility Results

Access the Calculation Results - Benefit Eligibility page.



Calculation Results - Benefit Eligibility page

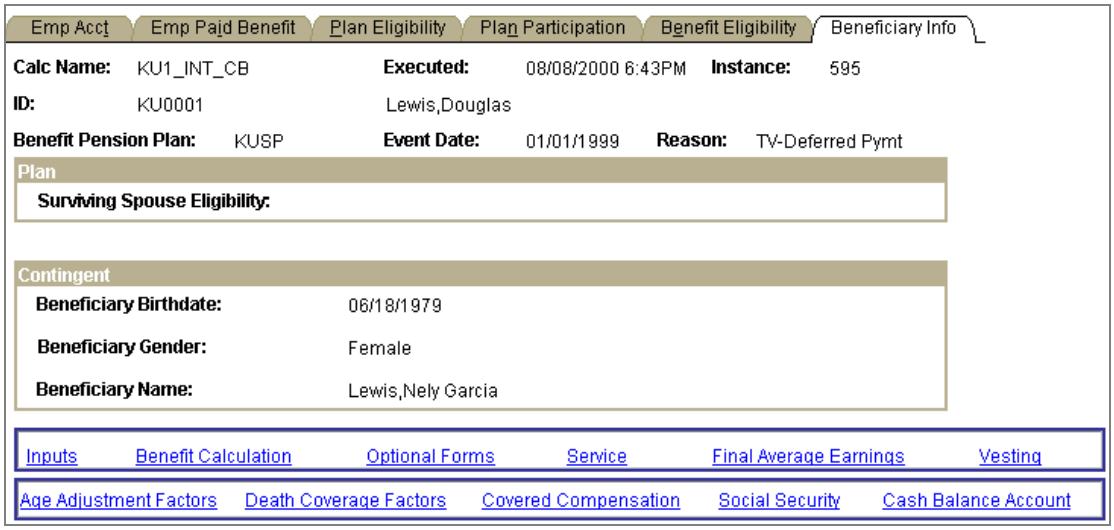
Benefit Eligibility Status Indicates whether the employee is ***Eligible*** or ***Ineligible*** for the retirement type.

Depending on how you set up your calculation rules, this can be the eligibility status as of the event date or 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.

Viewing Beneficiary Information

Access the Calculation Results - Beneficiary Info page.



Calculation Results - Beneficiary Info page

Surviving Spouse Eligibility If the plan offers an automatic spouse benefit, this field indicates whether the employee and spouse met the plan's criteria to be eligible for the automatic benefit.

Beneficiary Birthdate, Beneficiary Gender, and **Beneficiary Name** If the employee has a nonspouse beneficiary, these fields display information about that beneficiary.

The calculation parameters include override fields for all of these fields except for the beneficiary's name. The values on this page display the information that the calculation used, regardless of the data source.

CHAPTER 48

Viewing Employee Data

This chapter tells you how to view:

- Personal and beneficiary data.
- Job history.
- Plan-related information.
- Service buy back and purchase information.

See Also

"Maintaining Employee Pension Data"

Viewing Personal and Beneficiary Data

PeopleSoft delivers these pages read-only under the assumption that you maintain this data through your human resources department, rather than through your pension organization. To make these pages available for updates, use the Security features.

Beneficiaries and Qualified Domestic Relations Order (QDRO) alternate payees first appear in the system through the Dependent/Beneficiary Table; their personal data records are initially derived from their Dependent/Beneficiary records.

This section discusses how to view:

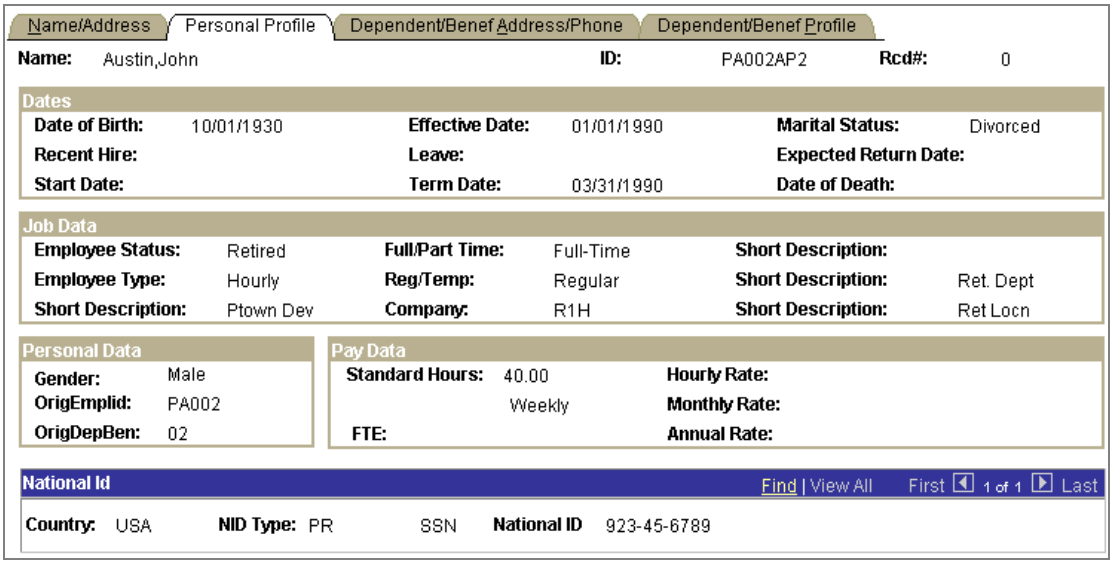
- Employee addresses and phone numbers.
- Current job data, personal data, and pay data.
- Dependent and beneficiary addresses and phone numbers.
- Personal information about each dependent.

Pages Used to View Personal and Beneficiary Data

Page Name	*Object Name*	*Navigation*	*Usage*
Employee Information - Address	PERSONAL_DATA1B	Compensate Employees, Administer Pension Plan, Inquire, Employee Information, Name/Address	View employees' addresses and phone numbers.
Employee Information - Personal Profile	PA_PERS_DATA2	Compensate Employees, Administer Pension Plan, Inquire, Employee Information, Personal Profile	View important dates in an employee's work history and current job data, personal data, and pay data.
Employee Information – Depend Benef Addr (employee information - dependent and beneficiary address)	DEPEND_BENEF_ADDR	Compensate Employees, Administer Pension Plan, Inquire, Employee Information, Depend Benef Addr	View the address and phone number for each of the employee's dependents and beneficiaries. Also view each beneficiary's type, and each dependent's relation to the employee. This is a key field for pension calculations when determining if an employee is married.
Employee Information - Dependent/Benef Profile (employee information - dependent and beneficiary profile)	PA_DEPEND_BENEF2	Compensate Employees, Administer Pension Plan, Inquire, Employee Information, Dependent/Benef Profile	View personal information about each dependent.

Viewing Employee Addresses and Phone Numbers

Access the Employee Information - Personal Profile page.



Employee Information - Personal Profile page

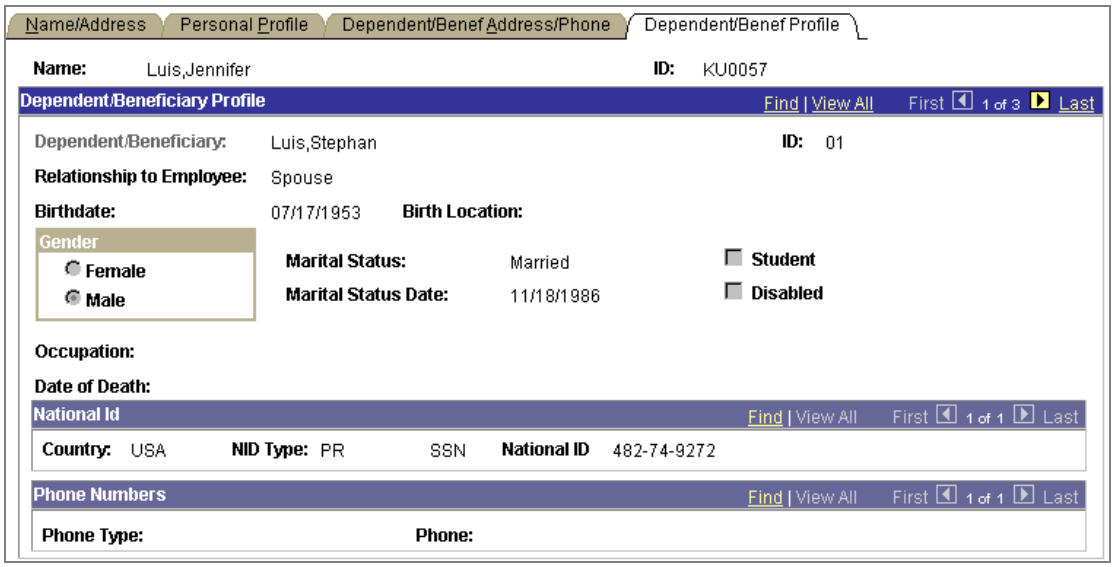
The system uses the fields **OrigEmplid** (original employee identification) and **OrigDepBen** (original dependent or beneficiary identification) only for beneficiaries and alternate payees. These people aren't employees, but have gained an interest in a pension benefit through a spouse or former spouse who is a plan participant. For example, an employee worked for your company, and because of a divorce settlement, her former husband is now entitled to a portion of her benefit.

OrigEmplid — Displays the original employee's employee ID. This employee's dependent/beneficiary first appeared in the system in the employee's Dependent/Beneficiary Table (this is necessary for you to have created the personal data record).

OrigDepBen — Displays the dependent/beneficiary number of this dependent/beneficiary.

Viewing Current Job Data, Personal Data, and Pay Data

Access the Employee Information - Dependent/Benef Profile page.



Employee Information - Dependent/Benef Profile page

Relationship to Employee and **Birthdate**

For pension calculations, the relationship to employee is critical data. For the spouse or other pension beneficiary, the birth data is critical data.

The relationship displayed here isn't associated with 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

Gender might also be important if you must 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 to access a record of the changing values.

If an employee has multiple jobs, you can see data for any of those jobs. However, the pension calculation uses data from Job Rcd# (record number) 0 only.

This section discusses how to view:

- Salary rate history.
- Employee type history.
- Action and reason history.

Pages Used to View Job History

Page Name	*Object Name*	*Navigation*	*Usage*
Job History - Salary Rate History	PA_SAL_RATE_HIST	Compensate Employees, Administer Pension Plan, Inquire, Job History, Salary Rate History	View a complete history of the employee's compensation rate: hourly, monthly, and annual amounts. Also view the employee type, full-time or part-time status, and standard hours effective at the time. This page displays one row for each salary change in the Job record.
Job History - Employee Type History	PA_EMPL_TYPE_HIST	Compensate Employees, Administer Pension Plan, Inquire, Job History, Employee Type History	View a chronological history of the employee's salaried or hourly status, full-time or part-time status, and regular or temporary status. This page displays multiple rows only if there have been changes to the status.
Job History - Action/Reason History	PA_ACT_REASON_HIST	Compensate Employees, Administer Pension Plan, Inquire, Job History, Action/Reason History	View the events recorded in the Action/Reason fields in the employee's Job record. This page displays one row for each effective date in the Job record. Not all events are relevant to pension.

Viewing Plan-Related Information

Use the Plan History component to display data calculated by PeopleSoft Pension Administration during periodic processing or loaded into the system at implementation time.

You cannot edit these pages. If you must adjust cash balance or employee accounts, use the adjustment pages under Employee Plan Data.

This section discusses how to view:

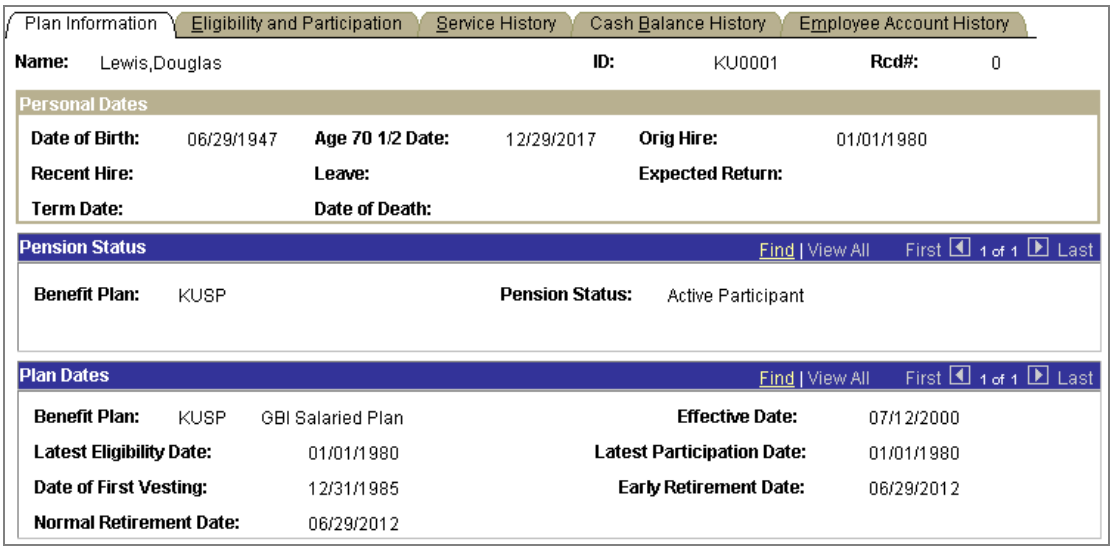
- Plan information.
- Eligibility and participation information.
- Service history.
- Cash balance history.
- Employee account history.

Pages Used to View Plan-Related Information

Page Name	*Object Name*	*Navigation*	*Usage*
Plan History - Plan Information	PA_PLAN_INFO	Compensate Employees, Administer Pension Plan, Inquire, Plan History, Plan Information	View significant dates in a participant's employment history and projected dates for retirement eligibility.
Plan History - Eligibility and Participation	PA_ELIG_PART_HIST	Compensate Employees, Administer Pension Plan, Inquire, Plan History, Eligibility and Participation	View a history of the employee's changing eligibility and participation statuses.
Plan History - Service History	PA_SVC_HIST	Compensate Employees, Administer Pension Plan, Inquire, Plan History, Service History	View the employee's service history, period-by-period.
Plan History - Cash Balance History	PA_CASH_BAL_HIST	Compensate Employees, Administer Pension Plan, Inquire, Plan History, Cash Balance History	View the period-by-period credits given to the employee under a cash balance plan.
Plan History - Employee Account History	PA_CONTR_HIST	Compensate Employees, Administer Pension Plan, Inquire, Plan History, Employee Account History	View the period-by-period contributions and interest credited to an employee's account under a contributory plan.

Viewing Plan Information

Access the Plan History - Plan Information page.



Plan History - Plan Information page

Personal Dates

Age 70-1/2 Date Displays the date on which pension payments must begin, unless the employee hasn't yet retired.

Term Date Displays the most recent term date, if the employee is no longer at the company.

Plan Dates

This group box enables you to scroll through each benefit plan for which the system has data. The dates are set during periodic processing.

Last Update Displays the date on which you ran the periodic process that calculated the other dates.

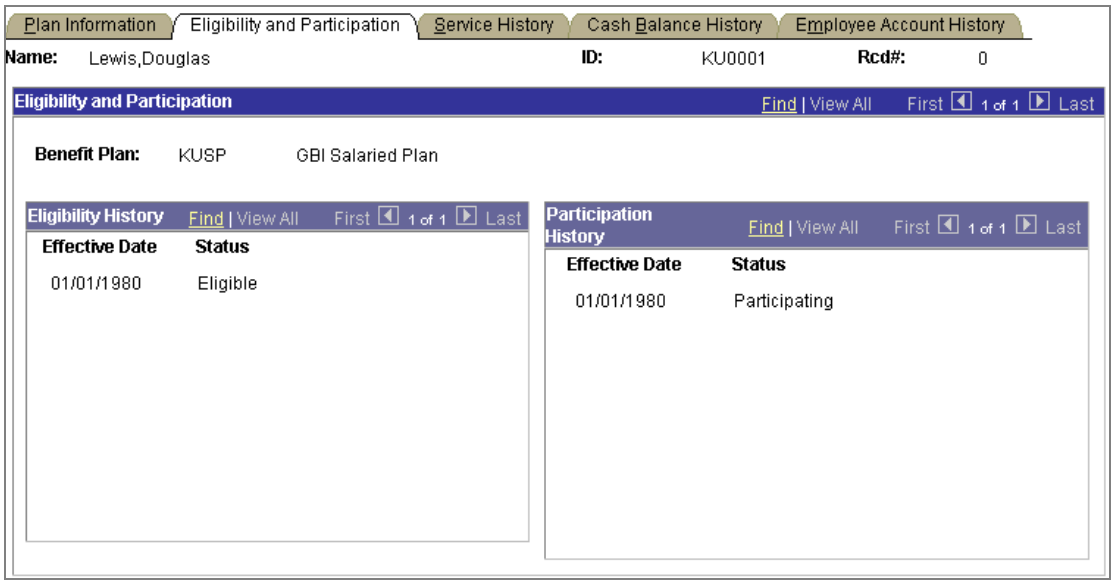
Date of First Vesting and **Normal Retirement Date** These dates are calculated as defined in Plan Date Aliases.

See Also

"Using Date Aliases and Date Options"

Viewing Eligibility and Participation Information

Access the Plan History - Eligibility and Participation page.



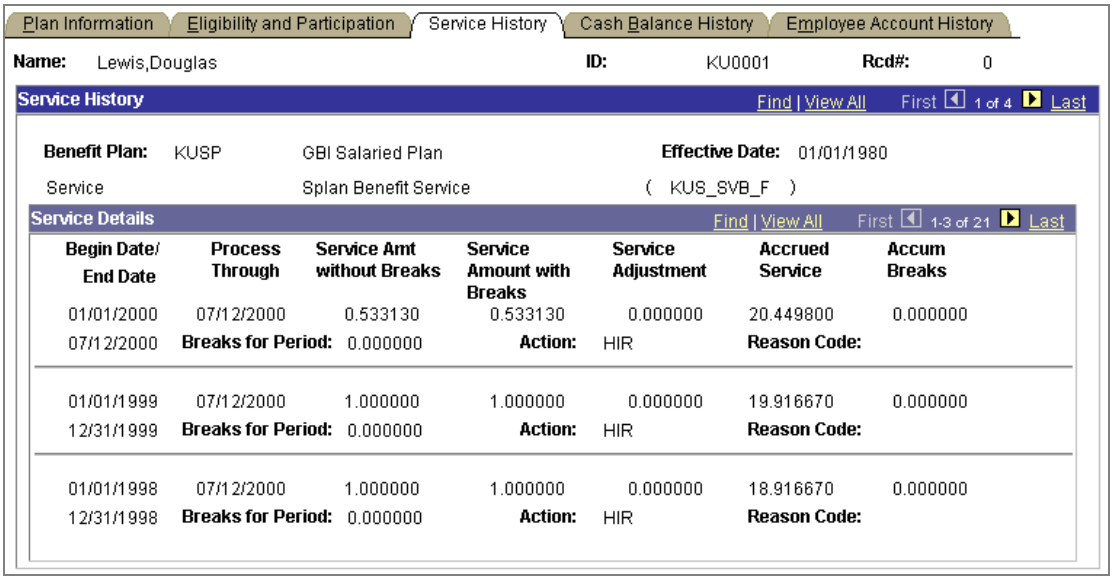
Plan History - Eligibility and Participation page

Eligibility History Displays the eligibility history when employees move in and out of eligibility.

Participation History Displays a single row. If a participant with an accrued benefit leaves the company or becomes ineligible to accrue additional benefits, that person is still owed a benefit and is still considered a plan participant—an inactive one. Because participation requirements are typically age and service, employees can't lose their participation status except by losing prerequisite service credit.

Viewing Service History

Access the Plan History - Service History page.



Plan History - Service History page

Effective Date Displays the date of hire or, if you've entered startup service data, the startup *as of* date. The effective date identifies the rules used to generate the history. If the plan uses several sets of service rules, scroll to see each one.

Benefit Plan Displays the benefit plan, which identifies the rules used to generate the history.

Service Displays the name and description of the Service component, which identify the rules used to generate the history.

Process Through Indicates when you ran the periodic processing job that calculated the service history.

Service without Breaks Indicates how much service the employee earned during that period based on the service definition only.

Breaks for Period Indicates whether the period counted toward a break in service.

Service with Breaks Indicates how much of the original service for the period is used, after considering break rules and other reasons for forfeiture.

Service Adjustment Indicates adjustments on 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.

Service Accrued — Indicates 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.

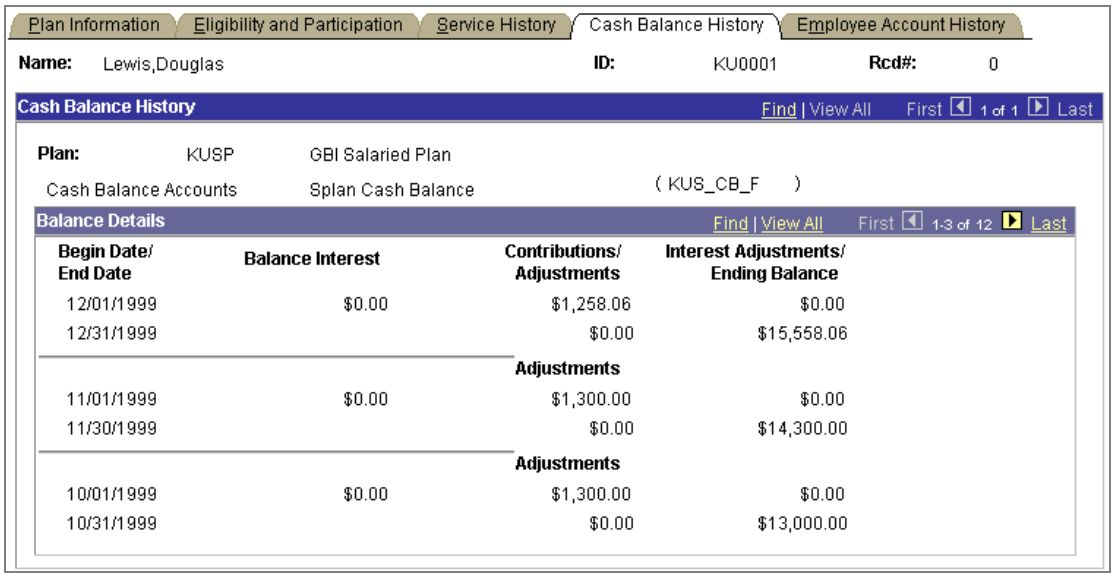
Accum Breaks (accumulated breaks) — Indicates how many consecutive break periods the employee has accumulated.

See Also

"Administering Contributory Plans"

Viewing Cash Balance History

Access the Plan History - Cash Balance History page.



Plan History - Cash Balance History page

Plan and **Cash Balance Accounts** — Displays the plan and the name and description of the cash balance account, both of which identify the rules used to generate the history. If the plan maintains multiple accounts in a plan, scroll to see each one.

Begin Date/End Date — The history includes only complete periods; partial period credits applied during a calculation don't become part of the permanent history.

Balance Interest — Displays the total earned during the period (the sum of interest on the prior balance and interest on contributions made during the period).

Contributions/Adjustments and **Interest Adjustments/Ending Balance**

Contributions displays the noninterest credits applied to the account during the period.

Adjustments and **Interest Adjustments** display additional credits and interest that should be applied during the period based on manual adjustments on the Employee Plan Data – Cash Bal Adjustments page.

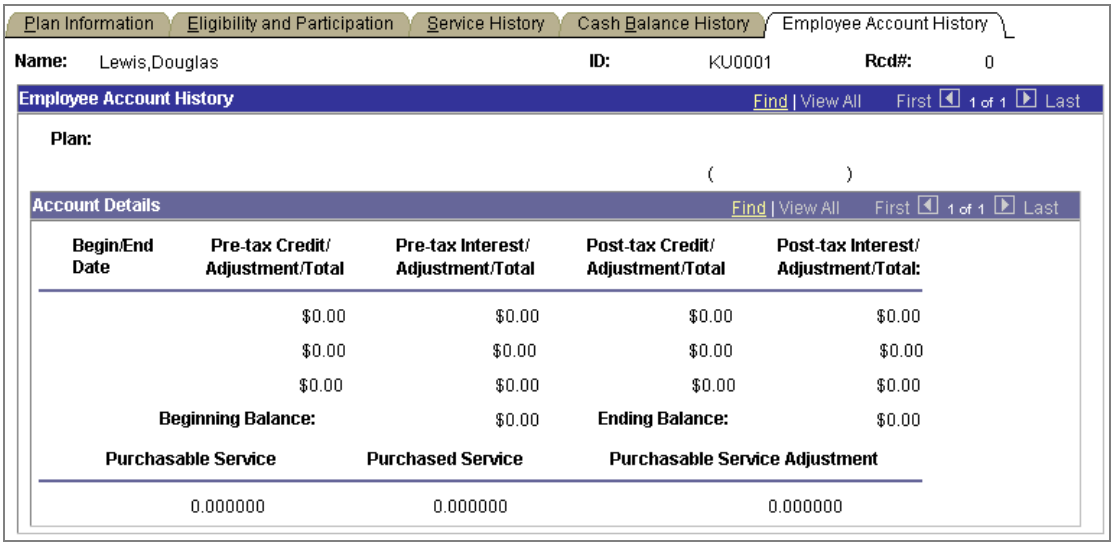
Ending Balance displays the total accumulation as of the end of the period. This is the total of the ending balance from the prior period and all additional amounts credited during the current period.

See Also

"Maintaining Employee Pension Data," Maintaining Employee Plan Data

Viewing Employee Account History

Access the Plan History - Employee Account History page.



Plan History - Employee Account History page

Plan and **Employee Accounts**

Displays the plan and the name and description of the employee account, both of which identify the rules used to generate the history. If you maintain multiple balances in a plan, scroll to see each one. For example, if you offer service buy back or service purchase programs, track activity through withdrawal, repayment, and purchase subaccounts that roll up to the plan's main employee contributory account. In this case, scroll to see the activity in each of the different accounts and subaccounts.

Begin/End Date

When you run periodic processes, the Employee Accounts function applies contributions and interest for complete accumulation periods only. Therefore, there is no *process through* date. When you run a calculation, partial period credits are applied, but those results don't become part of the permanent history.

Note. Do not process employee accounts beyond the event date; if you do so, the post-event date accruals are included in the calculations final account balance, which is meant to be the balance at the event date.

The account keeps separate accumulations for pre-tax and post-tax contributions. Each accumulation tracks contributions (also called credits), interest, and adjustments to the contributions or interest.

Warning! With this scheme, *post-tax interest* is interest on post-tax contributions; the interest itself hasn't yet been taxed.

Pre-Tax Credit/Adjustment/Total, Pre-Tax Interest/Adjustment/Total, Post-tax Credit/Adjustment/Total and **Post-Tax Interest/Adjustment/Total**

The first value in each column is the credit or interest for the period. The second value in the column displays the portion of the credit determined by adjustments. Adjustment can come from two 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 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 displays the running balance after adding credits for the period to the prior balance.

Note. In a Withdrawal subaccount, amounts withdrawn appear as negative values. As the employee repays the contributions, the negative balance approaches zero. Service Purchase subaccounts display a negative balance to show the amount that the employee needs to pay into the plan. However, in this case, the initial debt is based on the plan administrator's determination of the price of the service being purchased.

Beginning Balance and **Ending Balance**

Display the total value of the account (the sum of all pre-tax and post-tax contributions and interest).

See Also

"Maintaining Employee Pension Data," Maintaining Employee Plan Data

Viewing Service Buy Back and Purchase Information

Sometimes activity in an employee account affects 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 might also enable service purchase for time spent on military leave or other qualified leaves.

The bottom of the page contains three fields for tracking the effect of the employee account activity on service.

Note. The service fields on this page apply only 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

Displays the service that an employee can get if the employee repays previously withdrawn contributions or sets up a service purchase arrangement. The value is the remaining amount of purchasable service at the end of the period. The value is zero until either a contribution, withdrawal, or service purchase arrangement establishes an initial amount of purchasable service. As the service is restored, which can be all at once or gradually, the purchasable service amount is reduced.

For example, if Lucia withdraws $2000 of contributions and thus forfeits three years of service, the withdrawal account has 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 displays zero purchasable service.

For a service purchase arrangement, a plan administrator must establish the initial amount of purchasable service and enter it (and the dollar amount necessary to purchase the service) by selecting Employee Account Adjustments.

Purchased Service

Displays the service that was restored during the period, as defined by the **Begin/End Date** fields.

Purchasable Service

Displays manual adjustments made to purchasable service during the period. For example, if you set up a service

Adjustment purchase program incorrectly and must change the amount of purchasable service, enter a manual adjustment on the Employee Account Adjustments page. During the next periodic processing, the purchasable service is adjusted by that amount, and the results for the period display both the adjustment amount in this field and the adjusted amount in the **Purchasable Service** field.

See Also

"Maintaining Employee Pension Data," Maintaining Employee Plan Data.

CHAPTER 49

Loading Employee Data

This chapter tells you how to:

- Plan your data conversion.
- Load personal and job data.
- Load payroll data.
- Load service data.
- Load account data.
- Move data to a stand-alone system.

Note. To use the system, you must load historical data from an employee's entire career into PeopleSoft tables, even if you're already using PeopleSoft HRMS.

Planning Your Data Conversion

You must move two types of historical employee data into PeopleSoft Pension Administration:

- General information that isn't specific to a pension plan, including descriptive data about employees, their job histories, and their beneficiaries.
- Plan-specific information that consists of values for plan components calculated according to 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 plan and function result.

Payroll data can go into either category. If you load raw payroll information (such as earnings, hours, and contributions), PeopleSoft Pension Administration can consolidate that data using consolidation rules that you define. Alternatively, you can load data that you've already consolidated.

This section provides an overview of history and discusses how to:

- Protect history data.
- Identify the data that you need.

Understanding History

History is 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

View and modify consolidation histories on the Consolidations page.

View history for accrual functions (service, cash balance accounts, and employee accounts) on the Plan History pages.

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 date that you specify. History data is always loaded into tables specific to a function. Startup balances are always loaded into the PA _STRTUP_HISTO Table.

See Also

"Maintaining Employee Pension Data"

"Viewing Employee Data"

Protecting History Data

Periodic processing has two modes: Normal mode and Delete and Rebuild mode. In Normal mode, the system adds new history 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 discover a problem with your calculation rules, you can correct the rules and recalculate everything at once.

However, Delete and Rebuild mode is also risky. If you load history data as part of your data conversion, the system doesn't have the source data to replace those rows. For example, in Delete and Rebuild mode, if you load consolidated earnings but not the raw payroll data that was the source for the consolidated data, the system removes the consolidated data and cannot re-create it because of the missing source data.

Warning! If you load history for a function, take security measures to ensure that people 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 ongoing events affect past service accruals. For example, previously accrued service can be forfeited after a break in service. 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 disappears the first time that you run the Service function during periodic processing. The lack of a complete job history compromises the system's ability to produce accurate service information.

Identifying the Data That You Need

Raw payroll data is used in consolidated data. Consolidated data is used in 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 is redundant. Similarly, loading both consolidated contributions history and a startup balance for Employee Accounts is redundant: the system never uses the consolidated contributions information before the as of date for the Employee Accounts starting balance.

When planning your data conversion, you can decide 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 the two.

When you use consolidated earnings for final average earnings or social security, you can't use startup balances. In these cases, you must use raw payroll data or consolidated data.

Loading Personal and Job Data

Personal and job data that is unrelated to a plan belongs in PeopleSoft Human Resources and PeopleSoft Human Resources Base Benefits business process records.

Conduct your own analysis to determine that data that your plans require. You might use the following tables:

Table	*Notable Fields*	*Comments*
PERSONAL_DATA	Employee ID, Name, Birth Date, Sex, Marital Status	Assign an employee ID and provide indicative and biographical data. This is the first table that you load because all employee IDs are edited using this table.

Table	*Notable Fields*	*Comments*
JOB	Company, Department, Location, Job, Action/Reason, Employee Type, Employee Status, Employee Class, Regular/Temporary, Compensation Rate	Many of these fields are important for plan eligibility. This data is effective-dated; load historical data for the employee's entire career. The action and reason history is important for calculating service and generating earnings and hours.
DEPENDENT_BENEF	Name, Sex, Relationship to Employee, Spouse's Birth Date	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.
- Already-consolidated data.

The advantage of loading raw data is that the system performs 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 make a correction to your method for consolidating the data.

The system doesn't use raw data during calculations. Data must be consolidated for the system to recognize the information.

If you currently store your payroll data as consolidated amounts, it might be more efficient to load consolidated data.

This section discusses how to:

- Determine how much historical payroll data you need.
- Load raw data.
- Load consolidated dated.

Determining How Much Historical Payroll Data You Need

Load *earnings* data for use with the Final Average Earnings (FAE), Cash Balance Accounts, and Social Security functions.

- For FAE, you must load earnings history only as far back as the FAE function checks. For example, if your FAE definition uses only the final five consecutive earnings periods, load only those periods, or a few more, if there's a possibility that some periods might be ignored.
- For Cash Balance Accounts, if you load a startup balance, don't load earnings history for periods before 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 load a startup service balance, don't load hours data for the periods before the startup as of date.

Load *contributions* data for use with the Employee Accounts function. If you load a startup balance for your employee account, don't load contribution data for the periods before the startup balance as of date.

Loading Raw Data

Raw payroll data resides in two places:

- Payroll tables, which are populated by PeopleSoft Payroll for North America.
- 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 PeopleSoft Payroll for North America, not by PeopleSoft Pension Administration, and they are subject to periodic purging. Instead, load the data into the PeopleSoft Pension Administration clones.

During consolidations, PeopleSoft Pension Administration first checks the PeopleSoft Payroll for North America tables. If those tables don't contain data for the period being consolidated, the system checks the pension clone tables. If the system finds data in the clone tables, it ignores data in the source tables. The system doesn't compare the data in the two tables; after it determines which tables to use, it ignores the others. If neither set of tables contains data, the consolidation displays zero earnings, hours, or contributions for the period.

Periodic processing enables you to copy data from payroll tables to the pension clones for archiving. In PeopleSoft Payroll for North America, you use this process to archive raw data on an ongoing basis.

The data that you need depends on your consolidation definition. For example, if you consolidate hours based on W-2 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 might load consolidated amounts. In this case, 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 might create. The following tables contain consolidated data:

Consolidation	*Table*
Earnings	PA_CONS_ARRAY
Hours	PA_CONS_HRS_AY
Contributions	PA_CONS_DED_AY

Note. As you load consolidated data, the period start and end dates should reflect full periods. For example, if you consolidate by calendar year, the first row for an employee hired in 1991 is 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 that is active.

Loading Service Data

Periodic processing normally adds to existing history data. The Service function is unique because it rebuilds the employee's entire history every time it is processed.

Because of this, *never* load service history as part of your data conversion. You can:

- Load the job history and 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:

- Startup amount.
- As of date.

The as of date is critical because the Service function calculates service only from that date forward. The system adds the startup amount 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 must not be earlier than the employee's hire date. Otherwise, the system checks for data for the time period between the startup date and the hire date, and, if no data is available, generates an error.

Warning! Don't load service history during your data conversion; periodic processing deletes it.

Loading Account Data

Cash balance accounts are based on consolidated earnings. Employee accounts are based on consolidated contributions. To load account accruals, you can:

- Load the raw payroll earnings or contribution data. The system consolidates the data and uses the consolidations to build the account.
- Load consolidated earnings or contribution data.
- Load startup balances for the accounts.

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, 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 must not have a start date before the initial hire date. For example, if an employee is hired on July 15, 1991, this is 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, enter a total accumulation and a startup date. You can also provide a credit and interest breakdown of the amount to use as the basis for the running subtotals that the function keeps. For employee accounts, also enter the pre-tax and post-tax breakdown.

As you load account histories, remember:

- If an employee enters the plan in the middle of the period, the period begin date is the plan entry date. For example, if the period is a calendar year and Rose enters the plan on July 1, 1991, the period begin date is July 1, 1991.
- The history must be uninterrupted. Even after an employee leaves the plan, there are rows with interest credits only.

Moving Data to a Stand-Alone System

When you use PeopleSoft HRMS, 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 modify the database and must retrieve data from a field that you created, a database alias can retrieve that information.

When you use PeopleSoft Pension Administration as a stand-alone system, you are also install portions of other PeopleSoft applications. Tables and pages for PeopleSoft Human Resources, PeopleSoft Benefits Administration, and PeopleSoft Payroll for North America systems are included in the stand-alone PeopleSoft Pension Administration. However, you don't have the processing modules for these applications. Although you can store and retrieve data, you don't have other functionality offered in these applications.

If you use PeopleSoft Pension Administration as a stand-alone system, you probably have another human resources system. You must transfer data from that system to the PeopleSoft HRMS tables. Although everyone should transfer certain information, such as date of birth and date of hire, most of the data that you transfer depends on the data needed for your plan.

Load external data at the time you run a calculation to ensure that the most current data is available. To load external data for every employee and every calculation, put a user code module directly into your calculation job flow. If you must load external data only occasionally, use the check box on the calculation page to indicate whether to run the Load process.

Alternatively, you can periodically transfer data to PeopleSoft Pension Administration so that you don't have to load data at calculation time.

CHAPTER 50

Configuring Calculations

This section provides an overview of calculation configuration and tells you how to:

- Call user codes.
- Configure individual user code modules.

Understanding Calculation Configuration

PeopleSoft Pension Administration provides a flexible and comprehensive set of calculation options. However, you might need to configure calculation components to exactly conform to your plan rules.

Although configurations enable you to control the system, they can complicate system maintenance, particularly upgrades. Any time that you receive new code from PeopleSoft, you must ensure that the new code doesn't overlay the configurations that you've instituted.

Because of the potential maintenance issues, the best way to manage your configuration is to isolate your custom code. You must still analyze the effect of PeopleSoft code changes on your configured code, but keeping the PeopleSoft code and your custom code separate makes it easier to reapply configurations after an upgrade.

To help you isolate your modifications, PeopleSoft provides clearly marked *user code* exit points on many of the system's parameter pages. Each of these represents a specifically defined portion of one of the system's delivered functions. When you select the user code option, the calculation runs the configured COBOL module that derives the expected value.

Note. This section discusses user code modules that are associated with the system's core functions. You can also create user code modules that aren't associated with core functions. To incorporate these independent user code modules into the calculation, enter them directly on the Plan Implementation page.

This section provides overviews of:

- User code executables.
- User code module names.

Understanding User Code Executables

Each component that offers user code options is associated with a single user code executable. The exception is that all service and break components share a single executable. The system predefines the executable name for a component. All custom processing for a function belongs in the module associated with that function.

To set up multiple definitions with separate modifications, ensure that your code includes logic that checks the definition name to determine the appropriate processing.

If a function has multiple user code points, 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 must pass back the appropriate values based on the user code options that are selected.

Understanding User Code Module Names

A calculation calls 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 in 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 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.
- Human Resources (HR) Action and Reason Categories.

Calling User Code

Several functions have parameters that you can mark for custom processing by selecting User Code in the Zero Options field for a portion of the calculation.

Anywhere that User Code appears as an option, select it to have the system run your configured code to perform that part of the processing.

Two user code options are different:

- On 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 a custom core function that you develop yourself. Set up this type of user code to access values from earlier in the job stream. 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 Setup Pension Calculation component, a check box for loading external employee data is a user code option, because you must write your own data loading procedure.

See Also

"Creating the Plan Implementation and Plan Aliases," Creating a Plan Implementation

"Calculating Pension Benefits"

Configuring Individual User Code Modules

Although each function uses only one user code module, that code can cover many different situations. Sometimes, the code completes all of the processing without referencing parameters. Sometimes, the code performs one small part of the processing and provides a method or an intermediate value for the function.

PeopleSoft Pension Administration expects that the modules perform processing only for the user code options that are selected on the parameter pages.

This section covers system components that have user code options on the parameter pages, including what the function expects the user code to produce for each selected user code option. This summary is organized by function and page.

Configuring 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 and reason.

Hours Equivalence Rules

This page appears only for hours equivalence definitions.

User Code Option	*Description*
Hours Equivalence Type and Customized Equivalence Rules	Returns the number of hours in the period.

See Also

"Counting Periods of Service," Setting Up Elapsed Time Service and Setting Up Hours Counting Service and Setting Up Hours Equivalence Service

Configuring Break

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 and Elapsed Time	Returns Y (service is restored) or N.

See Also

"Defining Service and Break Rules"

Configuring Vesting

Vesting Schedule Page

User Code Option	*Description*
Schedule Type	Returns a vesting percentage for the 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 Y or N. If the value is Y, the final vesting is 100%.
Forfeiture Conditions	Returns Y or N. If the value is N, the final vesting is 0%.

See Also

"Defining Vesting Rules"

Configuring Final Average Earnings

Parameters 2 of 2 Page

User Code Option	*Description*
Partial Period Options and Final Period Options	Return two parameters for each partial period in the history: Y or N to determine if the period is included in the total. If the value is Y, returns an earnings amount.
Limit Options - Before Averaging	Returns a limited amount for each period in the history.
Limit Options - While Averaging and Short Service Options	Return a final average earnings amount.
Zeros	Returns an earnings amount for each zero period in the history.

See Also

"Defining Final Average Earnings"

Configuring 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 minimums, maximums, or partial period rules.
Step Rate Threshold	Returns an earnings amount.
Subject to Minimum	Returns a minimum credit amount that is applied to each period.
Subject to Maximum	Returns a maximum credit amount that is 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.

See Also

"Defining Cash Balance Accounts"

Configuring Early and Late Adjustments

Parameters Page

User Code Option	*Description*
Subadjustment Method	Returns the adjustment factor. Can use or disregard the employee and beneficiary from and to ages on the following page.

Actuarial Equivalence Method Page

User Code Option	*Description*
Employee From Age, Employee To Age, Beneficiary From Age, and Beneficiary To Age	Return 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.

See Also

"Defining Early and Late Retirement Factors"

Configuring Death Coverage

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 uses to determine the factor.

See Also

"Defining Death Coverage Reductions"

Configuring Optional Forms

General Parameters Page

User Code Option	Description
Non-Taxable Amount Calculation	Returns the nontaxable 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.

See Also

"Defining Optional Forms"

Configuring Consolidated Earnings

Generate Earnings Page

User Code Option	Description
Generation Method for Action Reason and Generation Method for Custom Statement	Return an earnings amount for the period. This amount is still subject to minimums or maximums.

Earnings Adjustments Page

User Code Option	Description
Adjustment Method - Term	Returns an earnings amount to replace earnings from term period.
Adjustment Method - Hire	Returns an earnings amount to replace earnings from hire period.

See Also

"Consolidating Payroll Data"

Configuring Consolidated Hours

Generate Hours Page

User Code Option	*Description*
Generation Method for Action Reason and Generation Method for Custom Statement	Return an earnings amount for the period. This amount is still subject to minimums or maximums.

Define Hours Adjustments Page

User Code Option	*Description*
Adjustment Method - Term	Returns an hours amount to replace hours from term period.
Adjustment Method - Hire	Returns an hours amount to replace hours from hire period.

See Also

"Consolidating Payroll Data"

Configuring Duration Options

Calculation Options Page

User Code Option	*Description*
Date Math Method	Uses the two date end points and returns a decimal date. If this option is used on the Duration Definition page, the Duration utility converts this date to the six other formats.

Conversion Options Page

User Code Option	*Definition*
Decimal Conversion Method	Uses a raw duration and returns a decimal value.

See Also

"Using Duration Aliases and Duration Options"

Configuring Date Rounding Options

Date Round Option Page

User Code Option	*Description*
Date Type	Uses the date to which the method is applied (raw or decimal) and returns a rounded value.

See Also

"Using Date Aliases and Date Options"

Configuring Date Conversion Options

Date Conversion Option Page

User Code Option	*Description*
Extract	Returns a custom value based on a raw date.
Conversion Method	Uses the date to which the method is applied (raw or decimal) and returns a converted value.

See Also

"Using Date Aliases and Date Options"

Configuring Actuarial Assumptions

Interest Basis Page

User Code Option	*Description*
Interest Basis	Returns an interest rate.

See Also

"Using Actuarial Assumptions"

Configuring 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.

See Also

"Using Interest Methods"

Configuring 401(a)17 Parameters

401(a)17 Parameters Page

User Code Option	*Description*
Earnings are limited on a: and Carry Back Limits	Returns a limited earnings amount for each period to which the rule is applied.

See Also

"Applying 401(a)(17) Earnings Limits"

CHAPTER 51

Maintaining Employee Pension Data

This chapter tells you how to maintain:

- Pension status codes.
- Employee plan data.
- Consolidated payroll data.
- Employee regulatory data.
- Pension beneficiary data.

Maintaining Pension Status Codes

This section provides an overview of pension status codes and discusses how to review and modify pension status.

Understanding 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. Depending on how you set up your calculation rules, the pension status might be used during a calculation. For example, service might 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: Qualified Domestic Relations Order (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?

Description	*How Maintained*	*Included Statuses*
Active and terminated employees.	Periodic processing assigns codes based on criteria that you define.	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 (for retiree, beneficiary, or QDRO alternate payee) and 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 or beneficiary.

Description	How Maintained	Included Statuses
Participants who have started receiving payments.	The 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 using periodic processing for TDF) at the time that you create the payee records in preparation for the first pension payments.
- If payments are later suspended, the payment process automatically reassigns the deferred benefit status.

See Also

"Running Periodic Processes"

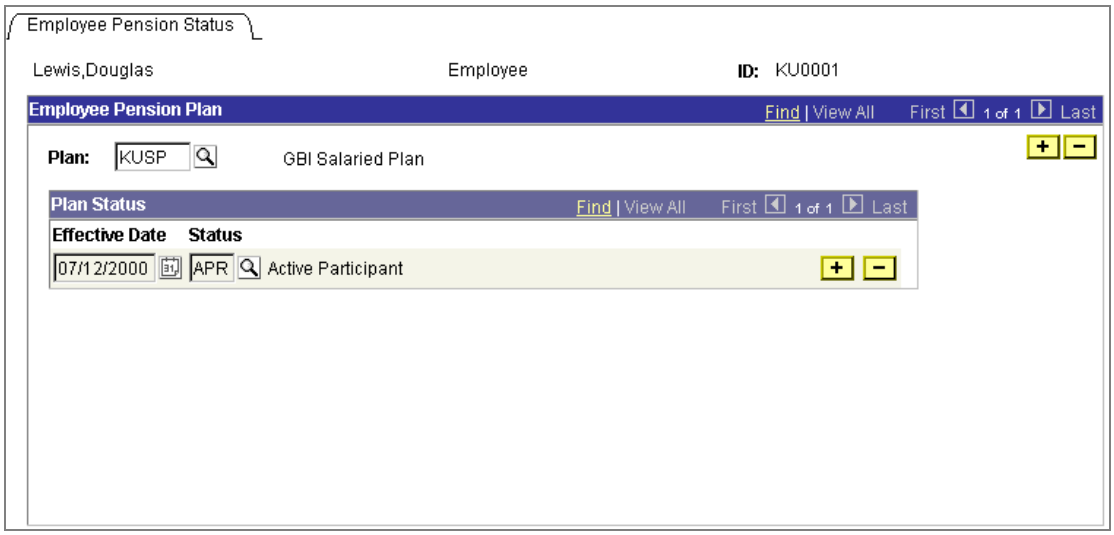
"Making Pension Payments"

Page Used to Maintain Pension Status Codes

Page Name	Object Name	Navigation	Usage
Employee Pension Status	PA_RT_EMP_STAT	Compensate Employees, Administer Pension Plan, Use, Employee Pension Status, Employee Pension Status	Review an employee's pension status history or manually change the pension status when an employee or payee dies or when you're preparing to start payments.

Reviewing and Modifying Pension Status

Access the Employee Pension Status page.



Employee Pension Status page

Status

If an employee or pension payee dies, select either:

- ***XBP: Deceased-With Beneficiary.***
- ***XNB: Deceased-No Benefit/Beneficiary.***

If you're preparing to pay a retiree, beneficiary, or QDRO alternate payee, select one of the following:

- ***RDF: Retired-Deferred Benefit.***
- ***DDF: Disability Retire.***
- ***Deferred.***
- ***BDF: Beneficiary.***
- ***Deferred Benefit.***
- ***QDF: Alt Payee, Deferred Benefit*** (alternate payee, deferred benefit).

See Also

"Establishing Pension Payees," Updating Pension Status

"Administering Pension Payees," Updating the Pension Status

Maintaining Employee Plan Data

This section provides an overview of employee plan data and discusses how to:

- Adjust cash balance accounts.
- Adjust contributory accounts.
- Maintain employee minimum benefit information.
- Adjust calculated service credit.
- View and update startup values.
- Maintain preretirement survivor annuity (PRSA) coverage history.

Understanding 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 entitlements based on participation in a prior plan:
  - Service minimum.
  - Benefit amount minimum
  - Automatic right to participate in a plan.
- If you charge employees for PRSA coverage, track the employee's PRSA coverage elections so that you can accurately calculate the coverage penalty.

Pages Used to Maintain Employee Plan Data

Page Name	*Object Name*	*Navigation*	
Cash Bal Adjustments (cash balance adjustments)	PA_CBAL_TRANS	Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Cash Bal Adjustments	Record manual adjustments to an employee's cash balance account.

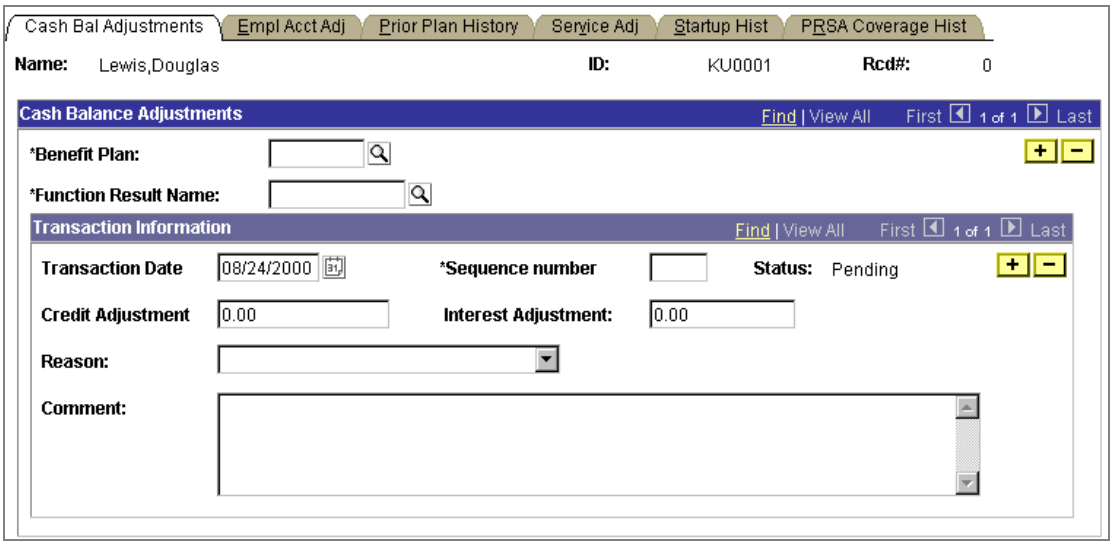
Page Name	*Object Name*	*Navigation*	
Empl Acct Adj (employee accounts adjustments)	PA_EACCT_TRANS	Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Empl Acct Adj	Record manual adjustments to an employee's contributory account.
Prior Plan History	PA_PRIOR_PLAN	Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Prior Plan History	View and maintain information about employee minimum benefits.
Service Adj (service adjustments)	PA_SVC_TRANS	Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Service Adj	Record manual adjustments to an employee's calculated service credit.
Startup Hist (startup history)	PA_START_UP_HIST	Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Startup Hist	View the startup accruals that you loaded and enter or update startup values. However, do so cautiously, because the data needed to recalculate startup values isn't necessarily available.
PRSA Coverage Hist (preretirement survivor annuity coverage history)	PA_PRSA_COV_HIST	Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, PRSA Coverage Hist	Maintain PRSA coverage history.

Common Element Used in This Section

Sequence Number For multiple transactions on one date, give each one a unique sequence number; otherwise, enter ***1.***

Adjusting Cash Balance Accounts

Access the Cash Bal Adjustments (cash balance adjustments) page.



Cash Bal Adjustments page

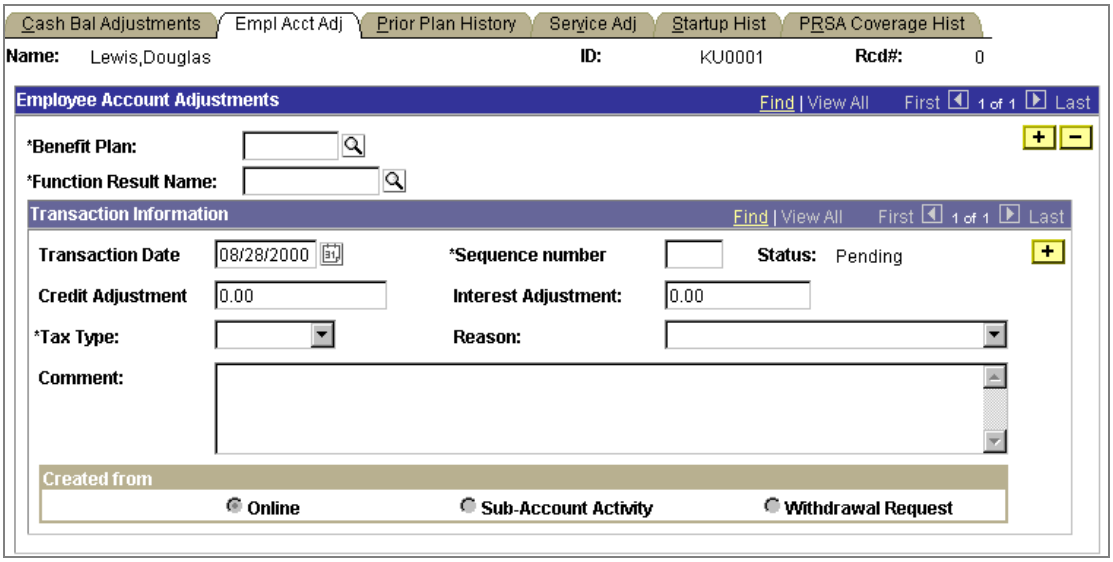
Function Result Name Enter the name of the cash balance account defined in the plan rules in PeopleSoft Pension Administration.

Status Displays ***Pending*** until period processing applies the adjustment to the employee's permanent cash balance account history. Then, the system updates the status to ***Applied.***

Reason The two amounts are both added to the account balance.

Adjusting Contributory Accounts

Access the Empl Acct Adj (employee accounts adjustments) page.



Empl Acct Adj page

The adjustments can include:

- Correcting data problems with employee accounts.
- Establishing the cost and amount of purchasable service for a service purchase arrangement (using separate transactions).
- 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).

Benefit Plan Enter the benefit plan that uses the employee account that you're adjusting.

Function Result Name Enter the name of the employee account defined in the plan rules in PeopleSoft Pension Administration.

Credit Adjustment, Interest Adjustment, and **Tax Type** If you're entering a dollar adjustment (that is, an adjustment for a reason other than Purchasable Service Adjustment), you must specify which of the following four employee account categories should receive the adjustment:

- Pre-tax credits.
- Pre-tax interest.
- Post-tax credits.
- Post-tax interest.

Note. With this scheme, post-tax interest is interest on post-tax contributions. The interest itself hasn't yet been taxed.

Warning! The system uses post-tax interest category to track interest on post-tax contributions. This interest hasn't actually been taxed. Don't apply post-tax payments to post-tax interest category because that amount would become mingled with the system-applied interest and you would have pre-tax and post-tax money in the same category.

Enter credit and interest adjustments for the tax type. If both pre-tax and post-tax amounts exist, enter them as separate adjustments.

Reason ***Credit Adjustment, Interest Adjustment,*** and ***Credit and Interest Adjustment:*** Select one of these options if the adjustment is establishing an initial value for a purchase subaccount, or if the adjustment corrects an error in the data.

Refund with Interest: The system selects this option 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.

Refund, Interest Forfeiture: Select this option if you're manually entering an adjustment for a withdrawal of contribution and you're refunding only the contributions and not the interest.

Repayment with Interest: Select this option if the adjustment reflects a payment to a withdrawal subaccount or purchase subaccount.

Purchasable Service Adjustment: Select this option to establish the amount of service that corresponds to the initial amount in a service purchase account. This is valid for purchase subaccounts only.

Note. When you use a reason of ***Purchasable Service Adjustment,*** you adjust the service amount that is associated with contributions. When you use any other reason, you adjust the actual dollar amount.

Created from

The Employee Account Adjustment page displays three types of adjustments made to account balances. This group box provides the source of the adjustment. The system determines how the adjustment was created. You can't edit these values.

Online — Indicates adjustments 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 must correct the data.

Sub-Account Activity — Indicates adjustments that occur in a plan's main contributory account only. These adjustments are rolled up from subaccounts. If you manually record a payment in a withdrawal account, the corresponding entry in the main contributory account appears as subaccount activity.

Withdrawal Request	Indicates adjustments that occur in withdrawal accounts only. The system automatically generates this type of adjustment when it processes a withdrawal of contributions. When you request a payee contribution withdrawal, you specify a withdrawal account. When you run the payment process, the system enters the appropriate adjustment (either a dollar amount or the entire balance of the main contributory account) as a negative adjustment to the withdrawal account.

Understanding Employee Account Types

To understand employee account adjustments, you must 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 when 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 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. Be sure to enter the transaction in the appropriate account.

Adjusting or Establishing Purchasable Service

When an employee decides to purchase service, decide how much the employee owes in contributions and back interest and enter this as a negative adjustment to the purchase account. Also, establish the amount of service that corresponds to this purchase amount, using another transaction on this same page. Because the transaction dates are the same, the system associates the dollar amount that you enter with the service amount that you enter.

Note. Always enter two transactions to establish a service purchase program for an employee: one transaction establishes the cost of the service, and the other establishes the amount of service. Using the same transaction date for both transactions ensures that the system associates 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 access the calculator. In the service calculator, enter the dates for the service period. Click the Calculate button to have the system perform the calculation and display the result. The system calculates the service purchase period using the method that you specified on the Plan Aliases page.

Checking the Adjustment Status

Entering an adjustment on the Employee Plan Data - Empl Acct Adj 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 on this page are adjustment requests that are translated into actual adjustments after periodic processing.

The adjustment status is Pending until periodic processing incorporates the adjustment into the actual employee account, at which point the system updates the status to Applied.

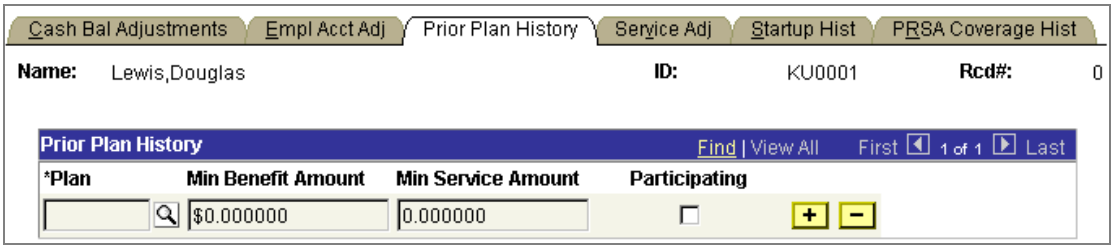
See Also

"Administering Contributory Plans"

"Creating the Plan Implementation and Plan Aliases"

Maintaining Employee Minimum Benefit Information

Access the Prior Plan History page.



Prior Plan History page

When employees participated in a prior plan (for example, a plan of a subsidiary that you've acquired), this prior plan participation might guarantee certain minimum benefits. Typically, the guarantees are for a specified benefit amount, 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.

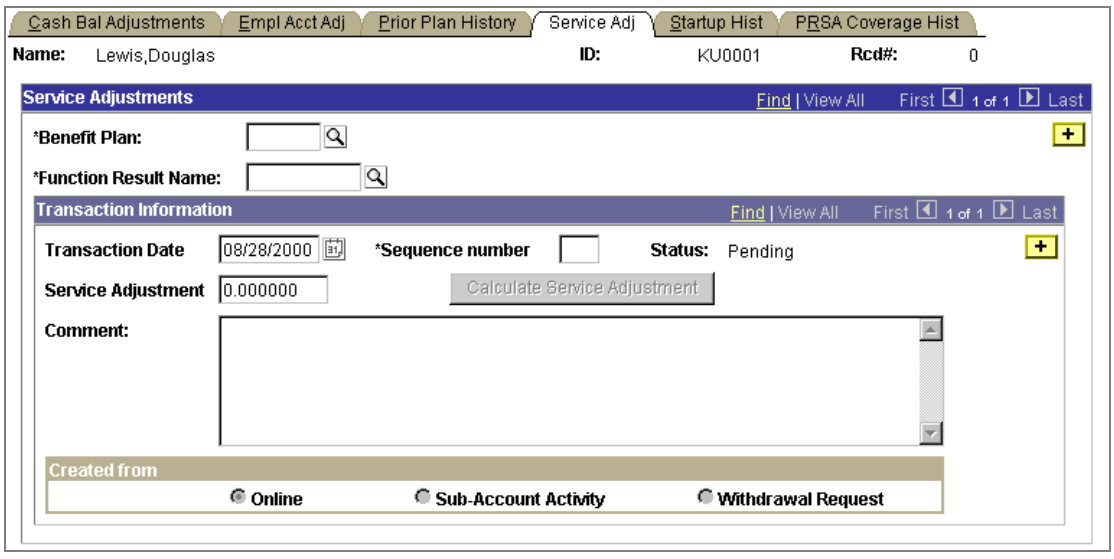
Plan Displays the current plan that you sponsor—not a partially terminated plan under which the benefits were earned.

Calculations use the data that you enter here only if you explicitly reference the data in the plan parameters. For example, your plan's eligibility requirements might automatically grant eligibility to employees for whom the **Participating** check box is selected. If your plan doesn't check the status of this field, then selecting this check box has no effect.

However, even if your plan rules don't incorporate the minimums, benefits that are less than the minimum produce a message on both calculation results pages and the calculation worksheet: Benefit Amount Less than Minimum Benefit.

Adjusting Calculated Service Credit

Access the Service Adj (service adjustments) page.



Service Adj page

Service Adjustments

Benefit Plan Enter the benefit plan that uses the employee account that you're adjusting.

Function Result Name Enter the name of the employee account define in your plan rules in PeopleSoft Pension Administration.

Status — Displays ***Pending*** until period processing applies the adjustment to the employee's permanent cash balance account history, at which point the system updates the status to ***Applied.***

Service Adjustment — Enter the amount of service to be added or subtracted from the employee's calculated service accrual. 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 — Click this button to access the online calculator, which you use to determine how much service the employee can purchase.

In the calculator, enter the dates for the service period. Then, click the Calculate button to have the system perform the calculation and display the result. The system calculates the service purchase period using the method specified on the Plan Aliases page. Using the calculator instead of making manual calculations ensures that you correctly established the amount of service associated with a period of time.

Created From

This page displays three types of adjustments made to account balances. This group box indicates the source of the adjustment. The system determines how the adjustment was created. You cannot edit these values.

Online — Displays adjustments that you enter manually to correct errors in an employee's service record.

Sub-Account Activity — Displays positive adjustments that the system automatically generates based on activity in one of the employee subaccounts. These include either a withdrawal account, with which an employee makes payments to repay contributions that were previously withdrawn, or a purchase account, with which an employee makes payments to purchase service.

Withdrawal Request — Displays negative adjustments that the system automatically generates based on a withdrawal of contributions. When you request a payee contribution withdrawal, you specify whether the withdrawal causes forfeiture of the associated service. Then, when you run the payment process, the system enters any appropriate service adjustment.

When you administer a service buy back or service purchase program, the system automatically generates service adjustments.

Not all payments generate service adjustments, because the plan rules control when partial payments cause 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. Enter only manual service adjustments to correct errors in the employee's service history.

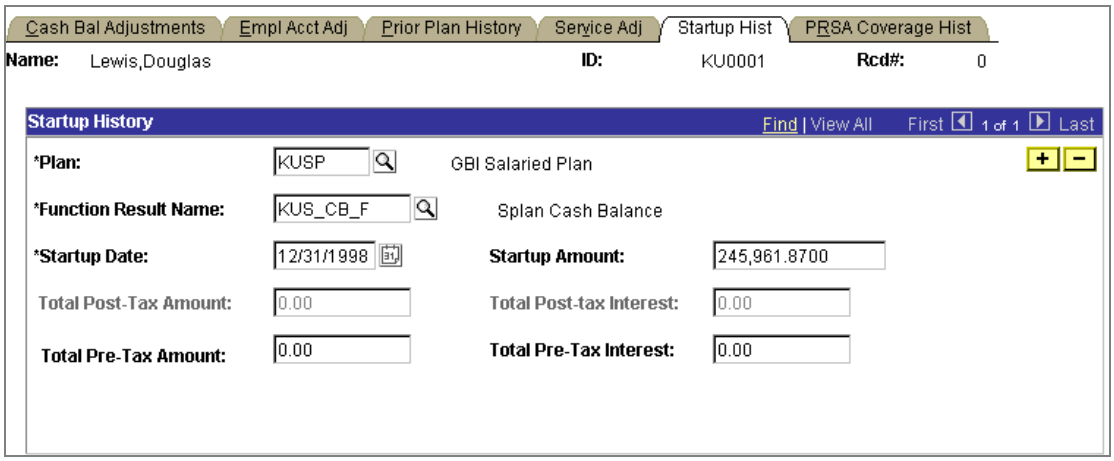
See Also

"Creating the Plan Implementation and Plan Aliases"

"Administering Contributory Plans"

Viewing and Updating Startup Values

Access the Startup Hist (startup history) page.



Startup Hist page

Because pension calculations are based on information from an employee's entire career, you must load large amounts of historical information during your PeopleSoft implementation. For accruals, such as service, cash balance accounts, and employee accounts, you can load either the raw data for calculating benefits or a starting balance and an as of date.

Function Result Name

Select a function result names from the list of service, cash balance account, and employee account function results in the specified plan.

Startup values must be associated with a plan and a calculation element in the plan. For example, your plan might have several different service elements: participation service, vesting service, or service credit. When you set up your plan rules, each calculation component received a function result name.

Startup Date

Displays the as of date for the startup amount. Calculations that use the startup value calculate accruals occurring only after this date, and they add the calculated amount to the startup amount.

Note. The startup date must not be earlier than the day before the hire date. Otherwise, the system searches for data for the period between the startup date and the hire date and, when no data is available, generates an error.

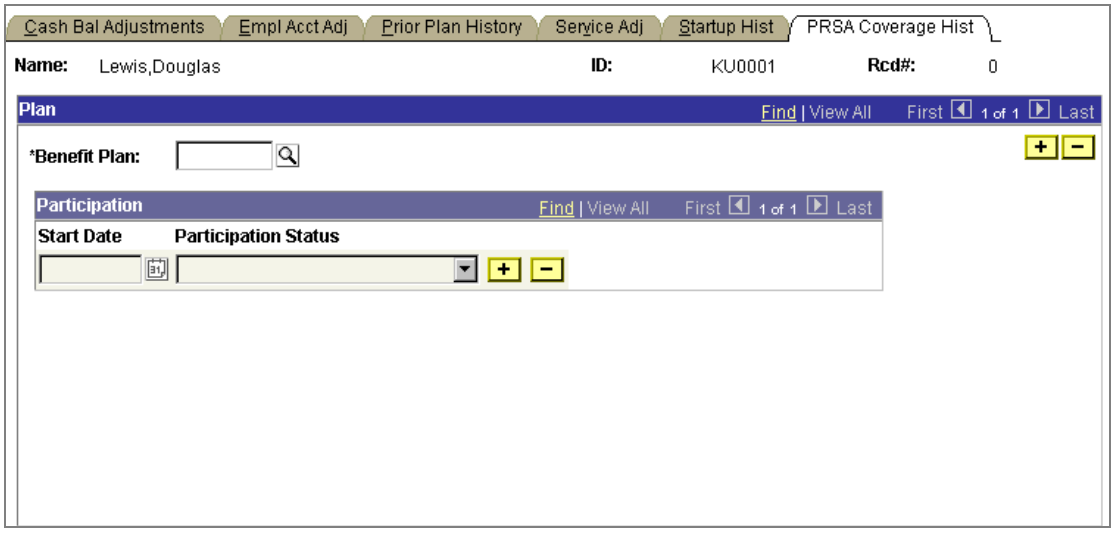
Startup Amount

The startup amounts are the actual accruals as of the specified date:

- For service startup, you need only the startup amount.
- For cash balance accounts, the startup amount is the total account balance. However, you can also provide a credits and 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. 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.

Maintaining PRSA Coverage History

Access the PRSA Coverage Hist page.



PRSA Coverage Hist page

Start Date and **Participation Status** — For each benefit plan, enter the start date for each change in coverage and whether the employee is ***Participating*** or ***Not Participating.***

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 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. If employees must pay for coverage, they can elect not to have PRSA coverage. Because employees can change their election, they have a history of covered and not covered periods of time.

When the system calculates the PRSA reduction factor, it checks the employee's PRSA coverage history to determine the amount of time that the employee had PRSA coverage.

Note. If no coverage history exists, 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 might record coverage as a workflow process when you hire an employee.

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 again declined.

Maintaining Consolidated Payroll Data

PeopleSoft Pension Administration consolidates payroll data (such as earnings, hours, and contributions) into periodic amounts. 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.

This section provides an overview of consolidation effective dates and discusses how to:

- Use consolidation overrides.
- View an employee's consolidated earnings.
- View an employee's consolidated hours.
- View an employee's consolidated contributions.

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.

However, you can create a new effective-dated history. You can either delete the old history or keep it and 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, 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 on which you ran the consolidation process for that employee. Additional consolidation results are added under the same effective date.

However, if you build a new history using Delete and Rebuild mode, the new effective date is the employee's hire date.

If you build a new history without deleting the existing history using Create New Consolidations mode, the new effective date is the date on which you ran the process. In this case, you now have multiple effective-dated consolidation histories. When you run a calculation, the system uses the consolidation history effective on the rules as-of date that you specify at calculation time, rather than the history effective on the date on which you actually run the calculation.

See Also

"Running Periodic Processes"

Pages Used to Maintain Consolidated Payroll Data

Page Name	*Object Name*	*Navigation*	*Usage*
Earnings History	PA_CONS_EARNS_HIST	Compensate Employees, Administer Pension Plan, Use, Employee Consolidated History, Earnings History	View an employee's consolidated earnings. Depending on your plan rules, the system might use this during calculations for final average earnings, social security, or cash balance accounts.
Hours History	PA_CONS_HOURS_HIST	Compensate Employees, Administer Pension Plan, Use, Employee Consolidated History, Hours History	View an employee's consolidated hours.
Contribution History	PA_CONS_DED_HIST	Compensate Employees, Administer Pension Plan, Use, Employee Consolidated History, Contribution History	View an employee's consolidated contributions.

Common Elements Used in This Section

Start Date and **End Date** — Identify the individual consolidation periods. The consolidation rules define the type of consolidation period.

Last Proc Date (last processed date) — Displays the last date in that period on which you ran the consolidation. Compare this with the **End Date** field to determine whether you completed processing for that period.

Partial Period Flag and **Partial Period Indicator** — Display ***Y*** (yes) or ***N*** (no) to indicate whether this is a partial period. 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.

Override — Select this check box to use the values that you enter on this page instead of the values calculated by the system. If you select this option, enter all of the override values.

Note. If you select the override indicator, you must enter data in all of the override fields. If you fail to enter data, the system enters zero for numeric fields and clears check boxes.

Override Type Indicate whether the override is ***Temp*** (temporary) or ***Perm*** (permanent).

Using Consolidation Overrides

You might need to overwrite the calculated earnings or hours consolidation amounts. Use this feature sparingly, because it's best if your consolidation results map cleanly to the source data from payroll.

The pages displaying the consolidated data include display-only fields with the results of consolidation processing and available fields in which you can override these calculated values. You can override amounts for existing periods, but you cannot insert new rows to create new periods.

To override consolidated data:

1. For each period in a consolidation history, select the Override or Override Indicator check box to substitute your own values for certain fields.

Note. If you enter overrides without selecting the Override or Override Indicator check box, the system ignores information that you enter.

2. Indicate an override type.

   - If you select ***Permanent,*** the system prevents you from rerunning consolidation in Delete and Rebuild or Create New Consolidations mode. This is to prevents you from losing your manually entered override. To delete this permanent override, return to this page and remove the override or mark it as Temporary.
   - If you select ***Temporary,*** any rebuild of the existing history deletes the override without issuing a warning. For example, if you discover a problem with an employee's data, enter an override so that you can complete your current calculations and sort out the payroll data problem later. When you uncover the data problem, make corrections, reconsolidate in delete and rebuild mode, and the Temporary override doesn't stop the rebuild.

3. Enter the actual override values.

   Each consolidation (including earnings, hours, and consolidation) has override fields corresponding to the final results for the period, such as the final adjusted hours for the period. Override fields do not exist for intermediate results, such as the actual hours worked.

Final results fields for each consolidation are as follows:

- Consolidated earnings include the earnings amount, the partial period indicator, and the partial period fraction.
- Consolidated hours include the hours amount and the partial period indicator.
- Consolidated contributions include pre-tax and post-tax amounts.

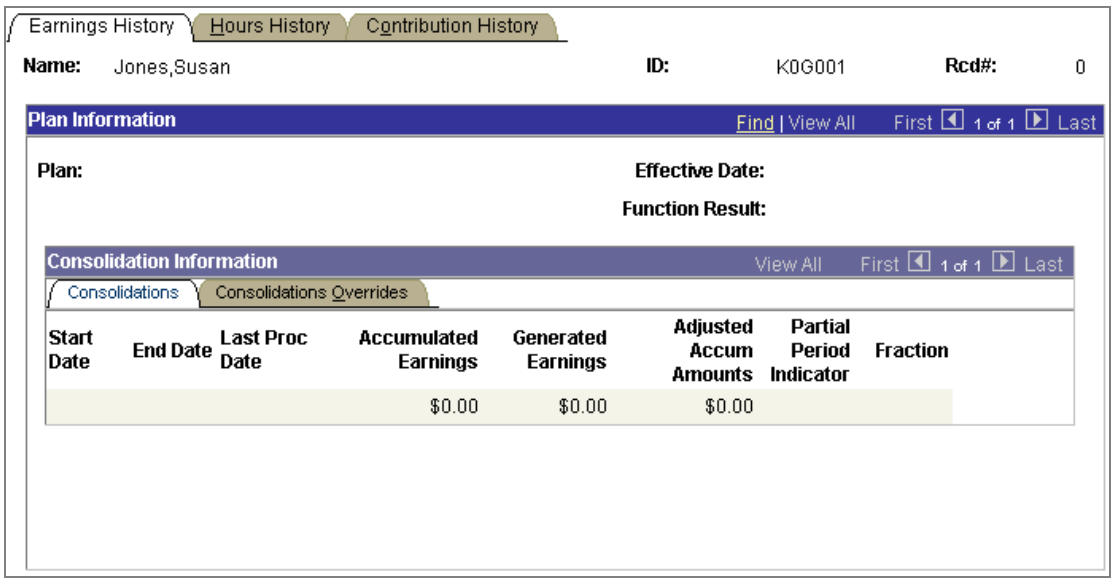
Note. If the override indicator is selected, you must enter data in all of the override fields. If you fail to enter data, the system enters zero for numeric fields and clears check boxes.

See Also

"Running Periodic Processes"

Viewing an Employee's Consolidated Earnings

Access the Earnings History page.



Earnings History page

Note. If an employee brings you a social security earnings history, such as a document from the Social Security Administration or the pay stubs from previous employers, you must use this earnings history for social security calculations. Rather than entering the new information as an override to the consolidated earnings (which might interfere with other calculations based on these earnings), enter the data on the Employee Soc Sec Earnings page.

Note. Multiple views of this page are available by clicking the tabs in the scroll area. We document fields that are common to all views first.

Common Page Information

Function Result Displays the system name for the earnings consolidation rule.

Consolidations Tab

Accumulated Earnings Displays the earnings that were actually paid to the employee during a consolidation period. This isn't the final earnings for the period, because the rules might require that you generate or otherwise adjust these earnings.

Generated Earnings Displays the period total after any earnings generation. The generated earnings amount isn't added to paid earnings—it replaces the paid earnings. If no earnings were generated, this field displays ***0.***

Adjusted Accum Earnings (adjusted accumulated earnings) Displays the final earnings actually used in the calculation. In addition to including the generated earnings, this reflects minimums, maximums, or other adjustments specified in the plan rules.

Fraction Indicates what portion of the period was worked. For nonpartial periods, this is ***1.000,*** indicating that the employee worked for 100 percent of the period. If the employee worked for 75 percent of the period, the fraction is ***0.750.***

Depending on your plan rules, the system might use the partial period indicator and partial period fraction during final average earnings and cash balance accounts calculations.

Consolidations Overrides Tab

Override Earnings Amount Enter the new earnings data. This overrides the data in the Adjusted Accum Amounts field.

Partial Override Indicate whether this is a partial period. This overrides data in the Partial field. When you clear this check box, the Partial field value is ***N.*** When you select this check box, the value is ***Y.***

Fraction Override Enter the partial period fraction. Enter ***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 percent of the period, enter ***.8.***

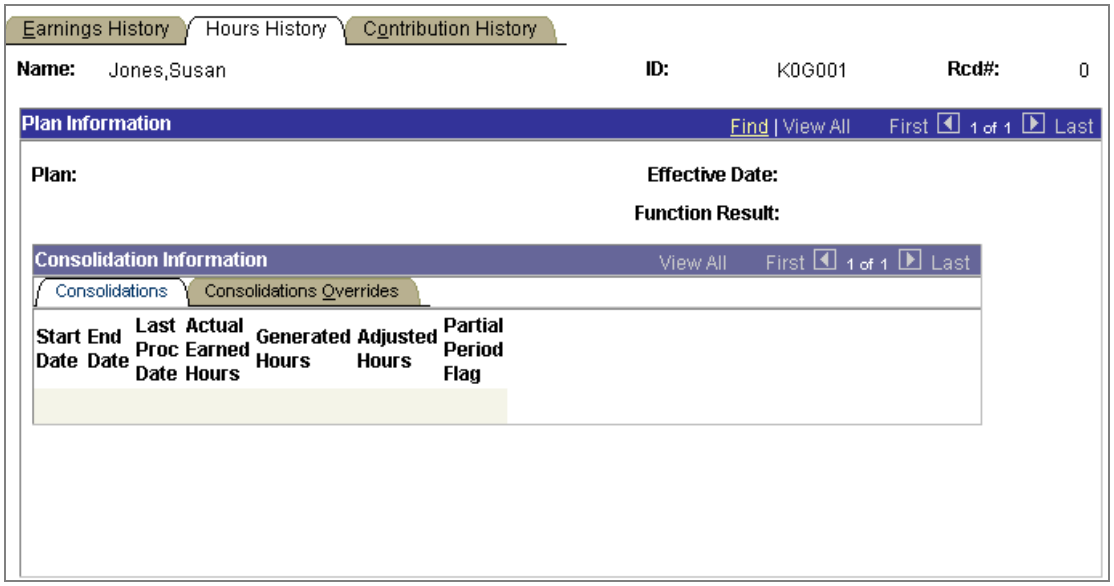
See Also

Entering an Employee's Actual Social Security Earnings History

Using Consolidation Overrides

Viewing an Employee's Consolidated Hours

Access the Hours History page.



Hours History page

Common Page Information

Function Result Displays the systems name for the hours consolidation rule.

Consolidations Tab

Actual Earned Hours Displays the hours that the employee actually worked during a consolidation period. This isn't the final hours for the period, because the rules might require that you generate or otherwise adjust these hours.

Generated Hours Displays the period total after any hours generation. The generated hours amount isn't added to the actual hours—it replaces the actual hours. If no earnings were generated, this field is blank.

Adjusted Hours Displays the final hours that are actually used in the calculation. In addition to including the generated hours, this reflects minimums, maximums, or other adjustments specified in the plan rules.

Consolidations Overrides Tab

Override Final Cons Hours (override final consolidated hours) Enter the new hours data. This overrides the data in the Adjusted Hours field.

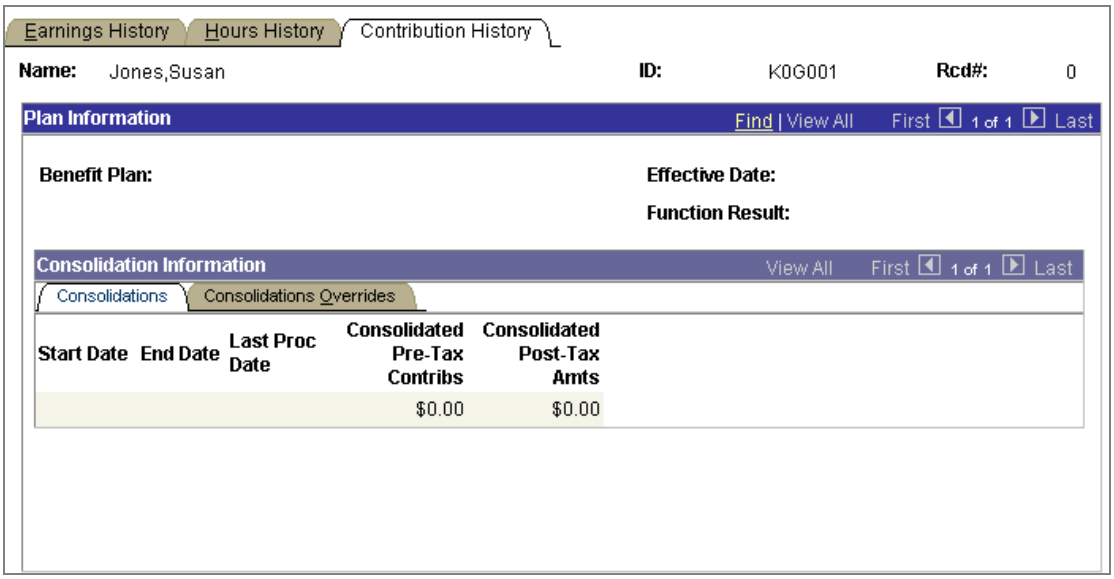
Partial Override Indicate whether this is a partial period. This overrides data in the Partial Period Flag field. When you clear this check box, the Partial Period Flag field value is ***N.*** When you select this check box, the value is ***Y.***

See Also

Using Consolidation Overrides

Viewing an Employee's Consolidated Contributions

Access the Contribution History page.



Contribution History page

Common Page Information

Function Result Displays the system name for the contribution consolidation rule.

Consolidations Tab

Consolidated Pre-Tax Contribs (consolidated pre-tax contributions) and **Consolidated Post-Tax Amts** (consolidated post tax amounts)

Display the employee's pre-tax and post-tax contributions during the period.

Consolidations Override Tab

Override Pre Tax and **Override Post Tax**

Enter the pre-tax and post-tax amounts.

See Also

Using Consolidation Overrides

Maintaining Employee Regulatory Data

Pension calculations often require data for regulatory purposes. Although much of the necessary data exists in the PeopleSoft Human Resources database, you must track pension-specific pieces of information in the pension.

This section discusses how to:

- Enter 415(e) information about a participant's contributions to defined contribution (DC) plans that you sponsor.

  The system doesn't calculate the DC information. You enter the data directly on the 415(e) Fraction page.

- Enter an employee's actual social security earnings history.

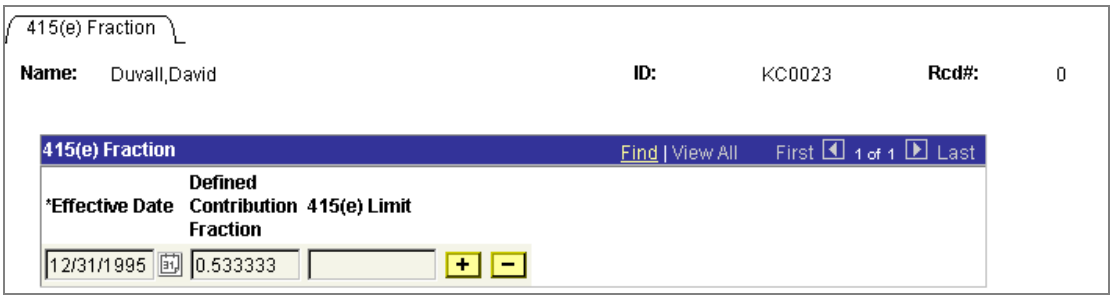
  Social security calculations require that you use the actual earnings history, rather than your plan assumptions, if the employee provides this information.

Pages Used to Maintain Employee Regulatory Data

Page Name	*Object Name*	*Navigation*	*Usage*
Employee 415(e) Fraction	PA_DC_FRACTION	Compensate Employees, Administer Pension Plan, Use, Employee 415(e) Fraction, 415(e) Fraction	Record 415(e) information for your employees. If no information appears here, the system assumes that the employee isn't subject to 415(e) limits. Typically, enter data only for highly compensated employees who participated in a DC plan.
Employee Soc Sec Earnings (employee social security earnings)	PA_EMP_SS_EARNS	Compensate Employees, Administer Pension Plan, Use, Employee Soc Sec Earnings, Employee Soc Sec Earnings	Enter an employee's actual social security earnings history.

Entering 415(e) Information

Access the Employee 415(e) Fraction page.



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. Reductions required by 415(e) are made to the nonprimary plan. Typically, the DC plan is primary, so the DB plan is reduced. Because PeopleSoft Pension Administration calculates only DB plan benefits, use the system's 415(e) limit functionality only if the DC plan is primary and benefits that are greater than the limit result in a reduction to the DB plan.

If you set up PeopleSoft Pension Administration to calculate 415(e) limits, the system needs access to participants' 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 sum of the DB fraction and the DC fraction cannot exceed 1.0.

PeopleSoft Pension Administration calculates the DB fraction for you, but it can't calculate the DC fraction. 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) DC dollar limit × 1.25.

   b) Employee's compensation × 1.4 × 0.25.

2. Sum up 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, although 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.

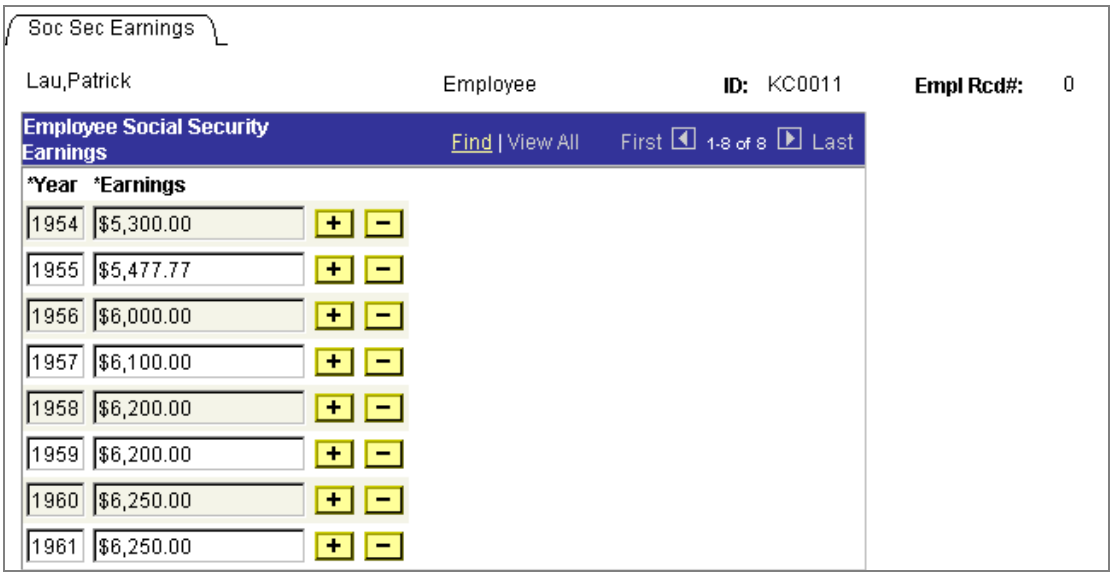
Alternatively, you can calculate and provide the final 415(e) limit (that is, the maximum dollar benefit for the defined benefit plan allowable under section 415[e]).

See Also

"Applying 415 Limits"

Entering an Employee's Actual Social Security Earnings History

Access the Employee Soc Sec Earnings page.



Employee Soc Sec Earnings page

Pension plans might 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 usually use assumed earnings that are determined using certain assumptions.

Sometimes, however, an employee brings you their earnings history, either a document from the Social Security Administration or the pay stubs from previous employers. You must use this actual earnings history, rather than the assumed earnings. Entering the actual earnings data on the Employee Soc Sec Earnings page ensures that all social security calculations use the actual earnings. At the same time, you avoid overwriting the consolidated earnings data that you might 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 earnings. Amounts that exceed the maximum taxable wage base are limited to the wage base amount during the social security calculations.

Only social security calculations use these earnings. Other calculations involving earnings use the consolidated earnings that are specified in your plan rules.

Note. The system doesn't project or regress earnings entered on 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 PRSA coverage, which provides a death benefit when a plan participant dies before becoming eligible for retirement.

See Also

Maintaining PRSA Coverage History

Understanding Automatic Spousal Benefits

Certain plans offer an *automatic* joint and survivor benefit for the spouses of plan participants. 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, therefore, apply only to the portion of the benefit that exceeds the automatic spouse benefit.

For example, Plan A specifies an automatic 25 percent 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 applies only to the $750 portion of the benefit that isn't already dedicated to Norma. Therefore, if he elects a 50 percent joint and survivor form, the $750 is actuarially reduced (for example, to $700), and Fred's benefit is $950. After Fred dies, his joint and survivor beneficiary receives $350 per month. This beneficiary might be Norma, but might also be a child, a trust, or another person. If he named Norma as his beneficiary, she receives 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 reflects the benefit.

Use the Dependent/Beneficiary component in PeopleSoft Human Resources to enter beneficiary data.

See Also

PeopleSoft Human Resources PeopleBook: Administer Workforce, "Entering Additional Data in Human Resources Records," Tracking Dependent and Beneficiary Data

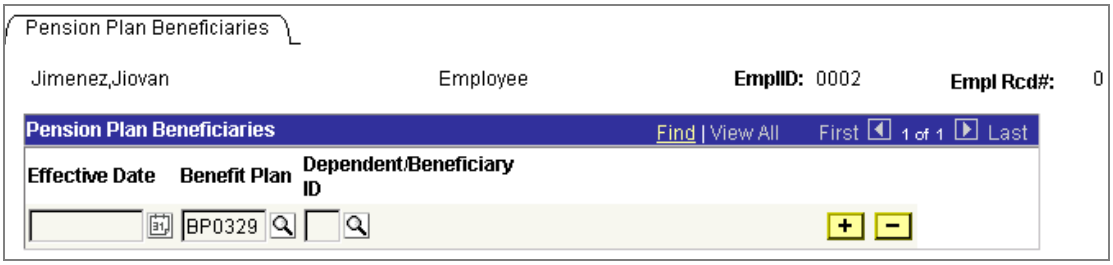
PeopleSoft Human Resources PeopleBook: Base Benefits "Setting Up Dependent and Beneficiary Information"

Page Used to Maintain Pension Beneficiary Information

Page Name	*Object Name*	*Navigation*	*Usage*
Pension Plan Beneficiaries	PA_CONT_BENEF_IDS	Compensate Employees, Administer Pension Plan, Use, Pension Plan Beneficiaries, Pension Plan Beneficiaries	Identify nonspouse beneficiaries. 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.

Identifying Nonspouse Pension Plan Beneficiaries

Access the Pension Plan Beneficiaries page.



Pension Plan Beneficiaries page

Employees can have different beneficiaries for different plans. They can also change their beneficiary over time. To enter beneficiary information, enter both an effective date and a benefit plan.

You can enter information only for plans that allow contingent (nonspouse) beneficiaries. If a plan isn't available in the list of valid plans, it doesn't allow contingent beneficiaries.

Specify the dependent or beneficiary ID for the designated beneficiary. Only individuals already added to the employee's dependent or beneficiary list are valid beneficiaries. If the designated individual isn't available in the list of valid values, use the pages in the Dependent/Beneficiary component to add the person as a dependent or beneficiary. Return to the Pension Plan Beneficiaries page to finish recording the pension beneficiary information.

See Also

"Establishing Pension Plans"

CHAPTER 52

Establishing Pension Payees

This chapter discusses establishing pension payees and shows you how to:

- Understand payee types.
- Track pension payees.
- Establish multiple payee records for one person.
- Decide when to establish payee records.
- Create payees.
- Update pension status.
- Understand pension payees as they relate to other PeopleSoft HRMS applications.

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 in the Create Payee and Payee Maintenance pages. 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.

See Also

*PeopleSoft Application Fundamentals for HRMS PeopleBook, "*Administering PeopleSoft 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.

Warning! You must turn on the PeopleSoft Human Resources multijob setting in order to administer your pension payees.

See Also

*PeopleSoft Application Fundamentals for HRMS PeopleBook, "*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.

Deciding 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.

To create Retiree and Terminated Vested Deferred payee types, start on the Create Payee page and from there access the Personal Data and Job Data components to update personal and job data about the payee. As you complete the fields on each component and save, the system will return you to the Create Payee page and the Personal Data and Job Data links will indicate that the data is complete.

To create Beneficiaries and QDRO payee types, just use the Create Payee page, which includes fields from the Personal Data and Job Data components.

See Also

"Establishing Pension Payees," Updating Pension Status

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.

Note. 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.

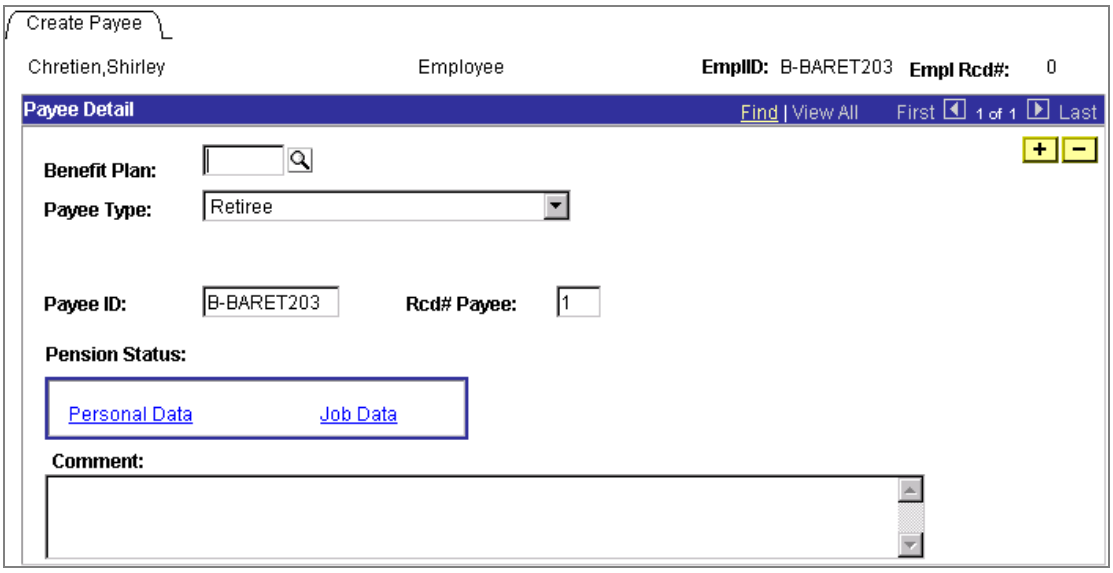
For this reason, you will set up QDRO alternate payee records under the originating employee's active service record. This is handy, since you will typically create the QDRO alternate payee's record at the time of the divorce while you won't necessarily create the employee's payee record until the employee is ready to retire, which could be years later.

Pages Used to Define Create Payees

Page Name	*Object Name*	*Navigation*	*Usage*
Create Payee	PA_RT_EMP_SETUP	Compensate Employees, Administer Pension Plan, Use, Create Payee, Create Payee	Create payee records.
Payee Name	PA_RA_PERS_DATA 1	Click the Personal Data link on the Create Payee page and then click the Payee Name tab.	Set up the payee's personal data record. It displays the payee's name.
Payee Address	PA_RA_PERS_DATA 1B	Click the Personal Data link on the Create Payee page and then access the Payee Address page.	Set up the payee's personal data record.
Personal Data	PA_RA_PERS_DATA 2	Click the Personal Data link on the Create Payee page and then access the Personal Data page.	Set up the payee's personal data record.
Job Data	PA_RA_JOB_DATA1	Click the Job Data link on the Create Payee page and then access the Job Data page.	Set up the payee's new job record.
Benefit Program Data	PA_JOB_DATA_BEN PRG	Click the Job Data link on the Create Payee page and then access the Benefit Program Data page.	Set up the payee's new job record and record information your plan uses to determine eligibility for retiree benefits.

Defining Create Payees

Access the Create Payee page.



Create Payee page

Note. If there are already payee rows in the page, for example, rows for the employee's own payee records, insert a new payee row.

Payee Detail

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.***

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).

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

Personal Data and **Job Data**

Click either the Personal Data or Job Data links to view the payee's pension status on the personal and job data records.

If the **Payee Type** is ***Beneficiary*** or ***QDRO Alternate Payee,*** the **Personal Data** and **Job Data** links are combined into a single link and these two components are accessed as a single component.

When you've completed the information in the Personal Data and Job Data component(s) and saved the records, the system returns you to the Create Payee page. The links indicate that data entry is complete and become unavailable.

Person Type

The system automatically sets 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.

See Also

"Establishing Pension Payees," Updating Pension Status

Entering Personal and Job Data

When you click the Personal Data and Job Data links from the Create Payee page, you access pages that are nearly identical to those found in the Personal Data and Job Data components of PeopleSoft Human Resources. In this section, we discuss only those fields with implications specific to PeopleSoft Pension Administration.

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.

Note. 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.

Personal Data Page

Verify that this information is correct and enter new information if required.

When you have completed this information for ***Retiree*** or ***Terminated Deferred Vested*** payee types, save the record to return to the Create Payee page. The system will change the payee to a person type of Pension Payee.

Note. 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.

Job Data Page

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**.**

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**.**
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**.**

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.

Note. 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.

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**.**

When you have completed this information, save the record to return to the Create Payee page.

See Also

PeopleSoft Human Resources PeopleBook: Administer Workforce, "Hiring Your Workforce," Entering Personal Data and Entering Employee Job Information

PeopleSoft Benefits Administration PeopleBook, "Introduction to PeopleSoft Base Benefits"

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.

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*

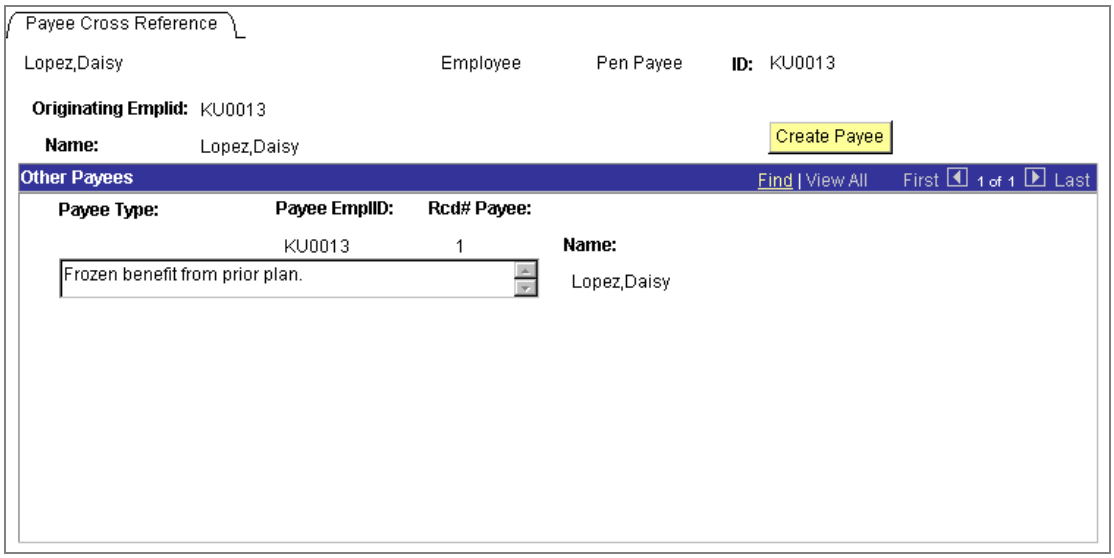
For terminated deferred-vested employees, you can get away without making the manual change, because the *Terminated - Deferred Benefit* status is one of the ones that periodic processing maintains, so the status will be automatically set during your next periodic processing. However, setting it manually 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**.**

Pages Used to Define Payee Cross References

Page Name	Object Name	Navigation	Usage
Payee Cross Reference	PA_RT_EMP_XREF	Compensate Employees, Administer Pension Plan, Inquire, Payee Cross Reference	View a list of all the payee records associated with a particular employee.

Defining Payee Cross References

Access the Payee Cross Reference page.



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.

Understanding Pension Payees and Other PeopleSoft HRMS Applications

Because the system uses the same records for employees, retirees, and non-employee payees, it needs to distinguish the various types of people being tracked. This is important when PeopleSoft Human Resources, PeopleSoft Payroll for North America, and the Base Benefits business process need to handle payees differently from employees.

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 Personal Data 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.

PeopleSoft 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.

PeopleSoft Payroll for North America

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.

Base Benefits Business Process

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.

Warning! Be sure to enter the termination or retirement action on Rcd# 0 *before* establishing the payee record to ensure proper COBRA processing.

CHAPTER 53

Preparing Pension Payments

This chapter discusses how to prepare pension payments and shows you how to:

- Understand payment streams.
- Record payee elections.
- Schedule 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.

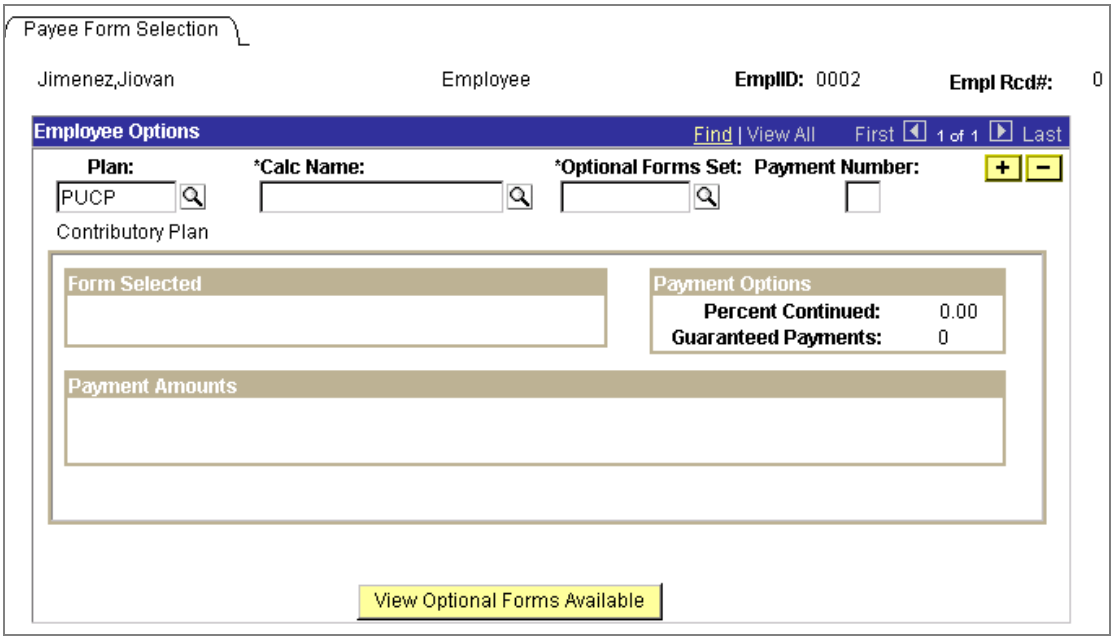
Pages Used to Define Payee Elections

Page Name	*Object Name*	*Navigation*	*Usage*
Payee Form Selection	PA_RT_EMP_FORM	Compensate Employees, Administer Pension Plan, Use, Payee Form Selection	If you use PeopleSoft Pension Administration to calculate optional forms for a retiree or a QDRO alternate payee, you can record the payee's selection here. By recording the information here, the system calculates amounts that can be automatically transferred to the payment schedule page when you schedule payments.

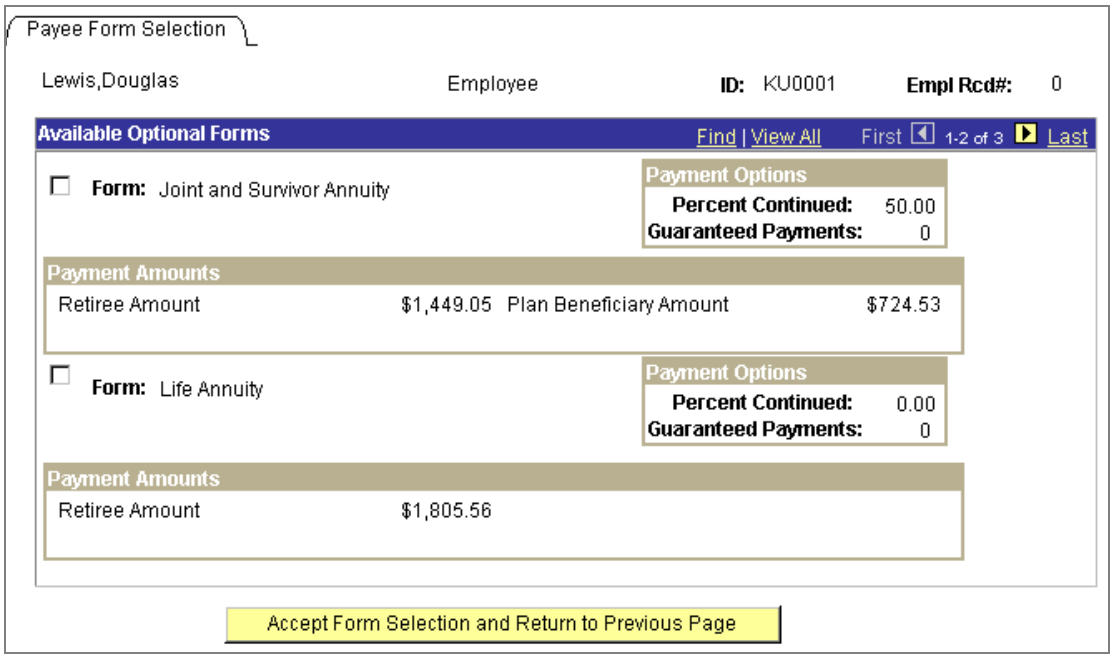
Page Name	Object Name	Navigation	Usage
Payee Maintenance	PA_RT_EMP_XFER	Compensate Employees, Administer Pension Plan, Use, Payee Maintenance	Record other payment-related information.

Defining the Payee Form Selection

Access the Payee Form Selection page.



Payee Form Selection page (1 of 2)



Payee Form Selection page (2 of 2)

Note. 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.

Employee Options

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.
View Optional Forms Available	Click to see a scrolling list of optional forms. All other fields disappear. 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.

Payment Type	*Description*
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.

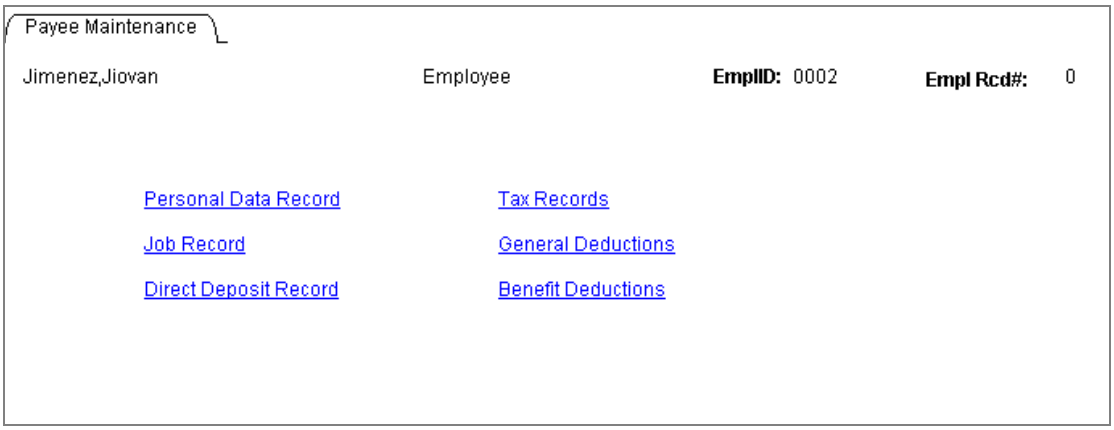
Form Select to indicate which form the employee has chosen.

Accept Form Selection and Return to Previous Page Click to copy the selected form to the previous page.

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.

Defining Payee Maintenance

Access the Payee Maintenance page.



Payee Maintenance page

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.

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 Human Resources Base Benefits business process or PeopleSoft Benefits Administration.

Note. Each button on this page opens a new page. Remember to close pages behind you.

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 Human Resources Base Benefits business process 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, use the Deduction Calculation Run Ctl page.

With the exception of the Personal Data Record and Job Record links, the links 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*	*See Also*
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

See Also

"Establishing Pension Payees," Entering Personal and Job Data and Creating Payees

*PeopleSoft Human Resources PeopleBook: Base Benefits, "*Introduction to PeopleSoft Base Benefits"

PeopleSoft Payroll Interface PeopleBook, "Introducing PeopleSoft Payroll Interface"

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.

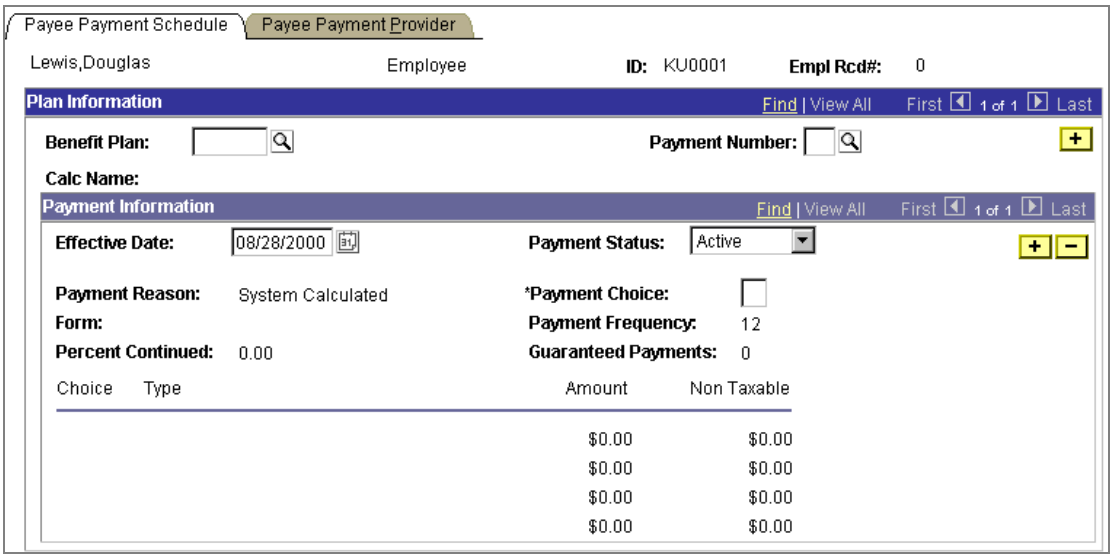
If the deferred benefit is based on a system-calculated amount, use the Payee Form Selection page to select the default form. This ensures that when you schedule the payments, you'll schedule the appropriate amount.

Pages Used to Define Payee Payment Schedules

Page Name	*Object Name*	*Navigation*	*Usage*
Payee Payment Schedule	PA_RT_PAY_SCHED	Compensate Employees, Administer Pension Plan, Use, Payee Payment Schedule	Set up payments 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. You can also use this page to stop payments in the event of a retiree's death.
Payee Payment Provider	PA_RT_PAY_SCHED 3	Compensate Employees, Administer Pension Plan, Use, Payee Manual Schedule, Payee Manual Provider Compensate Employees, Administer Pension Plan, Use, Payee Payment Schedule, Payee Payment Provider	Enter descriptive information about the payment.
Payee Manual Schedule	PA_RT_PAY_SCHED 4	Compensate Employees, Administer Pension Plan, Use, Payee Manual Schedule	Set up the schedule 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.
Payee Adjustment Schedule	PA_RT_ADJ_SCHED	Compensate Employes, Administer Pension Plan, Use, Payee Adjustment Schedule	Schedule one-time payments. Occasionally, you'll need to make payments that aren't based on the payee's regular pension benefit.

Defining the Payee Payment Schedule

Access the Payee Payment Schedule page.



Payee Payment Schedule page

Plan Information

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.

Payment Information

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.

Note. You can also use this page to stop payments in the event of a retiree's death. This is discussed in "Administering Pension Payees."

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.

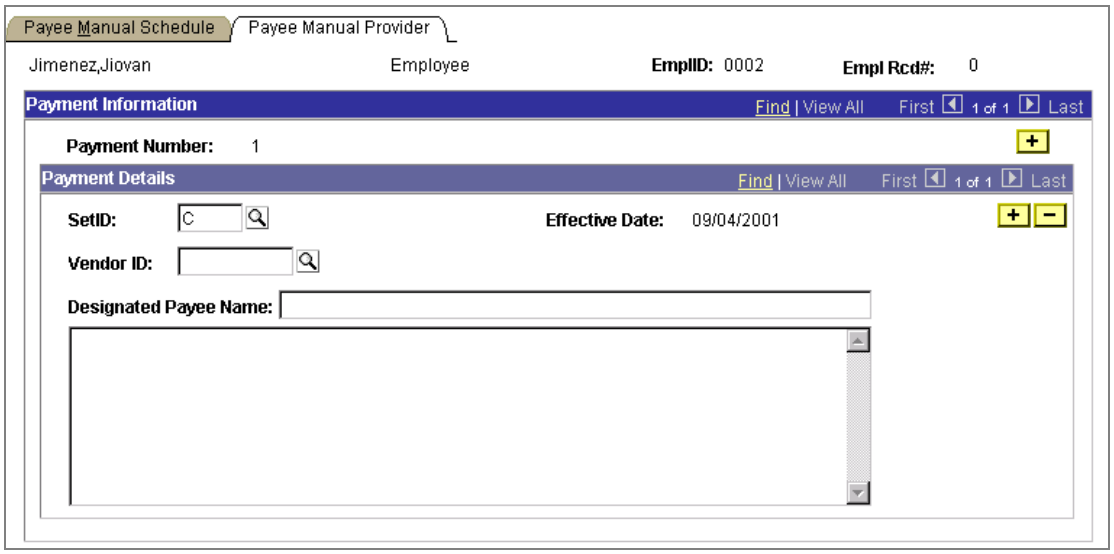
Form	**Form** describes the payment optional form of payment.
Payment Frequency	**Payment Frequency** tells you the payment frequency. This is usually 12, since most pension payments are monthly.
Percent Continued	**Percent Continued** tells you what percent of the retiree's benefit will continue to 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. **Note.** 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.

See Also

"Administering Pension Payees," Defining the Payee Payment Schedule to Stop Payments

Defining Payee Payment Providers

Access the Payee Payment Provider page.



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.

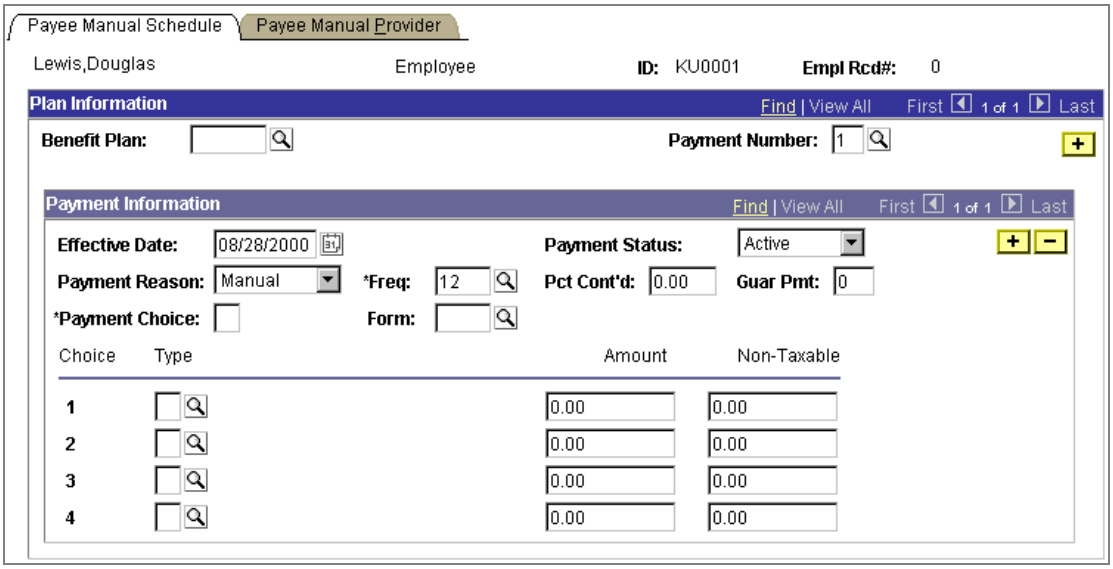
Designated Payee Name

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.

Use the large text field for any additional comments about the payment.

Defining the Payee Manual Schedule

Access the Payee Manual Schedule page.



Payee Manual Schedule page

Plan Information

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.

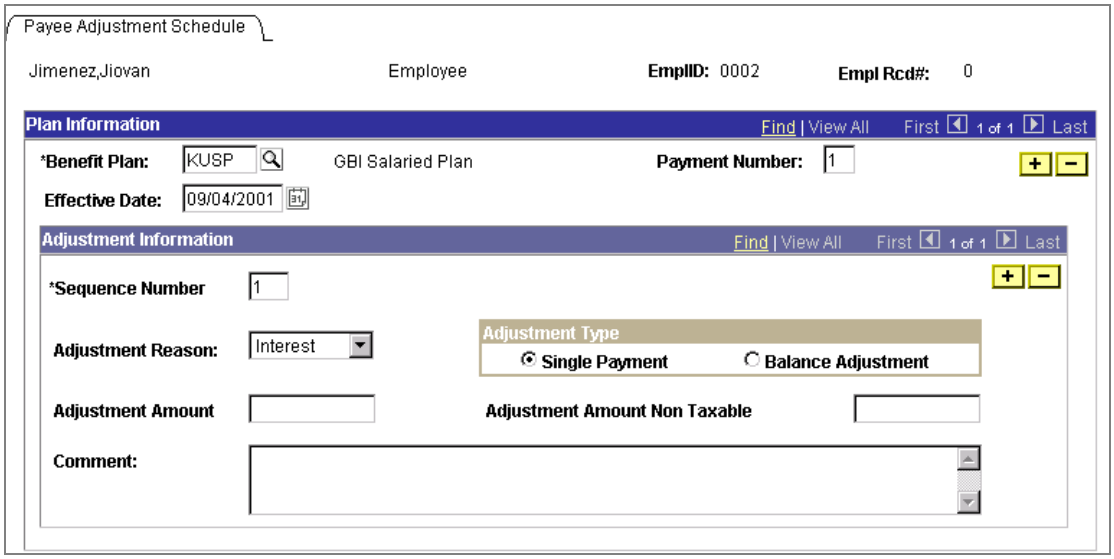
Form, Freq (frequency), **Pct Cont'd** (percent continued), **Guar Pmt** (guaranteed payments) With manual scheduling, you'll have to enter the payment form by hand using the **Form, Freq** (frequency), **Pct Cont'd** (percent continued), and **Guar Pmt** (guaranteed payments) fields.

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.

Defining Payee Adjustment Schedules

Access the Payee Adjustment Schedule page.



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.***

Note. The Payment Summary page doesn't adjust running totals based on balance adjustments. When you schedule a balance-only adjustment, you should manually update the payment summary information.

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.

See Also

"Making Pension Payments," Tracking the Payee Summary

CHAPTER 54

Making Pension Payments

This chapter discusses pension payments and shows you how to:

- Create retiree payment calendars and payments.
- Review retiree payment results.
- Use the trustee extract.
- Review trustee extract data.

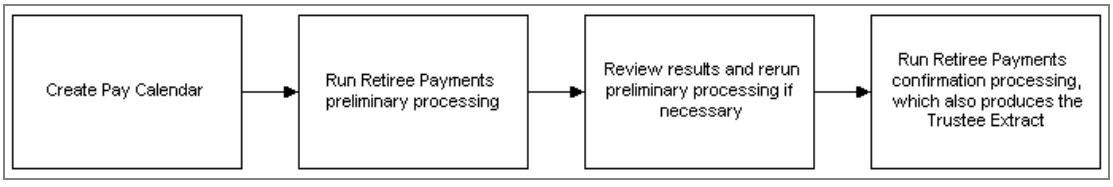
PeopleSoft Pension Administration assumes that a trustee or other third-party produces your pension checks and that the check writer will handle all W2 and 1099 reporting. To facilitate payments, the system will gather and export payment information for you.

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.

Creating Retiree Payments

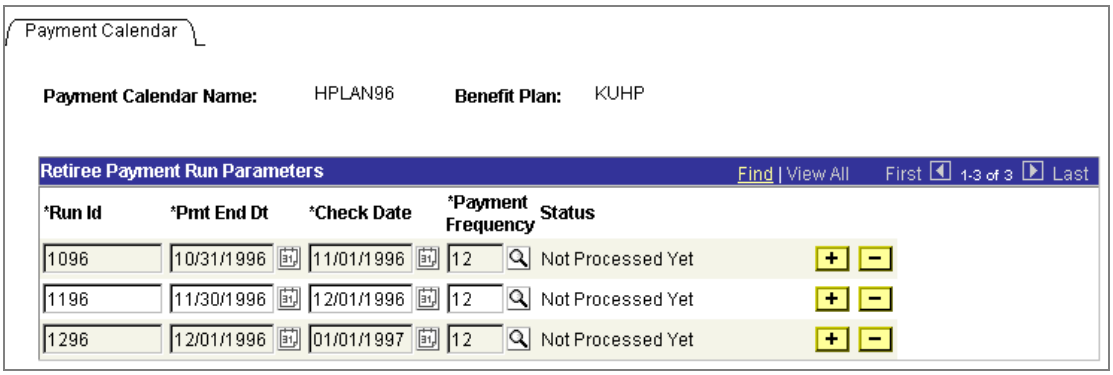
In this section, we discuss pages you need to set up to pay retirees.

Pages Used to Define Retiree Payments

Page Name	*Object Name*	*Navigation*	*Usage*
Retiree Payment Calendar	PA_RT_CALENDAR	Compensate Employees, Administer Pension Plan, Setup, Retiree Payment Calendar	Set up a schedule of pay periods for pension checks for a plan. Associate a run ID with each pay period, then reference that run ID when you run the retiree payments process or the trustee extract for that plan and pay period.
Retiree Payments	RUNCTL_PAPPYMNT	Compensate Employees, Administer Pension Plan, Process, Retiree Payments, Create Retiree Payments	Process payments for your pension payees. 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.

Defining the Retiree Payment Calendar

Access the Retiree Payment Calendar page.



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

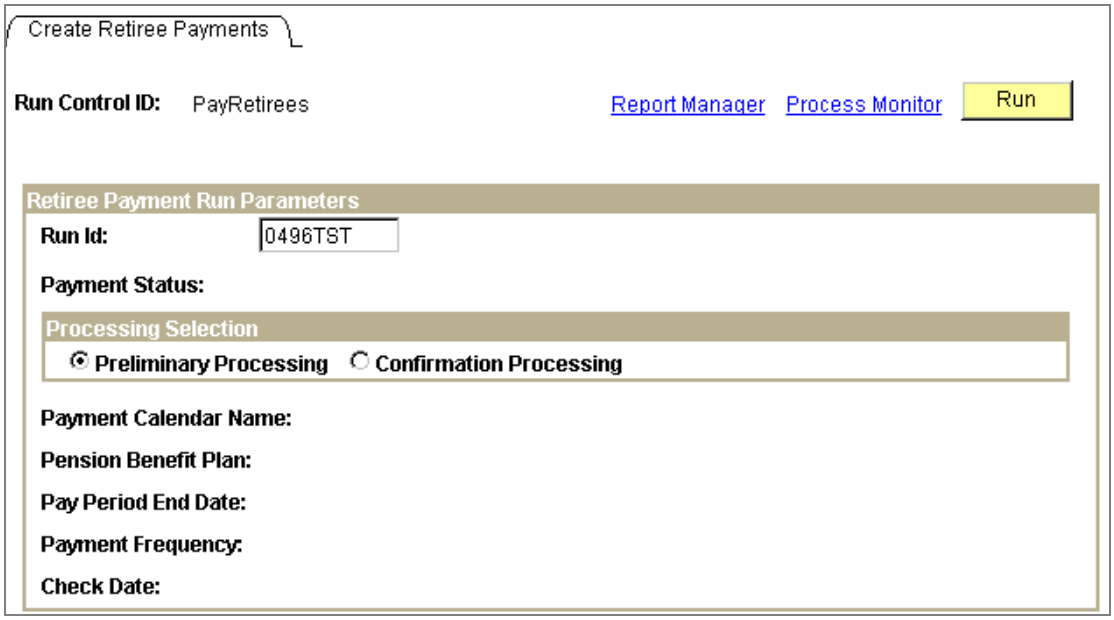
The status column lets you know how far along you are in processing this pay period. Possible statuses are ***Not Processed Yet, Preliminary,*** and ***Confirmed.***

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.

Creating Retiree Payments

Access the Retiree Payments page.



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.

Running the Process

Click **Run** to run this request. Process Scheduler runs the Create Retiree Payments process at user-defined intervals.

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.

See Also

PeopleSoft Process Scheduler PeopleBook

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.

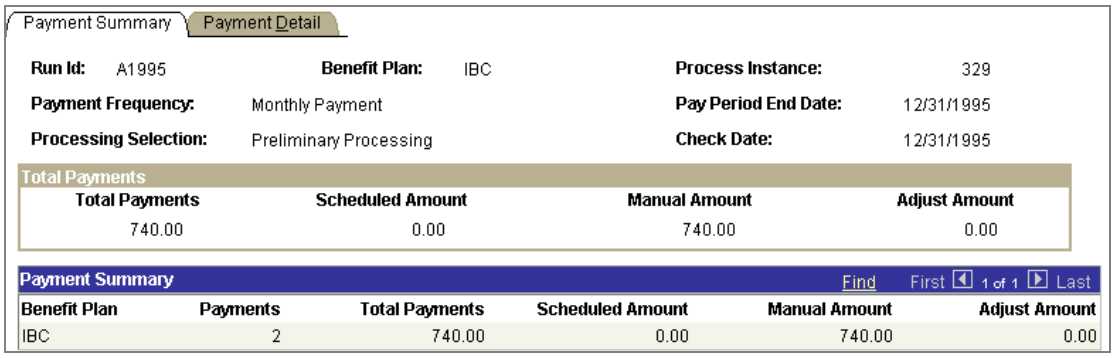
This is particularly useful when you've run a preliminary payment process and you need to review the results before running the confirmation process.

Pages Used to Review Retiree Payment Results

Page Name	*Object Name*	*Navigation*	*Usage*
Retiree Payment Results – Payment Summary	PA_RT_SUM_INFO	Compensate Employees, Administer Pension Plan, Inquire, Retiree Payment Results, Payment Summary	Shows the total payments that were processed during the payment run.
Retiree Payment Results – Payment Detail	PA_RT_DTL_INFO	Compensate Employees, Administer Pension Plan, Inquire, Retiree Payment Results, Payment Detail	Provides an employee-level breakdown of the payments processed.

Viewing Retiree Payment Results - Payment Summary

Access the Retiree Payment Results – Payment Summary page.



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.

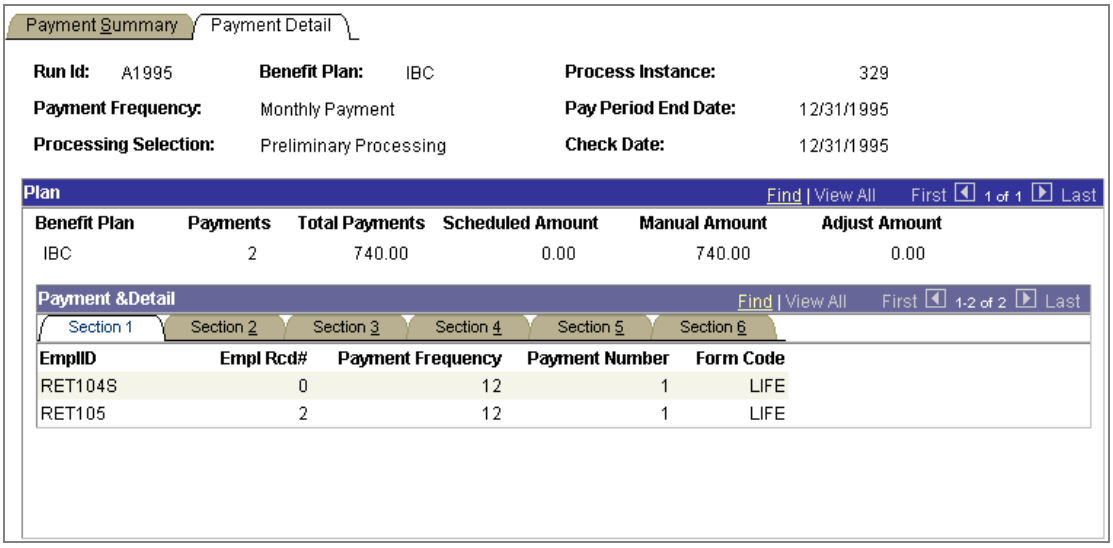
The **Total Payments** shown in the upper part of the page is the sum of all payments **-** for all plans and all payees **-** included in this pay run. The total amount gets broken into three components:

- **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.

Viewing Retiree Payment Results - Payment Details

Access the Retiree Payment Results – Payment Details page.



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

See Also

"Preparing Pension Payments," Scheduling Payments and Defining Payee Adjustment Schedules

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.

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 Human Resources Base Benefits business process or PeopleSoft Benefits Administration. This always requires that you use PeopleSoft Payroll Interface's DedCalc process to compute the deduction amount(s).

See Also

"Making Pension Payments," Creating Retiree Payments

"Preparing Pension Payments," 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.

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.

See Also

"Establishing Retiree Administration Control Tables," Creating a Logical File for the Trustee Extract

Pages Used to Define the Trustee Extract

Page Name	Object Name	Navigation	Usage
Trustee Extract	RUNCTL_PAPP02	Compensate Employees, Administer Pension Plan, Process, Trustee Extract	Run the trustee extract process.

Defining the Trustee Extract

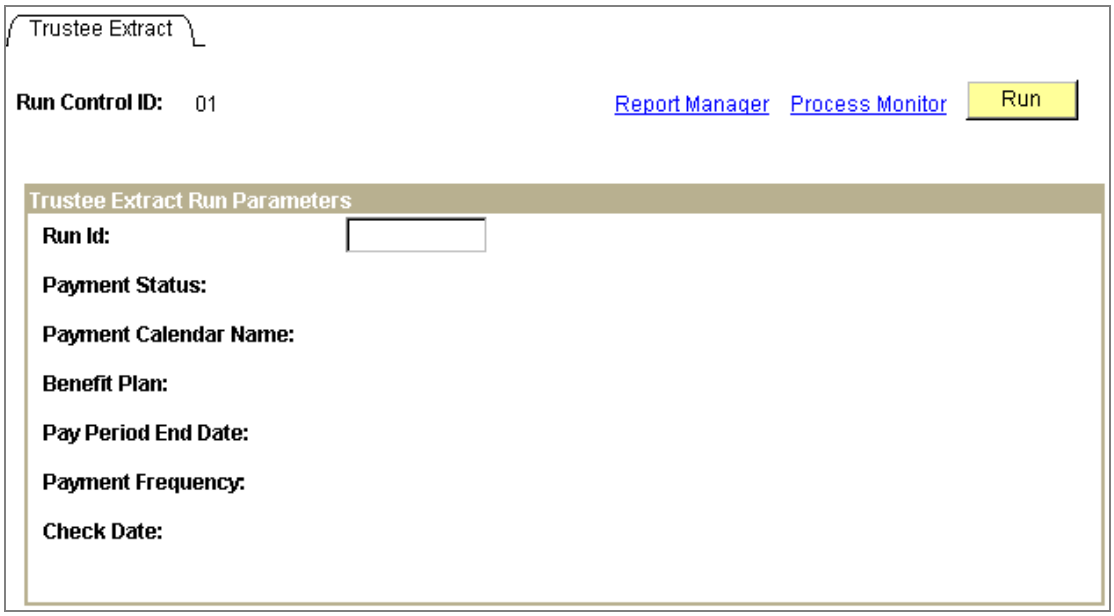
Access the Trustee Extract page.

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.



Trustee Extract page

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.

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.

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.

See Also

"Appendix: PeopleSoft Pension Administration Reports"

Pages Used to Review Trustee Extract Data

Page Name	*Object Name*	*Navigation*	*Usage*
Trustee Extract Summary	PA_TE_SUM_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Summary	Lists all the employees included in a particular trustee extract run and provides summary payment information about each employee

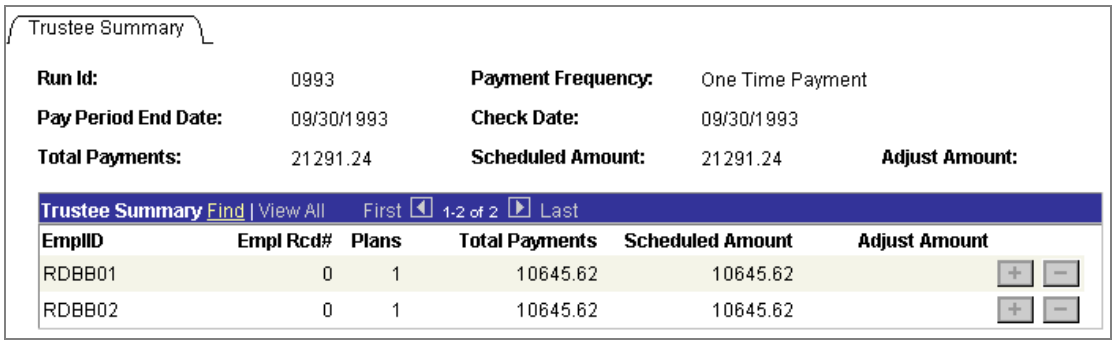
Page Name	Object Name	Navigation	Usage
Trustee Extract Contents – Employee Bio	PA_TE_BIO_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Employee Bio	Contains personal information about a payee. The information is based on one retiree record, so a payee with multiple retiree records will have multiple bio records.
Trustee Extract Contents – Federal Tax Info	PA_TE_FTX_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Federal Tax Info	Contains a payee's federal tax elections for one retiree record
Trustee Extract Contents – State Tax Info	PA_TE_STX_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, State Tax Info	Contains 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.
Trustee Extract Contents – Local Tax Info	PA_TE_LTX_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Local Tax Info	Contains 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.
Trustee Extract Contents – General Deduction	PA_TE_GDED_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, General Deductions	Contains 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.

Page Name	*Object Name*	*Navigation*	*Usage*
Trustee Extract Contents – Benefit Deduction	PA_TE_BDED_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Benefit Deduction	Contains a payee's benefit deductions for one retiree record. Payees can have multiple deductions per job.
Trustee Extract Contents – Direct Deposit	PA_TE_DDEP_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Direct Deposit	Contains a payee's direct deposit instructions for one retiree record.
Trustee Extract Contents – Additional Pay	PA_TE_APAY_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Additional Pay	Contains a payee's additional pay for one retiree record. Payees can have multiple additional pay records per job.
Trustee Extract Contents – Balance Adjust	PA_TE_BADJ_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Balance Adjust	Contains 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.
Trustee Extract Contents – Scheduled Payment	PA_TE_SPMT_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, Scheduled Payment	Contains 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.

Page Name	Object Name	Navigation	Usage
Trustee Extract Contents – One-Time Payments	PA_TE_1PMT_INFO	Compensate Employees, Administer Pension Plan, Inquire, Trustee Extract Contents, One-Time Payments	Contains 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.
Payee Summary	PA_RT_EMP_SUM	Compensate Employees, Administer Pension Plan, Use, Payee Summary	Track the payment process that automatically updates information under the appropriate payee record number. You can also use this page to check how much of a retiree's contributions have been repaid.

Viewing the Trustee Extract Summary

Access the Trustee Extract Summary page.



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.

Viewing 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 9 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

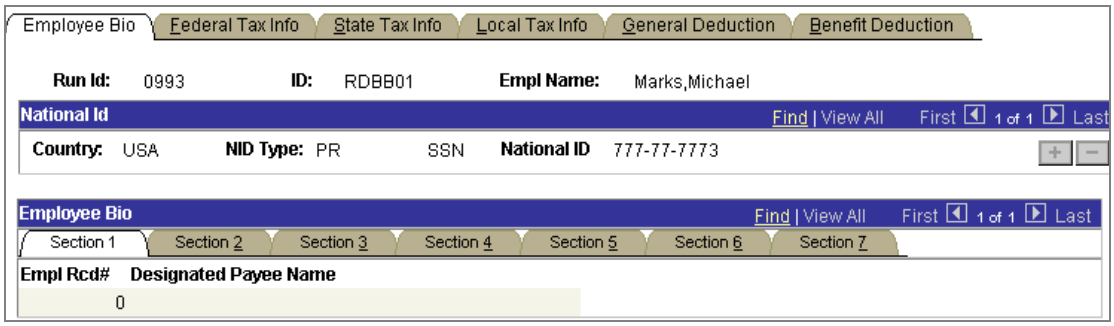
A trustee extract has one header record. The header record contains information about the job that isn't specific to individual employees. Therefore, the employee-based Trustee Extract Contents pages don't display the header information.

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

Viewing Trustee Extract Contents – Employee Bio

Access the Trustee Extract Contents – Employee Bio page.



Trustee Extract Contents - Employee Bio page

Bio records have a record type “20.”

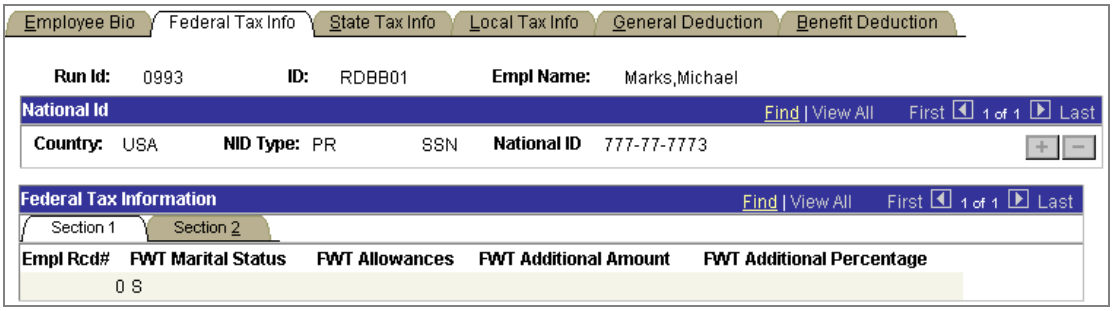
Bio Record Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Employee Name	Character	50	18	67
Alternate Name for Payee*	Character	30	68	97
Address 1	Character	35	98	132
Address 2	Character	35	133	167
Address 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

Bio Record Data	Format	Length	Beginning Position	Ending Position
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.

Viewing Trustee Extract Contents - Federal Tax Info

Access the Trustee Extract Contents – Federal Tax Info page.



Trustee Extract Contents - Federal Tax Info page

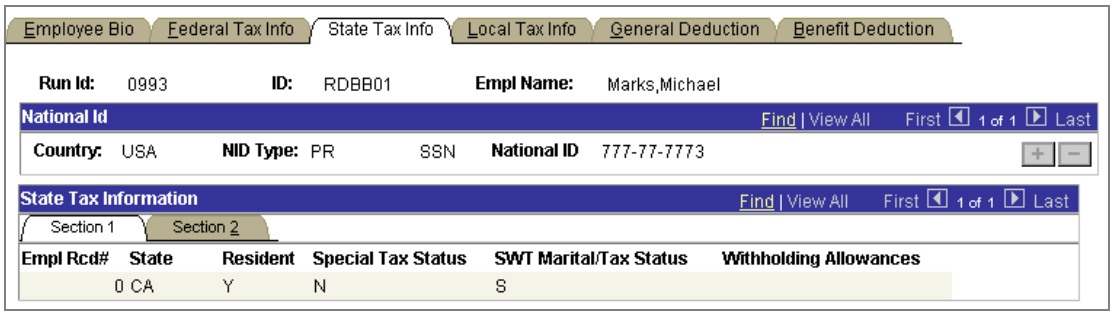
Federal tax records have a record type “30.”

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

Federal Tax Data	Format	Length	Beginning Position	Ending Position
FUTA Exempt Status	Character	1	37	37
EIC Status	Character	1	38	38
Employee ID for W-2	Character	11	39	49

Viewing Trustee Extract Contents - State Tax Info

Access the Trustee Extract Contents – State Tax Info page.



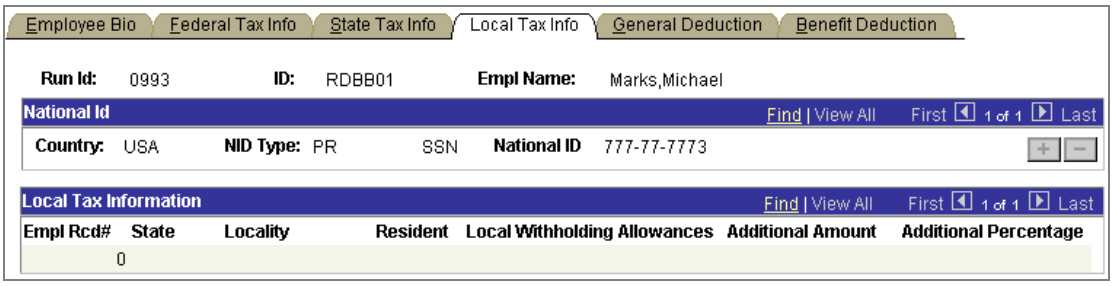
Trustee Extract Contents - State Tax Info

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

Viewing Trustee Extract Contents - Local Tax Info

Access the Trustee Extract Contents – Local Tax Info page.



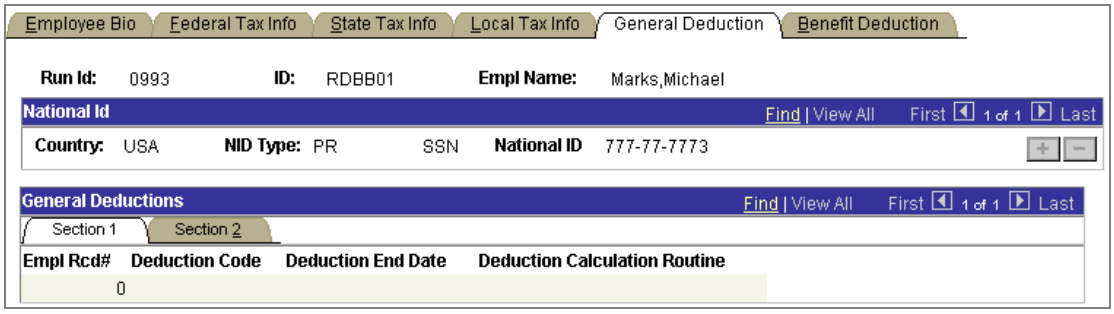
Trustee Extract Contents - Local Tax Info page

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

Viewing Trustee Extract Contents - General Deductions

Access the Trustee Extract Contents – General Deductions page.



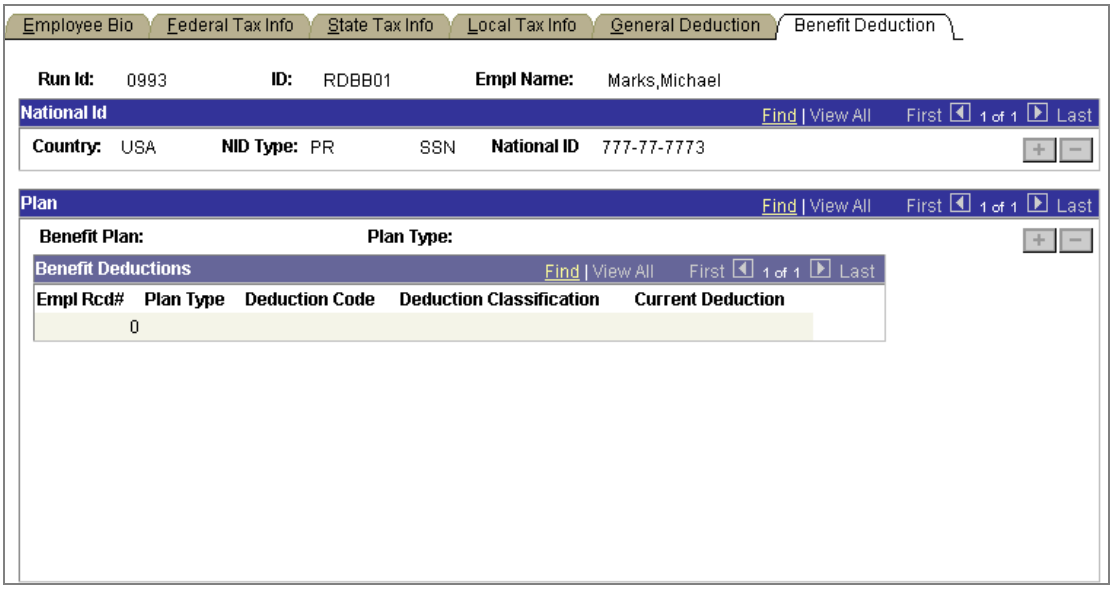
Trustee Extract Contents - General Deductions page

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

Viewing Trustee Extract Contents - Benefit Deductions

Access the Trustee Extract Contents – Benefit Deductions page.



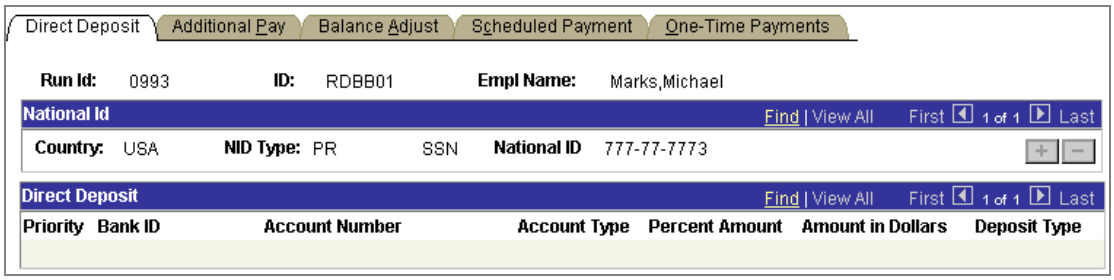
Trustee Extract Contents - Benefit Deductions page

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

Viewing Trustee Extract Contents - Direct Deposit

Access the Trustee Extract Contents – Direct Deposit page.



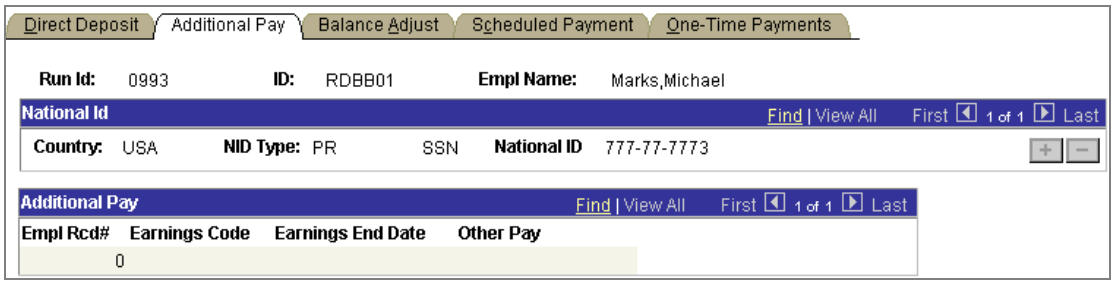
Trustee Extract Contents - Direct Deposit page

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

Viewing Trustee Extract Contents - Additional Pay

Access the Trustee Extract Contents – Additional Pay page.



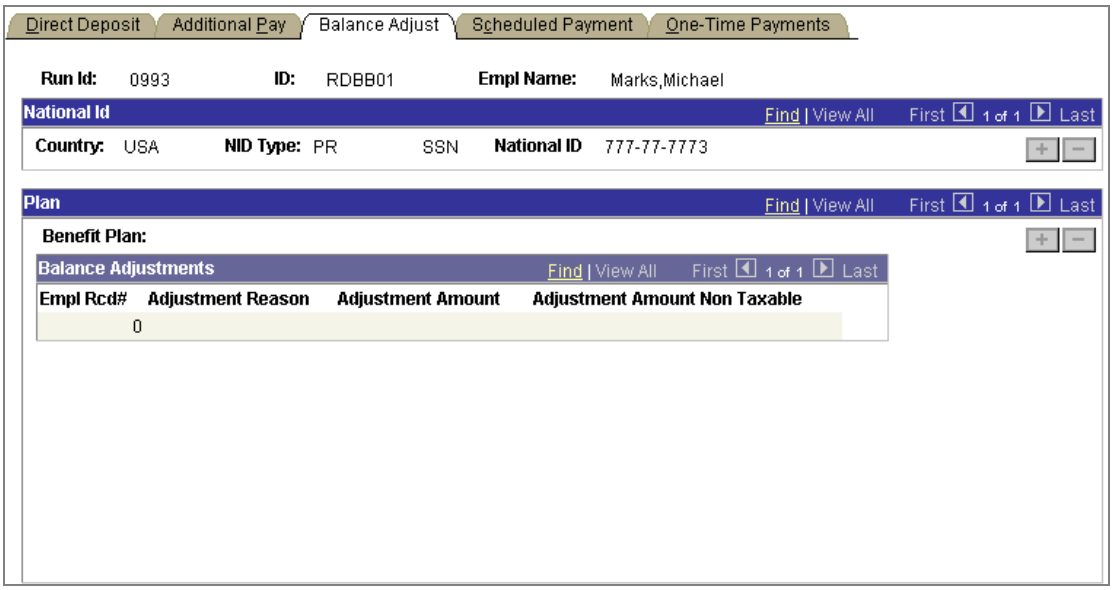
Trustee Extract Contents - Additional Pay page

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

Viewing Trustee Extract Contents - Balance Adjustment

Access the Trustee Extract Contents – Balance Adjustments page.



Trustee Extract Contents - Balance Adjustment page

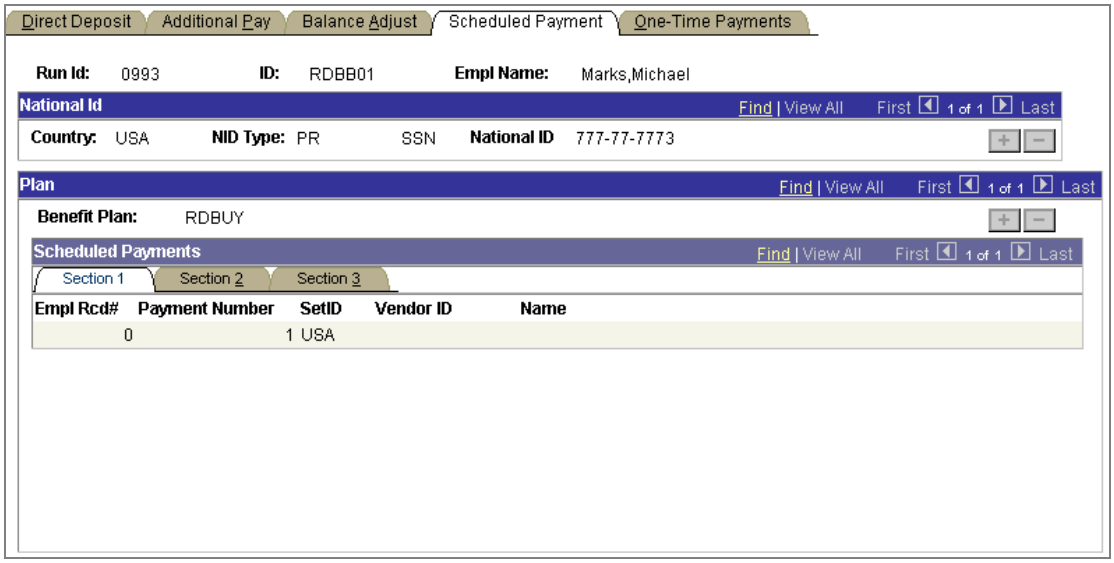
Balance adjustment records have a record type "70."

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

Balance Adjustment Data	Format	Length	Beginning Position	Ending Position
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

Viewing Trustee Extract Contents - Scheduled Payments

Access the Trustee Extract Contents – Scheduled Payments page.



Trustee Extract Contents - Scheduled Payments page

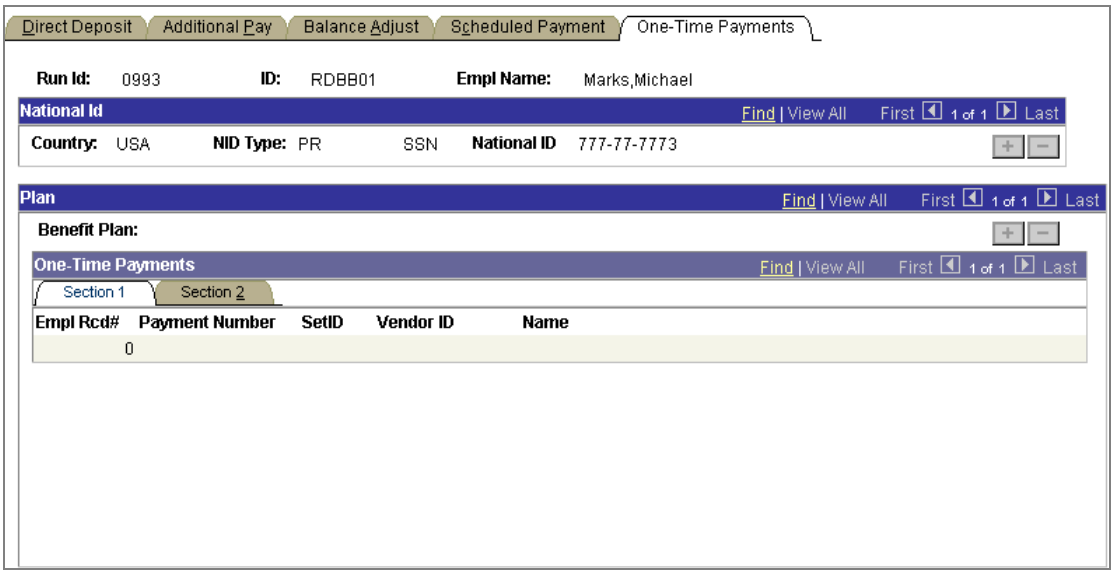
Scheduled payment records have a record type “80.”

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

Scheduled Payment Data	*Format*	*Length*	*Beginning Position*	*Ending Position*
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

Viewing Trustee Extract Contents - One-Time Payments

Access the Trustee Extract Contents – One-Time Payments page.



Trustee Extract Contents - One-Time Payments page

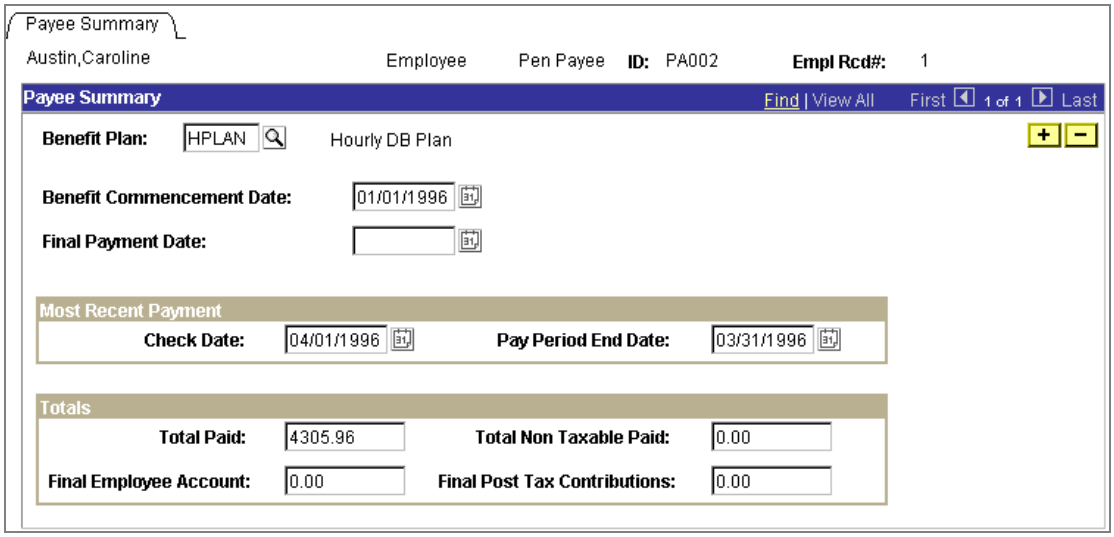
One time payment records have a record type “81.”

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

One-Time Payment Data	Format	Length	Beginning Position	Ending Position
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

Tracking the Payee Summary

Access the Payee Summary page.



Payee Summary page

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.

Final Post Tax Contributions

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 adjustments to 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 **Final Post Tax Contributions** field provides the nontaxable component of the final employee account. You can use this to track total nontaxable payments.

CHAPTER 55

Administering Pension Payees

This chapter discusses administering pension payees and shows you how to:

- Administer terminated employees.
- Administer retiree deaths.
- Administer employee deaths.
- Change payment amounts.

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.

See Also

"Introduction to PeopleSoft Pension Administration," Maintaining Public Tables

"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.

Retiring an Employee	*Administering a Terminated Deferred Vested Employee*
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.

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.*

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.

See Also

"Calculating Pension Benefits," Protecting a Calculation

"Establishing Pension Payees"

"Preparing Pension Payments"

"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.

Defining the Payee Payment Schedule to Stop Payments

To stop payments to payees use the Payee Payment Schedule page by navigating to Compensate Employees, Administer Pension Plan, Use, Payee Payment Schedule.

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. 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.

Note. The Payee Payment Schedule page is discussed in detail in "Preparing Pension Payments." Here, we discuss several fields again, as they relate to administering retiree deaths and updating beneficiary information.

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.

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.

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.

Enter a **Payment Status** of ***Active, Deferred, Stopped*** or ***Suspended***.

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

See Also

"Establishing Pension Payees"

"Preparing Pension Payments," Defining the Payee Payment Schedule

Updating the Pension Status

To manually update the pension status of a participant who dies, use the Employee Pension Status page by navigating to Compensate Employees, Administer Pension Plan, Use, Employee Pension 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.

See Also

"Using Pension Statuses"

"Maintaining Employee Pension Data," Maintaining Pension Status Codes

Administering Employee Deaths

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.

Note. Use the Payee Manual Schedule page to schedule beneficiary payments manually if there isn't already a retiree payment schedule. The Payee Manual Schedule page is discussed in detail in "Preparing Pension Payments."

See Also

"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.

Pages Used to Define Changes in Payment Amounts

Page Name	*Object Name*	*Navigation*	*Usage*
Retiree COLA	RUNCTL_PASCOLA	Compensate Employees, Administer Pension Plan, Process, Retiree COLA	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.

Adjusting Level Income Forms of Payment

Note. 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 page to adjust the payment. The Payee Payment Schedule page is discussed in detail in "Preparing Pension Payments." Here, we discuss several fields on the Payee Payment Schedule page again, since they relate to changing payment amounts.

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.

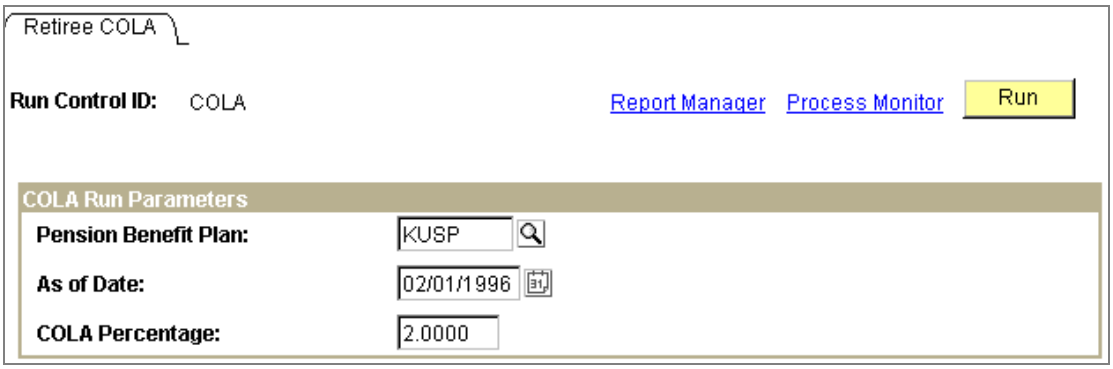
For a last to survive annuity, you'll have a ***Retiree Amount*** and a ***Survivor Amount.*** If the retiree dies first, you'll set up the beneficiary just as you would for a normal joint and survivor annuity. If the beneficiary dies first, change the retiree's schedule so the retiree is receiving the beneficiary amount.

See Also

"Preparing Pension Payments," Defining the Payee Payment Schedule

Defining the Retiree COLA

Access the Retiree COLA page.



Retiree COLA page

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.

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.

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.

See Also

PeopleSoft Process Scheduler PeopleBook

CHAPTER 56

Administering Contributory Plans

This chapter discusses administering contributory plans and shows you how to:

- Deduct pension contributions.
- Track contributions.
- Administer withdrawals of contributions and service buy back.
- Administer service purchase.
- Manage multiple withdrawal or purchase accounts.
- Ensure retirees recover their contributions.

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.

Understanding the Deduction Process

The process of taking pension deductions from employee paychecks is identical to the process used to take 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 Benefits Administration or the Base Benefits business process 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.

See Also

PeopleSoft Human Resources PeopleBook: Base Benefits

PeopleSoft Benefits Administration PeopleBook

PeopleSoft Payroll for North America PeopleBook

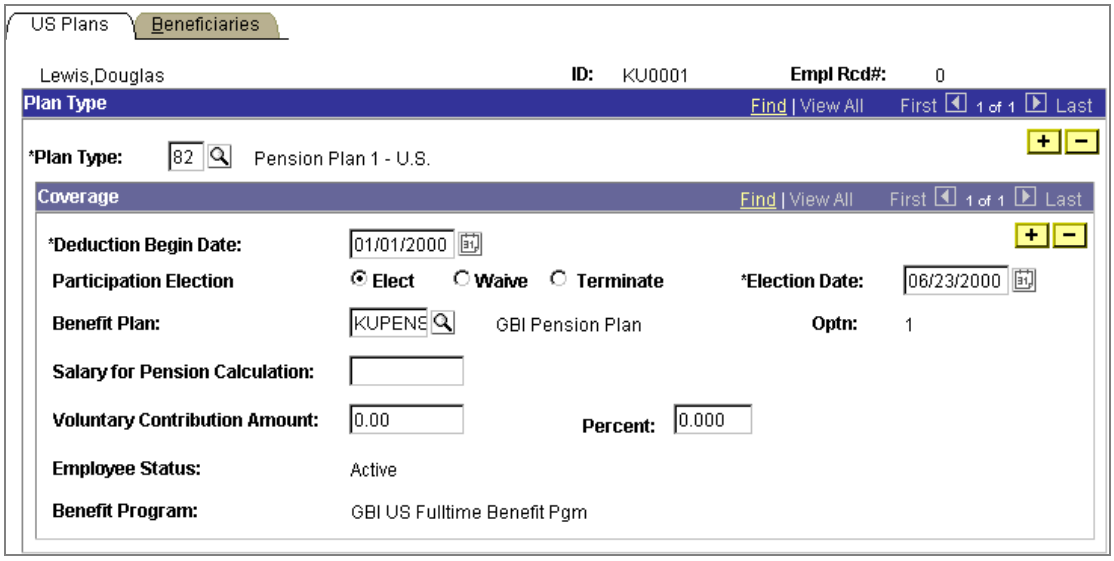
PeopleSoft Payroll Interface PeopleBook

Pages Used to Define Pension Plans

Page Name	Object Name	Navigation	Usage
Pension Plans (US) – US Plans	US_PLAN_1	Compensate Employees, Administer Base Benefits, Use, Pension Plans (US), US Plans	If you use PeopleSoft Human Resources Base Benefits business process rather than PeopleSoft Benefits Administration to enroll employees in benefit plans, you'll sign employees up for pension deductions manually using this page.

Defining Pension Plans (US) – US Plans

Access the Pension Plan (US) – US Plans page.



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.

See Also

"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.

Page Name	*Navigation*
Contribution History	Compensate Employees, Administer Pension Plan, Use, Employee Consolidated History, Contribution History
Employee Account History	Compensate Employees, Administer Pension Plan, Inquire, Plan History, Employee Account History
Employee Acct Adj	Compensate Employees, Administer Pension Plan, Use, Employee Plan Data, Empl Acct Adj

See Also

"Running Periodic Processes"

"Maintaining Employee Pension Data," Maintaining Consolidated Payroll Data

"Viewing Employee Data," Viewing Plan-Related Information

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 Mary 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 Mary, 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 Mary 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, Mary will get her entire three years of service back as soon as the $2000 payment is processed. If the account requires full payment, Mary 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, Mary 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.

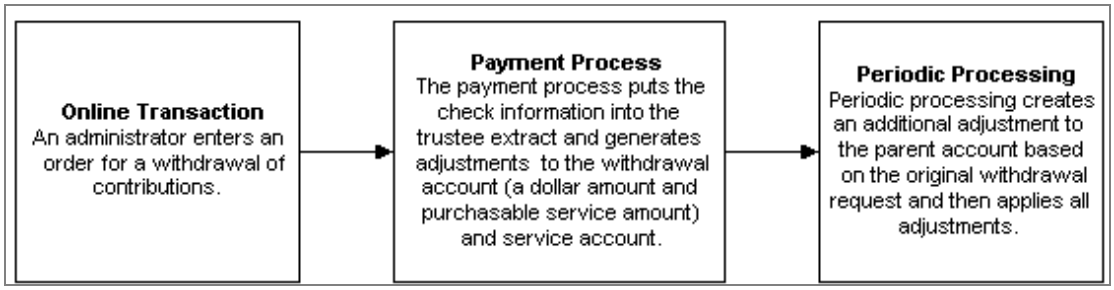
If Mary buys back the service over an extended period of time, you can use periodic processing to continue adding interest to the amount due.

Note. 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.



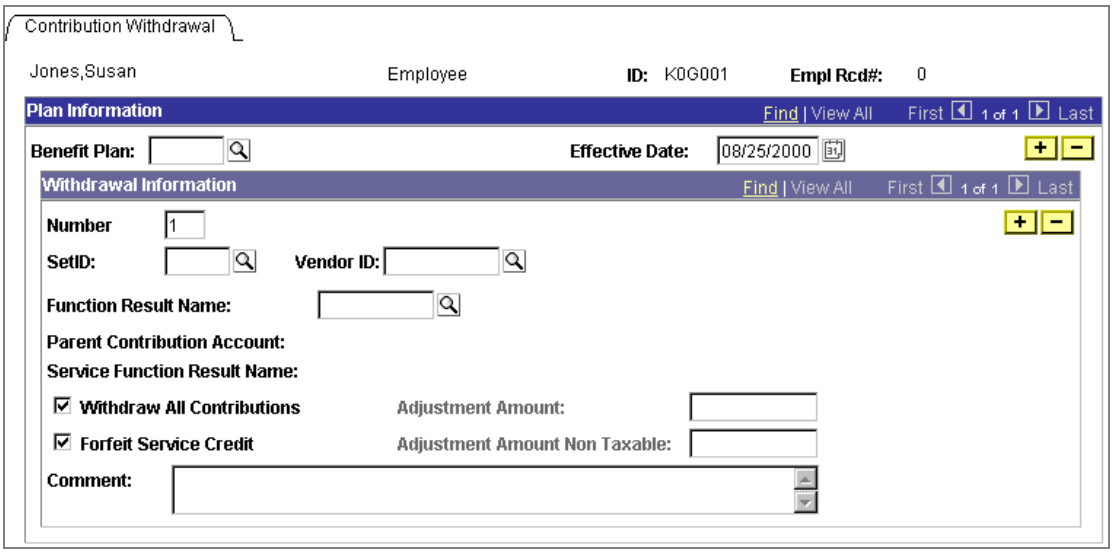
Withdrawing Contributions

Pages Used to Define Contribution Withdrawals

Page Name	*Object Name*	*Navigation*	*Usage*
Payee Contribution Withdrawal	PA_WTHDRW_CTB	Compensate Employees, Administer Pension Plan, Use, Payee Contribution Withdrawal, Contribution Withdrawal	Enter the transaction when an employee elects to withdraw contributions.

Defining Payee Contribution Withdrawals

Access the Payee Contribution Withdrawal page.



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.

Note. 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.

Note. 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.

Note. 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.

See Also

"Consolidating Payroll Data," Consolidating Contributions

Using the Employee Account Adjustment page to Credit a Return of Contributions

Note. The Employee Account Adjustment page is documented earlier in this chapter. Here, we discuss functionality that pertains specifically to crediting a return of contributions.

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. You'll do this on the Employee Account. Adjustment page.

Note. The Employee Account Adjustment page is documented earlier in this chapter. Here, we discuss functionality that pertains to establishing purchasable service.

Establishing the Amount of Service

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.

Note. 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.

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.

See Also

"Creating the Plan Impementation and Plan Aliases," Adding Plan Alias Parameters

Defining Plan Aliases

Crediting Service Purchase Payments

In order to purchase service under a service purchase agreement, employees have to pay the established amount.

Note. 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.

Note. 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.

Note. 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.

Recording the Payment as a Manual Adjustment to the Withdrawal Account

When an employee pays money directly, use the Employee Account Adjustments page to record the payment as a manual adjustment to the withdrawal account.

Note. The Employee Account Adjustment page is documented earlier in this chapter. Here, we discuss functionality that pertains specifically to manual adjustments to the withdrawal account.

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.

Note. 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 on the Plan Aliases page.

Defining Plan Aliases

Use the Plan Aliases page to idenfity the appropriate employee accounts and track final employee contributory balances.

Note. You identify the account in the Employee Contribution Account file.

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 on the 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.

See Also

"Making Pension Payments," Tracking the Payee Summary

"Creating The Plan Implementation and Plan Aliases," Adding Miscellaneous Plan Specification Information

CHAPTER 57

Administering QDROs

This chapter shows you how to administer QDROs.

Understanding 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 have to determine if the order is qualified; if it is, the DRO becomes a Qualified Domestic Relations Order, or QDRO. You 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 record the DRO and determine if it's qualified. If it is, add your QDRO alternate payees to the system and, enter information about the QDRO. You 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.

Administering the QDRO Process

To administer QDROs you need to:

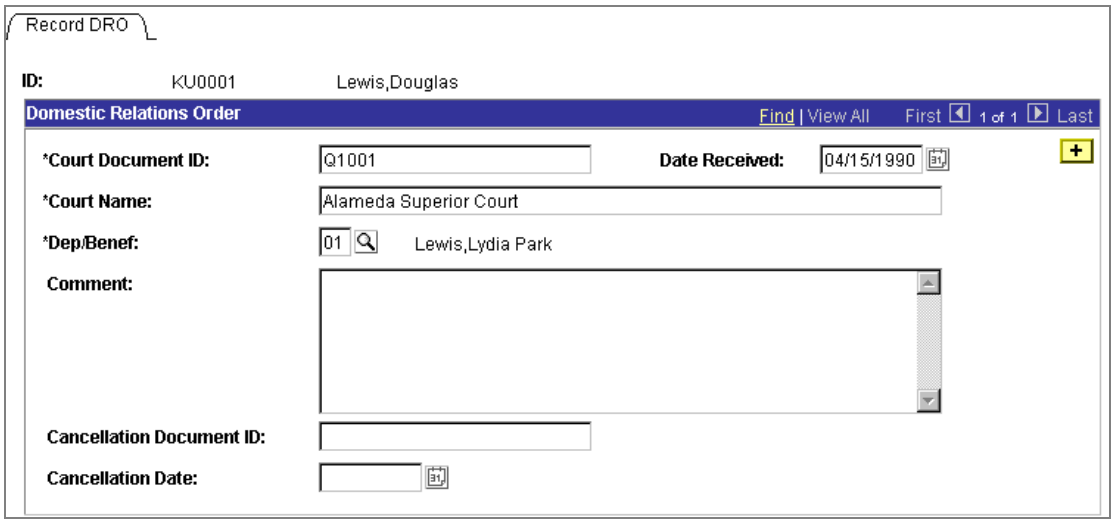
- Record DROs.
- Create alternate payee records.
- Process QDROs
- Calculate alternate payee's benefits
- Pay QDRO alternate payees.

Pages Used to Administer the QDRO Process

Page Name	Object Name	Navigation	Usage
Record DRO	PA_DRO_SPEC	Compensate Employees, Administer Pension Plan, Use, Record DRO	Record receipt of a DRO and to record activities up to the point the DRO is determined to be qualified.
QDRO Process	PA_QDRO_SPEC	Compensate Employees, Administer Pension Plan, Use, QDRO Process	Record the amount awarded to the alternate payee. This amount is particularly crucial, since it is the basis for your QDRO payments.

Recording DROs

Access the Record DRO page.



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.
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.**

See Also

"Setting Up Dependent and Beneficiary Information"

Creating Alternate Payee Records

If it is determined that a DRO is qualified, you 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.

Note. 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.

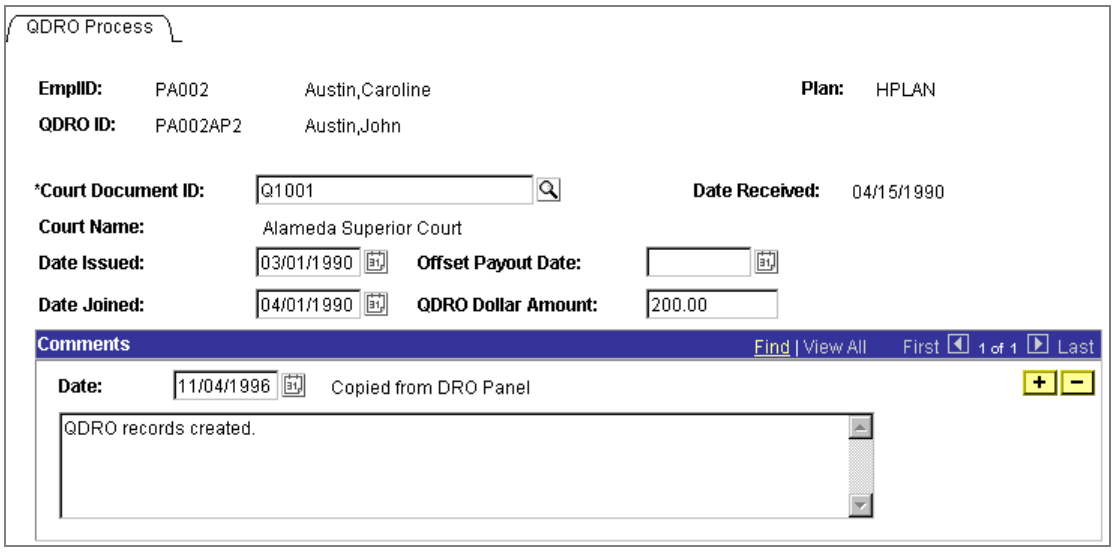
If your organization uses Social Security Numbers as Employee IDs, you'll have to add a suffix to distinguish multiple records for the same person.

See Also

"Establishing Pension Payees"

Starting the QDRO Process

Access the QDRO Process page.



QDRO Process page

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.

Note. 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 Provides additional information about the court order itself.

Offset Payout Date 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

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

After 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.

Warning! 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

After you've entered an alternate payee into your PeopleSoft Pension Administration system and run a calculation, 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.

See Also

"Preparing Pension Payments"

"Making Pension Payments"

"Establishing Pension Payees," Using the Create Payee Page

CHAPTER 58

Recording Communications

This chapter shows you how to track pension-related communications.

Understanding Pension 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:

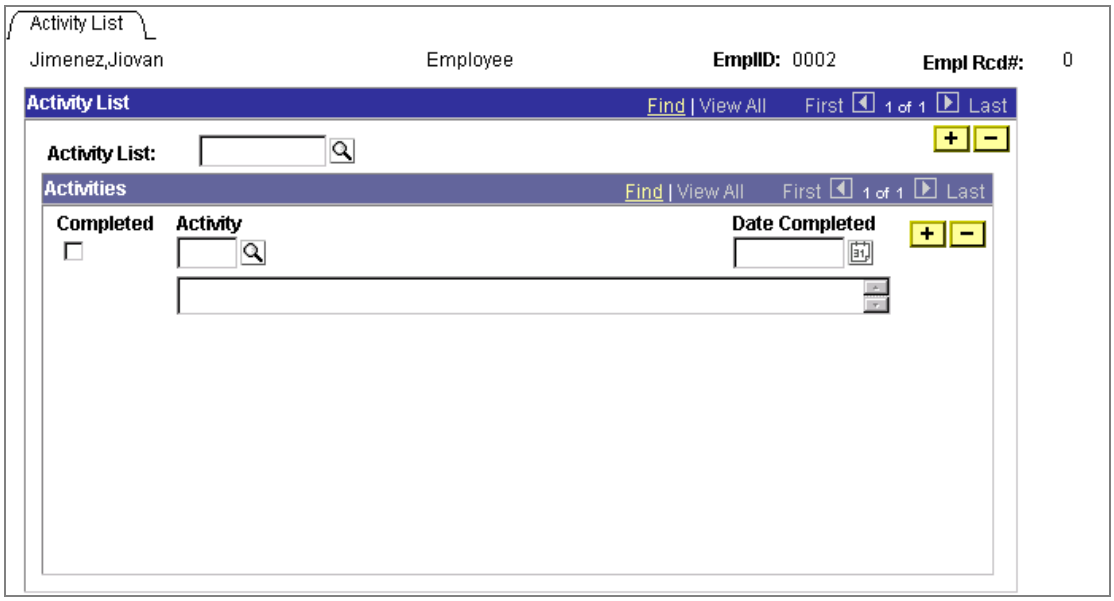
- Activity lists. for standard checklists used in specific situations.
- General comments pages for free-form comments.

Pages Used to Record Communications

Page Name	*Object*	*Navigation*	*Usage*
Activity List	PA_RT_EMP_LIST	Compensate Employees, Administer Pension Plan, Use, Activity List, Activity List	Start a checklist for an employee pension activity.
General Comments	PA_RT_EMP_CMNT	Compensate Employees, Administer Pension Plan, Use, General Comments, General Comment	Record general pension-related comments.

Setting Up Activity Lists

Access the Activity List page.



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 Select if you've completed the activity.

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.

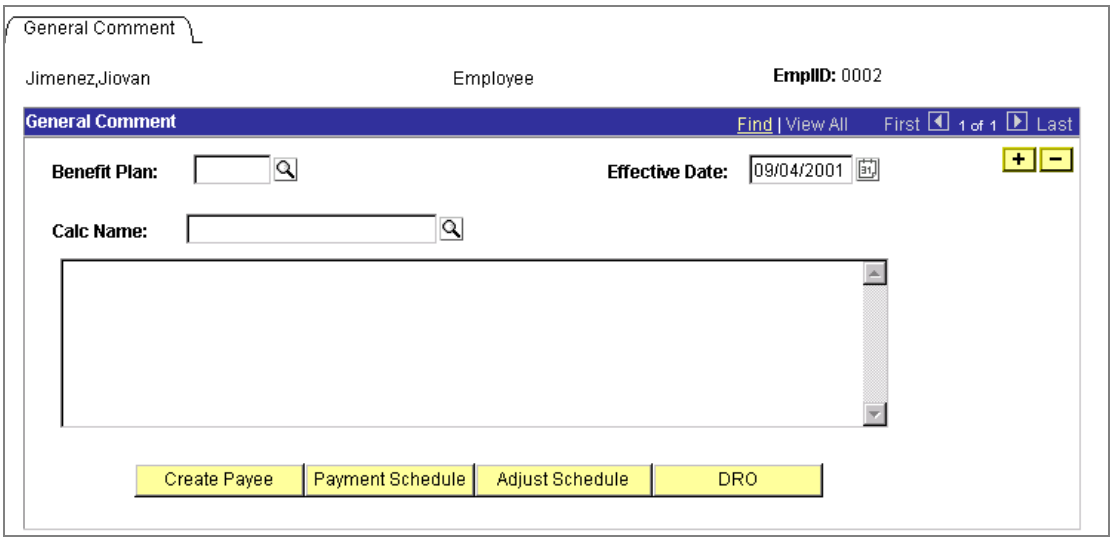
Your company may have a separate activity list for tasks that are performed only once, regardless of how many plans the employee participated in. These are activities such as verifying birth dates and marriages. If so, you won't have to check off those activities for each plan. If your company uses such 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.

See Also

"Maintaining Public Tables"

Entering General Comments

Access the General Comments page.



General Comments page

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.

Create Payee — Transfers to Creating Payees, where you establish payee records for your retirees, beneficiaries, and QDRO alternate payee.

Payment Schedule — Transfers to Payee Payment Schedule page, where you schedule recurring pension payments.

Adjust Schedule — Transfers to Payee Adjustment Schedule page, where you schedule one-time pension payments.

DRO — Transfers 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.

See Also

"Establishing Pension Payees," Creating Payees

"Preparing Pension Payments," Defining Payee Adjustment Schedules

"Administering QDRO's," Recording DROs

CHAPTER 59

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

Many of the public tables include an effective date as well as yearly rates. For most of these tables, you never add another effective date; you 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.

Note. 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.

See Also

"Creating Table Lookup Aliases," 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.

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.

Pages Used to Maintain Internal Revenue Code Limit Tables

Page Name	*Object Name*	*Navigation*	*Usage*
401(a)(17) Limits - TRA'86 Limits	PA_TRA86_LIMITS	Compensate Employees, Administer Pension Plan, Tables, 401(a)(17) Limits, TRA'86 Limits	Update the 401(a)(17) limits: TRA '86 table.
401(a)(17) Limits - OBRA'93 Limits	PA_OBRA93_LIMITS	Compensate Employees, Administer Pension Plan, Tables, 401(a)(17) Limits, OBRA'93 Limits	Update the 401(a)(17) limits: OBRA '93 table.
415 Limits - 415(b) Max Dollar Limits Page	PA_TL_415_LIMIT	Compensate Employees, Administer Pension Plan, Tables, 415 Limits, 415(b) Max Dollar Limits	Maintain the 415(b) Max Dollar Limits table.
415 Limits - 415(c) DC Limits Page	PA_TL_415_LIMDC	Compensate Employees, Administer Pension Plan, Tables, 415 Limits, 415(c) DC Limits	Use this page to maintain the 415(c) DC Limits table.

See Also

"Applying 401(a)(17) Earnings Limits"

"Applying 415 Limits"

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 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.

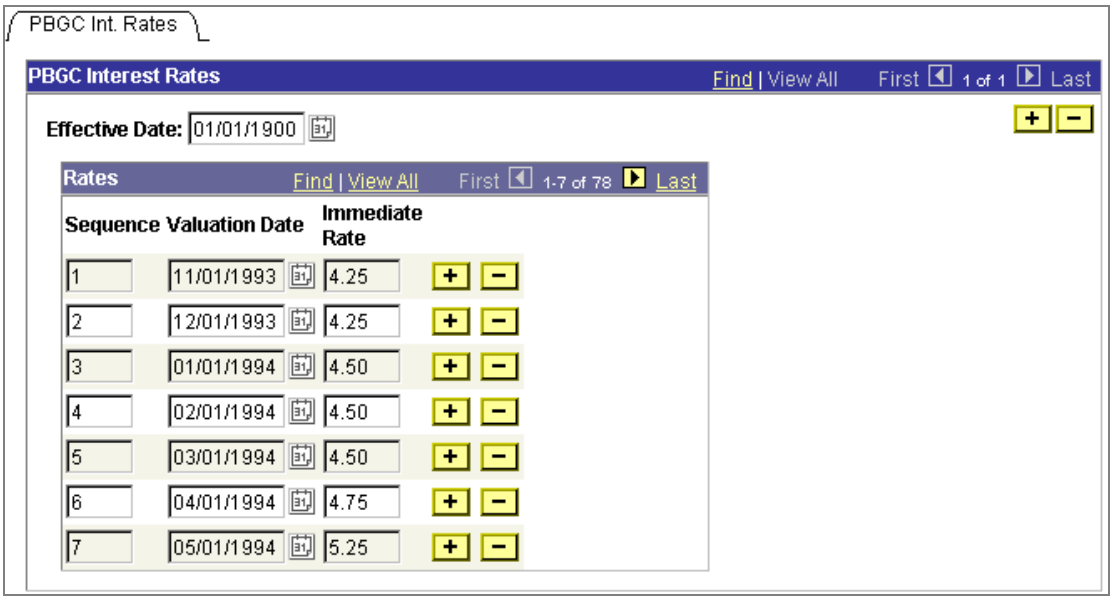
PeopleSoft Pension Administration provides three interest tables that you can use with the Table Lookup utility: PBGC rates, published by the Pension Benefit Guaranty Corporation, thirty year Treasury bond rates, and federal mid-term rates.

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.

Page Name	*Object Name*	*Navigation*	*Usage*
PBGC Interest Rates	PA_PBGC_RATES	Compensate Employees, Administer Pension Plan, Tables, PBGC Rates, PBGC Interest Rates	View PBGC interest rates.
30-Year T-Bond Rates	PA_TL_30YR_TBILL	Compensate Employees, Administer Pension Plan, Tables, 30-Year T-Bond Rates, 30-Year T-Bond Rates	View 30-year T-bond rates.
Federal Midterm Rates	PA_TL_120AFR	Compensate Employees, Administer Pension Plan, Tables, Federal Mid-Term Rates	View Federal midterm rates.

Looking Up PBGC Interest Rates

Access the PBGC Interest Rates page.



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.

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.

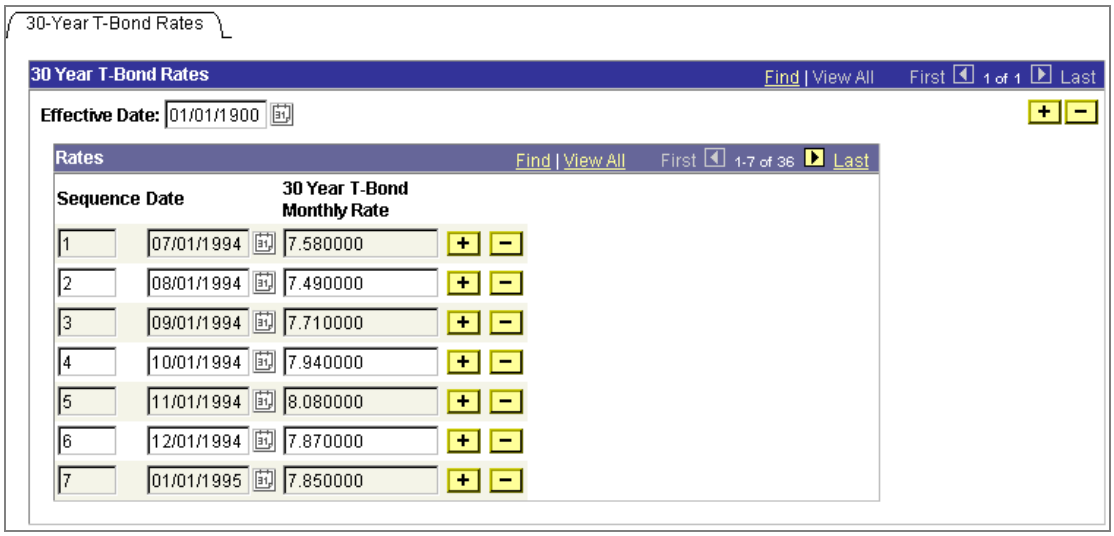
See Also

"Using Actuarial Assumptions," Establishing Actuarial Assumption Sets

"Defining the Employee-Paid Benefit"

Viewing 30-Year T-Bond Rates

Access the 30-Year T-Bond Rates page.



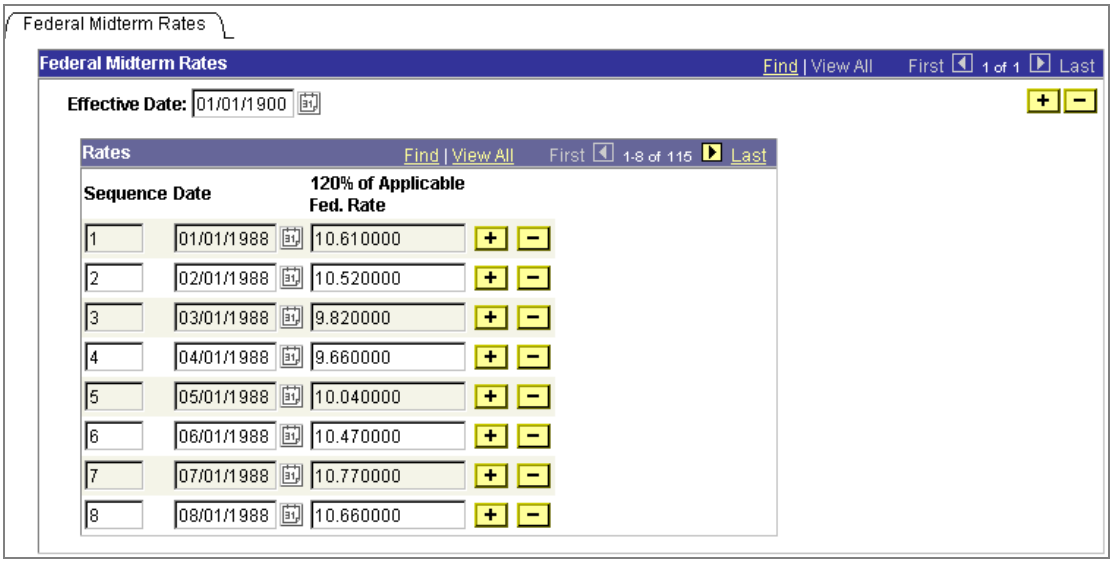
30-Year T-Bond Rates page

Note. 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 to determine the present lump sum value of a participant's benefit under a qualified defined benefit plan.

Each effective-dated row consists of a **Date** and the **30 Year T-Bond Monthly Rate** that was published on that date.

Viewing Federal Midterm Rates

Access the Federal Midterm Rates page.



Federal Midterm Rates page

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.

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 delivers 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.

See Also

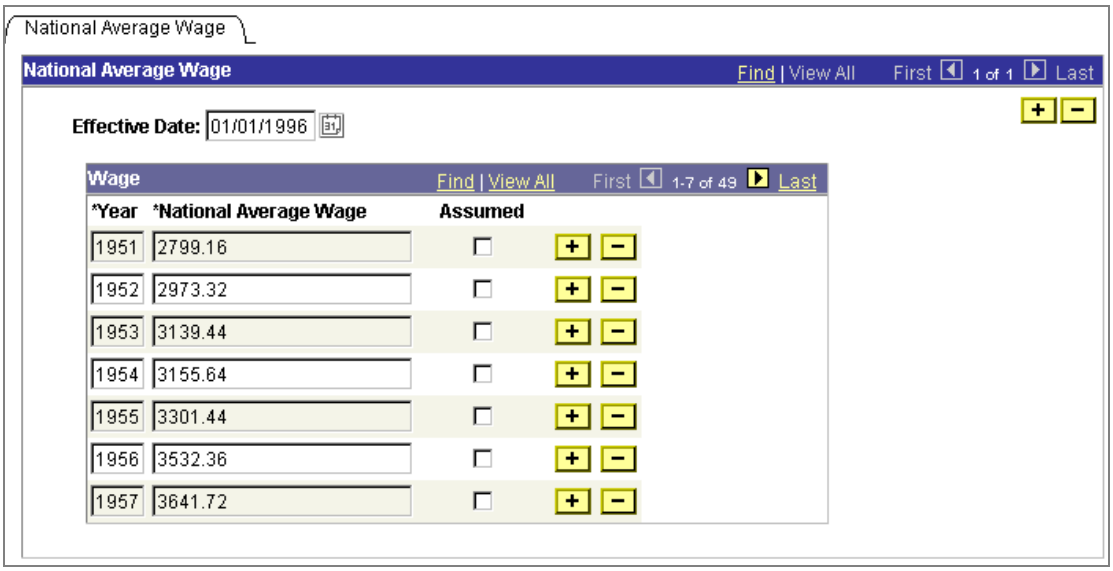
"Defining Social Security"

Pages Used to Maintain Social Security Tables

Page Name	*Object Name*	*Navigation*	*Usage*
Max Taxable Wage Base	PA_TL_MAX_WAGE	Compensate Employees, Administer Pension Plan, Tables, Max Taxable Wage Base	View the maximum taxable wage base, the cap on the wages that are considered for Social Security purposes.
National Average Wage	PA_TL_NATL_AV_WAGE	Compensate Employees, Administer Pension Plan, Tables, National Average Wage	View the national average wage statistics published by the U.S. Department of Labor.
Consumer Price Index (CPI-W)	PA_TL_CPI_INCR	Compensate Employees, Administer Pension Plan, Tables, Consumer Price Index (CPI-W)	View the Consumer Price Index increases by year.
The Delayed Retirement Credit	PA_DLAY_CRD_PCT	Compensate Employees, Administer Pension Plan, Tables, Delayed Retirement Credit	View the allowable delayed retirement increase percentage for each year.
Disability Drop Years	PA_SS_DROP_TBL	Compensate Employees, Administer Pension Plan, Tables, Disability Drop Years	View the number of years to drop based on age at the time of disability. **Note.** Calculating Social Security disability benefits involves dropping a number of years from the employee's wage history before determining the average wage.

Viewing National Average Wages

Access the National Average Wage page.



National Average Wage page

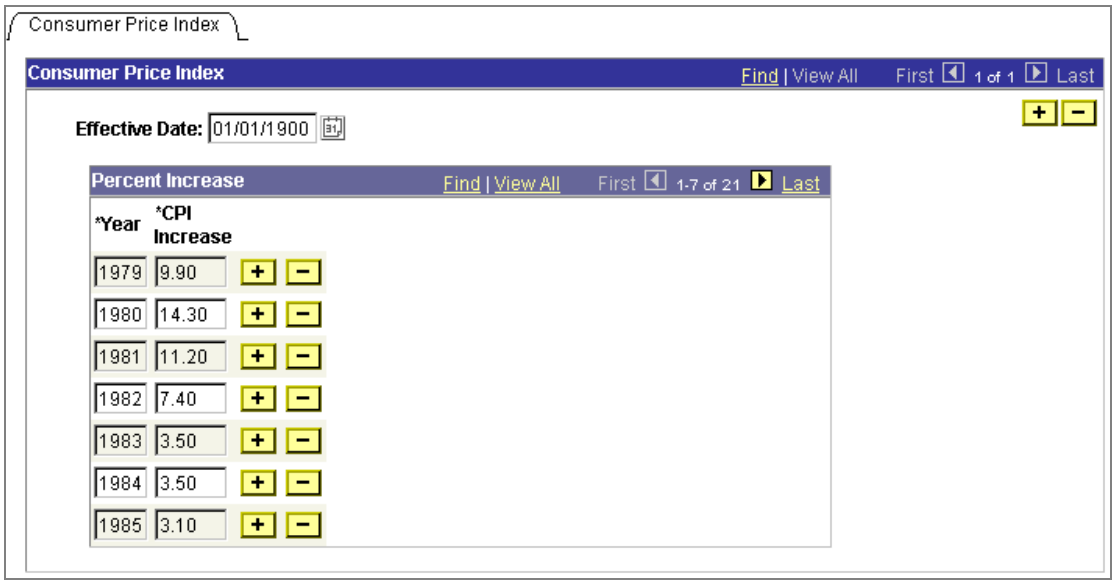
Each effective-dated row consists of a **Year** and the associated **National Average Wage.**

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.

Viewing Consumer Price Index Data

Access the Consumer Price Index page.



Consumer Price Index page

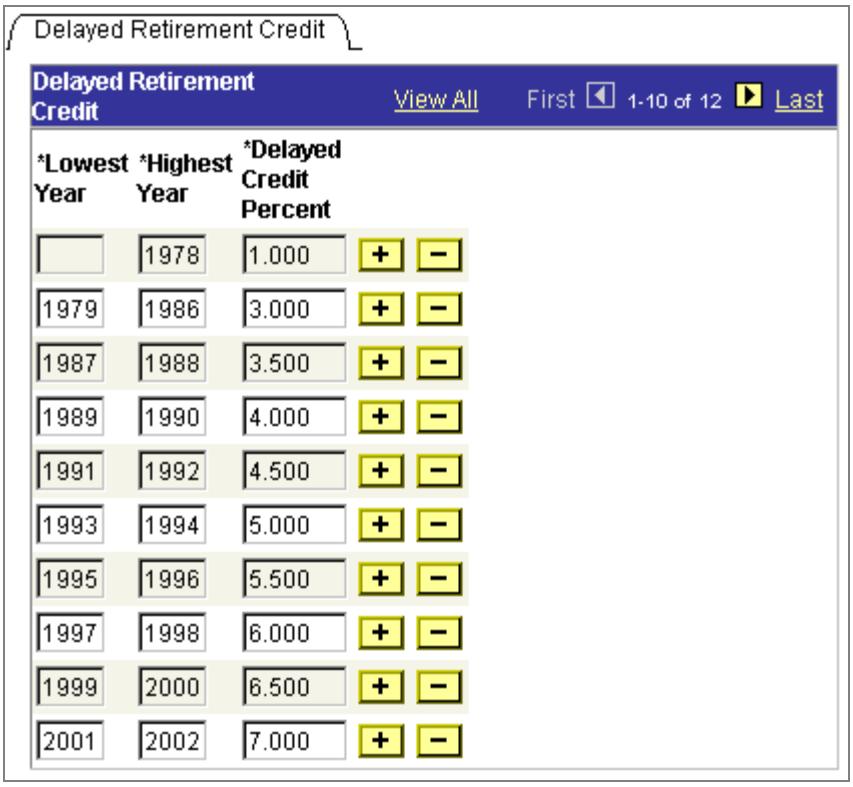
When the system calculates Social Security benefits, it uses the Consumer Price Index (CPI) to take into account annual cost of living adjustments between the year of eligibility and the year Social Security benefits are assumed to commence.

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.

Each effective-dated row consists of a **Year** and the associated **CPI Increase** rate.

Viewing Delayed Retirement Credits

Access the Delayed Retirement Credit page.



Delayed Retirement Credit page

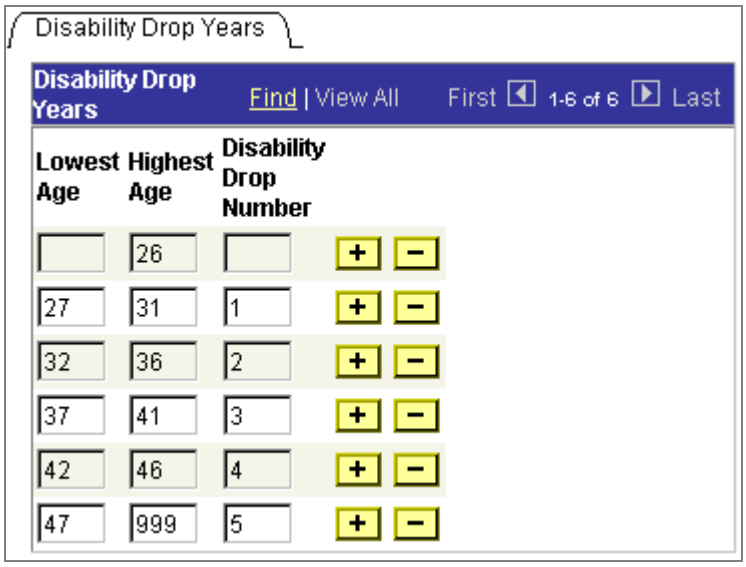
Each row consists of a **Lowest Year,** a **Highest Year,** and the associated **Delayed Credit Percent** for that range.

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.

Note. 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.

Viewing Disability Drop Years

Access the Disability Drop Years page.



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.

Note. 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 60

Appendix: PeopleSoft Pension Administration Reports

This appendix provides an overview of reports in Pension Administration and enables you to:

- View summary tables of all reports.
- View report details and source records.

Note. For samples of these reports, see the PDF files published on CD-ROM with your documentation.

See Also

PeopleTools PeopleBook: Process Scheduler

Pension Administration Reports: General Description

The tables in this section list the Pension Administration reports, sorted alphanumerically by report ID. If you need more information about a report, refer to the report details at the end of this appendix. All these report names begin with PA, denoting that the report is a PeopleSoft Pension Administration report.

See Also

Pension Administration Reports: A to Z

Calculation Reports

These reports provide information based on a specific employee and pension calculation.

Using the Calculation Worksheet

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.

The worksheets always produce information about a single employee, based on results from a single pension 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.

Generating the Calculation Reports

Calculation Results reports show you the values produced when you run a pension calculation. In the case of group calculations, you'll run Calculation Results reports for one employee at a time.

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.

You may choose to modify a report by cloning it and then modifying the structured query report (SQR). In order to modify a 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, described later in this chapter, shows you the calculation rules used by a particular plan.

Report ID and Report Name	*Description*	*Navigation*	*Run Control Page*
PAT06A Non Detail Calculation Worksheet	Provides summary information about a calculation and its benefit formulas. This report shows you each benefit formula processed during the specified calculation.	Compensate Employees, Administer Pension Plan, Report, Calculation Worksheet	RUNCTL_PASCW01
PAT06B Detailed Calculation Worksheet	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.	Compensate Employees, Administer Pension Plan, Report, Calculation Worksheet	RUNCTL_PASCW01

Report ID and Report Name	Description	Navigation	Run Control Page
PAT06C Social Security Worksheet	Provides detailed information about how the system calculated an employee's Social Security benefit. The report includes an entire earnings history.	Compensate Employees, Administer Pension Plan, Report, Calculation Worksheet	RUNCTL_PASCW01

Data Extracts Reports

Data extracts produce comma-delimited data files rather than formatting the output for display. These reports don't produce printed output. Instead, you'll transmit the data files to third parties who will import the data into a spreadsheet or database for appropriate processing.

Note. 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.

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.

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.

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

See Also

Participant Letters Reports

Establishing Retiree Administration Control Tables," Creating a Logical File for the Trustee Extract

Report ID and Report Name	*Description*	*Navigation*	*Run Control Page*
PAPPPYMT Trustee Extract	Note: There are two ways to produce the extract - the Retiree Payments or the Trustee Extract. Includes all payment-related data that a third party requires in order to produce pension checks.	Compensate Employees, Administer Pension Plan, Process, Retiree Payments or Compensate Employees, Administer Pension Plan, Process, Trustee Extract	RUNCTL_PAPPYMNT or RUNCTL_PAPP02
PASAV01 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.	Compensate Employees, Administer Pension Plan, Report, Actuarial Valuation Extract	RUNCTL_PASAV01
PASPC01 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.	Compensate Employees, Administer Pension Plan, Report, Form 5500 Participant Count	RUNCTL_PASPC01

Participant Letters Reports

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:

1. Run an SQR that extracts data from PeopleSoft Pension Administration and creates data extract files containing data for letter recipients.

2. Run a Winword report that 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. 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.

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*	*Word Template*
PASOF01: Participant's Benefit Extract	PAWOF01: Participant Selection - Qualified	optform.doc
PASOF01: Participant's Benefit Extract	PAWOF02: Participant Selection - Nonqualified	optform2.doc
PASTDEXT: Standard Personal Data Extract	PAWQL01: Notice of Minimum Distribution	mindislt.doc
PASTDEXT: Standard Personal Data Extract	PAWQL02: Qualified Preretirement Survivor Form	presurv.doc
PASTDEXT: Standard Personal Data Extract	PAWQL03: Notice of Benefit Suspension	bensuspn.doc
PASTDEXT: Standard Personal Data Extract	PAWRL01: Rollover Notice	rollover.doc

SQR Data Extract	Letters	Word Template
PASTDEXT: Standard Personal Data Extract	PAWRL02: Rollover Election Form	rollover2.doc

Configuring Form Letters

PeopleSoft Pension Administration provides sample letters. Because there are regulations regarding many of the issues you'll be communicating, 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.

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 and Report Name	Description	Navigation	Run Control Page
PASOF01 Participant's Benefit Extract	Run this SQR as a prerequisite for running PAWOF01 and PAWOF02.	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection	RUNCTL_PASOF01
PASTDEXT Standard Personal Data Extract	Run this SQR as a prerequisite for running all other Winword reports.	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection	RUNCTL_PASOF01

Winword Letters

Report ID and Report Name	*Description*	*Navigation*	*Run Control Page*
PAWOF01 Participant Selection - Qualified	Outlines a participant's optional form choices for a qualified pension plan.	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection	RUNCTL_PASOF01
PAWOF02 Participant Selection - Nonqualified	Outlines a participant's optional form choices for a nonqualified pension plan.	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection	RUNCTL_PASOF01
PAWQL01 Notice of Minimum Distribution	A notice of minimum distribution for active employees reaching age 70-+ who are 5% owners.	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection	RUNCTL_PASOF01
PAWQL02 Qualified Preretirement Survivor Form	A form for employees to elect or waive the plan's qualified preretirement survivor annuity coverage.	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection	RUNCTL_PASOF01
PAWQL03 Notice of Benefit Suspension	Notifies retirees that benefits have been suspended because the retiree has been rehired.	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection	RUNCTL_PASOF01
PAWRL01 Rollover Notice	Notifies participants that they are eligible to roll over their retirement plan distributions.	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection	RUNCTL_PASOF01
PAWRL02 Rollover Election Form	A form for participants who want to roll over their retirement plan distributions	Compensate Employees, Administer Pension Plan, Report, Participant Benefit Selection	RUNCTL_PASOF01

Other Reports

The system provides the following additional reports.

Report ID and Report Name	*Description*	*Navigation*	*Run Control Page*
PAT07 Pension Plan Summary	Describes the calculation rules in effect for a single plan as of a certain date. This is a system report showing values for a large number of tables, not a summary plan description.	Compensate Employees, Administer Pension Plan, Report, Plan Summary	RUNCTL_PASPS01
PAT08 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.	Compensate Employees, Administer Pension Plan, Report, Plan Summary, Trustee Extract	RUNCNTL_PMTDTL
PAT09 Trustee Extract Summary	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.	Compensate Employees, Administer Pension Plan, Report, Plan Summary, Trustee Extract	RUNCNTL_PMTDTL

Pension Administration Reports: A to Z

This section provides detailed information on individual reports including important fields and source records. The reports are listed alphabetically by report ID.

PAPPEXPT – 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.

Note. The Trustee Extract falls in the data extract report category. The 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.

See Also

PAT08 – Trustee Extract Detailed Report

PAT09 – Trustee Extract Summary

"Making Pension Payments," Reviewing Trustee Extract Data and Using the Trustee Extract

PASAV01 – 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.

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.

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.

Actuarial Valuation Extract Report

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.***

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.

Column Label	*Description*
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.

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].

Source Records

Personal data tables, job data tables, employee plan history tables, beneficiary tables

See Also

"Using Pension Statuses"

PASOF01 – Participant's Benefit Extract

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.

Source Records

Personal data record, optional forms results

PASPC01 – Form 5500 Participant Count

This SQR provides participant information required for annual IRS reporting. 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.

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.

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

Source Records

Pension status codes

See Also

"Running Periodic Processes"

"Maintaining Employee Pension Data"

PASTDEXT – Standard Personal Data Extract

This SQR creates a Winword merge file with the employee's language, name, address, national ID code (typically the social security number), and the current date.

Run this SQR as a prerequisite for running all participant letters other than benefit selection letters.

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.

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.

Source Records

Personal data record

PAT06A – Non Detail Calculation Worksheet

This SQR provides summary information about a calculation and its benefit formulas.

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 biographical information about the employee.

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.

Source Records

Calculation results tables (prefixed PA_CLC)

See Also

"Viewing Calculation Results"

PAT06B – Detailed Calculation Worksheet

This SQR reports on the results for a particular calculation. The worksheet includes basic calculation data and inputs as well as detailed results for each calculation component.

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.

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.

Source Records

Calculation results tables (prefixed PA_CLC)

See Also

"Viewing Calculation Results"

PAT06C – Social Security Worksheet

This SQR provides detailed information about how the system calculates an employee's social security benefits.

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.

Source Records

Calculation results tables (prefixed PA_CLC)

See Also

"Viewing Calculation Results"

PAT07 – Pension Plan Summary

This SQR report describes the calculation in effect for a single plan as of a certain date.

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.

Source Records

PeopleSoft Pension Administration implementation tables.

PAT08 – Trustee Extract Detailed Report

This SQR report provides details of the trustee extract.

Source Records

Trustee Extract

See Also

PAPPEXPT – Trustee Extract

PAT09 – Trustee Extract Summary

This SQR report provides a summary of the trustee extract.

Source Records

Trustee Extract

PAWOF01 – Participant Selection – Qualified

This SQR report outlines a participant's optional form choices for a qualified pension plan.

Source Records

Participant's Benefit Extract

PAWOF02 – Participant Selection – Nonqualified

This SQR report outlines a participant's optional form choices for a nonqualified pension plan.

Source Records

Standard Personal Data Extract

PAWQL01 – Notice of Minimum Distribution

This SQR report provides a notice of minimum distribution for active employees reaching age 70 + who are 5% owners.

Source Records

Participant's Benefit Extract

PAWQL02 – Qualified Preretirement Survivor Form

This SQR report provides a form for employees to elect or waive the plan's qualified preretirement survivor annuity coverage.

Source Records

Standard Personal Data Extract

PAWQL03 – Notice of Benefit Suspension

This SQR report notifies retirees that benefits have been suspended because the retiree has been rehired.

PASTDEXT – Standard Personal Data Extract

PAWRL01 – Rollover Notice

This SQR report notifies participants that they are eligible to roll over their retirement plan distributions.

Source Records

Standard Personal Data Extract

PAWRL02 – Rollover Election Form

This SQR report provides a form for participants who want to roll over their retirement plan distributions.

Source Records

Standard Personal Data Extract

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